



Annual Report

2018/19



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



TABLE OF CONTENTS

PART A: GENERAL INFORMATION	1
1. DEPARTMENT GENERAL INFORMATION	2
2. LIST OF ABBREVIATIONS/ACRONYMS	3
3. FOREWORD BY THE MEC (2018/19)	4
4. REPORT OF THE ACCOUNTING OFFICER	5
5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT ...	9
6. STRATEGIC OVERVIEW	10
7. LEGISLATIVE AND OTHER MANDATES	10
8. ORGANISATIONAL STRUCTURE	13
PART B: PERFORMANCE INFORMATION	14
1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES	15
2. OVERVIEW OF DEPARTMENTAL PERFORMANCE	15
3. STRATEGIC OUTCOME ORIENTED GOALS	16
4. PERFORMANCE INFORMATION BY PROGRAMME	17
5. TRANSFER PAYMENTS	40
6. CONDITIONAL GRANTS	42
7. DONOR FUNDS	43
8. CAPITAL INVESTMENT	43
PART C: GOVERNANCE	44
1. INTRODUCTION	45
2. RISK MANAGEMENT	45
3. FRAUD AND CORRUPTION	45
4. MINIMISING CONFLICT OF INTEREST	45
5. CODE OF CONDUCT	45
6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES	45
7. PORTFOLIO COMMITTEES	45
8. SCOPA RESOLUTIONS	46
9. PRIOR MODIFICATIONS TO AUDIT REPORTS	48
10. INTERNAL CONTROL UNIT	48
11. INTERNAL AUDIT AND AUDIT COMMITTEES	48
12. AUDIT COMMITTEE REPORT	50
PART D: HUMAN RESOURCE MANAGEMENT	52
1. INTRODUCTION	53
2. HUMAN RESOURCES OVERSIGHT STATISTICS	54
PART E: FINANCIAL INFORMATION	71
1. REPORT OF THE AUDITOR GENERAL	72
2. ANNUAL FINANCIAL STATEMENTS	76

PART A

GENERAL INFORMATION

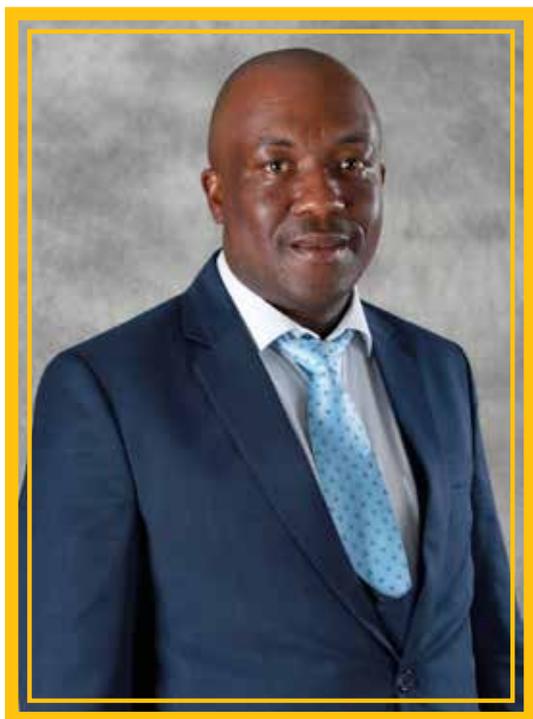
1. DEPARTMENT GENERAL INFORMATION

PHYSICAL ADDRESS	HEAD OFFICE Samora Machel Riverside Government Complex MBOMBELA 1200
POSTAL ADDRESS	Private Bag X11304 MBOMBELA 1200
TELEPHONE NUMBER/S	013 766 6087
FAX NUMBER	013 766 8252
EMAIL ADDRESS	tpnyoni@mpg.gov.za
WEBSITE ADDRESS	http://cgta.mpg.gov.za

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 (2018/19)



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

Mpumalanga has one million two hundred and thirty eight thousand eight hundred and sixty one (1 238 861) households. By the end of the financial year under review, one million, one hundred and nineteen thousand, eight hundred and thirty one (1 119 831) households had access to water. This milestone achievement, which accounts for 90,04 percent was recorded through combined efforts between our Department, Water and Sanitation and the Municipalities, notwithstanding the limited resources, low levels of rain, damaged infrastructure due to illegal connections and the growing number of households.

The implementation of the war on leaks programme contributed to the reduction of water losses in the piloted municipalities. As implemented in the seven (7) local Municipalities, namely: Dr. J.S Moroka, City of Mbombela, Emakhazeni, Thembisile Hani, Bushbuckridge, Chief Albert Luthuli and Nkomazi, the war on leaks is a vital cog for the achievement of the water delivery target in the municipalities that are generally characterized by rural settlements with a low revenue.

Our municipalities recorded a 98 percent total spending of the Municipal Infrastructure Grant (MIG) as at 30 June 2018. This expenditure translated into the implementation of projects designed to give effect to the delivery of basic services in our grant dependent municipalities. Notwithstanding the target of hundred percent expenditure, this improvement averted the potential consequences of losing the MIG to the National Treasury.

Twenty nine thousand and eighty seven (29 087) work opportunities were secured in all municipalities throughout the province through the Community Works Programme (CWP) as a fundamental contribution to reduce unemployment. This figure included the rolling out of the Expanded Public Works Programme (EPWP) grant for the Youth Waste Management Programme in which hundred and six (106) unemployed youths were recruited in Dipaleseng, Nkomazi and Bushbuckridge Municipalities as a measure to ameliorate the impact of poverty in Mpumalanga.

Eight (8) municipalities filled the critical vacancies of Municipal Managers to improve their capacity in pursuit of the envisaged National Development Plan (NDP) objectives of Local Government. Ten municipalities were targeted for this purpose , and only two (2) could not achieve the target due to delays in the recruitment process. All newly appointed Section 54 and 56 Managers signed their Performance contracts in line with legislative prescripts. This support was implemented as a build up towards the realization of the NDP aspirations of establishing a responsive, accountable, effective and efficient developmental Local Government system by 2030.

The Department established three municipal valuation appeals boards in terms of the Property Rates Act. The boards are constituted by experts in various fields whose pre-occupation during the four year term is to resolve appeals submitted by property owners. This support for municipalities is a catalyst to resolve a stand-off between municipalities and rate payers over payment of rates which may jeopardize payment of property rates, which serve as one of the revenue streams for our grant-dependent municipalities.

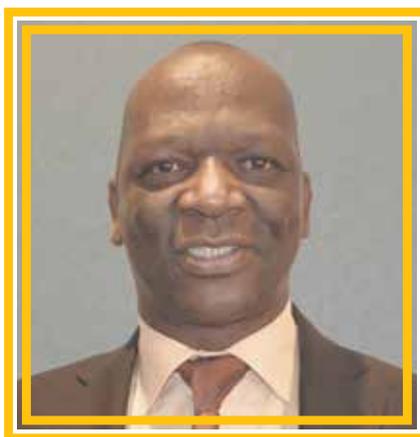
The Department assisted sixty (60) traditional councils in Mpumalanga to host cultural ceremonies. These ceremonies promote cultural heritage and social cohesion and the Department's role is an outcome for the support of the institution of traditional leadership.

The Department's commitment to sustain a clean audit was achieved. This is the third clean audit opinion from the Auditor-General (A-G) and it attests to the commitment of the Department's adherence to the financial and legal prescripts governing public institutions.

MR. M.J MSIBI (MPL)
MEC: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

Date 31/05/2019

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:

- Developed a Provincial Anti-Poverty strategy to assist in poverty alleviation in the province
- Supported twenty (20) municipalities to appoint a total of 45 suitably qualified senior managers
- Capacitated municipal officials on Leadership Development Programme; Financial Management for Non-financial Managers; Development of Asset Management Plan; Roles and Responsibilities for Ward Committee Coordinators and Process Controllers on Water and Waste Water Treatment.
- Implemented the Expanded Public Works Program (EPWP) and in the process created 106 full time equivalent jobs and maintained 99 work opportunities through the Youth Waste Management Programme.
- Capacitated Traditional Councils on Legislative Prescripts and Financial Management.
- Provided financial support of R 22.188 Million to Traditional Councils on the holding of cultural ceremonies and administration grants to assist in the day to day running of Traditional Councils and enhancement of social cohesion.

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 Thaba Chweu and Lekwa Local Municipalities due to slow procurement processes and Inaccurate reporting on section 71, and this has led National Treasury and National Department of Cooperative Governance (NDCOG) to stop R13.6 million for the above municipalities (i.e. R11.6 million in Thaba Chweu and R2 million in Lekwa)
- Disputes over land and chieftainship arise within Traditional Councils.

Overview of the financial results of the Department

Departmental receipts

Departmental receipts	2018/2019			2017/2018		
	Estimate	Actual	(Over)/ Under Collection	Estimate	Actual	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	408	385	23	390	353	37
Interest, dividends and rent on land	1 008	619	389	996	1 032	(36)
Sale of capital assets	56	67	(11)	56	250	(194)
Financial transactions in assets and liabilities	92	220	(128)	36	85	(49)
Total	1 564	1 291	273	1 478	1 720	(242)

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	2018/2019			2017/2018		
	Final	Actual	(Over) / Under	Final	Actual	(Over) / Under
	Appropriation	Expenditure	Expenditure	Appropriation	Expenditure	Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	125 836	125 836	-	117 557	117 541	16
Local Governance	205 377	205 377	-	173 690	173 680	10
Planning and Development	56 730	56 729	1	57 208	57 193	15
Traditional Institutional Management	114 985	114 933	52	148 297	148 161	136
House of Traditional Leadership	21 235	21 235	-	18 292	18 290	2
TOTAL	524 163	524 110	53	515 044	514 865	179

The Department's main appropriation for 2018/19 was **R 522.260 million** and was adjusted to **R 524.163 million** during the November 2018 Adjustment Appropriation Budget compared to **R 515.044 million** in 2017/18.

The department spent **R 524.110 million** or **100 per cent** of the adjusted budget as at 31 March 2019, compared to **R 514.865 million** or **100 per cent** in 2017/18. The department has an immaterial underspending of **R 0.053 million** or **0.0 per cent** compared with **R 0.179 million** or **0.0 per cent** in 2017/18. As reported in note 18 of the Annual financial Statements, total accruals including payables for the financial year 2018/19 amounts to **R 3.690 million** compared to **R 4.987 million** in 2017/18.

Programme 01: Administration

The main appropriation was **R 125.677 million** and the final adjusted budget is **R 125.836 million**. The programme spent **R 125.836 million** or **100 per cent** compared with **R 117.541 million** or **100 per cent** in the 2017/18 financial year.

Programme 02: Local Governance

The main appropriation was **R 194.344 million** and the final adjusted budget is **R 205.377 million**. The programme spent **R 205.377 million** or **100 per cent** compared with **R 173.680 million** or **100 per cent** in the 2017/18 financial year.

Programme 03: Development and Planning

The main appropriation was **R 67.568 million** and final adjusted budget is **R 56.730 million**. The programme spent **R 56.729 million** or **100 per cent** compared with **R 57.193 million** or **100 per cent** in 2017/18 financial year.

Programme 04: Traditional Institutional Management

The main appropriation was **R 114.966 million** and final adjusted budget is **R 114.985 million**. The programme spent **R 114.933 million** or **100.0 per cent** compared with **R 148.161 million** or **100 per cent** in 2017/18 financial year.

Programme 05: The House of Traditional Leaders

The main appropriation was **R 19.705 million** and final adjusted budget is **R 21.235 million**. The programme spent **R 21.235 million** or **100 per cent** compared with **R 18.290 million** or **100 per cent** in 2017/18 financial year.

Virements / roll overs

During the 2018/19 Main Budget Adjustment Process the department had received an additional appropriation of **R 1.903 million** which was added to the baseline on the Department

DESCRIPTION	PROGRAMME	AMOUNT R'000
Renovation of King's Palace		1 000
Procurement of office furniture for various Traditional Council offices	Traditional Institutional Management	903
TOTAL		1 903

Virements

The following is the summary of major virements for the 2018/19 Post Budget Adjustment Process

FROM			TO		
PROGRAMME	ECONOMIC CLASSIFICATION	AMOUNT R'000	PROGRAMME	ECONOMIC CLASSIFICATION	AMOUNT R'000
ADMINISTRATION	Compensation of Employees	(1 121)	LOCAL GOVERNANCE	Goods and Services	1 467
	Goods and Services	(346)			
DEVELOPMENT AND PLANNING	Compensation of Employees	(3 043)	LOCAL GOVERNANCE	Goods and Services	3 485
	Goods and Services	(442)			
TRADITIONAL INSTITUTION MANAGEMENT	Payment for Capital Assets	(343)	ADMINISTRATION	Payment for Capital Assets	343
	Compensation of Employees	(1 359)	THE HOUSE OF TRADITIONAL LEADERS	Goods and Services	1 145
DEVELOPMENT AND PLANNING	Compensation of Employees	(1)			
	Goods and Services	(170)		Compensation of Employees	385
TRADITIONAL INSTITUTION MANAGEMENT	Payment for Capital Assets	(62)	DEVELOPMENT AND PLANNING	Payment for Capital Assets	62
	Compensation of Employees	(120)			Transfers and subsidies
TOTAL		(7 006)			7 006

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 and payables amounting to **R 3.690 million** relating to the 2018/19 financial year during the first quarter of the new financial year 2019/20. Furthermore there was an Executive Leadership change after the 2019 General Elections that took place in during May 2019.

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

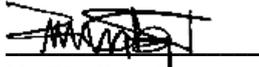
The Accounting Officer would like to acknowledge and appreciate the support received from the MEC, Senior Management and Staff of COGTA to make this year a success.

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 76 to 125 has been approved by the Accounting Officer.



Mr. TP. Nyoni

Accounting Officer

Department of CoGTA

Date: 31/05/2019

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.

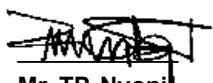
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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 2019.

Yours faithfully



Mr. TP. Nyoni
Accounting Officer
Date 31/05/2019

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 1: Provincial Disaster Management Framework:

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

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

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

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

Part 2: Provincial Disaster Management Centres

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

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

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

The Act seeks to provide for the establishment, maintenance, employment, co-ordination and standardization of 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.

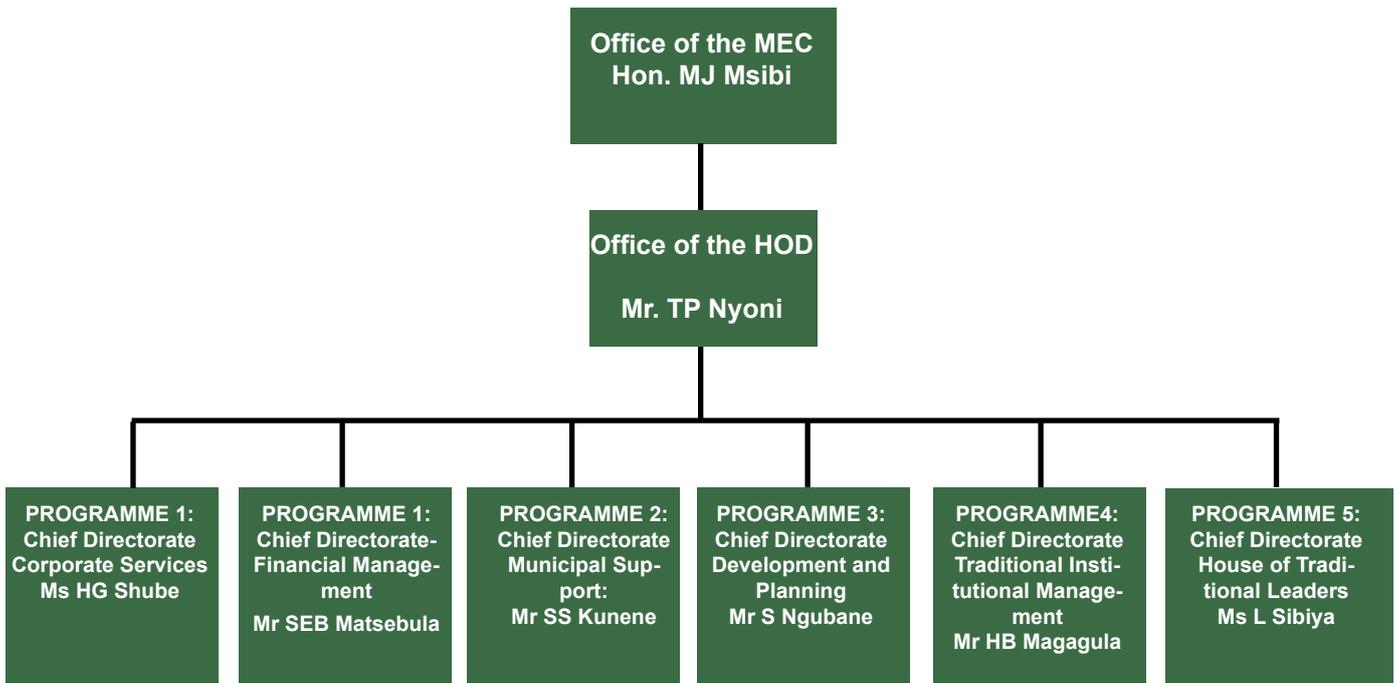
7.1.18 Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013)

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
- Public Administration Management Act, 2014 (Act No. 11 of 2014)

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MEC

There are no entities reporting to the MEC of COGTA.

PART B

PERFORMANCE INFORMATION

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

The report of the Auditor General Has not been published and will be included as Part E: Financial Information when it is finalized.

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 2017/18 audit outcomes only one (1) out of twenty (20) Municipalities in the Province received a clean audit outcome namely; Gert Sibande 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 90.4% (1 119 831 out of 1 238 861) households having access to water and 97.5% (1 207 360 out of 1 238 861) households having access to sanitation. 92.6% (1 147 408 out of 1 238 861) households have access to electricity and 53.7% (665 667 out of 1 238 861) households have access to refuse removal in the Province. A total of 272 projects were registered and approved for MIG funding to the value of R1.79 billion. An expenditure of R1.26 billion (70%) has been reported as at end of March 2019.

In order to improve the capacity of municipal officials and municipal councillors, the Department conducted 5 Capacity building interventions in municipalities which are Leadership Development Programme; Financial Management for Non-financial Managers; Development of Asset Management Plan; Roles and Responsibilities for Ward Committee Coordinators'; and Training of Process Controllers on Water and Waste water Treatment.

In contribution to integrated human settlements the Department supported one (1) settlement with tenure upgrading processes (Kwagagafontein "A" at Thembisile Hani Local Municipality and supported all local municipalities with site identification for the development of social facilities. The Department evaluated 58 applications for Land Development and conducted 243 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 2018/19 IDPs, implementation of SPLUMA and assessed the implementation of all 20 Municipal Spatial Development Frameworks (SDFs). Six (6) Municipalities monitored on the implementation of Local Economic Development projects in line with updated Municipal LED Strategies (Nkomazi, City of Mbombela, Dr JS Moroka, Mkhondo, Govan Mbeki and Emalahleni). In order to reduce the impact of a possible natural disaster in the Province the Department supported all seventeen (17) local municipalities to conduct disaster risk reduction campaigns in communities and supported five (5) Local Municipalities on fire brigade services (Thaba Chweu, Victor Khanye, Emakhazeni, Dipaleseng and Dr Pixley Ka Isaka Seme)

Community unrest in most of the Municipal areas for services such as water, roads and street lights, remains a challenge. In improving Ward level service delivery, the Department supported all 17 Local Municipalities to maintain functional Ward Committees and to respond to community concerns. The Department further supported all Local Municipalities on the functionality of OVS War Rooms. In an effort to bring services to the people, the Department facilitated eight (8) Mobile Outreach Programmes in 8 Local Municipalities (Nkomazi in Thambokhulu Village; Thaba Chweu in Leroro Community Hall, Msukaligwa in Jericho Dam Village; Bushbuckridge in Belfast Sports Ground; Emalahleni in Klarinet; Dipaleseng in Balfour and Chief Albert Luthuli in Feni) as an access strategy on service delivery to communities.

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

- Two (2) Capacity building programmes implemented for Traditional Councils on Financial Management and Legislative Prescripts.
- Eight (8) Succession Claims / disputes were processed.
- Monitored 60 Traditional Councils on the usage of Tools of trade
- 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

a. 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	17 Municipalities supported to maintain functional Ward Committees	17 Municipalities supported to maintain functional Ward Committees	17 Municipalities supported to maintain functional Ward Committees
Development and Planning	Local Municipalities District Municipalities Sector Departments SALGA	20 Municipalities supported with the development of 2018/19 IDPs	20 Municipalities supported with the development of 2018/19 IDPs	20 Municipalities supported with the development of 2018/19 IDPs
Traditional Institution Management	Traditional Councils	60 Traditional Councils monitored on the usage of tools of trade	60 Traditional Councils monitored on the usage of tools of trade	60 Traditional Councils monitored on the usage of tools of trade
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.

1.1 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. A request to fill critical vacant posts was submitted to the Executive Council however it was not approved. The department has currently appointed 33 interns who assist in areas of need at lower levels.

1.2 Key policy developments and legislative changes

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

2. STRATEGIC OUTCOME ORIENTED GOALS

The Department's strategic goals are summarized as follows:

1. Strengthen administrative and financial management systems.

- ✓ The Department had strengthened the administration and Financial management systems and the Department obtained a clean audit outcome in the 2017/18 financial year.
- ✓ Guided all seventeen (17) Local 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 Senior Managers and on concurrence with National on the upper limits for councillor benefits and allowances.

- ✓ Convened 2 Municipal Performance Review sessions (1st Quarter and 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 272 projects were registered and approved for MIG funding to the value of R1.79 billion. An expenditure of R1.26 billion (70%) has been reported as at end of March 2019. To date, a total of 53 projects are completed, benefitting 64 398 households..
- ✓ Households with access to water is at 90.4% (1 119 831 out of 1 238 861)
- ✓ Households with access to sanitation is at 97.5% (1 207 360 out of 1 238 861)
- ✓ Households with access to electricity is at 92.6% (1 147 408 out of 1 238 861)
- ✓ Households with access to refuse removal is at 53.7% (665 667 out of 1 238 861)
- ✓ The Department maintained 29 087 jobs through the Community Works Programme in the Province.
- ✓ 106 work opportunities created on Youth Waste Management project through the use of the EPWP Incentive Grant, with thirteen (13) additional participants recruited through the use of the initial budget from the EPWP grant. An additional allocation of R294 million by the Department to fund the purchase of Protective Clothing for the Youth Waste Management project.

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

- ✓ The Department supported all 17 Local municipalities on the functionality of OVS War rooms.
- ✓ The Department 17 Municipalities supported on the functionality of ward committees
- ✓ 17 Local Municipalities were guided to implement public participation programmes by the Department

4. Provide a democratic and accountable government for local communities

- ✓ The Department monitored all 20 Municipalities on effectiveness of s79 & s80 Committees and Local Labour Forum (LLF).
- ✓ Monitored the effectiveness and stability of TROIKAs in executing their functions in all 20 Municipalities.
- ✓ Supported seventeen (17) Local Municipalities to review their organograms in line with the generic Municipal framework.
- ✓ Guided seventeen (17) Local 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) Local Municipalities were 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 five (5) Local Municipalities on fire brigade services (Thaba Chweu, Victor Khanye, Emakhazeni, Dipaleseng and Dr Pixley Ka Isaka Seme) and supported all 17 local municipalities in the Province on Disaster risk reduction campaigns.

3. PERFORMANCE INFORMATION BY PROGRAMME

3.1 Programme 1: Administration

✓ Purpose of the Programme

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

✓ List of Sub-programmes

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

✓ Strategic objectives for the financial year under review

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

Strategic objectives, performance indicators, planned targets and actual achievements

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

Strategic objectives	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
To provide effective financial, technical, political and administrative support to the Department	Sustained Clean Audit outcome	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 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of MUNIMEC forum held	-	4 MUNIMEC Forum held	2 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 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of MUNIMEC forum held	-	4 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 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Annual Financial Statements approved	-	1 Annual Financial Statement approved	2016/17 Annual Financial Statements approved	2017/18 Annual Financial Statements approved	Achieved 2017/18 Annual Financial Statements approved	None	None
Approved Budget	2016/17 Approved Budget	2017/18 Budget approved	2018/19 Budget approved	2019/20 Approved budget	Achieved 2019/20 Approved budget	None	None
		2016/17 Adjustment Budget approved	2017/18 Adjustment Budget approved	2018/19 Adjustment Budget approved	Achieved 2018/19 Adjustment Budget approved	None	None
Number of Risk Management reports approved	4 Monitoring Reports on Risk Management compiled	4 Monitoring Reports on Risk Management compiled	4 Risk Management reports approved	4 Risk Management reports approved	Achieved 4 Risk Management reports approved	None	None

Programme: Administration Sub-programme: Corporate Services Sub-sub programme: Human Resource Management							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
HR Oversight Report 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 compiled (Approved 2016/17 HR Oversight report and 2 nd Quarter 2017/18 HR Oversight report)	2 HR Oversight Reports	Achieved 2 HR Oversight Reports (Approved 2017/18 HR Oversight report and 2 nd Quarter 2018/19 HR Oversight report)	None	None

Programme: Administration Sub-programme: Corporate Services Sub-sub programme: Legal Services							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of legal opinions provided within 1 month of request	93 Legal opinions provided	95 Legal opinions provided	94 Legal opinions provided	60 Legal opinions provided within 1 month of request	Achieved 110 Legal opinions provided within 1 month of request	50 Additional legal opinions provided	There was a demand for more legal opinions

Programme: Administration Sub-programme: Corporate Services Sub-sub programme: Security Management							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Approved Security Management plan implemented	1 Security Management Plan approved	Approved Security Management Plan implemented	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 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Annual Performance Plan Approved	2016/2017 Annual Performance Plan approved	2017/2018 APP approved	2018/19 APP approved	2019/20 APP approved	Achieved 2019/20 APP approved	None	None
Annual Performance Report approved	2014/15 Annual Performance Report approved and submitted	1 Annual Performance Report approved and submitted (2015/2016)	2016/17 Annual Performance Report approved	2017/18 Annual Performance Report approved	Achieved 2017/18 Annual Performance Report approved	None	None
Number of Departmental Policies reviewed	Annual Policy Review held	Annual Policy Review held	Annual Policy Review held	35 Departmental Policies reviewed	Achieved 35 Departmental Policies reviewed	None	None
Number of Evaluations conducted	-	-	-	1 OVS Implementation Evaluation	Not Achieved	No OVS Implementation Evaluation conducted	BID for OVS Implementation evaluation cancelled due to non-availability of suitable service provider

Programme: Administration Sub-programme: Corporate Services Sub-sub programme: Communication and IT Support							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Approved communication Plan implemented	Communication Plan approved	Communication Plan approved and implemented	Communication Plan approved and implemented	Approved communication Plan implemented	Achieved Approved communication Plan implemented	None	None
Approved IT plan implemented	IT Plan approved	IT Plan approved and implemented	IT Plan approved and implemented	Approved IT plan implemented	Achieved Approved IT plan implemented	None	None

Reasons for deviations

- Additional 50 requests on legal opinions were received
- BID for OVS implementation evaluation cancelled due to non-availability of suitable service provider

Strategy to overcome areas of under performance

- The OVS Implementation Evaluation will be conducted in the 2019/20 financial year, as per the 2019/20 Operational Plan of the Department.

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 is R 125.836 million had increased by 6.5 percent or R 7.280 million in 2018/19 compared to R 117.557 million in 2017/18.

Sub-programme expenditure

Sub- Programme Name	2018/2019			2017/2018		
	Final Appropriation	Actual Expenditure	(Over) / Under Expenditure	Final Appropriation	Actual Expenditure	(Over) / Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the MEC	7 516	7 516	-	6 976	6 972	4
Administration	118 320	118 320	-	110 581	110 569	12
Total	125 836	125 836	-	117 557	117 541	16

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 fifteen (15) 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 fifteen (15) 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 in fifteen (15) 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 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/19	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
To strengthen the administrative, oversight capacity and accountability of municipalities to perform their developmental responsibilities	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 Councillors capacitated.	15 Municipalities with effective institutional arrangements	Achieved 15 Municipalities with effective institutional arrangements (Thaba Chweu, Nkomazi, Dr JS Moroka, Msukaligwa, Emalahleni, Emakhazeni, Dipaleseng, Dr Pixley Ka Isaka Seme, Steve Tshwete, Lekwa, Victor Khanye, Mkhondo, Bushbuckridge, Chief Albert Luthuli and Thembisile Hani)	None	None
	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)	15 Municipalities with good governance practice	Achieved 15 Municipalities with good governance practice (Lekwa, Dipaleseng, Msukaligwa, Dr Pixley ka Isaka Seme, Steve Tshwete, Emalahleni, Emakhazeni, Dr JS Moroka, Thembisile Hani, Victor Khanye, Mkhondo, Thaba Chweu, Nkomazi, Bushbuckridge and Chief Albert Luthuli)	None	None
To promote good governance and participatory democracy at a local level	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)	15 Municipalities with effective public participation programmes	Achieved 15 Municipalities with effective public participation programmes (Nkomazi, Thaba Chweu, Bushbuckridge, City of Mbombela Emakhazeni, Emalahleni, Steve Tshwete, Thembisile Hani, Dr JS Moroka, Victor Khanye, Chief Albert Luthuli, Mkhondo, Dr Pixley Ka Isaka Seme, Dipaleseng, and Msukaligwa)	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 functional 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 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of Municipalities assessed on signed Senior Management Performance Agreement	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 Agreements	20 Municipalities assessed on signed Senior Management Performance Agreement	Achieved 20 Municipalities assessed on signed Senior Management Performance Agreement	None	None
Number of municipalities monitored on the implementation of systems and procedures for personnel administration in line with S67 of the 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	20 Municipalities monitored on the implementation of systems and procedures for personnel administration in line with s67 of the MSA	20 Municipalities monitored on the implementation of systems and procedures for personnel administration in line with s67 of the MSA	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	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 and s80 Committees	20 Municipalities monitored on effectiveness of S79, S80 Committees & LLF	Achieved 20 Municipalities monitored on effectiveness of S79, S80 Committees & LLF	None	None
Number of Municipalities monitored on effectiveness and stability of the Municipal TROIKA in executing its functions	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	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	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 (Gert Sibande District, Dipaleseng, Nkomazi, Victor Khanye, Mkhondo, Dr Pixley ka Isaka Seme, Thaba Chweu, Bushbuckridge, Thembisile Hani, Emakhazeni, Dr JS Moroka, Lekwa and Msukaligwa)	17 Municipalities supported to review organogram	Achieved 17 Municipalities supported to review organogram (All local municipalities in the Province)	None	None

Programme: Local Governance Sub-programme: Municipal Administration							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of Municipalities supported to review Municipal By-laws	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 (Dr JS Moroka, Bushbuckridge, Nkomazi, Dipaleseng, Victor Khanye, Emalahleni, Msukaligwa, Emakhazeni, Thaba Chweu, Thembisile Hani, Dr Pixley ka Isaka Seme and City of Mbombela)	17 Municipalities supported to review Municipal By-laws	Achieved 17 Municipalities supported to review Municipal By-laws (All local municipalities in the Province)	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	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 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of municipalities supported to comply with MSA Regulations on the appointment of senior managers	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)	20 Municipalities supported to comply with MSA Regulations on the appointment of senior managers	Achieved 20 Municipalities supported to comply with MSA Regulations on the appointment of senior managers	None	None
Number of Municipalities guided to comply with the MPRA	13 Municipalities supported on the implementation of MPRA (Mbombela, Nkomazi, Emalahleni, Steve Tshwete, Emakhazeni, Dipaleseng, Mkhondo, Umjindi, Govan Mbeki, Chief Albert Luthuli, Thaba Chweu, Lekwa and Dr Pixley ka Isaka Seme)	12 Municipalities supported to comply with the MPRA (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 (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)	17 Municipalities guided to comply with the MPRA	Achieved 17 Municipalities guided to comply with the MPRA (All local municipalities in the Province)	None	None

Programme: Local Governance Sub-programme: Municipal Administration							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of municipalities monitored on the extent to which anti-corruption measures are 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 compiled	20 Municipalities monitored on the extent to which anti-corruption measures are implemented	Achieved 20 Municipalities monitored on the extent to which anti-corruption measures are implemented	None	None

Programme: Local Governance Sub-programme: Inter Governmental Relations							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of assessment reports on the performance of IGR structures at Provincial and district levels	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 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	None	None
Number of municipalities monitored on implementation of Framework on relations between Provincial, District and Local Speakers	-	-	1 Framework on relations between Provincial, District and Local Speakers developed	3 District Municipalities monitored on implementation of Framework on relations between Provincial, District and Local Speakers	Achieved 3 District Municipalities monitored on implementation of Framework on relations between Provincial, District and Local Speakers (All district municipalities in the Province)	None	None
Number of Municipalities supported on readiness of 2019 National/ Provincial Elections	-	-	-	17 municipalities supported on readiness of 2019 National/ Provincial Elections	Achieved 17 municipalities supported on readiness of 2019 National/ Provincial Elections (All local municipalities in the Province)	None	None

Programme: Local Governance Sub-programme: Public Participation							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of municipalities guided to implement public participation programmes	-	-	17 municipalities guided to implement public participation programmes	17 Municipalities guided to implement public participation programmes	Achieved 17 Municipalities guided to implement public participation programmes (All local municipalities in the Province)	None	None
Number of municipalities supported on the functionality of OVS War rooms	-	17 Municipalities supported on the functionality of OVS War rooms	17 Municipalities supported on the functionality of OVS War rooms	17 Municipalities supported on the functionality of OVS War rooms	Achieved 17 Municipalities supported on the functionality of OVS War rooms (All local municipalities in the Province)	None	None

Sector Specific Performance Indicators

Programme: Local Governance Sub-programme: Public Participation							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of municipalities supported to maintain functional ward committees	4 Reports on the effective Ward Committee System to depend participatory democracy (Functional Ward Committee compiled)	1 Report on the establishment of Ward Committee compiled	17 Municipalities supported on the functionality of ward committees	17 Municipalities supported to maintain functional ward committees	Achieved 17 Municipalities supported to maintain functional ward committees (All local municipalities in the Province)	None	None
Number of municipalities supported to respond to community concerns	18 Municipalities supported on the development of ward level Data base with community concerns and remedial actions produced	17 Municipalities supported on the development of ward level Data base with community concerns and remedial actions produced	17 Municipalities supported on the development of ward level Data base with community concerns and remedial actions produced	17 Municipalities supported to respond to community concerns	Achieved 17 Municipalities supported to respond to community concerns (All local municipalities in the Province)	None	None

Programme: Local Governance Sub-programme: Capacity Development							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of Municipalities monitored on implementation of WSP's	21 Municipalities monitored on then implementation of WSPs	20 Municipalities coordinated on submission of WSPs and a report compiled on implementation	20 Municipalities monitored on submission and implementation of WSPs	20 Municipalities monitored on implementation of WSP's	Achieved 20 Municipalities monitored on implementation of WSP's	None	None

Sector Specific Performance Indicator

Programme: Local Governance Sub-programme: Capacity Development							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of capacity building interventions conducted in Municipalities	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)	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 Capacity building interventions conducted in Municipalities	Achieved 5 Capacity building interventions conducted in Municipalities (Leadership Development Programme; Financial Management for non-financial managers training; Development of Asset Management Plan; Roles and Responsibilities for Ward committees coordinators and Water & Wastewater treatment training Process Controllers	1 Additional Capacity building intervention conducted in Municipalities	Development of Asset Management Plan Training was funded by MISA

Programme: Local Governance							
Sub-programme: Municipal Performance Monitoring Reporting and Evaluation							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of municipal performance review sessions conducted	2 Municipal Performance Review Sessions conducted (1st Quarter and Mid-term)	2 Municipal Performance Review Sessions conducted (1st Quarter and Mid-term)	Midyear Municipal performance review sessions conducted	2 Municipal performance review sessions conducted	Achieved 2 Municipal Performance Review Sessions conducted (1st Quarter and Mid-term)	None	None
Number of municipalities supported to align SDBIP with IDP	-	-	4 Municipalities supported to align SDBIP with IDP (Nkomazi, Dipaleseng, Msukaligwa and Emakhazeni)	20 Municipalities supported to align SDBIP with IDP	Achieved 20 Municipalities supported to align SDBIP with IDP	None	None
Number of municipalities monitored on the implementation of IMSP	21 Reviewed-scorecards formunicipal performance rating completed	4 Monitoring reports on the IMSP implementation by Municipalities compiled	17 Municipalities monitored on the implementation of IMSP	17 Municipalities monitored on the implementation of IMSP	Achieved 17 Municipalities monitored on the implementation of IMSP (All local municipalities in the Province)	None	None

Sector Specific Indicators

Programme: Local Governance							
Sub-programme: Municipal Performance Monitoring Reporting and Evaluation							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of Section 47 reports compiled as prescribed by the MSA	1 Municipal performance report as per the requirements of section 47 of the MSA compiled	1 Municipal performance report as per the requirements of section 47 of the MSA compiled	1 Municipal performance report as per the requirements of Section 47 of the MSA compiled	1 Section 47 reports compiled as prescribed by the MSA	Achieved 1 Section 47 report compiled as prescribed by the MSA	None	None
Number of Municipalities supported to institutionalize the 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) (Lekwa, Msukaligwa, Dr Pixley ka Isaka Seme, Steve Tshwete, Dipaleseng, Emalahleni, Emakhazeni, Dr JS Moroka, Thembisile Hani, Victor Khanye, Bushbuckridge, Thaba Chweu and Nkomazi)	15 Municipalities supported to institutionalize the performance management system (PMS)	Achieved 16 Municipalities supported to institutionalize the performance management system (PMS) (Lekwa, Dipaleseng, Msukaligwa, Dr Pixley Ka Isaka Seme, Steve Tshwete, Emalahleni, Emakhazeni, Dr JS Moroka, Thembisile Hani, Victor Khanye, Mkhondo, Thaba Chweu, Nkomazi, Bushbuckridge, Govan Mbeki and Chief Albert Luthuli)	1 Additional municipality (Govan Mbeki) supported to institutionalize performance management system (PMS)	Govan Mbeki Local Municipality had to be supported to institutionalize PMS since it had problems at the time.
Report on the implementation of Back to Basics action 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 compiled	4 Reports on the implementation of Back to Basics action plans by municipalities	Achieved 4 Reports on the implementation of Back to Basics action plans by municipalities	None	None

Programme: Local Governance Sub-programme: Service Delivery Improvement Unit (Provincial Priority)							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of TSCs monitored on functionality	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 (Mbangwane, Mpuluzi, Moremela, Matsamo, Siyathemba, Xhimungwe, Casteel, Tholulwazi, Ogies, Adelaide Tambo, Doornkop, Wonderfontein, Breyten, Klarinet, Louisville, Marapyane, Sakhile, Verena, Morggenzon, Driefon- tein, Thuthukani, Daggakraal and Mashishing)	17 TSCs monitored on functionality	Achieved 17 TSCs monitored on functionality (Mpuluzi, Wonderfontein, Moremela, Xim- hungwe, Breyten, Daggakraal, Klarinet, Ogies, Adelaide Tambo, Casteel, Mash- ishing, Matsa- mo, Doornkop, Mbangwane, Lou- isville, Tholulwazi and Sakhile)	None	None
Number of Mobile Outreach programmes on government services and information facilitated in the Province	9 Mobile Unit Outreach programmes facilitated in local municipalities (Msukaligwa, Emakhazeni, 2X Nkomazi, Them- bisile 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 Bushbuck- ridge, Ema- lahleni and Dr JS Moroka Local Municipal- ities)	8 Mobile Outreach programmes facilitated in the Province (Nkom- azi in Steenbok; Thaba Chweu in Leroro; Msukalig- wa in Wesselton; Dr JS Moroka; Bushbuckridge in Zoeknog Ga moripa; Steve Tshwete in Sikhu- luliwe Village; Dipaleseng in Greylingstad and Chief Albert Luthuli in Bettys- goed)	8 Mobile Outreach programmes facilitated in the Province	Achieved 8 Mobile Outreach programmes facilitated in the Province (Msu- kaligwa –Jericho dam village, Dr JS Moroka –Senot- lolo TC, Thaba Chweu –Leroro Community Hall, Nkomazi –Ntsam- bokhulu village, Dipaleseng –Bal- four, Chief Albert Luthuli –fenine (feni) Community, Bushbuckridge –Belfast sport ground and Ema- lahleni –Klarinet)	None	None
Number of Communi- ty satisfaction survey on Local Government services conducted	Community sat- isfactory 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 compiled	1 Community satisfaction survey on Local Government services conducted	Achieved 1 Community sat- isfaction survey on Local Gov- ernment services conducted	None	None
Number of municip- alities supported to institutionalise Batho Pele	4 Municipalities institutionalized Batho Pele (Thaba Chweu, Nkomazi, Gov- an Mbeki and Dr JS Moroka LM)	5 Municipalities institutionalized Batho Pele (Msukaligwa, Bushbuck- ridge, Chief Albert Luthuli, Dipaleseng and Steve Tshwete)	6 Municipalities supported to institutionalise Batho Pele (Ema- lahleni; Victor Khanye; Mkhon- do; Dr Pixley Ka Isaka Seme; Lekwa and City of Mbombela)	4 Munic- ipalities supported to institu- tionalise Batho Pele	Achieved 4 Municipalities supported to institutionalise Batho Pele (Thembisile Hani, Dr JS Moroka, Chief Albert Luthuli and Govan Mbeki)	None	None

Reasons for deviations

- Development of Asset Management Plan Training was funded by MISA
- Govan Mbeki Local Municipality had to be supported to institutionalize PMS since it had problems at the time.

Strategy to overcome areas of under performance

- None

Changes to planned targets

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

Linking performance with budgets

The budget for the programme has increased 15.4 percent or R 31.687 million from R 173.690 million in 2017/18 compared to R 205.377 million in 2018/19. This is mainly due to the salary increments for the programme that takes the biggest share of the Compensation of Employees budget and 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 were achieved.

Sub-programme expenditure

Sub- Programme Name	2018/2019			2017/2018		
	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	1 952	1 952	-	1 743	1 741	2
Municipal Administration	35 276	35 276	-	13 401	13 399	2
Municipal Finance	-	-	-	-	-	-
Public participation	160 505	160 505	-	151 730	151 730	-
Capacity Development	3 410	3 410	-	3 309	3 306	3
Municipal Performance Reporting and Evaluation	4 234	4 234	-	3 507	3 504	3
Total	205 377	205 377	-	173 690	173 680	10

3.3 Programme 3: Development and Planning

✓ Purpose of the Programme

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

✓ List of the sub-programmes

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

✓ Strategic objectives for the financial year under review

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

Strategic objectives, performance indicators, planned targets and actual

- ✓ In facilitation and coordination of integrated planning for sustainable infrastructure development and service delivery, the Department supported 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 2017/2018	Annual Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
To facilitate and coordinate integrated planning for sustainable infrastructure development and service delivery	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)	16 Municipalities with integrated development plans for sustainable infrastructure development and service delivery	Achieved 16 Municipalities with integrated development plans for sustainable infrastructure development and service delivery (Dipaleseng, Msukaligwa, City of Mbombela, Victor Khanye, Chief Albert Luthuli, Lekwa, Nkomazi, Govan Mbeki, Ehlanzeni, Mkhondo, Bushbuckridge, Thaba Chweu, Steve Tshwete, Thembisile Hani, Gert Sibande and Emakhazeni)	None	None

Reasons for deviations

➤ None

Performance indicators

Programme: Development and Planning Sub-programme: Strategy Development, Research Policy and Planning (IDP Coordination)							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Annual Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Number of Municipalities monitored on the IDP review process	4 Monitoring Reports on the IDP review process compiled	21 Municipalities supported with the development of legal compliant IDPs	20 Municipalities monitored on the IDP review process	20 Municipalities monitored on the IDP review process	Achieved 20 Municipalities monitored on the IDP review process	None	None

Sector Specific indicator

Programme: Development and Planning Sub-programme: Strategy Development, Research Policy and Planning (IDP Coordination)							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Annual Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Number of municipalities supported with development of IDP	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 legal compliant IDPs	20 Municipalities supported with the development of IDPs	Achieved 20 Municipalities supported with the development of IDPs	None	None

Programme: Development and Planning Sub-programme: Spatial Planning							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Annual Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Number of Municipalities assessed on the implementation of 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	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	20 Municipalities supported on GIS	20 Municipalities supported on GIS	20 Municipalities supported on GIS	Achieved 20 Municipalities supported on GIS	None	None
Number of municipalities supported with the implementation of SPLUMA	18 Municipalities supported with the implementation of SPLUMA	17 Municipalities supported with the implementation of SPLUMA	20 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 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Annual Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Number of development applications evaluated for comments	111 Development applications evaluated	65 Development applications evaluated for comments	55 Development applications evaluated for comments	40 Development applications evaluated for comments	Achieved 58 Development applications evaluated for comments	18 Additional development application evaluated for comments	More development application received for evaluation
Number of settlements supported with tenure upgrading processes	-	2 Settlements supported with tenure upgrading processes	2 Settlements supported with tenure upgrading	1 Settlement supported with tenure upgrading	Achieved 1 Settlement supported with tenure upgrading (Thembisile Hani)	None	None
Number of survey services rendered in the Province	185 survey services rendered	258 Survey services rendered	302 Survey services rendered	200 Survey services rendered in the Province	Achieved 243 Survey services rendered in the Province	43 Additional survey services rendered	More request for survey services received

Programme: Development and Planning							
Sub-programme: Land Use Management							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Annual Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Number of Municipalities supported in the implementation of SPLUMA on LUM	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 (Dipaleseng; City of Mbombela; Dr JS Moroka; Chief Albert Luthuli; Thembisile Hani; Mkhondo; Victor Khanye; Lekwa, Thaba Chweu; Msukaligwa; Govan Mbeki; Emalahleni; Emakhazeni; Bushbuckridge; Steve Tshwete; Pixley Ka Isaka Seme; Nkangala District, Ehlanzeni District and Gert Sibande District)	19 Municipalities supported in the implementation of SPLUMA on LUM	Achieved 19 Municipalities supported in the implementation of SPLUMA on LUM (Thaba Chweu, Bushbuckridge, Victor Khanye, Msukaligwa, Chief Albert Luthuli, Nkomazi, Lekwa, Mkhondo, Dr JS Moroka, Thembisile Hani, Emakhazeni, Nkangala, Dipaleseng, Dr Pixley Ka Isaka Seme, City of Mbombela, Govan Mbeki, Gert Sibande, Steve Tshwete and Emalahleni)	None	None
Number of Municipalities monitored on the implementation of e-PGLUM system	-	-	-	7 Municipalities monitored on the implementation of e-PGLUM system	Achieved 8 Municipalities monitored on the implementation of e-PGLUM system (Msukaligwa, Dr Pixley Ka Isaka Seme, Chief Albert Luthuli, Mkhondo, Lekwa, Dipaleseng, Govan Mbeki and Thaba Chweu)	1 Additional municipality monitored on the implementation of e-PGLUM system	e-PGLUM System also rolled out to Thaba Chweu Municipality to improve land use management

Programme: Development and Planning							
Sub-programme: Local Economic Development							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Annual Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Number of municipalities monitored on the functionality of LED Stakeholder Forums	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	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	132 Work opportunities created through Youth Waste Management project	135 Work opportunities created through Youth Waste Management project	130 Work opportunities created through Youth Waste Management project	93 Work opportunities created through youth waste management project	Achieved 106 Work opportunities created through youth waste management project	13 Additional Work opportunities created	Incentive Grant allocated catered for the recruitment of additional 13 participants on the Youth Waste Management programme
Number of municipalities supported to review municipal LED strategies	-	-	-	3 Municipalities supported to review municipal LED strategies	Achieved 3 Municipalities supported to review municipal LED strategies (Chief Albert Luthuli, Nkomazi and Thaba Chweu)	None	None

Programme: Development and Planning							
Sub-programme: Local Economic Development							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Annual Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Number of municipalities monitored on the implementation of 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, Steve 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, Dipaleseng, Chief Albert Luthuli, Nkomazi, Steve Tshwete, Dr JS Moroka, and Emalahleni)	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)	6 Municipalities monitored on the implementation of Local Economic Development projects in line with updated municipal LED strategies	Achieved 6 Municipalities monitored on the implementation of Local Economic Development projects in line with updated municipal LED strategies (Nkomazi, City of Mbombela, Dr JS Moroka, Mkhondo, Govan Mbeki and Emalahleni)	None	None
Number of municipalities monitored on CWP	23 460 Work opportunities maintained through CWP	26 431 Work opportunities maintained through the CWP in all local municipalities	27 170 Work opportunities maintained through the CWP in all local municipalities	17 Municipalities monitored on CWP	Achieved 17 Municipalities monitored on CWP (All local municipalities in the Province)	None	None
Number of Anti-poverty strategies developed	-	-	-	1 Anti-poverty strategy developed	Achieved 1 Anti-poverty strategy developed	None	None

Programme: Development and Planning							
Sub-programme: Municipal Infrastructure							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Annual Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Number of PMUs in municipalities evaluated on MIG performance	18 PMUs in Municipalities evaluated on MIG performance	18 PMUs in municipalities evaluated on MIG performance	17 PMUs in municipalities evaluated on MIG performance	17 PMUs in municipalities evaluated on MIG performance	Achieved 17 PMUs in municipalities evaluated on MIG performance (All local municipalities in the Province)	None	None
Number of Municipalities monitored on the implementation of MIG programme	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 An expenditure of R1.2 billion (66%) of the MIG allocation of R1.9 billion has been reported	17 Municipalities monitored on the implementation of MIG programme	Achieved 17 Municipalities monitored on the implementation of MIG programme (All local municipalities in the Province) An expenditure of R1.26 billion (70%) of MIG allocation of R 1.79 billion has been reported	None	None
Number of municipalities monitored on households with 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	17 Municipalities monitored on households with access to electricity	Achieved 17 Municipalities monitored on households with access to electricity (All local municipalities in the Province)	None	None
Number of municipalities monitored on households with access to refuse 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	17 Municipalities monitored on households with access to refuse removal	Achieved 17 Municipalities monitored on households with access to refuse removal (All local municipalities in the Province)	None	None

Sector Specific Indicators

Programme: Development and Planning							
Sub-programme: Municipal Infrastructure							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Annual Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Number of municipalities monitored on the implementation of infrastructure delivery programmes	18 Municipalities supported with service delivery programmes	18 Municipalities supported with service delivery programmes	17 Municipalities supported with service delivery programmes	17 Municipalities monitored on the implementation of infrastructure delivery programmes	Achieved 17 Municipalities monitored on the implementation of infrastructure delivery programmes	None	None
Number of municipalities supported to implement indigent policies	16 Municipalities supported to implement FBS policies (indigents) (Bushbuckridge, Mbombela, Nkomazi, Umjindi, Thaba Chweu, Dr JS Moroka, Emalaheni, Emakhazeni, Steve Tshwete, Thembisile hani, Victor Khanye, Chief Albert Luthuli, Dipaleseng, Dr Pixley ka Isaka Seme, Govan Mbeki and Lekwa)	18 Municipalities supported to implement indigent policies (FBS)	17 Municipalities supported to implement indigent policies (FBS)	17 Municipalities supported to implement indigent policies (FBS)	Achieved 17 Municipalities supported to implement indigent policies (FBS) (All local municipalities in the Province)	None	None

Programme: Development and Planning							
Sub-programme: Water Services							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Annual Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Number of Municipalities monitored on 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	17 Municipalities monitored on Households with access to water	Achieved 17 Municipalities monitored on Households with access to water (All local municipalities in the Province)	None	None
Number of municipalities monitored on households with 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	17 Municipalities monitored on households with access to sanitation	Achieved 17 Municipalities monitored on households with access to sanitation (All local municipalities in the Province)	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	7 Municipalities monitored on the implementation of "War-on-Leaks" Programme (Bushbuckridge; Chief Albert Luthuli; City of Mbombela, Dr JS Moroka, Emakhazeni, Nkomazi and Thembisile Hani)	6 Municipalities monitored on the implementation of "War-on-Leaks" Programme	Achieved 7 Municipalities monitored on the implementation of "War-on-Leaks" Programme (Bushbuckridge, City of Mbombela, Chief Albert Luthuli, Dr JS Moroka, Emakhazeni, Nkomazi and Thembisile Hani)	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 (City of Mbombela)
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	17 Municipalities monitored on the status of WTW	Achieved 17 Municipalities monitored on the status of WTW (All local municipalities in the Province)	None	None

Programme: Development and Planning Sub-programme: Water Services							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Annual Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
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	17 Municipalities monitored on the status of WWTW	Achieved 17 Municipalities monitored on the status of WWTW (All local municipalities in the Province)	None	None

Programme: Development and Planning Sub-programme: Disaster Management							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Annual Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Number of Municipalities supported on disaster risk reduction campaigns	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	17 Municipalities supported on disaster risk reduction campaigns	Achieved 17 Municipalities supported on disaster risk reduction campaigns (All local municipalities in the Province)	None	None
Number of reports on disaster incidences and rehabilitation responded to in the Province	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 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	None	None
Number of events supported in the Province	4 Reports on Provincial events supported compiled.	4 Reports on Provincial events supported compiled	33 Events supported in the Province	5 Events supported in the Province	Achieved 23 Events supported in the Province	18 Additional Events supported in the Province	There was a demand for more events to be supported in the Province

Sector Specific Indicator

Programme: Development and Planning Sub-programme: Disaster Management							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Annual Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Number of municipalities supported on fire brigade services	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 (City of Mbombela, Emalahleni, Dr JS Moroka, Govan Mbeki, Chief Albert Luthuli and Mkhondo)	5 Municipalities supported on fire brigade services	Achieved 5 Municipalities supported on fire brigade services (Thaba Chweu, Victor Khanye, Emakhazeni, Dipaleseng and Dr Pixley Ka Isaka Seme)	None	None
Number of Municipalities supported to maintain functional Disaster Management Centres	4 Municipal Disaster Management Centres functional	4 Disaster Management Centres functional	3 Municipalities supported on functional Municipal Disaster Management Centres	3 Municipalities supported to maintain functional Municipal Disaster Management Centres	Achieved 3 Municipalities supported to maintain functional Municipal Disaster Management Centres (All District municipalities in the Province)	None	None

Reasons for deviations

- More development applications received for evaluation
- More requests for surveying services received
- E-PGLUM System also rolled out to Thaba Chweu Municipality to improve land use management
- There was a demand for more events to be supported in the Province
- Incentive Grant allocated catered for the recruitment of additional 13 participants on the Youth Waste Management programme
- 1 Additional municipality was supported on War on Leaks Programme as it was also implementing the programme (City of Mbombela)

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 56.730 million and has decreased by 0.84 percent or R 0.478 million in 2018/19 compared to R 57.208 million in 2017/18. 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	2018/2019			2017/2018		
	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	1 677	1 676	1	1 490	1 489	1
Strategy Development, Research and Policy (IDP)	5 576	5 576	-	2 165	2 164	1
Spatial Planning	13 254	13 254	-	5 380	5 377	3
Land Use Management	2 579	2 579	-	13 468	13 465	3
Local Economic Development	6 648	6 648	-	7 210	7 206	4
Municipal Infrastructure	19 547	19 548	(1)	19 918	19 916	2
Water Services						
Disaster Management	7 449	7 448	1	7 577	7 576	1
Total	56 730	56 729	1	57 208	57 193	15

3.4 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 2017/2018	Annual Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	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	49 Traditional Councils functional	55 Traditional Councils functional	Achieved 55 Traditional Councils functional	None	None
	2 Functional Kings' Council (Makhosonke and Mabhoko)	2 Functional Kings' Council	Achieved 2 Functional Kings' Council (King Makhosonke II and King Mabhoko III)	None	None

Reason for deviations

There were no deviations made.

Performance indicators

Programme: Traditional Institutional Management							
Sub-programme: Traditional Institutional Administration							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of Capacity building programmes implemented for Traditional Councils	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 (Tractor Operators; Legislative Procedures on appointment and removal of headmen and Financial Management) in 3 Districts conducted	2 Capacity building programmes implemented for Traditional Councils	Achieved 2 Capacity building programmes implemented for Traditional Councils (Legislative Prescripts and Financial Management)	None	None
Percentage of successions' disclaims/ disputes processed	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	100%(8) Successions claims/ disputes processed	Achieved 100%(8) Successions claims/ disputes processed	None	None
Number of Traditional councils supported to perform their functions	-	-	60 TCs / Kings Councils supported on sound financial management	60 Traditional councils supported to perform their functions	Achieved 60 Traditional councils supported to perform their functions	None	None

Programme: Traditional Institutional Management							
Sub-programme: Traditional Resource Administration							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of Traditional Councils monitored on the usage of tools of trade	1 Tool of trade provided to Traditional Councils (procurement of vehicles)	1 Tool of trade provided to Traditional Councils (Tractors)	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 Lomshiyo)	60 Traditional Councils monitored on the usage of tools of trade	Achieved 60 Traditional Councils monitored on the usage of tools of trade	None	None
Number of Traditional / Kings Councils supported on the holding of cultural ceremonies	-	-	60 Traditional / Kings Councils supported on the holding of cultural ceremonies	55 Traditional / Kings Councils supported on the holding of cultural ceremonies	Achieved 59 Traditional / Kings Councils supported on the holding of cultural ceremonies	4 Additional TCs supported on the holding of cultural ceremonies	The 4 additional TCs resolved their challenges and were offered an opportunity to participate in the holding of cultural ceremonies

Programme: Traditional Institutional Management							
Sub-programme: Rural Development Facilitation							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of Traditional Leaders in 3 districts mobilised to participate in Municipal Councils	2 District Traditional Leaders mobilised to participate in Municipal Councils	22 Traditional Leaders in 3 Districts mobilised to participate in Municipal Councils	25 Traditional Leaders in 3 Districts mobilised to participate in Municipal Councils	28 Traditional Leaders in 3 districts mobilised to participate in Municipal Councils	Achieved 28 Traditional Leaders in 3 districts mobilised to participate in Municipal Councils	None	None

Programme: Traditional Institutional Management Sub-programme: Rural Development Facilitation							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of TCs mobilised to participate in municipal IDP processes	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	55 TCs mobilised to participate in municipal IDP processes	Achieved 55 TCs mobilised to participate in municipal IDP processes	None	None
Number of Traditional Councils mobilised to participate in ward committees	-	15 Traditional Councils mobilised to participate in Ward Committees (Gutshwa, Moreipuso, Mbuyane, Nkambeni, Masoyi, Embhuleni, Mantjolo, Enikwakuyengwa, Madabukela, Lekgoetla, Ndzundza Pungutsha, Ndzundza Mabusa, Kgarudi, Mogane and KwaNdwalaza)	25 Traditional Councils mobilised to participate in Ward Committees (Mathibela, Lomshiyi, Mhlaba, Mlambo, Mhlabane, 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)	30 Traditional Councils mobilised to participate in ward committees	Achieved 30 Traditional Councils mobilised to participate in ward committees (Hoxane, Matsamo, Mashilane, Moletele, Mathibela, Enkambeni, Mhlaba, Kgarudi, Sethlare, Hhoyi, Madabukela, Duma, Msogwaba, Ogenyaneni, Kwandwalaza, Enikwakuyengwa, Mahlaphahlapha, Embhuleni, Mandlangampisi, Ebutsini, Bakgatla Ba Maloka, Ndzundza Fene, Ndzundza Phungutsha, Ndzundza Mabhoko, Bakgatla Ba Seabe, Manala Makerana, Manala Mgibe, Ndzundza Somphalali, Malele and Ndlela)	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 (Mandlangampisi, 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, Lomshiyi, Mhlaba, Mlambo and Kgarudi)	30 TCs mobilised to participate in OVS war rooms	Achieved 30 TCs mobilised to participate in OVS war rooms (Emjindini, Msogwaba, Moletele, Ebutsini, Mahlaphahlapha, Enikwakuyengwa, Enkhoba, Somcuba Bhevula, Embhuleni, Madlangampisi, Ndlela, Emfumbeni, Duma, Mpsikazi, Madabukela, Mandlamakhulu, Lekgoetla, Kwandwalaza, Mantjolo, Ogenyaneni, Ndzundza Somphalali, Mlambo, Gutshwa, Ndzundza Phungutsha, Barolong Balefifi, Bakgatla BaMmakau, Bakgatla BaSeabe, Masoyi, Mbuyane, and Mpakeni)	None	None

Programme: Traditional Institutional Management Sub-programme: Rural Development Facilitation							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
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	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	3 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 -Vodacom (Pty) Ltd and Msogwaba Traditional Council - rights of servitudes to communication tower) Informal Partnership Agreements -Enkambeni TC & Enkambeni Lodge) -Vodacom (Pty) Ltd and Masoyi Traditional Council – (rights of servitudes to communication tower)	None	None

Programme : Traditional Institutional Management Sub-programme: Traditional Land Administration							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of Traditional land cases resolved within 2 months of receipt	18 Traditional land cases resolved	22 Traditional land cases resolved within 2 months of receipt	20 Traditional land cases resolved within 2 months of receipt	12 Traditional land cases resolved within 2 months of receipt	Achieved 23 Traditional land cases resolved within 2 months of receipt	11 Additional Traditional land cases resolved within 2 months of receipt	There were more land complaints received
Number of TCs mobilized to participate in spatial planning	-	3 District TCs mobilized to participate in land use planning	18 TCs mobilized to participate in spatial planning	38 TCs mobilized to participate in spatial planning	Achieved 40 TCs mobilized to participate in spatial planning	2 Additional TCs mobilized to participate in spatial planning	2 Additional TCs requested to be workshopped on spatial planning

Reasons for deviations

- The 4 additional TCs resolved their challenges and were offered an opportunity to participate in the holding of cultural ceremonies
- There were more land complaints received
- 2 additional TCs requested to be workshopped on 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 33 312 million or 29 per cent from R 148.297 million in 2017/18 to R 114.985 million in 2018/19. This decrease is due to the once off allocation for the procurement of Tractors and Farming Implements (tools of Trade) for Traditional Councils. The programme has managed to spend 100 percent and has managed to achieve all planned targets.

Sub-programme expenditure

Sub- Programme Name	2018/2019			2017/2018		
	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	1 858	1 858	-	1 772	1 771	1
Traditional Institution Administration	18 042	18 041	1	17 522	17 522	-
Traditional Resource Administration	85 381	85 383	(2)	116 888	116 885	3
Rural Development Facilitation	6 497	6 443	54	9 403	9 273	130
Traditional Land Administration	3 207	3 208	(1)	2 712	2 710	2
Total	114 985	114 933	52	148 297	148 161	136

3.5 Programme 5: House of Traditional Leaders

✓ Purpose of the Programme

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

✓ List of the sub-programmes

- ✓ Administration of the House of Traditional Leaders
 - ✓ 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 2017/2018	Annual Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	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 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of matters affecting the business of HTL processed	-	-	4 Matters affecting the business of HTL processed	1 Matter affecting the business of HTL processed	Achieved 1 Matter affecting the business of HTL processed (agricultural programmes in traditional communities)	None	None
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 reports on provincial health programmes of HIV and AIDS	1 Oversight report on provincial programmes of HIV and AIDS	Achieved 1 Oversight report on provincial health programmes of HIV and AIDS compiled	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 Research services rendered for the HTL	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 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	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 Registered initiation schools monitored to comply with 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)	15 Registered initiation schools monitored to comply with Ingoma Act	Achieved 15 Registered initiation schools monitored to comply with Ingoma Act	None	None

Programme: House of Traditional Leaders Sub-programme: Committees and Local Houses Sub-sub programme: Provincial Committees							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of Provincial House Committees functional	5 functional Provincial House Committees	5 functional Provincial House Committees	5 functional Provincial House Committees	5 Provincial House Committees functional	Achieved 5 Provincial House Committees functional	None	None

Programme: House of Traditional Leaders Sub-programme: Committees and Local Houses Sub-sub programme: Local Houses							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of functional Local Houses	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 Functional Local Houses (Ehlanzeni, Nkangala and Gert- Sibande)	None	None

Programme: House of Traditional Leaders Sub-programme: Committees and Local Houses Sub-sub programme: Local Houses							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
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 compiled	4 Oversight reports on agricultural projects in Traditional communities	Achieved 4 Oversight reports on agricultural projects in Traditional communities	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 increased by R 2.943 million or 13.9 per cent from R18.292 million in 2017/18 to R 21.235 million in 2018/19. This is due to the increase in the operational requirements of the programme. 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	2018/2019			2017/2018		
	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	8 398	8 399	(1)	6 352	6 350	2
Committees and Local Houses of Traditional Leaders	12 837	12 836	1	11 940	11 940	-
Total	21 235	21 235	-	18 292	18 290	2

4.1 Transfer payments to Public Entities

The Department does not transfer payments to Public Entities

4.2 Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2018 to 31 March 2019.

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for funds unspent by the entity
Amashangana	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	-	-	N/A
Bakgatla Ba Mocha Ba Maloka	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Bakgatla Ba Mmakau	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	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

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
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
Madabukela	TC's	Cultural ceremony	Yes	184	184	N/A
		Administration	Yes	150	150	N/A
Mahlaphahlapha	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
KwaNdwalaza-Mahlobo	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Manala Makerane	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Malele	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Manala Mbongo	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Manala King Council		Annual Commemoration	Yes	300	300	N/A
		Refurbishment	Yes	1000	1000	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	159	159	N/A
		Administration	Yes	150	150	N/A
Masoyi	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Mathibela	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Matsamo	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Mawewe	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Mbuyane	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Mduli	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	148	148	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	148	148	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

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
Mpakeni	TC's	Cultural ceremony	Yes	200	200	N/A
		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	Administration	Yes	150	150	N/A
		Annual Commemoration	Yes	300	300	N/A
Ndzundza Mabusa	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Ndzundza Pungutsha	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Ndzundza Somphalali	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Nkambeni	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Ogenyaneni	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Sethlare	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Siboshwa	TC's	Cultural ceremony	Yes	200	200	N/A
		Administration	Yes	150	150	N/A
Somcuba	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	149	149	N/A
TOTAL TRANSFERS				22 188	22 188	N/A

The table below reflects the transfer payments which were budgeted for in the period 1 April 2018 to 31 March 2019, but no transfer payments were made and the savings have been utilised to fund other Departmental priorities.

Name of transferee	Type of organization	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
Amashangane	TC	Cultural ceremony	150	-	Not requested
Ndzundza Mabhoko III	TC	Cultural ceremony	200	-	Not requested
TOTALS			350	-	

Transfer payments to Municipalities

The table below reflects the transfer payments which were budgeted for in the period 1 April 2018 to 31 March 2019, 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
Dipaleseng Local Municipality	Local Municipality	Financial Assistance	Yes	120	120	None

5. CONDITIONAL GRANTS

5.1 Conditional grants and earmarked funds paid

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

5.2 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 2.306 million** and expenditure amounts to 100 per cent of the allocation. 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 106 work opportunities.

The table/s below details the conditional grants and ear marked funds received during for the period 1 April 2018 to 31 March 2019.

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	106 work opportunities created
Amount per amended DORA	R2.306 million
Amount received (R'000)	R2.306 million
Reasons if amount as per DORA was not received	None
Amount spent by the Department (R'000)	R2.305 million
Reasons for the funds unspent by the entity	Immaterial variance, savings will be surrendered to the Provincial Revenue Fund
Reasons for deviations on performance	None
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving Department	Monthly reports

6. DONOR FUNDS

6.1 Donor Funds Received

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

7. CAPITAL INVESTMENT

7.1 Capital investment, maintenance and asset management plan

The Department had no infrastructure projects or programmes other than the renovation settlement of retention payments for various infrastructure programmes that were carried over from the 2017/18 financial period. 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 5.396 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	2018/2019			2017/2018		
	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
- Upgrades and additions	3 957	3 957	-	5 051	5 051	-
- Rehabilitation, renovations and refurbishments	1 493	1 439	54	10 367	10 367	-
Total	5 450	5 396	54	19 392	19 262	130

PART C

GOVERNANCE

1. INTRODUCTION

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

2. RISK MANAGEMENT

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

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

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

3. FRAUD AND CORRUPTION

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

4. MINIMISING CONFLICT OF INTEREST

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

5. CODE OF CONDUCT

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

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

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

7. PORTFOLIO COMMITTEES

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

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

8. SCOPA RESOLUTIONS

There was no SCOPA sitting to deliberate on the Department's Annual Reports for 2013/14 to 2016/17 financial years except for the last meeting which was held on the 08 of February 2018. The reported progress on the previous resolutions remained opened and unresolved as there was no SCOPA sitting during the period under review.

RESOLUTION NUMBER	SUBJECT	DETAILS	PROGRESS	RESOLVED (YES/NO)
4 OF 2005	3.3 Progress on the implementation of SCOPA resolutions for 2013/14 financial year.	i) The Accounting Officer must take disciplinary action against officials who failed to ensure that monies owed by the department are settled within 30 days as required by section 38 (1)(f) of the PFMA and Treasury Regulations 8.2.3	Letters of intent to institute disciplinary actions to officials who failed to ensure that monies owed by the Department are settled within 30 days have been issued to the affected officials. Verbal warning has been issues to the affected officials and in order to prevent recurrence of the findings the following measures have been put in place; The Department has centralised the submission of invoices within Expenditure Unit and follow-up is being made on daily basis with services providers and end-users with the objective of ensuring that all invoices are settled within 30 days.	No
4 OF 2005	3.17 Progress on the implementation of SCOPA resolutions for 2013/14 financial year.	The Accounting Officer must ensure that the Department implements recommendations of the Internal Audit Committee	The accounting officer is evaluating and implementing the Audit committee's recommendations and follow up audits are being conducted by the Internal Audit Unit to monitor progress on the implementation of the Committee's recommendations. The Department will also provide progress report on the Audit Committee's resolutions on quarterly basis during the sittings. Disciplinary actions will be taken by the accounting officer on officials who fail to comply with such recommendations.	No
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, Not implemented. The Local Government Oversight Model must be developed to guide common practise and set norms and standards for section 79 and 80 Committees. A progress will be required by May 2017
	11 August 2016	3.3 Progress on the implementation of SCOPA resolutions for 2013/14 financial year. 3.3(i) The Accounting Officer must take disciplinary action against officials who failed to ensure that monies owed by the Department are settled within 30 days as required by section 38 (1)(f) of the PFMA and Treasury Regulations 8.2.3	Letters of intent to institute disciplinary actions to officials who failed to ensure that monies owed by the Department are settled within 30 days have been issued to the affected officials. Verbal warning has been issues to the affected officials and in order to prevent recurrence of the findings the following measures have been put in place; The Department has centralised the submission of invoices within Expenditure Unit and follow-up is being made on daily basis with services providers and end-users with the objective of ensuring that all invoices are settled within 30 days.	No
	11 August 2016	3.17 Progress on the implementation of SCOPA resolutions for 2013/14 financial year. 3.17 The Accounting Officer must ensure that the Department implements recommendations of the Internal Audit Committee	The accounting officer is evaluating and implementing the Audit committee's recommendations and follow up audits are being conducted by the Internal Audit Unit to monitor progress on the implementation of the Committee's recommendations. The Department will also provide progress report on the Audit Committee's resolutions on quarterly basis during the sittings. Disciplinary actions will be taken by the accounting officer on officials who fail to comply with such recommendations.	No

10 February 2017	<p>3.1.1 Progress on the implementation of SCOPA resolutions for 2014/15 financial year.</p> <p>3.1 The Department must develop a local government oversight model for the province that will assist Municipalities to achieve clean audits</p>	<p>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.</p> <p>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.</p>	<p>No, Not implemented. The Local Government Oversight Model must be developed to guide common practise and set norms and standards for section 79 and 80 Committees. A progress will be required by May 2017</p>
08 February 2018	<p>SCOPA resolutions for 2015/16 financial year: Accruals</p> <p>3.1 The Accounting Officer must provide a report on progress made in settling the outstanding accruals amounting R1 390 000.00</p>	<p>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.</p>	No
08 February 2018	<p>SCOPA resolutions for 2015/16 financial year: Irregular Expenditure</p> <p>3.2 The Executive Authority must provide a progress report on the investigation on irregular expenditure and measures taken to accordingly regulate the expenditure.</p>	<p>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</p>	No
08 February 2018	<p>SCOPA resolutions for 2015/16 financial year: Contingent Liabilities</p> <p>3.2 The Accounting Officer must expedite the litigations and provide the Committee with a progress report.</p>	<p>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.</p>	Yes
08 February 2018	<p>SCOPA resolutions for 2015/16 financial year: SIU; Water for All flagship projects</p> <p>3.3 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.</p>	<p>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.</p>	No
08 February 2018	<p>3.UNAUTHORISED EXPENDITURE:</p> <p>(i).The Accounting Officer motivate to the Committee and Provincial Treasury why the unauthorized expenditure amounting R 22 011 million (CDW) must be reconsidered for Condonation.</p>	<p>The unauthorized expenditure is still under investigation by the Special Investigations Unit and we still await the final report .The department will implement all recommendations that will be made in the final report, following that the department will then write to the committee with full reasons why the committee should condone the authorized expenditure in question.</p>	No
08 February 2018	<p>4.IRREGULAR EXPENDITURE</p> <p>(i).The Executive Authority must consider taking disciplinary actions against the Accounting Officer/official (s) for incurring irregular expenditure amounting R 114 000 in the 2016/17 financial year.</p> <p>(ii).The Executive Authority must provide a progress report on the investigation on irregular expenditure and measures taken to accordingly regulate the expenditure.</p> <p>(iii).The Accounting Officer must make a follow up with the Office of the Premier requesting the progress made in finalizing investigations on irregular expenditure</p> <p>(iv).The Accounting Officer must provide Committee with Provincial Treasury response on the request to Condone R 6.127 million (over expenditure on Compensation of Employees caused by the Section 139 intervention to Municipalities).</p>	<p>It should be brought to the attention of the committee that it is not the view of the Department that the Office of the Premier failed to follow proper procurement processes. The Auditor General had made a finding of Irregular Expenditure against the office of the premier during the 2015/16 financial year regarding the procurement processes followed with regards to bid number PRE/040/14/MP, which relates to the procurement of legal services. All departments were instructed to participate in the contract hence the irregular expenditure incurred by COGTA. However the department had stopped payment of all invoices relating to the bid in question to avoid any further irregular expenditure until the investigations are concluded.</p>	No

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 Internal Audit function in order to evaluate progress made by Management in implementing agreed audit action plans.
- Follow-up reviews were performed on both Auditor-General and Internal Audit findings (Assurance, Performance and IT audits) to evaluate the effectiveness and improvements to internal control environment;
- Review of the mid-term Departmental Performance Information;
- Review of Interim and Annual Financial Statements;
- Information and Communication Technology Audits;
- Supply Chain Management;
- DORA and Transfer Payments;
- Service Delivery and Improvements Programme; and
- Performance Audit on Supply Chain Management.

Consulting services

- Consulting work included the review of the Management self-scoring and adequacy of evidence provided in support of such scoring as per the Management Performance Assessment Tool (MPAT);
- Participation in informal consulting engagements including routine activities such as participating on standing Management Committee meetings, Risk Management Committee meetings, provision of advice, as and when invited and required.

Ad-Hoc services

- Review of the adequacy of audit action plans on 2017/18 AG audit.

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

Attendance of audit committee meetings by audit committee members

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

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

The shared Audit Committee meetings held were attended as follows:

Name	Qualifications	Internal or External	Date appointed	Date Resigned / End of term	No of meetings attended
Mr MS Mthembu Chairperson	Master of Business Leadership (UNISA), BCom (Accounting), Commercial Banking Licentiate Diploma (Institute of Bankers SA), FAP(IAC)SA	External	01 April 2018	N/A	06
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	01 April 2018	09 Jan 2019	03
Mr. M Sebeelo	BTech Internal Auditing (UNISA) Nat Diploma Internal Auditing (TUT) Advance Programme Project Management (UNISA)	External	01 April 2018	N/A	05
Ms. L Mbatha	BCompt. Honours Accounting (UNISA) BComm. Accounting Degree (UNISA) CA (SA)	External	01 April 2018	N/A	05
Ms. BN Mzuzu	B. Proc Degree (University of Fort Hare) Cert. Business Rescue Cert. Attorney of High Court of South Africa Cert. Attendance in conveyancing practice	External	01 April 2018	N/A	05

12. Report of the Audit Committee

We are pleased to present our final report for the financial year ended 31 March 2019.

Audit Committee Responsibility

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

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

The effectiveness of internal control

In line with the Public Finance Management Act, 1999, (PFMA) and the Treasury Regulations, the Audit Committee provided oversight on the operations and business activities within the Department of Cooperative Governance and Traditional Affairs. This was achieved through the quarterly reporting processes by Management as well as Internal Audit reviews as prioritised in the Risk-Based Annual Audit Operational Plan approved by the Audit Committee.

Through our analysis of audit reports from internal audit, Auditor-General South Africa and engagements with the Department, 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 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.

The Following internal audit work was completed during the year under review:

Assurance services

- Monitoring and tracking of audit findings as previously reported by both Auditor-General South Africa and the Internal Audit function in order to evaluate progress made by Management in implementing agreed audit action plans;
- Follow-up reviews were performed on both Auditor-General and Internal Audit findings (Assurance, Performance and IT audits) to evaluate the effectiveness and improvements to internal control environment;
- Review of the mid-term Departmental Performance Information;
- Review of Interim and Annual Financial Statements;
- Information and Communication Technology Audits;

- Supply Chain Management;
- DORA and Transfer Payments;
- Service Delivery and Improvements Programmes; and
- Performance Audit on Supply Chain Management.

Consulting services

- Consulting work included the review of the Management self-scoring and adequacy of evidence provided in support of such scoring as per the Management Performance Assessment Tool (MPAT);
- Participation in informal consulting engagements including routine activities such as participating on standing Management Committee meetings, Risk Management Committee meetings, provision of advice, as and when invited and required.

Ad-Hoc services

Review of the adequacy of audit action plans on 2017/18 AG audit.

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

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

Conclusion

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

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

Signed on behalf of the Audit Committee by:



.....
Mr. MS Mthembu
Chairperson of the Audit Committee

Date: 31 July 2019

PART D

HUMAN RESOURCE MANAGEMENT

HUMAN RESOURCES MANAGEMENT

1. Introduction

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

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

The Department currently employs 793 employees who are based at head office and in the three districts of the Province. Of the 793 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 ten (10) vacant SMS posts wherein ten (10) Deputy Directors are acting. A request to fill the critical and scarce skills position was submitted to the Budget and Finance Committee for approval, upon approval the Department will advertise and fill these posts.

2.1 HUMAN RESOURCES PRIORITIES FOR THE YEAR UNDER REVIEW AND THE IMPACT OF THESE.

- Request to fill in scarce and critical 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 ensure improvement of service delivery.
- Facilitate appropriate placement of staff.
Rationalisation strategy is not yet finalised, as per the Executive Council resolution to implement it in the next administration.
- Review of the organisational structure.
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.
- Strengthen the implementation of the PMDS processes.
Provided training on the new PMDS policy and dealt with non-compliance. In the financial year under review the department has significantly improved on the implementation of PMDS wherein it has obtained a score of four (4) on MPAT assessments.
- Build strategic leadership capabilities.
The Department has a training programme with accredited skills programmes. 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.
- Promotion of sound labour relations.
Sessions on the Code of Conduct were conducted by Labour Relations to minimise misconduct in the Department. There are still challenges on meeting the prescribed timeframes due to non-cooperation and staffing challenges.
- Monitor the implementation of employee health and wellness.
The Department has developed a plan to manage Employee Health and Wellness. Some of the proactive programmes which were implemented in the Department include: Health screening, Stress Management and Financial Wellness.
- Improve on records management.
Awareness sessions on the file plan were conducted to promote and ensure the correct use of the file plan and encourage proper records keeping. This contributes to the achievement of clean audit outcomes.

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

The Annual Adjusted Human Resource Plan for (2018-19) indicated the required competencies at the relevant performance levels as well as the capacity in terms of posts that the Department requires. Most of the competencies that the Department requires are scarce and difficult to attract and retain.

In order to attract these employees the Department submits to the Department of Education a list of scarce skills learning areas where bursaries are offered to matriculants with an intention of giving work opportunities as soon as they finish their tertiary studies within the identified scarce fields. The Department appointed five (5) Interns, 32 interns who were sourced by the Services Seta were also placed in various sections.

The Department has developed a training programme and one of the highlights during the last quarter is the implementation of mandatory programmes for senior managers and acting directors on the Executive Development Programme. This is one way of ensuring that a critical mass of expert employees is available for succession planning. These managers are prepared with the necessary capabilities to assume leadership positions at SMS Level within the Department.

2.3 Employee Performance Management

Provided training on the new PMDS policy and dealt with non-compliance. In the financial year under review the department has significantly improved on the implementation of PMDS wherein it has obtained a score of four (4) on MPAT assessments.

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 the report is still in progress.
- Exit interviews and staff turnover analysis presented to Senior Management.
- Monitored the signing of attendance registers, conducted leave audit and presented findings to Senior Management.
- Appointed 5 interns on Internship programme, 3 of which were former Bursary Holders.
- The department hosted 32 interns from Services SETA (GNS)
- 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 was conducted.
- 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 were approved and submitted to DPSA.
- Improvement on MPAT results.
- Secretaries and frontline staff were trained.

2.6 Challenges faced by the Department

- Inadequate competencies and expertise to provide the required support to municipalities.
- Inadequate compliance on performance management by employees and managers.
- Meeting the Employment Equity Targets.
- 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 and KHAEDU
- Skills matching and proper placement of staff.
- Strengthen compliance on HR Policies.
- Improving records management.
- Training of CDWs on project management.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

The department must provide the following key information on its human resources. All the financial amounts must agree with the amounts disclosed in the annual financial statements. Provide reasons for any variances.

Please note that it is very important to follow the format and standards prescribed, to enable collation and comparison of information.

Include any other tables for HR if considered necessary by the department and required by any specific government oversight body. These additional tables must be included at the end of the standardised HR information.

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 2018 and 31 March 2019

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 (Including Periodical - And Abnormal Appointments)
ADMINISTRATION	125 836	78 909	1 305	21	63%	552	143
LOCAL GOVERNANCE	205 377	174 850	362	25 297	85%	351	498
DEVELOPMENT & PLANNING	56 729	35 898	0	2 004	63%	219	164
TRADITIONAL INSTITUTIONAL MANAGEMENT	114 933	89 041	0	0	77%	168	531
THE HOUSE OF TRAD LEADERS	21 235	14 065	0	0	66%	586	24
zTotal as on Financial Systems (BAS)	524 110	392 763	1 667	27 322	75%	1 876	1 360

Table 3.1.2 Personnel costs by salary band for the period 1 April 2018 and 31 March 2019

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
02 Skilled (Levels 3-5)	14 895	4%	11	18 359	59
03 Highly skilled production (Levels 6-8)	180 261	46%	133	222 177	553
04 Highly skilled supervision (Levels 9-12)	109 953	28%	81	135 520	148
05 Senior management (Levels >= 13)	22 588	6%	17	27 840	18
11 Contract (Levels 3-5)	1 054	0%	1	1 299	4
12 Contract (Levels 6-8)	644	0%	0	794	2
13 Contract (Levels 9-12)	2 281	1%	2	2 811	2
14 Contract (Levels >= 13)	2 657	1%	2	3 275	2
18 Contract Other	343	0%	0	423	5
19 Periodical Remuneration	256	0%	0	316	0
20 Abnormal Appointment	57 831	15%	43	71 278	566
TOTAL	392 763	100%	289	484 092	1 359

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the Period 1 April 2018 and 31 March 2019

Programme	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	Total Personnel Cost per Programme (R'000)
ADMINISTRATION	72 809	19%	591	0%	1 984	1%	3 525	1%	78 909
LOCAL GOVERNANCE	154 316	39%	0	0%	7 479	2%	13 056	3%	174 850
DEVELOPMENT & PLANNING	34 134	9%	21	0%	602	0%	1 141	0%	35 898
TRADITIONAL INSTITUTIONAL MANAGEMENT	86 668	22%	69	0%	736	0%	1 568	0%	89 041
THE HOUSE OF TRAD LEADERS	13 309	3%	7	0%	276	0%	473	0%	14 065
TOTAL	361 236	92%	688	0%	11 077	3%	19 763	5%	392 763

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2018 and 31 March 2019

Salary Bands	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	Total Personnel Cost per Salary Band (R'000)
02 Skilled (Levels 3-5)	10 968	81,10	64	0,50	902	6,70	1 589	11,80	13 523
03 Highly skilled production (Levels 6-8)	163 540	87,90	291	0,20	8 013	4,30	14 198	7,60	186 042
04 Highly skilled supervision (Levels 9-12)	94 016	94,40	333	0,30	1 673	1,70	3 585	3,60	99 607
05 Senior management (Levels >= 13)	28 551	97,90	-	0,00	430	1,50	180	0,60	29 161
11 Contract (Levels 3-5)	794	90,60	-	0,00	-	0,00	82	9,40	876
12 Contract (Levels 6-8)	551	95,00	-	0,00	-	0,00	29	5,00	580
13 Contract (Levels 9-12)	2 107	99,80	-	0,00	5	0,20	-	0,00	2 112
14 Contract (Levels >= 13)	2 301	93,80	-	0,00	54	2,20	99	4,00	2 454
18 Contract Other	343	100,00	-	0,00	-	0,00	-	0,00	343
19 Periodical Remuneration	256	100,00	-	0,00	-	0,00	-	0,00	256
20 Abnormal Appointment	57 809	100,00	-	0,00	-	0,00	-	0,00	57 809
TOTAL	361 236	104,50	688	1,00	11 077	16,60	19 762	42,00	392 763

3.1. Employment and Vacancies

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

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

This information is presented in terms of three key variables:

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

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

Table 3.2.1 Employment and vacancies by programmes on 1 April 2018 and 31 March 2019

Programme	Number of Posts	Number of Posts Filled	Vacancy Rate (Includes Frozen Posts)	Number of Posts Filled Additional to the Establishment
ADMINISTRATION	152	145	4,60	1
DEVELOPMENT & PLANNING	56	53	5,40	0
LOCAL GOVERNANCE	500	497	0,60	0
THE HOUSE OF TRADITIONAL LEADERS	24	24	0,00	0
TRADITIONAL INSTITUTIONAL MANAGEMENT	74	74	0,00	0
TOTAL	806	793	1,60	1

Table 3.2.2 Employment and vacancies by salary band as on 1 April 2018 and 31 March 2019

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	59	59	0,00	0
03 Highly Skilled Production (Levels 6-8), Permanent	553	553	0,00	0
04 Highly Skilled Supervision (Levels 9-12), Permanent	151	148	2,00	1
05 Senior Management (Levels >= 13), Permanent	28	18	35,70	0
09 Other, Permanent	5	5	0,00	0
11 Contract (Levels 3-5), Permanent	4	4	0,00	0
12 Contract (Levels 6-8), Permanent	2	2	0,00	0
13 Contract (Levels 9-12), Permanent	2	2	0,00	0
14 Contract (Levels >= 13), Permanent	2	2	0,00	0
TOTAL	806	793	1,60	1

Table 3.2.3 Employment and vacancies by critical occupations as on 1 April 2018 and 31 March 2019

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	143	140	2,10	0
AGRICULTURE RELATED, Permanent	3	3	0,00	0
ARCHITECTS TOWN AND TRAFFIC PLANNERS, Permanent	5	5	0,00	0
CARTOGRAPHIC SURVEYING AND RELATED TECHNICIANS, Permanent	2	2	0,00	0
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC., Permanent	16	16	0,00	0
COMMUNICATION AND INFORMATION RELATED, Permanent	2	2	0,00	0
ENGINEERING SCIENCES RELATED, Permanent	1	1	0,00	0
ENGINEERS AND RELATED PROFESSIONALS, Permanent	1	1	0,00	0
FINANCE AND ECONOMICS RELATED, Permanent	7	7	0,00	0
FINANCIAL AND RELATED PROFESSIONALS, Permanent	11	10	9,10	0
FINANCIAL CLERKS AND CREDIT CONTROLLERS, Permanent	11	10	9,10	0
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS, Permanent	2	2	0,00	0
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER, Permanent	1	1	0,00	0
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF, Permanent	1	0	100,00	0
HUMAN RESOURCES CLERKS, Permanent	1	1	0,00	0
HUMAN RESOURCES RELATED, Permanent	21	20	4,80	0
INFORMATION TECHNOLOGY RELATED, Permanent	6	6	0,00	0
LIBRARY MAIL AND RELATED CLERKS, Permanent	4	4	0,00	0
MESSENGERS PORTERS AND DELIVERERS, Permanent	4	4	0,00	0
MOTOR VEHICLE DRIVERS, Permanent	1	1	0,00	0
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS, Permanent	466	463	0,60	1
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS, Permanent	23	23	0,00	0
OTHER OCCUPATIONS, Permanent	30	30	0,00	0
QUANTITY SURVEYORS & RELA PROF NOT CLASS ELSEWHERE, Permanent	1	1	0,00	0
RISK MANAGEMENT AND SECURITY SERVICES, Permanent	1	0	100,00	0
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS, Permanent	24	24	0,00	0
SENIOR MANAGERS, Permanent	18	16	11,10	0
TOTAL	806	793	1,60	1

Notes

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

3.2. Filling of SMS Posts

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

Table 3.3.1 SMS post information as on 1 April 2018 and 31 March 2019

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)	1	1	100%	0	0%
Salary Level 15 (HOD)	1	1	100%	0	0%
Salary Level 14	5	5	100%	0	0%
Salary Level 13	22	12	54%	10	45%
Total	29	19	65.5%	10	34%

Table 3.3.2 Advertising and filling of SMS posts for the period 1 April 2018 and 31 March 2019

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Salary Level 16 (MEC)	0	0	0	0	0%
Salary Level 15 (HOD)	0	0	0	0	0%
Salary Level 14	0	0	0	0	0%
Salary Level 13	0	0	0	0	0%
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 2018 and 31 March 2019

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

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

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 2018 and 31 March 2019

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

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

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 2018 and 31 March 2019

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Skilled (Levels 3-5)	59	-	-	-	0%	-	-
Highly Skilled Production (Levels 6-8)	553	2	0	2	100%	-	-
04 Highly Skilled Supervision (Levels 9-12)	151	38	25	9	24%	-	-
Senior Management Service Band A	22	-	-	-	0%	-	-
Senior Management Service Band B	5	-	-	-	0%	-	-
Senior Management Service Band C	1	-	-	-	0%	-	-
Senior Management Service Band D	5	-	-	-	0%	-	-
Other	4	-	-	-	0%	-	-
Contract (Levels 3-5)	2	-	-	-	0%	-	-
Contract (Levels 6-8)	2	-	-	-	0%	-	-
Contract (Levels 9-12)	1	-	-	-	0%	-	-
Contract Band A	1	-	-	-	0%	-	-
TOTAL	806	40	0	11	28%	-	-

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 2018 and 31 March 2019

Gender	African	Asian	Coloured	White	Total
Female	7	0	0	0	7
Male	4	0	0	0	4
Total	11	0	0	0	11

Employees with a disability	0
-----------------------------	----------

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 2018 and 31 March 2019

Occupation	Number of Employees	Job Evaluation level	Remuneration level	Reason for deviation
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
Total number of employees whose salaries exceeded the level determined by job evaluation				-
Percentage of total employed				-

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 2018 and 31 March 2019

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

Employees with disability	-	-	-	-	-
---------------------------	---	---	---	---	---

Total number of Employees whose salaries exceeded the grades determined by job evaluation	None
---	------

3.3. Employment Changes

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

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2018 and 31 March 2019

Salary Band	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
02 Skilled (Levels 3-5) Permanent	59	0	0	0%
03 Highly Skilled Production (Levels 6-8) Permanent	569	0	13	2%
04 Highly Skilled Supervision (Levels 9-12) Permanent	152	0	4	3%
05 Senior Management Service Band A Permanent	12	0	0	0%
06 Senior Management Service Band B Permanent	5	0	0	0%
09 Other Permanent	3	5	2	67%
11 Contract (Levels 3-5) Permanent	3	4	5	167%
12 Contract (Levels 6-8) Permanent	2	2	0	0%
13 Contract (Levels 9-12) Permanent	3	2	6	200%
14 Contract Band A Permanent	1	1	1	100%
16 Contract Band C Permanent	1	0	0	0%
TOTAL	810	14	31	4%

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2018 and 31 March 2019

Occupation	Employment at Beginning of Period	Appointments	Terminations	Turnover Rate
ADMINISTRATIVE RELATED Permanent	142	9	13	9%
AGRICULTURE RELATED Permanent	4	0	0	0%
ARCHITECTS TOWN AND TRAFFIC PLANNERS Permanent	5	0	1	20%
CARTOGRAPHIC SURVEYING AND RELATED TECHNICIANS Permanent	2	0	0	0%
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC. Permanent	16	0	0	0%
COMMUNICATION AND INFORMATION RELATED Permanent	3	0	0	0%
ENGINEERING SCIENCES RELATED Permanent	1	0	4	400%
ENGINEERS AND RELATED PROFESSIONALS Permanent	3	0	0	0%
FINANCE AND ECONOMICS RELATED Permanent	7	0	0	0%
FINANCIAL AND RELATED PROFESSIONALS Permanent	10	0	0	0%
FINANCIAL CLERKS AND CREDIT CONTROLLERS Permanent	10	0	0	0%
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS Permanent	2	0	0	0%
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER Permanent	1	0	0	0%
HUMAN RESOURCES CLERKS Permanent	1	0	2	200%
HUMAN RESOURCES RELATED Permanent	7	0	1	14%
INFORMATION TECHNOLOGY RELATED Permanent	17	0	0	0%
LIBRARY MAIL AND RELATED CLERKS Permanent	4	0	0	0%
MESSENGERS PORTERS AND DELIVERERS Permanent	3	2	1	33%
MOTOR VEHICLE DRIVERS Permanent	1	0	0	0%
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS Permanent	475	2	7	1%
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS Permanent	25	0	2	8%
OTHER OCCUPATIONS Permanent	30	0	0	0%
QUANTITY SURVEYORS & RELA PROF NOT CLASS ELSEWHERE Permanent	1	0	0	0%
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS Permanent	24	0	0	0%
SENIOR MANAGERS Permanent	16	1	0	0%
TOTAL	810	14	31	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 2018 and 31 March 2019

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment
01 Death, Permanent	5	16%	1%	22	793
02 Resignation, Permanent	9	29%	1%	22	793
03 Expiry of contract, Permanent	13	42%	2%	22	793
09 Retirement, Permanent	4	13%	1%	22	793
TOTAL	31	100%	4%	22	793

Table 3.5.4 Granting of employee initiated severance packages for the period 1 April 2018 and 31 March 2019

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

Table 3.5.5 Promotions by critical occupation for the period 1 April 2018 and 31 March 2019

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	142	11	8	87	61
AGRICULTURE RELATED	4	-	-	3	75
ARCHITECTS TOWN AND TRAFFIC PLANNERS	5	-	-	4	80
CARTOGRAPHIC SURVEYING AND RELATED TECHNICIANS	2	-	-	-	-
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	16	-	-	14	88
COMMUNICATION AND INFORMATION RELATED	3	-	-	1	33
ENGINEERING SCIENCES RELATED	1	-	-	-	-
ENGINEERS AND RELATED PROFESSIONALS	3	-	-	2	67
FINANCE AND ECONOMICS RELATED	7	-	-	5	71
FINANCIAL AND RELATED PROFESSIONALS	10	-	-	10	100
FINANCIAL CLERKS AND CREDIT CONTROLLERS	10	-	-	8	80
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS	2	-	-	3	150
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER	1	-	-	-	-
HUMAN RESOURCES CLERKS	1	-	-	1	100
HUMAN RESOURCES RELATED	7	-	-	5	71
INFORMATION TECHNOLOGY RELATED	17	-	-	6	35
LIBRARY MAIL AND RELATED CLERKS	4	-	-	4	100
MESSENGERS PORTERS AND DELIVERERS	3	-	-	2	67
MOTOR VEHICLE DRIVERS	1	-	-	-	-
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	475	-	-	444	94
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS	25	-	-	19	76
OTHER OCCUPATIONS	30	-	-	2	7
QUANTITY SURVEYORS & RELA PROF NOT CLASS ELSEWHERE	1	-	-	-	-
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	24	-	-	23	96
SENIOR MANAGERS	16	-	-	15	94
TOTAL	810	11	1	658	81

Table 3.5.6 Promotions by salary band for the period 1 April 2018 and 31 March 2019

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
02 Skilled (Levels 3-5), Permanent	59	0	0	56	94,9
03 Highly Skilled Production (Levels 6-8), Permanent	569	2	0,4	503	88,4
04 Highly Skilled Supervision (Levels 9-12), Permanent	152	9	5,9	82	53,9
05 Senior Management (Levels >= 13), Permanent	17	0	0	17	100
09 Other, Permanent	3	0	0	0	0
11 Contract (Levels 3-5), Permanent	3	0	0	0	0
12 Contract (Levels 6-8), Permanent	2	0	0	0	0
13 Contract (Levels 9-12), Permanent	3	0	0	0	0
14 Contract (Levels >= 13), Permanent	2	0	0	0	0
TOTAL	810	11	1,4	658	81,2

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 2018 and 31 March 2019

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total
02 - PROFESSIONALS	28	1	0	2	26	0	0	1	58
03 - TECHNICIANS AND ASSOCIATE PROFESSIONALS	79	1	0	1	83	0	0	1	165
09 - LABOURERS AND RELATED WORKERS	28	0	0	0	21	0	0	0	49
08 - PLANT AND MACHINE OPERATORS AND ASSEMBLERS	1	0	0	0	0	0	0	0	1
04 - CLERKS	229	1	1	0	270	0	0	1	502
01 - SENIOR OFFICIALS AND MANAGERS	11	0	0	0	6	0	0	1	18
TOTAL	376	3	1	3	406	0	0	4	793

	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total
Employees with disabilities	7	0	0	0	3	0	0	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 2018 and 31 March 2019

Occupational_Bands	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total
01 Top Management, Permanent	1	0	0	0	0	0	0	0	1
02 Senior Management, Permanent	11	0	0	0	5	0	0	1	17
03 Professionally qualified and experienced specialists and	82	1	0	3	60	0	0	2	148
04 Skilled technical and academically qualified workers, ju	259	2	1	0	291	0	0	0	553
05 Semi-skilled and discretionary decision making, Permar	15	0	0	0	43	0	0	1	59
07 Not Available, Permanent	2	0	0	0	3	0	0	0	5
08 Contract (Top Management), Permanent	1	0	0	0	0	0	0	0	1
09 Contract (Senior Management), Permanent	0	0	0	0	1	0	0	0	1
10 Contract (Professionally Qualified), Permanent	1	0	0	0	1	0	0	0	2
11 Contract (Skilled Technical), Permanent	1	0	0	0	1	0	0	0	2
12 Contract (Semi-Skilled), Permanent	3	0	0	0	1	0	0	0	4
TOTAL	376	3	1	3	406	0	0	4	793

Table 3.6.3 Recruitment for the period 1 April 2018 and 31 March 2019

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Inadian	Female, White	Total
07 Not Available, Permanent	2	0	0	0	3	0	0	0	5
09 Contract (Senior Management), Permanent	0	0	0	0	1	0	0	0	1
10 Contract (Professionally qualified), Permanent	1	0	0	0	1	0	0	0	2
11 Contract (Skilled technical), Permanent	1	0	0	0	1	0	0	0	2
12 Contract (Semi-skilled), Permanent	3	0	0	0	1	0	0	0	4
TOTAL	7	0	0	0	7	0	0	0	14

Table 3.6.4 Promotions for the period 1 April 2018 and 31 March 2019 (pay progression)

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total
02 Senior Management, Permanent	11	0	0	0	5	0	0	1	17
03 Professionally qualified and experienced specialists and mid-management, Permanent	43	0	0	3	33	0	0	3	82
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	219	1	0	0	283	0	0	0	503
05 Semi-skilled and discretionary decision making, Permanent	13	0	0	0	42	0	0	1	56
TOTAL	286	1	0	3	363	0	0	5	658

Table 3.6.5 Terminations for the period 1 April 2018 and 31 March 2019

Occupational Bands	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Inadian	Female, White	Total
03 Professionally qualified and experienced specialists and mid-management, Permanent	1	0	0	0	1	0	0	0	2
04 Skilled technical and academically qualified workers, junior management,	8	0	0	0	7	0	0	0	15
07 Not Available, Permanent	2	0	0	0	0	0	0	0	2
10 Contract (Professionally qualified), Perman	1	0	0	1	0	0	0	0	2
12 Contract (Semi-skilled), Permanent	5	0	0	0	5	0	0	0	10
TOTAL	17	0	0	1	13	0	0	0	31

Table 3.6.6 Disciplinary action for the period 1 April 2018 and 31 March 2019

Disciplinary action	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Inadian	Female, White	Total
FINAL WRITTEN WARNING	2	0	0	0	1	0	0	0	3
NO OUTCOME	0	0	0	0	1	0	0	0	1
SUSPENDED WITHOUT PAYMENT	1	0	0	0	0	0	0	0	1
TOTAL	3	0	0	0	2	0	0	0	5

Table 3.6.7 Skills development for the period 1 April 2018 and 31 March 2019

Occupational Categories	Male, African	Male, Coloured	Male, Indian	Male, White	Female, African	Female, Coloured	Female, Indian	Female, White	Total
Legislators, Senior Officials and Managers	7	0	0	0	4	0	0	1	12
Professionals	15	0	2	0	14	0	0	1	32
Technicians and Associate Professionals	26	0	0	0	13	0	0	1	40
Clerks	37	0	0	0	55	0	0	1	93
Service and Sales Workers	0	0	0	0	0	0	0	0	0
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	1	0	0	0	0	0	0	0	1
Elementary Occupations	1	0	0	0	4	0	0	0	5
Employees with disabilities	0	0	0	0	0	0	0	0	0
TOTAL	87	0	2	0	90	0	0	4	183

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 2018

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Salary Level 15 (HOD)	1	1	1	1
Salary Level 14	5	5	5	5
Salary Level 13	12	12	12	12
Total	18	18	18	18

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 1 April 2018

Reasons
No disciplinary action was taken as all SMS members complied

Notes

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

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 1 April 2018

Reasons
None

Notes

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

3.8 Performance Rewards

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

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2018 and 31 March 2019

Demographics	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	307	403	51%	5 082	9 224
African, Male	228	369	47%	3 775	6 850
Asian, Female	0	0	0%	-	0
Asian, Male	0	1	0%	-	0
Coloured, Female	0	0	0%	-	0
Coloured, Male	2	3	0%	33	60
Total Blacks, Female	307	403	51%	5 082	9 224
Total Blacks, Male	230	373	47%	3 808	6 911
White, Female	4	4	1%	66	120
White, Male	3	3	0%	50	90
Employees with a disability	7	10	1%	116	210
TOTAL	551	793	100%	9 122	16 555

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2018 and 31 March 2019

SalaryBand	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
02 Skilled (Levels 3-5)	56	59	8%	615	10 983
03 Highly Skilled Production (Levels 6-8)	341	553	72%	5 765	16 905
04 Highly Skilled Supervision (Levels 9-12)	135	148	19%	1 543	11 428
09 Other	0	5	1%	52	-
11 Contract (Levels 3-5)	0	4	1%	42	-
12 Contract (Levels 6-8)	0	2	0%	21	-
13 Contract (Levels 9-12)	2	2	0%	21	10 424
TOTAL	534	773	100%	8 058	15 090

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2018 and 31 March 2019

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
02 Skilled (Levels 3-5), Permanent	59	0	0	56	94,9
03 Highly Skilled Production (Levels 6-8), Permanent	569	2	0,4	503	88,4
04 Highly Skilled Supervision (Levels 9-12), Permanent	152	9	5,9	82	53,9
05 Senior Management (Levels >= 13), Permanent	17	0	0	17	100
09 Other, Permanent	3	0	0	0	0
11 Contract (Levels 3-5), Permanent	3	0	0	0	0
12 Contract (Levels 6-8), Permanent	2	0	0	0	0
13 Contract (Levels 9-12), Permanent	3	0	0	0	0
14 Contract (Levels >= 13), Permanent	2	0	0	0	0
TOTAL	810	11	1,4	658	81,2

Performance Reward by occupation for the period

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
FINANCIAL CLERKS AND CREDIT CONTROLLERS	9	10	1%	149	270
HUMAN RESOURCES CLERKS	1	1	0%	17	30
MESSENGERS PORTERS AND DELIVERERS	2	4	1%	33	60
FINANCE AND ECONOMICS RELATED	7	7	1%	116	210
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	275	463	58%	4 553	8 263
OTHER OCCUPATIONS	2	30	4%	33	60
FINANCIAL AND RELATED PROFESSIONALS	10	10	1%	166	300
ARCHITECTS TOWN AND TRAFFIC PLANNERS	5	5	1%	83	150
ADMINISTRATIVE RELATED	127	140	18%	2 103	3 816
COMMUNICATION AND INFORMATION RELATED	2	2	0%	33	60
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	22	24	3%	364	661
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	16	16	2%	265	481
LIBRARY MAIL AND RELATED CLERKS	4	4	1%	66	120
HUMAN RESOURCES RELATED	20	20	3%	331	601
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER	0	1	0%	-	-
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS	2	2	0%	33	60
CARTOGRAPHIC SURVEYING AND RELATED TECHNICIANS	1	2	0%	17	30
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS	21	23	3%	348	631
SENIOR MANAGERS	15	16	2%	248	451
ENGINEERS AND RELATED PROFESSIONALS	1	1	0%	17	30
ENGINEERING SCIENCES RELATED	0	1	0%	-	-
MOTOR VEHICLE DRIVERS	1	1	0%	17	30
QUANTITY SURVEYORS & RELA PROF NOT CLASS ELSEWHERE	0	1	0%	-	-
INFORMATION TECHNOLOGY RELATED	5	6	1%	83	150
AGRICULTURE RELATED	3	3	0%	50	90
TOTAL	551	793	100%	9 122	16 555

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2018 and 31 March 2019

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	12	13	65%	751	44 180	3%	16 962
Band B	5	5	25%	313	18 408	1%	7 777
Band C	0	1	5%	-	-	0%	1 940
Band D	0	1	5%	-	-	0%	1 872
TOTAL	17	20	100%	1 064	62 588	4%	28 551

3.9 Foreign Workers

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

Salary Band	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
Highly skilled supervision (Levels 9-12)	1	50	0	0	-1	100	2	1	-1
Other	1	50	1	100	0	0	2	1	-1
TOTAL	2	100	1	100	-1	100	2	1	-1

Table 3.9.1 foreign workers by salary band for the period 1 April 2018 and 31 March 2019

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	50	1	100	0	0	2	1	-1
Professionals and managers	1	50	0	0	-1	100	2	1	-1
TOTAL	2	100	1	100	-1	100	2	1	-1

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2018 and 31 March 2019

Major occupation	01 April 2018		31 March 2019		Change	
	Number	% of total	Number	% of total	Number	% Change
Other occupations	1	50	1	100	0	0
Professionals and managers	1	50	0	0	-1	100
TOTAL	2	100	1	100	-1	100

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 01 April 2018 and 31 March 2019

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Sick Leave	% of Total Employees using Sick Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of Employees using Sick Leave	Total number of days with medical certification
Contract (Levels 13-16)	15	100	1	100	15	55	1	15
Contract (Levels 3-5)	1	100	1	100	1	1	1	1
Contract (Levels 6-8)	4	100	2	100	2	5	2	4
Contract (Levels 9-12)	39	94,9	2	100	20	100	2	37
Contract Other	4	75	3	100	1	1	3	3
Highly skilled production (Levels 6-8)	1106	93,5	165	100	7	1371	165	1034
Highly skilled supervision (Levels 9-12)	546	82,8	80	100	7	1374	80	452
Senior management (Levels 13-16)	49	98	5	100	10	217	5	48
Skilled (Levels 3-5)	279	87,8	35	100	8	234	35	245
TOTAL	2043	90	294	100	7	3360	294	1839

Table 3.10.2 Disability leave (temporary and permanent) for the period 01 April 2018 and 31 March 2019

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of days with medical certification	Total number of Employees using Disability Leave
Highly skilled production (Levels 6-8)	32	100	1	25	32	56	32	4
Highly skilled supervision (Levels 9-12)	20	100	2	50	10	44	20	4
Skilled (Levels 3-5)	2	100	1	25	2	2	2	4
TOTAL	54	100	4	100	14	101	54	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 01 April 2018 and 31 March 2019

Salary Band	Total Days Taken	Average Days per Employee	Number of Employees who took leave
Contract (Levels 13-16)	8	4	2
Contract (Levels 3-5)	21	11	2
Contract (Levels 6-8)	49	12	4
Contract (Levels 9-12)	43	7	6
Contract Other	49	5	10
Highly skilled production (Levels 6-8)	11357	22	512
Highly skilled supervision (Levels 9-12)	3633	26	141
Senior management (Levels 13-16)	308	19	16
Skilled (Levels 3-5)	1293	22	58
TOTAL	16761	22	751

Table 3.10.4 Capped leave for the period 01 April 2018 and 31 March 2019

Salary Band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at end of period	Number of Employees 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)	0	0	27	0	27	1
Contract (Levels 3-5)	0	0	0	0	-	0
Contract (Levels 6-8)	0	0	0	0	-	0
Contract (Levels 9-12)	0	0	0	0	-	0
Contract Other	0	0	0	0	-	0
Highly skilled production (Levels 6-8)	0	0	85	0	3 241	38
Highly skilled supervision (Levels 9-12)	14	3	69	5	4 100	59
Senior management (Levels 13-16)	0	0	41	0	450	11
Skilled (Levels 3-5)	0	0	52	0	839	16
TOTAL	14	3	69	5	8 658	125

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

Table 3.10.5 Leave pay-outs for the period 01 April 2018 and 31 March 2019

Reason	Total Estimated Amount (R'000)	Number of Employees	Average Estimated Payment per Employee (R)
ANNUAL - DISCOUNTING WITH RESIGNATION (WORK DAYS)	262	10	26 200
ANNUAL - GRATUITY: DEATH/RETIREMENT/MEDICAL RETIREMENT(WORK	69	4	17 250
CAPPED - GRATUITY: DEATH/RETIREMENT/MEDICAL RETIREMENT(WORK	334	3	111 333
TOTAL	665	17	154 783

3.11 HIV AND AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

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

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part 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 02 Employee Assistant Practitioners responsible for the implementation of the Employee Health and Wellness in workplace based on the four pillars: <input type="checkbox"/> HIV and AIDS and TB Management <input type="checkbox"/> Wellness Management <input type="checkbox"/> Health and productivity Management <input type="checkbox"/> SHERQ Management

4. Has the department established (a) committee(s) as contemplated in Part 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 Kgomotso Manzini Ms Esther Maluleka Ms Lindiwe Msibi Ms Lindiwe Nxumalo Ms Nancy Matshume Ms Kholiwe Nkambule Ms Phumzile Mali Ms Phumzile Nyoni Mr Johannes Mavuso Ms Smangele Ntuli
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		The Department has the HIV and AIDS and TB Management policy in place which is reviewed annually.
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	Yes		The Department is guided by the National policy on HIV/ AIDs. The Confidentiality Clause applies and the EAP practitioners adhere to the set standards of the Board of the Practitioners.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	Yes		The Wellness unit conducts sessions on HIV and AIDS and TB Management to the employees on quarterly basis. Wellness screenings are conducted with the assistance from GEMS and the Department of Health
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 DPSA <input type="checkbox"/> Employee Health and Wellness System Monitoring tool <input type="checkbox"/> Integrated Employee Health and Wellness reporting tool <input type="checkbox"/> 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 DPSA.

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2018 and 31 March 2019

Subject matter	Date
None	

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2018 and 31 March 2019

OUTCOMES OF DISCIPLINARY HEARINGS	Number	% of total
Final written warning	3	60%
No outcome	1	20%
Suspension without pay	1	20%
TOTAL	5	100%

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2018 and 31 March 2019

Type of misconduct	Number	% of total
Absent from work without reason or permission	1	20%
Fails to carry out order or instruction	1	20%
Performs poorly for reasons other than incapacity	1	20%
Prejudices administration of organisation or dept.	1	20%
Dereliction of duty	1	20%
TOTAL	5	100%

Table 3.12.4 Grievances lodged for the period 1 April 2018 and 31 March 2019

Grievances	Number	% of Total
Not resolved	2	17%
Resolved	10	83%
TOTAL	12	100%

Table 3.12.5 Disputes lodged with Councils for the period 1 April 2018 and 31 March 2019

Disputes	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	0	0
Total number of disputes lodged	2	100%

Table 3.12.6 Strike actions for the period 1 April 2018 and 31 March 2019

Total number of persons working days lost	None
Total costs working days lost	
Amount recovered as a result of no work no pay (R'000)	

Table 3.12.7 Precautionary suspensions for the period 1 April 2018 and 31 March 2019

Number of people suspended	None
Number of people whose suspension exceeded 30 days	
Average number of days suspended	
Cost of suspension(R'000)	

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 2018 and 31 March 2019

Occupational category	Gender	Number of employees as at 31 March 2019	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	7	0	13	0	13
	Male	11	0	13	0	13
Professionals	Female	27	0	20	12	32
	Male	31	0	20	12	32
Technicians and associate professionals	Female	84	0	20	12	32
	Male	81	0	20	12	32
Clerks	Female	271	0	20	12	32
	Male	231	0	22	10	32
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Labourers and related workers.	Female	21	0	0	0	0
	Male	28	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	1	0	0	0	0
other	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	410				
	Male	383				
Total		793	0	148	70	218

Table 3.13.2 Training provided for the period 1 April 2018 to 31 March 2019

Occupational category	Gender	Number of employees as at 1 April 2018	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	7	0	3	6	9
	Male	11	0	3	6	9
Professionals	Female	27	0	6	7	13
	Male	31	0	6	6	12
Technicians and associate professionals	Female	84	1	7	5	13
	Male	81	1	7	5	13
Clerks	Female	271	2	7	5	14
	Male	231	2	7	5	14
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	21	0	0	0	0
	Male	28	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	1				
Elementary occupations	Female	0	0	0	1	1
	Male	0	0	0	1	1
Sub Total	Female	410	0	0	0	
	Male	383	0	0	0	
Total		793	6	46	37	99

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 2018 to 31 March 2019

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

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 2018 to 31 March 2019

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

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

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2018 to 31 March 2019

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

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2018 to 31 March 2019

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

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

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 01 April 2018 and 31 March 2019

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

3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 01 April 2018 and 31 March 2019

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

PART E

FINANCIAL INFORMATION

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

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Co-operative Governance and Traditional Affairs set out on pages 76 to 125, which comprise the appropriation statement, the statement of financial position as at 31 March 2019, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Co-operative Governance and Traditional Affairs as at 31 March 2019, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2018 (Act No. 1 of 2018) (Dora).

Basis for opinion

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

4. I am independent of the department in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of ethics for professional accountants and parts 1 and 3 of the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.

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

Emphasis of matters

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

Irregular expenditure

7. As disclosed in note 21 to the financial statements, the department incurred irregular expenditure of R3 007 000, as it paid bonuses in excess of 1,5% of the budget for compensation of employees, in contravention of the provisions of the 2018 incentive policy framework for employees in the public service.

Unauthorised expenditure

8. As disclosed in note 8 to the financial statements, unauthorised expenditure of R22 011 000 incurred in previous years was still under investigation.

Responsibilities of the accounting officer for the financial statements

9. 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.

10. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

11. 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.

12. 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

13. 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.

14. 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.

15. 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 2019:

Programmes	Pages in the annual performance report
Programme 2 – local governance	20 - 27
Programme 3 – development and planning	28 - 33
Programme 4 – traditional institution management	34 - 37

16. 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.

17. 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 matter

18. I draw attention to the matter below.

Achievement of planned targets

19. Refer to the annual performance report on pages 17 to 40 for information on the achievement of planned targets for the year and explanations provided for the overachievement of a number of targets.

Report on the audit of compliance with legislation

Introduction and scope

20. 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.

21. 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

22. 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 resources governance report, executive authority's report, and report of the accounting officer. 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.

23. 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.

24. 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.

25. I have nothing to report in this regard.

Internal control deficiencies

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

Auditor - General

Mbombela

31 July 2019



**AUDITOR - GENERAL
SOUTH AFRICA**

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

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

Financial statements

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

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

Communication with those charged with governance

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

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

ANNUAL FINANCIAL STATEMENTS

**For the year ended
31 March 2019**

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

Table of Contents

Appropriation Statement	78
Notes to the Appropriation Statement	92
Statement of Financial Performance	93
Statement of Financial Position	94
Statement of Changes in Net Assets	95
Cash Flow Statement	96
Notes to the Annual Financial Statements (including Accounting policies)	97
Annexures	122

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT
for the year ended 31 March 2019

Appropriation per programme									
	2018/19							2017/18	
	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	126 960	-	(1 124)	125 836	125 836	-	100.0%	117 557	117 541
2. Local Governance	200 426	-	4 951	205 377	205 377	-	100.0%	173 690	173 680
3. Development and Planning	60 203	-	(3 473)	56 730	56 729	1	100.0%	57 208	57 193
4. Traditional Institutional Management	116 869	-	(1 884)	114 985	114 933	52	100.0%	148 297	148 161
5. The House of Traditional Leaders	19 705	-	1 530	21 235	21 235	-	100.0%	18 292	18 290
Subtotal	524 163			524 163	524 110	53	100.0%	515 044	514 865
Statutory Appropriation	-	-	-	-	-	-	-	-	-
TOTAL	524 163			524 163	524 110	53	100.0%	515 044	514 865

	2018/19		2017/18	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)				
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	1 291		1 720	
NRF Receipts				
Aid assistance				
Actual amounts per statement of financial performance (total revenue)	525 454		516 764	
ADD				
Aid assistance				
Prior year unauthorised expenditure approved without funding				
Actual amounts per statement of financial performance (total expenditure)		524 110		514 865

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT
for the year ended 31 March 2019

Appropriation per economic classification									
2018/19								2017/18	
	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	483 585	275	(120)	483 740	484 092	(352)	100.1%	440 210	440 163
Compensation of employees	399 846	(1 825)	(5 258)	392 763	392 763	-	100.0%	372 923	372 913
Salaries and wages	348 041	(1 750)	(2 842)	343 449	343 449	-	100.0%	326 325	326 316
Social contributions	51 805	(75)	(2 416)	49 314	49 314	-	100.0%	46 598	46 597
Goods and services	83 739	2 100	5 138	90 977	91 329	(352)	100.4%	67 287	67 250
Administrative fees	699	(111)	-	588	590	(2)	100.3%	549	542
Advertising	1 055	(332)	-	723	723	-	100.0%	786	786
Minor assets	220	(11)	-	209	209	-	100.0%	38	38
Audit costs: External	4 025	(441)	-	3 584	3 583	1	100.0%	3 927	3 927
Catering: Departmental activities	2 179	(123)	-	2 056	2 055	1	100.0%	1 603	1 594
Communication	6 469	1 697	-	8 166	8 167	(1)	100.0%	7 089	7 087
Computer services	433	(160)	-	273	274	(1)	100.4%	273	271
Consultants: Business and advisory services	21 918	(155)	4 414	26 177	26 177	-	100.0%	5 626	5 637
Infrastructure and planning services	2 748	(131)	(612)	2 005	2 004	1	100.0%	2 076	2 075
Legal services	2 780	(1 292)	-	1 488	1 489	(1)	100.1%	2 632	2 632
Contractors	687	244	-	931	931	-	100.0%	321	320
Fleet services	2 865	555	-	3 420	3 420	-	100.0%	3 583	3 583
Inventory: Clothing material and supplies	294	(93)	-	201	201	-	100.0%	262	262

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT
for the year ended 31 March 2019

Inventory: Materials and supplies	-	-	-	-	-	-	-	687	687
Consumable supplies	430	199	-	629	630	(1)	100.2%	595	594
Consumable: Stationery, printing and office supplies	1 740	208	422	2 370	2 370	-	100.0%	2 231	2 230
Operating leases	11 326	(481)	-	10 845	11 191	(346)	103.2%	10 285	10 285
Property payments	4 747	821	-	5 568	5 568	-	100.0%	4 691	4 691
Travel and subsistence	14 590	2 819	1 053	18 462	18 465	(3)	100.0%	17 182	17 177
Training and development	2 594	(581)	(346)	1 667	1 667	-	100.0%	1 303	1 302
Operating payments	1 204	(402)	92	894	894	-	100.0%	924	909
Venues and facilities	736	(130)	115	721	721	-	100.0%	624	621
Transfers and subsidies	32 825	666	120	33 611	33 607	4	100.0%	22 310	22 309
Provinces and Municipalities	95	(60)	120	155	155	-	100.0%	36	35
Provinces	95	(60)	-	35	35	-	100.0%	-	-
Provincial Agencies and Funds	95	(60)	-	35	35	-	100.0%	-	-
Municipalities	-	-	120	120	120	-	100.0%	36	35
Municipal agencies and funds	-	-	120	120	120	-	100.0%	36	35
Departmental Agencies & Accounts	9	(9)	-	-	-	-	-	-	-
Non-profit institutions	21 000	1 188	-	22 188	22 188	-	100.0%	21 488	21 488
Public Corporation	10 531	-	-	10 531	10 532	(1)	100.0%	-	-
Households	1 190	(453)	-	737	732	5	99.3%	786	786
Social benefits	1 190	(453)	-	737	732	5	99.3%	786	786
Payments for capital assets	7 753	(1 000)	-	6 753	6 353	400	94.1%	52 444	52 313
Buildings and other fixed structures	6 007	(214)	(343)	5 450	5 396	54	99.0%	19 392	19 262
Buildings	6 007	(1 274)	(343)	4 390	4 336	54	98.8%	14 341	14 211
Other fixed structures	-	1 060	-	1 060	1 060	-	100.0%	5 051	5 051
Machinery and equipment	1 746	(786)	343	1 303	957	346	73.4%	33 052	33 051
Transport equipment	-	-	-	-	-	-	-	3 597	3 597
Other machinery and equipment	1 746	(786)	343	1 303	957	346	73.4%	29 455	29 454
Payments for financial assets	-	59	-	59	58	1	98.3%	80	80
TOTAL	524 163	-	-	524 163	524 110	53	100.0%	515 044	514 865

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)**VOTE 04****APPROPRIATION STATEMENT****for the year ended 31 March 2019****PROGRAMME 1**

Programme 1: ADMINISTRATION									
	2018/19						2017/18		
	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	7 011	505	-	7 516	7 516	-	100.0%	6 976	6 972
2. Corporate Service	119 949	(505)	(1 124)	118 320	118 320	-	100.0%	110 581	110 569
Total for sub programmes	126 960	-	(1 124)	125 836	125 836	-	100.0%	117 557	117 541
Economic classification	-	-	-	-	-	-	-	-	-
Current payments	123 920	463	(1 467)	122 916	123 268	(352)	100.3%	116 013	115 999
Compensation of employees	80 869	(839)	(1 121)	78 909	78 909	-	100.0%	74 238	74 235
Salaries and wages	68 438	(121)	-	68 317	68 317	-	100.0%	64 260	64 258
Social contributions	12 431	(718)	(1 121)	10 592	10 592	-	100.0%	9 978	9 977
Goods and services	43 051	1 302	(346)	44 007	44 359	(352)	100.8%	41 775	41 764
Administrative fees	232	(9)	-	223	224	(1)	100.4%	181	179
Advertising	914	(191)	-	723	723	-	100.0%	734	734
Minor assets	220	(11)	-	209	209	-	100.0%	38	38
Audit costs: External	4 025	(441)	-	3 584	3 583	1	100.0%	3 927	3 927
Catering: Departmental activities	742	(42)	-	700	701	(1)	100.1%	616	614
Communication	5 482	1 681	-	7 163	7 163	-	100.0%	6 113	6 113
Computer services	108	6	-	114	114	-	100.0%	118	117
Consultants: Business and advisory services	135	18	-	153	153	-	100.0%	141	153
Legal services	2 780	(1 292)	-	1 488	1 489	(1)	100.1%	2 632	2 632
Contractors	143	244	-	387	387	-	100.0%	136	135
Fleet Services	2 865	555	-	3 420	3 420	-	100.0%	3 583	3 583
Consumable supplies	430	199	-	629	630	(1)	100.2%	545	544
Consumable: Stationery, printing and office supplies	1 739	208	-	1 947	1 947	-	100.0%	2 231	2 230
Operating leases	11 326	(481)	-	10 845	11 191	(346)	103.2%	10 285	10 285
Property payments	4 747	821	-	5 568	5 568	-	100.0%	4 691	4 691
Travel and subsistence	4 338	606	-	4 944	4 947	(3)	100.1%	4 372	4 371
Training and development	2 114	(463)	(346)	1 305	1 305	-	100.0%	853	853
Operating payments	563	(41)	-	522	522	-	100.0%	468	456
Venues and facilities	148	(65)	-	83	83	-	100.0%	111	109
Transfers and subsidies	1 294	(522)	-	772	767	5	99.4%	822	821
Provinces and Municipalities	95	(60)	-	35	35	-	100.0%	36	35
Provincial Agencies and Funds	95	(60)	-	35	35	-	100.0%	-	-
Municipalities Agencies & Accounts	-	-	-	-	-	-	-	36	35
Departmental Agencies & Accounts	9	(9)	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	1 190	(453)	-	737	732	5	99.3%	786	786
Social benefits	1 190	(453)	-	737	732	5	99.3%	786	786
Payments for capital assets	1 746	-	343	2 089	1 743	346	83.4%	642	641
Buildings and other fixed structures	-	1 060	-	1 060	1 060	-	100.0%	-	-
Other fixed structures	-	1 060	-	1 060	1 060	-	100.0%	-	-
Machinery and equipment	1 746	(1 060)	343	1 029	683	346	66.4%	642	641
Other Machinery and Equipment	1 746	(1 060)	343	1 029	683	346	66.4%	642	641
Payments for financial assets	-	59	-	59	58	1	98.3%	80	80
TOTAL	126 960	-	(1 124)	125 836	125 836	-	100.0%	117 557	117 541

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT

for the year ended 31 March 2019

1.1 OFFICE OF THE MEC									
2018/19								2017/18	
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	7 011	505	-	7 516	7 516	-	100.0%	6 976	6 972
Compensation of employees	5 591	556	-	6 147	6 147	-	100.0%	5 891	5 890
Goods and services	1 420	(51)	-	1 369	1 369	-	100.0%	1 085	1 082
TOTAL	7 011	505	-	7 516	7 516	-	100.0%	6 976	6 972

1.2 CORPORATE SERVICES									
2018/19								2017/18	
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	116 909	(42)	(1 467)	115 400	115 752	(352)	100.3%	109 037	109 027
Compensation of employees	75 278	(1 395)	(1 121)	72 762	72 762	-	100.0%	68 347	68 345
Goods and services	41 631	1 353	(346)	42 638	42 990	(352)	100.8%	40 690	40 682
Transfers and subsidies	1 294	(522)	-	772	767	5	99.4%	822	821
Provinces and Municipalities	95	(60)	-	35	35	-	100.0%	36	35
Households	1 190	(453)	-	737	732	5	99.3%	786	786
Payments for capital assets	1 746	-	343	2 089	1 743	346	83.4%	642	641
Buildings and other fixed structures	-	1 060	-	1 060	1 060	-	100.0%	-	-
Other Machinery and equipment	1 746	(1 060)	343	1 029	683	346	66.4%	642	641
Payments for financial assets	-	59	-	59	58	1	98.3%	80	80
TOTAL	119 949	(505)	(1 124)	118 320	118 320	-	100.0%	110 581	110 569

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT

for the year ended 31 March 2019

PROGRAMME 2

Programme 2: LOCAL GOVERNANCE								2017/18	
2018/19	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Office Support	1 908	44	-	1 952	1 952	-	100.0%	1 743	1 741
2 .Municipal Administration	29 865	460	4 951	35 276	35 276	-	100.0%	13 401	13 399
3 .Public Participation	161 245	(740)	-	160 505	160 505	-	100.0%	151 730	151 730
4 .Capacity Development	3 511	(101)	-	3 410	3 410	-	100.0%	3 309	3 306
5 .Municipal Performance Monitoring Evaluation	3 897	337	-	4 234	4 234	-	100.0%	3 507	3 504
Total for sub programmes	200 426	-	4 951	205 377	205 377	-	100.0%	173 690	173 680

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	200 426	-	4 951	205 377	205 377	-	100.0%	173 690	173 680
Compensation of employees	175 430	(580)	-	174 850	174 850	-	100.0%	164 262	164 261
Salaries and wages	148 396	(2 491)	-	145 905	145 905	-	100.0%	136 875	136 872
Social contributions	27 034	1 911	-	28 945	28 945	-	100.0%	27 387	27 389
Goods and services	24 996	580	4 951	30 527	30 527	-	100.0%	9 428	9 419
Administrative fees	97	(4)	-	93	93	-	100.0%	59	57
Catering: Departmental activities	292	(18)	-	274	274	-	100.0%	337	336
Communication	323	25	-	348	348	-	100.0%	326	326
Consultants: Business and advisory services	20 883	-	4 414	25 297	25 297	-	100.0%	4 993	4 992
Consumable: Stationery, printing and office supplies	1	-	422	423	423	-	100.0%	-	-
Travel and subsistence	2 746	573	-	3 319	3 319	-	100.0%	2 994	2 992
Training and development	480	(118)	-	362	362	-	100.0%	450	449
Operating payments	157	(42)	-	115	115	-	100.0%	136	135
Venues and facilities	17	164	115	296	296	-	100.0%	133	132
Total	200 426	-	4 951	205 377	205 377	-	100.0%	173 690	173 680

2.1 OFFICE SUPPORT

2018/19								2017/18	
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	1 908	44	-	1 952	1 952	-	100.0%	1 743	1 741
Compensation of employees	1 661	(47)	-	1 614	1 614	-	100.0%	1 501	1 501
Goods and services	247	91	-	338	338	-	100.0%	242	240
Total	1 908	44	-	1 952	1 952	-	100.0%	1 743	1 741

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT
for the year ended 31 March 2019

2.2 MUNICIPAL ADMINISTRATION									
2018/19								2017/18	
	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	29 865	460	4 951	35 276	35 276	-	100.0%	13 401	13 399
Compensation of employees	8 389	39	-	8 428	8 428	-	100.0%	7 644	7 644
Goods and services	21 476	421	4 951		26 848	-	100.0%	5 757	5 755
Total	29 865	460	4 951	35 276	35 276	-	100.0%	13 401	13 399

2.3 PUBLIC PARTICIPATION									
2018/19								2017/18	
	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	161 245	(740)	-	160 505	160 505	-	100.0%	151 730	151 730
Compensation of employees	159 207	(956)	-	158 251	158 251	-	100.0%	149 444	149 444
Goods and services	2 038	216	-	2 254	2 254	-	100.0%	2 286	2 286
Total	161 245	(740)	-	160 505	160 505	-	100.0%	151 730	151 730

2.4 CAPACITY DEVELOPMENT									
2018/19								2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	3 511	(101)	-	3 410	3 410	-	100.0%	3 309	3 306
Compensation of employees	2 705	37	-	2 742	2 742	-	100.0%	2 522	2 522
Goods and services	806	(138)	-	668	668	-	100.0%	787	784
Total	3 511	(101)	-	3 410	3 410	-	100.0%	3 309	3 306

2.5 MUNICIPAL PERFORMANCE MONITORING AND EVALUATION									
2018/19								2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	3 897	337	-	4 234	4 234	-	100.0%	3 507	3 504
Compensation of employees	3 468	347	-	3 815	3 815	-	100.0%	3 151	3 150
Goods and services	429	(10)	-	419	419	-	100.0%	356	354
Total	3 897	337	-	4 234	4 234	-	100.0%	3 507	3 504

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT

for the year ended 31 March 2019

PROGRAMME 3

Programme 3: DEVELOPMENT AND PLANNING								2017/18	
2018/19	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Office Support	1 607	70	-	1 677	1 676	1	99.9%	1 490	1 489
2. Spatial Planning	4 905	671	-	5 576	5 576	-	100.0%	5 380	5 377
3. Land Use Management	15 250	(785)	(1 211)	13 254	13 254	-	100.0%	13 468	13 465
4. Integrated Development and Plan (IDP)	2 379	200	-	2 579	2 579	-	100.0%	2 165	2 164
5. Local Economic Development	7 727	25	(1 104)	6 648	6 648	-	100.0%	7 210	7 206
6. Municipal Infrastructure	20 702	3	(1 158)	19 547	19 548	(1)	100.0%	19 918	19 916
7. Disaster Management	7 633	(184)	-	7 449	7 448	1	100.0%	7 577	7 576
Total for sub programmes	60 203	-	(3 473)	56 730	56 729	1	100.0%	57 208	57 193

	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	45 568	-	(3 655)	41 913	41 911	2	100.0%	42 817	42 802
Compensation of employees	38 739	204	(3 043)	35 900	35 898	2	100.0%	36 142	36 138
Salaries and wages	32 878	812	(1 919)	31 771	31 768	3	100.0%	32 133	32 131
Social contributions	5 861	(608)	(1 124)	4 129	4 130	(1)	100.0%	4 009	4 007
Goods and services	6 829	(204)	(612)	6 013	6 013	-	100.0%	6 675	6 664
Administrative fees	73	(22)	-	51	51	-	100.0%	44	41
Advertising	60	(60)	-	-	-	-	-	52	52
Catering: Departmental activities	287	(29)	-	258	257	1	99.6%	253	251
Communication	269	(3)	-	266	266	-	100.0%	272	270
Computer services	325	(166)	-	159	160	(1)	100.6%	155	154
Infrastructure and planning services	2 748	(131)	(612)	2 005	2 004	1	100.0%	2 076	2 075
Inventory: Clothing material and supplies	294	(93)	-	201	201	-	100%	262	262
Inventory: Materials and supplies	-	-	-	-	-	-	-	687	687
Consumable supplies	-	-	-	-	-	-	-	50	50
Travel and subsistence	2 618	370	-	2 988	2 989	(1)	100.0%	2 678	2 677
Operating payments	120	(71)	-	49	49	-	100.0%	116	115
Venues and facilities	35	1	-	36	36	-	100.0%	30	30
Transfers and subsidies	10 531	-	120	10 651	10 652	(1)	100.0%	-	-
Provinces and Municipalities	-	-	120	120	120	-	100.0%	-	-
Public Corporations	10 531	-	-	10 531	10 532	(1)	100.0%	-	-
Payments for capital assets	4 104	-	62	4 166	4 166	-	100.0%	14 391	14 391
Buildings and other fixed structures	4 104	-	62	4 166	4 166	-	100.0%	14 391	14 391
Buildings	4 104	-	62	4 166	4 166	-	100.0%	9 340	9 340
Other fixed structures	-	-	-	-	-	-	-	5 051	5 051
Total	60 203	-	(3 473)	56 730	56 729	1	100.0%	57 208	57 193

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT
for the year ended 31 March 2019

3.1 OFFICE SUPPORT									
2018/19								2017/18	
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	1 607	70	-	1 677	1 676	1	99.9%	1 490	1 489
Compensation of employees	1 420	26	-	1 446	1 445	1	99.9%	1 349	1 349
Goods and services	187	44	-	231	231	-	100.0%	141	140
Total	1 607	70	-	1 677	1 676	1	99.9%	1 490	1 489

3.2 SPATIAL PLANNING									
2018/19								2017/18	
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	4 905	671	-	5 576	5 576	-	100.0%	5 380	5 377
Compensation of employees	3 269	215	-	3 484	3 484	-	100.0%	3 893	3 893
Goods and services	1 636	456	-	2 092	2 092	-	100.0%	1 487	1 484
Total	4 905	671	-	5 576	5 576	-	100.0%	5 380	5 377

3.3 LAND USE MANAGEMENT									
2018/19								2017/18	
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	15 250	(785)	(1 211)	13 254	13 254	-	100.0%	13 468	13 465
Compensation of employees	12 531	-	(599)	11 932	11 931	1	100.0%	11 426	11 425
Goods and services	2 719	(785)	(612)	1 322	1 323	(1)	100.1%	2 042	2 040
Total	15 250	(785)	(1 211)	13 254	13 254	-	100.0%	13 468	13 465

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT

for the year ended 31 March 2019

3.4 INTERGRATED DEVELOPMENT AND PLANNING									
2018/19								2017/18	
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	2 379	200	-	2 579	2 579	-	100.0%	2 165	2 164
Compensation of employees	2 085	177	-	2 262	2 262	-	100.0%	1 886	1 885
Goods and services	294	23	-	317	317	-	100.0%	279	279
Total	2 379	200	-	2 579	2 579	-	100.0%	2 165	2 164

3.5 LOCAL ECONOMIC DEVELOPMENT (LED)									
2018/19								2017/18	
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	7 727	25	(1 104)	6 648	6 648	-	100.0%	7 210	7 206
Compensation of employees	6 973	-	(1 104)	5 869	5 869	-	100.0%	6 393	6392
Goods and services	754	25	-	779	779	-	100.0%	817	814
Total	7 727	25	(1 104)	6 648	6 648	-	100.0%	7 210	7 206

3.6 MUNICIPAL INFRASTRUCTURE									
2018/19								2017/18	
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	6 067	3	(1 340)	4 730	4 730	-	100.0%	5 527	5 525
Compensation of employees	5 612	(110)	(1 340)	4 162	4 162	-	100.0%	4 991	4 990
Goods and services	455	113	-	568	568	-	100.0%	536	535
Transfers and subsidies	10 531	-	120	10 651	10 652	(1)	100.0%	-	-
Public corporations and private enterprises	10 531	-	-	10 531	10 532	(1)	100.0%	-	-
Municipalities	-	-	120	120	120	-	100.0%	-	-
Payments for capital assets	4 104	-	62	4 166	4 166	-	100.0%	14 391	14 391
Buildings	4 104	-	62	4 166	4 166	-	100.0%	9 340	9 340
Other fixed structures	-	-	-	-	-	-	-	5 051	5 051
Total	20 702	3	(1 158)	19 547	19 548	(1)	100.0%	19 918	19 916

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT
for the year ended 31 March 2019

3.7 DISASTER MANAGEMENT									
2018/19								2017/18	
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	7 633	(184)	-	7 449	7 448	1	100.0%	7 577	7 576
Compensation of employees	6 849	(104)	-	6 745	6 745	-	100.0%	6 204	6 204
Goods and services	784	(80)	-	704	703	1	99.9%	1 373	1 372
Total	7 633	(184)	-	7 449	7 448	1	100.0%	7 577	7 576

PROGRAMME 4

Programme 4 TRADITIONAL INSTITUTIONAL MANAGEMENT									
2018/19								2017/18	
	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	1 843	80	(65)	1 858	1 858	-	100.0%	1 772	1 771
2. Traditional Institutional Administration	18 842	-	(800)	18 042	18 042	-	100.0%	17 522	17 522
3. Traditional Resource Administration	86 901	(906)	(614)	85 381	85 383	(2)	100.0%	116 888	116 885
4. Rural Development Facilitation	6 479	423	(405)	6 497	6 442	55	99.2%	9 403	9 273
5. Traditional Land Administration	2 804	403	-	3 207	3 208	(1)	100.0%	2 712	2 710
Total for sub programmes	116 869	-	(1 884)	114 985	114 933	52	100.0%	148 297	148 161

	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	93 966	(188)	(1 479)	92 299	92 301	(2)	100.0%	89 398	89 392
Compensation of employees	91 100	(583)	(1 479)	89 038	89 041	(3)	100.0%	85 733	85 732
Salaries and wages	86 677	(215)	(1 308)	85 154	85 157	(3)	100.0%	82 086	82 084
Social contributions	4 423	(368)	(171)	3 884	3 884	-	100.0%	3 647	3 648
Goods and services	2 866	395	-	3 261	3 260	1	100.0%	3 665	3 660
Administrative fees	101	(66)	-	35	36	(1)	102.9%	54	54
Catering: Departmental activities	106	(11)	-	95	94	1	98.9%	72	69
Communication	224	(76)	-	148	148	-	100.0%	169	168
Contractors	-	-	-	-	-	-	-	185	185
Travel and subsistence	2 149	632	-	2 781	2 780	1	100.0%	3 011	3 011
Operating payments	215	(33)	-	182	182	-	100.0%	132	131
Venues and facilities	71	(51)	-	20	20	-	100.0%	42	42
Transfers and subsidies	21 000	1 188	-	22 188	22 188	-	100.0%	21 488	21 488
Non-profit institutions	21 000	1 188	-	22 188	22 188	-	100.0%	21 488	21 488
Payments for capital assets	1 903	(1 000)	(405)	498	444	54	89.2%	37 411	37 281

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT

for the year ended 31 March 2019

Buildings and other fixed structures	1 903	(1 274)	(405)	224	170	54	75.9%	5 001	4 871
Buildings	1 903	(1 274)	(405)	224	170	54	75.9%	5 001	4 871
Machinery and Equipment	-	274	-	274	274	-	100.0%	32 410	32 410
Transport equipment	-	-	-	-	-	-	-	3 597	3 597
Other machinery and equipment	-	274	-	274	274	-	100.0%	28 813	28 813
Total	116 869	-	(1 884)	114 985	114 933	52	100.0%	148 297	148 161

4.1 OFFICE SUPPORT

	2018/19							2017/18	
	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	1 843	80	(65)	1 858	1 858	-	100.0%	1 772	1 771
Compensation of employees	1 645	85	(65)	1 665	1 665	-	100.0%	1 547	1 547
Goods and services	198	(5)	-	193	193	-	100.0%	225	224
TOTAL	1 843	80	(65)	1 858	1 858	-	100.0%	1 772	1 771

4.2 TRADITIONAL INSTITUTIONAL ADMINISTRATION

	2018/19							2017/18	
	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	18 842	-	(800)	18 042	18 042	-	100.0%	17 522	17 522
Compensation of employees	17 286	(290)	(800)	16 196	16 197	(1)	100.0%	15 576	15 576
Goods and services	1 556	290	-	1 846	1 845	1	99.9%	1 946	1 946
TOTAL	18 842	-	(800)	18 042	18 042	-	100.0%	17 522	17 522

4.3 TRADITIONAL RESOURCE ADMINISTRATION

	2018/19							2017/18	
	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	65 901	(1 094)	(614)	64 193	64 195	(2)	100.0%	62 990	62 987
Compensation of employees	65 666	(1 014)	(614)	64 038	64 041	(3)	100.0%	62 641	62 640
Goods and services	235	(80)	-	155	154	1	99.4%	349	347
Transfers and subsidies	21 000	188	-	21 188	21 188	-	100.0%	21 488	21 488
Non-profit institutions	21 000	188	-	21 188	21 188	-	100.0%	21 488	21 488
Payments for capital assets	-	-	-	-	-	-	-	32 410	32 410
Machinery and Equipment	-	-	-	-	-	-	-	32 410	32 410
TOTAL	86 901	(906)	(614)	85 381	85 383	(2)	100.0%	116 888	116 885

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT
for the year ended 31 March 2019

4.4 RURAL DEVELOPMENT FACILITATION									
2018/19								2017/18	
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	4 576	423	-	4 999	4 998	1	100.0%	4 402	4 402
Compensation of employees	3 967	339	-	4 306	4 305	1	100.0%	3 660	3 660
Goods and services	609	84	-	693	693	-	100.0%	742	742
Transfers and Subsidies	-	1 000	-	1 000	1 000	-	100.0%	-	-
Non Profit Institution	-	1 000	-	1 000	1 000	-	100.0%	-	-
Payments for capital assets	1 903	(1 000)	(405)	498	444	54	89.2%	5 001	4 871
Building and Other fixed structure	1 903	(1 274)	(405)	224	170	54	75.9%	5 001	4 871
Machinery and Equipment	-	274	-	274	274	-	100.0%	-	-
TOTAL	6 479	423	(405)	6 497	6 442	55	99.2%	9 403	9 273

4.5 TRADITIONAL LAND ADMINISTRATION									
2018/19								2017/18	
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	2 804	403	-	3 207	3 208	(1)	100.0%	2 712	2 710
Compensation of employees	2 536	297	-	2 833	2 833	-	100.0%	2 309	2 309
Goods and services	268	106	-	374	375	(1)	100.3%	403	401
TOTAL	2 804	403	-	3 207	3 208	(1)	100.0%	2 712	2 710

PROGRAMME 5

Programme 5: THE HOUSE OF TRADITIONAL LEADERS									
2018/19								2017/18	
Sub programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Admin House of Traditional Leaders	7 614	399	385	8 398	8 399	(1)	100.0%	6 352	6 350
2. Committees and Local Houses	12 091	(399)	1 145	12 837	12 836	1	100.0%	11 940	11 940
Total for sub programmes	19 705	-	1 530	21 235	21 235	-	100.0%	18 292	18 290

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

APPROPRIATION STATEMENT

for the year ended 31 March 2019

2018/19								2017/18	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	19 705	-	1 530	21 235	21 235	-	100.0%	18 292	18 290
Compensation of employees	13 708	(27)	385	14 066	14 065	1	100.0%	12 548	12 547
Salaries and wages	11 652	265	385	12 302	12 302	-	100.0%	10 971	10 971
Social contributions	2 056	(292)	-	1 764	1 763	1	99.9%	1 577	1 576
Goods and services	5 997	27	1 145	7 169	7 170	(1)	100.0%	5 744	5 743
Administrative fees	196	(10)	-	186	186	-	100.0%	211	211
Advertising	81	(81)	-	-	-	-	-	-	-
Catering : Departmental activities	752	(23)	-	729	729	-	100.0%	325	324
Communication	171	70	-	241	242	(1)	100.4%	209	210
Consultants: Business Advisory	900	(173)	-	727	727	-	100.0%	492	492
Contractors	544	-	-	544	544	-	100.0%	-	-
Travel and subsistence	2 739	638	1 053	4 430	4 430	-	100.0%	4 127	4 126
Operating payments	149	(215)	92	26	26	-	100.0%	72	72
Venues and facilities	465	(179)	-	286	286	-	100.0%	308	308
Total	19 705	-	1 530	21 235	21 235	-	100.0%	18 292	18 290

5.1 ADMIN HOUSE OF TRADITIONAL LEADERS

2018/19								2017/18	
	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	7 614	399	385	8 398	8 399	(1)	100.0%	6 352	6 350
Compensation of employees	5 015	-	385	5 400	5 400	-	100.0%	4 471	4 470
Goods and services	2 599	399	-	2 998	2 999	(1)	100.0%	1 881	1 880
TOTAL	7 614	399	385	8 398	8 399	(1)	100.0%	6 352	6 350

5.2 COMMITTEES AND LOCAL HOUSES

2018/19								2017/18	
	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	12 091	(399)	1 145	12 837	12 836	1	100.0%	11 940	11 940
Compensation of employees	8 693	(27)	-	8 666	8 665	1	100.0%	8 077	8 077
Goods and services	3 398	(372)	1 145	4 171	4 171	-	100.0%	3 863	3 863
TOTAL	12 091	(399)	1 145	12 837	12 836	1	100.0%	11 940	11 940

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO APPROPRIATION STATEMENT

for the year ended 31 March 2019

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.

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.

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.

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	125 836	125 836	-	0%
No variance				
2. Local Governance	205 377	205 377	-	0%
No variance				
3. Development and Planning	56 730	56 729	1	0%
Immaterial variance, savings will be surrendered to the Provincial Revenue Fund				
4. Traditional Institutional Management	114 985	114 933	52	0%
Immaterial variance, savings will be surrendered to the Provincial Revenue Fund				
5. The House of Traditional Leaders	21 235	21 235	-	0%
No variance				
TOTAL	523 163	524 110	53	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	483 740	484 092	(352)	0%
Compensation of employees	392 763	392 763	-	0%
Goods and services	90 977	91 329	(352)	0%
Transfers and subsidies	33 611	33 607	4	0%
Provinces and municipalities	155	155	-	0%
Public corporations and private enterprises	10 531	10 532	(1)	0%
Non-profit institutions	22 188	22 188	-	0%
Households	737	732	5	1%
Payments for capital assets	6 753	6 353	400	6%
Buildings and other fixed structures	5 450	5 396	54	1%
Machinery and equipment	1 303	957	346	27%
Payments for financial assets	59	58	1	2%
GRAND TOTAL	524 163	524 110	53	0%

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	2 306	2 305	1	0%

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2019

	Note	2018/19 R'000	2017/18 R'000
REVENUE			
Annual appropriation	<u>1</u>	524 163	515 044
Departmental revenue	<u>2</u>	1 291	1 720
TOTAL REVENUE		525 454	516 764
EXPENDITURE			
Current expenditure			
Compensation of employees	<u>3</u>	392 763	372 913
Goods and services	<u>4</u>	91 329	67 250
Total current expenditure		484 092	440 163
Transfers and subsidies			
Transfers and subsidies	<u>6</u>	33 607	22 309
Total transfers and subsidies		33 607	22 309
Expenditure for capital assets			
Tangible assets	<u>7</u>	6 353	52 313
Total expenditure for capital assets		6 353	52 313
Payments for financial assets	<u>5</u>	58	80
TOTAL EXPENDITURE		524 110	514 865
SURPLUS/(DEFICIT) FOR THE YEAR		1 344	1 899
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		53	179
Annual appropriation		52	179
Conditional grants		1	-
Departmental revenue and NRF Receipts	<u>12</u>	1 291	1 720
SURPLUS/(DEFICIT) FOR THE YEAR		1 344	1 899

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

STATEMENT OF FINANCIAL POSITION

for the year ended 31 March 2019

	<i>Note</i>	2018/19 R'000	2017/18 R'000
ASSETS			
Current assets		23 338	23 220
Unauthorised expenditure	<u>8</u>	22 011	22 011
Cash and cash equivalents	<u>9</u>	651	774
Receivables	<u>10</u>	676	435
Non-current assets			
TOTAL ASSETS		23 338	23 220
LIABILITIES			
Current liabilities		23 329	23 167
Voted funds to be surrendered to the Revenue Fund	<u>11</u>	22 918	23 044
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>12</u>	99	97
Payables	<u>13</u>	312	26
Non-current liabilities			
Payables		-	-
TOTAL LIABILITIES		23 329	23 167
NET ASSETS		9	53

	<i>Note</i>	2018/19 R'000	2017/18 R'000
Represented by:		9	53
Capitalisation reserve		-	-
Recoverable revenue		9	53
TOTAL		9	53

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2019

	<i>Note</i>	2018/19 R'000	2017/18 R'000
Recoverable revenue			
Opening balance		53	29
Transfers:		(44)	24
Debts revised			-
Debts recovered (included in departmental receipts)		(44)	(29)
Debts raised		-	53
Closing balance		<u>9</u>	<u>53</u>
Revaluation Reserve		-	-
TOTAL		<u>9</u>	<u>53</u>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

CASH FLOW STATEMENT

for the year ended 31 March 2019

	<i>Note</i>	2018/19 R'000	2017/18 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		525 387	516 514
Annual appropriated funds received	<u>1</u>	524 163	515 044
Departmental revenue received	<u>2</u>	605	438
Interest received	<u>2.2</u>	619	1 032
Net (increase)/decrease in working capital		45	363
Surrendered to Revenue Fund		(1 468)	(3 846)
Current payments		(484 092)	(440 163)
Payments for financial assets	5	(58)	(80)
Transfers and subsidies paid		(33 607)	(22 309)
Net cash flow available from operating activities	<u>14</u>	6 207	50 479
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	<u>7</u>	(6 353)	(52 313)
Proceeds from sale of capital assets	<u>2.3</u>	67	250
Net cash flows from investing activities		(6 286)	(52 063)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(44)	24
Increase/(decrease) in non-current payables			
Net cash flows from financing activities		(44)	24
Net increase/(decrease) in cash and cash equivalents		(123)	(1 560)
Cash and cash equivalents at beginning of period		774	2 334
Unrealised gains and losses within cash and cash equivalents			
Cash and cash equivalents at end of period	<u>9</u>	651	774

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

PART A: ACCOUNTING POLICIES

Financial Statement Presentation part .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.

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

7.2	Departmental revenue <i>[Revenue, General Departmental Assets and Liabilities]</i> 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.
7.3	Accrued departmental revenue <i>[General Departmental Assets and Liabilities]</i> Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and 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 <i>[Expenditure]</i> Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	Social contributions <i>[Expenditure]</i> 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 <i>[Expenditure]</i> 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 <i>[General Departmental Assets and Liabilities]</i> 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 <i>[Leases]</i> 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 <i>[Leases]</i> 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: cost, being the fair value of the asset; or 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

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

9.1	Aid assistance received <i>[Revenue, General Departmental Assets and Liabilities]</i> 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 <i>[Expenditure, General Departmental Assets and Liabilities]</i> 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.
10	Cash and cash equivalents <i>[General Departmental Assets and Liabilities, Cash Flow Statement]</i> 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 <i>[General Departmental Assets and Liabilities]</i> 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 <i>[General Departmental Assets and Liabilities]</i> 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 <i>[General Departmental Assets and Liabilities]</i> Investments are recognised in the statement of financial position at cost.
14	Financial assets
14.1	Financial assets (not covered elsewhere) <i>[General Departmental Assets and Liabilities]</i> 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 <i>[General Departmental Assets and Liabilities]</i> 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 <i>[General Departmental Assets and Liabilities]</i> Payables recognised in the statement of financial position are recognised at cost.
16	Capital Assets
16.1	Immovable capital assets <i>[Capital Assets]</i> 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.

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

16.2	<p>Movable capital assets</p> <p><i>[Capital Assets]</i></p> <p>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.</p> <p>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.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>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></p> <p>Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.3	<p>Intangible assets</p> <p><i>[Capital Assets]</i></p> <p>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.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>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.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>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</p> <p><i>[Capital Assets]</i></p> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>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.</p> <p>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</p> <p><i>[Provisions and Contingents]</i></p> <p>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</p> <p><i>[Provisions and Contingents]</i></p> <p>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</p> <p><i>[Provisions and Contingents]</i></p> <p>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</p> <p><i>[Provisions and Contingents]</i></p> <p>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>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

18	<p>Unauthorised expenditure [General Departmental Assets and Liabilities]</p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either: approved by Parliament or the Provincial Legislature with funding and the related funds are received; or approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or transferred to receivables for recovery.</p> <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
19	<p>Fruitless and wasteful expenditure [General Departmental Assets and Liabilities]</p> <p>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.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>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>
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>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

25	Capitalisation reserve The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.
26	Recoverable revenue Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
27	Related party transactions [Related Party Disclosures] A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.
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.

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

PART B: EXPLANATORY NOTES

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:

	2018/19			2017/18	
	Final Appropriation	Actual Funds Received	Funds not requested/not received	Final Appropriation	Appropriation received
	R'000	R'000	R'000	R'000	R'000
1. Administration	125 836	125 836	-	117 557	117 557
2. Local Governance	205 377	205 377	-	173 690	173 690
3. Development and Planning	56 730	56 730	-	57 208	57 208
4. Traditional Institutional Management	114 985	114 985	-	148 297	148 297
5. The House of Traditional Leaders	21 235	21 235	-	18 292	18 292
Total	524 163	524 163	-	515 044	515 044

1.2 Conditional grants

	Note	2018/19 R'000	2017/18 R'000
Total grants received	29	2 306	2 000

2. Departmental revenue

	Note	2018/19 R'000	2017/18 R'000
Tax revenue			
Sales of goods and services other than capital assets	2.1	385	353
Interest, dividends and rent on land	2.2	619	1 032
Sales of capital assets	2.3	67	250
Transactions in financial assets and liabilities	2.4	220	85
Total revenue collected		1 291	1 720
Less: Own revenue included in appropriation		-	-
Departmental revenue collected		1 291	1 720

2.1 Sales of goods and services other than capital assets

	Note	2018/19 R'000	2017/18 R'000
Sales of goods and services produced by the department	2		
Sales by market establishment		385	353
Other sales			
Total		385	353

2.2 Interest, dividends and rent on land

	Note	2018/19 R'000	2017/18 R'000
Interest	2	619	1 032
Total		619	1 032

2.3 Sale of capital assets

	Note	2018/19 R'000	2017/18 R'000
Tangible assets			
Machinery and equipment	25.2	67	250
Total		67	250

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

2.4 Transactions in financial assets and liabilities

	Note 2	2018/19 R'000	2017/18 R'000
Loans and advances			
Receivables		143	62
Other Receipts including Recoverable Revenue		77	23
Total		220	85

3. Compensation of employees

3.1 Salaries and Wages

	Note	2018/19 R'000	2017/18 R'000
Basic salary		233 989	221 209
Performance award		9 122	6 160
Service Based		215	163
Compensative/circumstantial		4 131	4 727
Periodic payments		2 082	2 599
Other non-pensionable allowances		93 909	91 458
Total		343 448	326 316

□ Other non-pensionable allowances consist of the expenditure for Housing Allowance and Service Bonus.

3.2 Social contributions

	Note	2018/19 R'000	2017/18 R'000
Employer contributions			
Pension		29 461	27 638
Medical		19 763	18 870
UIF		22	24
Bargaining council		69	65
Total		49 315	46 597
Total compensation of employees		392 763	372 913
Average number of employee		793	810

Office Permanent 751 , Contract Office 42

4. Goods and services

	Note	2018/19 R'000	2017/18 R'000
Administrative fees		591	542
Advertising		723	786
Minor assets	4.1	209	38
Catering		2 056	1 595
Communication		8 165	7 086
Computer services	4.2	274	271
Consultants: Business and advisory services		26 176	5 637
Infrastructure and planning services		2 005	2 075
Legal services		1 489	2 632
Contractors		930	320
Audit cost – external	4.3	3 584	3 927
Fleet services		3 420	3 583
Inventory	4.4	201	949
Consumables	4.5	3 001	2 825
Operating leases		11 190	10 285
Property payments	4.6	5 568	4 691
Travel and subsistence	4.7	18 466	17 175
Venues and facilities		720	621
Training and development		1 667	1 303
Other operating expenditure	4.8	894	909
Total		91 329	67 250

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

4.1 Minor assets

	Note	2018/19	2017/18
	4	R'000	R'000
Tangible assets			
Machinery and equipment		<u>209</u>	<u>38</u>

4.2 Computer services

	Note	2018/19	2017/18
	4	R'000	R'000
SITA computer services		116	122
External computer service providers		<u>158</u>	<u>149</u>
Total		<u>274</u>	<u>271</u>

4.3 Audit cost – External

	Note	2018/19	2017/18
	4	R'000	R'000
Regularity audits		3 584	3 927
Total		<u>3 584</u>	<u>3 927</u>

4.4 Inventory

	Note	2018/19	2017/18
	4	R'000	R'000
Clothing material and accessories		201	262
Materials and supplies		-	687
Total		<u>201</u>	<u>949</u>

4.5 Consumables

	Note	2018/19	2017/18
	4	R'000	R'000
Consumable supplies		630	594
Uniform and clothing		128	65
Household supplies		463	515
Building material and supplies		30	7
IT consumables		9	7
Stationery, printing and office supplies		<u>2 371</u>	<u>2 231</u>
Total		<u>3 001</u>	<u>2 825</u>

4.6 Property payments

	Note	2018/19	2017/18
	4	R'000	R'000
Municipal services		4 329	3 800
Property management fees		-	-
Property maintenance and repairs		1 239	891
Other			
Total		<u>5 568</u>	<u>4 691</u>

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

4.7 Travel and subsistence

	Note	2018/19	2017/18
		R'000	R'000
Local	4	18 466	17 175
Total		18 466	17 175

4.8 Other operating expenditure

	Note	2018/19	2017/18
		R'000	R'000
Other	4	894	909
Total		894	909

Other operating expenditure includes Courier & Delivery Services, Laundry Services, Non-life Insurance Premiums and Printing & Publications Services

5. Payments for financial assets

	Note	2018/19	2017/18
		R'000	R'000
Debts written off	5.1	58	80

5.1 Debts written off

	Note	2018/19	2017/18
		R'000	R'000
Nature of debts written off	5		
Headmen /Women		-	79
Board Member (Township Board)		-	1
EPWP (Contract Employees)		58	-
Total		58	80

6. Transfers and subsidies

		2018/19	2017/18
		R'000	R'000
	Note		
Provinces and municipalities	Note 30	155	35
Public corporations and private enterprises	Annex 1A	10 532	-
Non-profit institutions	Annex 1B	22 188	21 488
Households	Annex 1C	732	786
Total		33 607	22 309

7. Expenditure for capital assets

	Note	2018/19	2017/18
		R'000	R'000
Tangible assets		6 353	52 313
Buildings and other fixed structures	Note 27.1	5 396	19 262
Machinery and equipment	Note 25.1	957	33 051
Total		6 353	52 313

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

7. 1 Analysis of funds utilised to acquire capital assets – 2018/19

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

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

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets			
Buildings and other fixed structures	19 262	-	19 262
Heritage assets			
Machinery and equipment	33 051	-	33 051
Total	52 313	-	52 313

8. Unauthorised expenditure

8.1 Reconciliation of unauthorised expenditure

	Note	2018/19 R'000	2017/18 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
Unauthorised expenditure approved without funding and not derecognised			
Total		22 011	22 011

8.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

	2018/19 R'000	2017/18 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

	2018/19 R'000	2017/18 R'000
Unauthorised expenditure relating to overspending of the vote or a main division within a vote	22 011	22 011
Total	22 011	22 011

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

8.4 Unauthorised expenditure split into current and non-current assets

	2018/19			2017/18		
	Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total 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 equivalent

	Note	2018/19 R'000	2017/18 R'000
Consolidated Paymaster General Account Disbursements		647	1 296
Cash on hand		-	(527)
Total		651	774

10. Receivables

	Note	2018/19			2017/18		
		Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
Claims recoverable	10.1	624	-	624	310	0	310
Recoverable expenditure	10.2	9	-	9	53	-	53
Staff debt	10.3	33	-	33	57	-	57
Other debtors	10.4	10	-	10	15	-	15
Total		676	-	676	435	-	435

10.1 Claims recoverable

		2018/19 R'000	2017/18 R'000
Provincial departments	Note 10	368	310
National departments	Annex 5	256	
Total		624	310

10.2 Recoverable expenditure (disallowance accounts)

	Note	2018/19 R'000	2017/18 R'000
Legal Fees (MP DOE)	10	-	44
Ex-Employees		9	9
Total		9	53

10.3 Staff debt

	Note	2018/19 R'000	2017/18 R'000
Staff Debtors	10	5	57
Ex-Employee		28	-
Total		33	57

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

10.4 Other debtors

	Note	2018/19	2017/18
	10	R'000	R'000
Traditional Leaders		10	15
Total		10	15

10.5 Fruitless and wasteful expenditure

	Note	2018/19	2017/18
	10	R'000	R'000
Opening balance		-	1
Less amounts recovered		(17)	
Less amounts written off		-	(1)
Transfers from note 22 Fruitless and wasteful expenditure		17	-
Total		-	-

11. Voted funds to be surrendered to the Revenue Fund

	Note	2018/19	2017/18
		R'000	R'000
Opening balance		23 044	23 802
Prior period error		-	-
As restated		23 044	23 802
Transfer from statement of financial performance (as restated)		53	179
Paid during the year		(179)	(937)
Closing balance		22 918	23 044

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

	Note	2018/19	2017/18
		R'000	R'000
Opening balance		97	1 286
Prior period error		-	-
As restated		97	1 286
Transfer from Statement of Financial Performance (as restated)		1 291	1 720
Paid during the year		(1 289)	(2 909)
Closing balance		99	97

13. Payables – current

	Note	2018/19	2017/18
		R'000	R'000
Clearing accounts	13.1	312	26
Total		312	26

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

13.1 Clearing accounts

Description	Note 13	2018/19 R'000	2017/18 R'000
Sal ACB Account		8	18
Disallowances Miscellaneous		-	5
DPSA-Donation		-	3
Sal Income Tax		250	-
Sal GEHS Refund		35	-
Sal Pension Fund		19	-
Total		312	26

14. Net cash flow available from operating activities

	Note	2018/19 R'000	2017/18 R'000
Net surplus/(deficit) as per Statement of Financial Performance		1 344	1 899
Add back non cash/cash movements not deemed operating activities		4 863	48 580
(Increase)/decrease in receivables		(241)	532
Increase/(decrease) in payables – current		286	(169)
Proceeds from sale of capital assets		(67)	(250)
Expenditure on capital assets		6 353	52 313
Surrenders to Revenue Fund		(1 468)	(3 846)
Net cash flow generated by operating activities		6 207	50 479

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

	Note	2018/19 R'000	2017/18 R'000
Consolidated Paymaster General account		647	1 296
Disbursements		-	(527)
Cash on hand		4	5
Total		651	774

16. Contingent liabilities and contingent assets

16.1 Contingent liabilities

	Note	2018/19 R'000	2017/18 R'000
Liable to Nature			
Claims against the department	Annex 4	40 781	40 322
Intergovernmental Payables (Unconfirmed balance)	Annex 6	5 419	-
Total		46 200	40 322

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

16.2 Contingent assets

	Note	2018/19 R'000	2017/18 R'000
Nature of contingent asset			
Counter claim (Stemashan Sphephelo VS MEC & HOD)		13 249	13 249
Total		13 249	13 249

17. Commitments

	Note	2018/19 R'000	2017/18 R'000
Current expenditure			
Approved and contracted		9 522	7 795
Capital expenditure			
Approved and contracted		92	4 575
Total Commitments		9 614	12 370

18. Accruals and payables not recognised

18.1 Accruals

Listed by economic classification	2018/19 R'000			2017/18 R'000
	30 Days	30+ Days	Total	Total
Goods and services	1 110	479	1 589	3 585
Capital Assets	160	-	160	-
Other	182	26	208	1 402
Total	1 452	505	1 957	4 987

□ Other accruals includes overtime, acting allowances.

	Note	2018/19 R'000	2017/18 R'000
Listed by programme level			
1 Administration		1 513	2 010
2 Local Governance		133	613
3 Development and Planning		86	389
4 Traditional Institutes Management		17	302
5 The House of Traditional		208	1 673
Total		1 957	4 987

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

18.2 Payables not recognised

	2018/19			2017/18
	R'000			R'000
Listed by economic classification	30 Days	30+ Days	Total	Total
Goods and Service	1 114	294	1 408	1 259
Other	6	319	325	21 063
Total	1 120	613	1 733	22 322

	Note	2018/19	2017/18
		R'000	R'000
Listed by programme level			
1 Administration		978	1 259
2 Local Governance		192	-
3 Development and Planning		20	21 063
4 Traditional Institutes Management		524	-
5 The House of Traditional		19	-
Total		1 733	22 322

19. Employee benefits

	Note	2018/19	2017/18
		R'000	R'000
Leave entitlement		22 903	20 090
Service bonus		10 156	9 485
Performance awards		9 122	6 160
Capped leave commitments		13 081	12 526
Total		55 262	48 261

At this stage the department is not able to reliably measure the long term portion of the long service awards.

- The current year leave entitlement balance is inclusive of a R 0.093 million of negative leave and leave instated after effective date of R 0.195 million.

20. Lease commitments

20.1 Operating leases

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

The operating lease commitments on office buildings includes a 6 percent per annum escalation on year on year basis.

2017/18	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	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

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

21. Irregular expenditure

21.1 Reconciliation of irregular expenditure

	Note	2018/19 R'000	2017/18 R'000
Opening balance		7 660	9 813
Prior period error		-	(2 153)
As restated		-	7 660
Add: Irregular Expenditure relating to current year		3 007	-
Less: Amounts not condoned and not recoverable		-	-
Closing balance		10 667	7 660
Analysis of awaiting condonation per age classification			
Current year		3 007	-
Prior years		7 660	7 660
Total		10 667	7 660

21.2 Details of irregular expenditure – added current year (relating to current and prior years)

Incident	Disciplinary steps taken/ criminal proceedings	2018/19 R'000
Payment of Performance Bonuses	Under investigation	3 007
Total		3 007

The payment of performance bonuses above the allowed limit of 1.5 % of Compensation budget limit

21.3 Prior period error

	Note	2017/18 R'000
Nature of prior period error		
Relating to 2008/09 (affecting the opening balance)		(2 153)
Un-Authorised expenditure relating to 2008/09 financial year incorrectly accounted for as Irregular Expenditure.		(2 153)
Total prior period errors		(2 153)

Opening balance was adjusted by an amount of R 2.153 million which was incorrectly double accounted as Irregular and Un-authorized Expenditure

22. Fruitless and wasteful expenditure

22.1 Reconciliation of fruitless and wasteful expenditure

	Note	2018/19 R'000	2017/18 R'000
Opening balance		60	5
Prior period error		-	-
As restated		60	5
Fruitless and wasteful expenditure – relating to prior year		-	1
Fruitless and wasteful expenditure – relating to current year		17	71
Less: Amounts resolved		(77)	(17)
Less: Amounts transferred to receivables for recovery	10.5	-	-
Closing balance		-	60

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

22.2 Analysis of awaiting resolution per economic classification

	2018/19 R'000	2017/18 R'000
Current	-	60
Total	-	60

22.3 Analysis of Current year's (relating to current and prior years) fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2018/19 R'000
Accommodation	Recovered	17
Total		17

23. 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.
- Received interns from SSETA free of charge

24. Key management personnel

	No. of Individuals	2018/19 R'000	2017/18 R'000
Political office bearers (provide detail below)			
Officials:	2	2 040	1 829
Level 15 to 16	1	1 591	1 508
Level 14 (incl .CFO if at a lower level)	5	6 831	6 379
PA to the MEC	1	1 066	1 077
Family members of key management personnel	2	804	786
Total		12 332	11 579

There was a change in the Accounting Manual for Departments in relation to disclosure of individuals who are regarded as Key Management Personnel disclosure requirements which was applied retrospectively.

25. Movable Tangible Capital Assets

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

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

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

25.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	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	957	1 304	-	51	2 312
Transport assets	-	1 265	-	-	1 265
Computer equipment	442	28	-	-	470
Furniture and office equipment	345	11	-	51	407
Other machinery and equipment	170	-	-	-	170
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	957	1 304	-	51	2 312

25.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	223	4 408	4 631	67
Transport assets	223	3 807	4 030	67
Computer equipment	-	339	339	-
Furniture and office equipment	-	146	146	-
Other machinery and equipment	-	116	116	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	223	4 408	4 631	67

25.3 Movement for 2017/18

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

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	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

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

25.4 Minor assets

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

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

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

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
Prior period error	-	-	-	-	-	-
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

25.5 Movable assets written off

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

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

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

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
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	331	-	331

25.6 S42 Movable capital assets

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

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
No. of Assets	-	-	-	30	-	30
Value of the assets (R'000)	-	-	-	4 232	-	4 232

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

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
No. of Assets	-	-	-	24	-	24
Value of the assets (R'000)	-	-	-	51	-	51

MAJOR ASSETS SUBJECTED TO TRANSFER IN TERMS OF S42 OF THE PFMA - 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
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 R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
No. of Assets	-	-	-	57	-	57
Value of the assets (R'000)	-	-	-	97	-	97

26. Intangible Capital Assets

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

	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

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

26.1 Movement for 2017/18

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

	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

27. Immovable Tangible Capital Assets

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

	Opening balance R'000	Value adjustments	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES					
Other fixed structures	-	-	63 393	(63 393)	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	-	-	63 393	(63 393)	-

27.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	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	5 396	59 097	(1 060)	-	63 433
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	5 396	59 097	(1 060)	-	63 433

27.2 Disposals

DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	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	-	63 433	63 433	-
TOTAL DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS	-	63 433	63 433	-

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

27.3 Movement for 2017/18

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

	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	-	-	52 931	(52 931)	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	-	-	52 931	(52 931)	-

27.4 Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2019

	Note <i>Annexure 8</i>	Opening balance 1 April 2018 R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing balance 31 March 2019 R'000
Buildings and other fixed structures		59 097	1 060	(59 097)	1 060
TOTAL		59 097	1 060	(59 097)	1 060

Age analysis on ongoing projects	Number of projects		2018/19 Total R'000
	Planned, Construction not started	Planned, Construction started	
0 to 1 Year	-	1	1 060
Total	-	1	1 060

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2018

	Note <i>Annexure 8</i>	Opening balance 1 April 2017 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 2018 R'000
Buildings and other fixed structures		93 736	(970)	12 963	(46 632)	59 097
TOTAL		93 736	(970)	12 963	(46 632)	59 097

□ Prior period error of R 0.970 million consists of Rehabilitation and Repairs work completed prior year incorrectly accounted for as work in progress.

Age analysis on ongoing projects	Number of projects		2017/18 Total R'000
	Planned, Construction not started	Planned, Construction started	
0 to 1 Year	-	-	-
1 to 3 Years	-	4	59 097
Total		4	59 097

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

27.5 Immovable assets written off

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

	Buildings and other fixed structures R'000	Heritage assets R'000	Land and sub- soil assets R'000	Total R'000
Assets written off	40	-	-	40
TOTAL IMMOVABLE ASSETS WRITTEN OFF	40	-	-	40

Immovable assets written off

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

	Buildings and oth- er fixed structures R'000	Heritage assets R'000	Land and sub- soil assets R'000	Total R'000
Assets written off	970	-	-	970
TOTAL IMMOVABLE ASSETS WRITTEN OFF	970	-	-	970

□ Prior period error of R 0.970 million consists of Rehabilitation and Repairs work completed prior year incorrectly accounted for as work in progress.

27.6 S42 Immovable assets

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

	Number of assets	Value of assets R'000
BUILDINGS AND OTHER FIXED STRUCTURES		
Other fixed structures	4	63 393
TOTAL	4	63 393

Assets to be transferred 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

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

28. Prior period errors

28.1 Correction of prior period errors

	Note	Amount before error correction	Prior period error	Restated Amount
		2017/18 R'000	2017/18 R'000	2017/18 R'000
List of Prior Errors				
Inventory	Annex 7	13 638	4	13 642
Employee Benefit	19	20 095	(5)	20 090
Work in Progress	4155 27.4	60 067	(970)	59 097
Irregular Expenditure	21	9 813	(2 153)	7 660
Payables not recognised	18.2	21 063	1 259	22 322
Key Management Personnel	24	10 502	1 077	11 579
Net effect		135 178	(788)	134 390

29. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	2018/19 GRANT ALLOCATION				SPENT					2017/18	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by de-part-ment	Amount spent by de-part-ment	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	2 306	-	-	-	2 306	2 306	2 305	1	100%	2 000	2 000
	2 306	-	-	-	2 306	2 306	2 305	1	100%	2 000	2 000

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	35	-	-	35	35	-	-
Dipaleseng Municipality	-	-	120	120	120	-	-
TOTAL	35	-	120	155	155	-	-

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

UN-AUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

ANNEXURE 1A

STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION				EXPENDITURE				2017/18
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Capital	Current	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Public Corporations									
RAND WATER	10 531	-	-	10 531	10 532	100%	10 532	-	-
TOTAL	10 531	-	-	10 531	10 532	100%	10 532	-	-

ANNEXURE 1B

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE			2017/18
	Adjusted Appropriation Act	Roll overs	Adjustments	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	21 188	-	1 000	22 188	22 188	100%	21 488	
TOTAL	21 188	-	1 000	22 188	22 188	100%	21 488	

ANNEXURE 1C

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE			2017/18
	Adjusted Appropriation Act	Roll Overs	Adjustments	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	
2 Leave Gratuity	737	-	-	737	732	99%	705	
TOTAL	737	-	-	737	732	99%	786	

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

UN-AUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

ANNEXURE 2

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2018/19	2017/18
		R'000	R'000

Received in cash

DPSA	Land Use Management System	949	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 2019 R'000	Feb 2019 R'000	Mar 2019 R'000	Total R'000
EPWP	-	-	502	202	206	188	392	178	203	199	142	93	2 305
Other													
TOTAL	-	-	502	202	206	188	392	178	203	199	142	93	2 305

ANNEXURE 4

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2019

Nature of Liability	Opening Balance 1 April 2018 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelled/reduced during the year R'000	Liabilities recoverable (Provide details here-under) R'000	Closing Balance 31 March 2019 R'000
---------------------	--	---	---	--	---

Claims against the department

1 African Gaza Church	39		(39)	-	-
2 Stemashan Sphephelo VS MEC & HOD	24 708	-	-	-	24 708
3 SN Thwala (NNO & 3 Others VS MEC & Mbombela Mayor	575	-	-	-	575
4 Mantalane Construction cc VS Rand Water & Department of COGTA	15 000	-	-	-	15 000
5 RO Sihlangu vs The MEC & 2 Others	-	498	-	-	498

TOTAL	40 322	498	(39)	-	40 781
--------------	---------------	------------	-------------	----------	---------------

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

UN-AUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

ANNEXURE 5

CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2018/19*	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018	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 MP Department of Education	-	44	-	-	-	44	-	-
2 MP Office of the Premier	-	157	-	-	-	157	-	-
3 MP DCSR	368	-	-	153	368	153	-	-
4. DPSA	256	-	-	-	256	-	-	-
5. MP Department of Human Settlement.	-	-	-	-	-	-	2019-04-03	1
TOTAL	624	201	-	153	624	354		1

* For the Cash in transit columns - Please note the following:

- Provincial departments must only reflect receipts from departments within their province
- National departments must only reflect receipts from other national departments.

ANNEXURE 6

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2018/19*	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018	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								
1 National Department of Justice	90	896	-	-	90	896	-	-
2 MP PWRT	-	333	-	-	-	333	-	-
3 MP Office of the Premier	-	25	-	-	-	25	-	-
4 MP DCSSL	-	5	-	-	-	5	-	-
Sub-total	90	1 259	-	-	90	1 259	-	-
OTHER GOVERNMENT ENTITY								
Current								
Rand Water	-	21 063	5 419	-	5 419	21 063	-	-
	90	22 322	5 419	-	5 509	22 322		

(MP: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS)

VOTE 04

UN-AUDITED ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

ANNEXURE 7

INVENTORIES

Inventories	Note	Quantity	2018/19	Quantity	2017/18
			R'000		R'000
Opening balance		7 164	19 830	12 779	32 512
Add/(Less): Adjustments to prior year balance			(4)	12	7
Add: Additions/Purchases – Cash		1 070	201	1 913	949
Add: Additions - Non-cash		-	-	-	-
(Less): Disposals		-	-	-	-
(Less): Issues		(7 352)	(19 010)	(7 540)	(13 638)
Add/(Less): Received current, not paid (Paid current year, received prior year)				-	-
Add/(Less): Adjustments		-	-	-	-
Closing balance		882	1 017	7 164	19 830

ANNEXURE 8

MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2019

	Opening bal- ance	Current Year Capital WIP	Ready for use (As- set register) / Con- tract terminated	Closing bal- ance
	R'000	R'000	R'000	R'000
Other fixed structures	59 097	1 060	(59 097)	1 060
TOTAL	59 097	1 060	(59 097)	1 060

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

	Opening bal- ance	Prior period error	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing bal- ance
	R'000	R'000	R'000	R'000	R'000
Other fixed structures	93 736	(970)	12 963	(46 632)	59 097
TOTAL	93 736	(970)	12 963	(46 632)	59 097

HEAD OFFICE
Samora Machel, Government Boulevard, Riverside Park Ext 2
Mbombela 1200

POSTAL ADDRESS
Private Bag X11304
Mbombela 1200

CONTACT NUMBER
Tel: (013) 766 6087
Fax: (013) 766 8441/2

WEBSITE
<https://cogta.mpg.gov.za>

DISASTER TOLL FREE
0800 202 507



@cogtamp



@mpucogta

PR282/2019
ISBN: 978-0-621-47640-8