



ANNUAL REPORT 2018/19

Together, Moving Gauteng City Region Forward



GAUTENG PROVINCE
CO-OPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

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PART A: **GENERAL INFORMATION**

I. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

ABCD	Asset Based Community Development	MEC	Member of the Executive Council
ABLTC	Amandebele Ba Lebelo Traditional Council	METRO	Metropolitan
AFIS	Advanced Fire Information System	MFMA	Municipal Finance Management Act
AGSA	Auditor General South Africa	MI	Municipal Infrastructure
ANSTC	Amandebele Nzunza Sokhulumi Traditional Council	MIG	Municipal Infrastructure Grant
AFS	Annual Financial Statements	MINMEC	Ministers and Members of Executive Councils
APR	Annual Performance Report	MISA	Municipal Infrastructure Support Agency
B2B	Back to Basics	MM	Municipal Manager
BOL	Bank of Lisbon	MMC	Member of the Mayoral Committee
CBM	Community Based Monitoring	MPAC	Municipal Public Accounts Committees
CDWs	Community Development Workers	MPAT	Management Performance Assessment Tool
CDWP	Community Development Workers Programme	MPRA	Municipal Property Rates Act
CFO	Chief Financial Officer	MSA	Municipal Systems Act
COJ	City of Johannesburg	MTEF	Medium Term Expenditure Framework
COGTA	Co-operative Governance and Traditional Affairs	NBCR	Nuclear, Biological, Chemical Response
CWP	Community Works Programme	NGO	Non-Governmental Organisation
DCOGTA	Department of Co-operative Governance and Traditional Affairs	NSDP	National Spatial Development Perspective
DED	Department of Economic Development	NYDA	National Youth Development Agency
DID	Department of Infrastructure Development	OPCA	Operation Clean Audit
DM	District Municipality	OPEX	Operation Expenditure
DMC	Disaster Management Centre	OOP	Office of the Premier
DORA	Division of Revenue Act	PMS	Performance Management System
DPME	Department of Planning Monitoring Evaluation	PCC	President's Coordinating Council
DPSA	Department of Public Service and Administration	PCF	Premier's Co-ordinating Forum
EXCO	Executive Council	PDMC	Provincial Disaster Management Centre
GCR	Gauteng City Region	PERSAL	Personnel and Salary System
GCRO	Gauteng City Region Observatory	PMCCMC	Provincial Municipal Capacity Coordinating and Monitoring Committee
GDF	Gauteng Department of Finance	PMS	Performance Management System
GDP	Gross Domestic Product	POA	Programme of Action
GEYODI	Gender, Youth and People with Disabilities	SALGA	South African Local Government Association
GPG	Gauteng Provincial Government	SDM	Sedibeng District Municipality
GRAP	Generally Recognised Accounting Practices	SDBIP	Service Delivery and Budget Implementation Plan
HR	Human Resources	SLAs	Service Level Agreements
ICT	Information Communication Technology	SMS	Senior Management Service
IGR	Inter-Governmental Relations	SOP	Standard Operating Procedures
IDP	Integrated Development Plans	TC	Traditional Council
KPA	Key Performance Area	TL	Traditional Leadership
KPI	Key Performance Indicator	TMR	Transformation, Modernisation and Re-industrialisation
LED	Local Economic Development	TOR	Terms of Reference
LG	Local Government	TR	Treasury Regulations
LGE	Local Government Elections	TSC	Technical Steering Committee
LGSETA	Local Government Sector Education and Training Authority	USAR	Urban Search and Rescue
LM	Local Municipality	WRDM	West Rand District Municipality
MDB	Municipal Demarcation Board	WWTW	Waste Water Treatment Works

3. FOREWORD BY THE MEC



MEC Lebogang Maile

Local government remains the primary driver of service delivery to citizens within our city region, hence the work that we do in providing support and oversight to municipalities within Gauteng City Region (GCR) plays a critical role in improving the lot of our people as part of our transformational objectives as a people-centred government.

The Auditor General's (AGs) report has revealed that there are critical challenges to be addressed within the local government sphere with regards to improving financial management and compliance with relevant legislation in pursuit of better service delivery and living conditions for our communities.

This happens in an environment where local government is faced with the reality of stagnant economic growth which places fiscal constraints on government, ballooning debt to Eskom and water boards which must be controlled and reduced and rising debt levels as well as bulk utility tariffs which pose a significant risk to service delivery and fiscal sustainability at local government level.

With this in mind, we decided to embark on a review of our strategy, re-aligning it so as to enable us to give better support and oversight to our municipalities within GCR. We are continuing to work at ensuring that there is greater compliance with the Municipal Systems Act and the Municipal Finance Management Act amongst others in our pursuit of better service delivery within our city region. In fact, we see the model of city-region development as an opportunity for enhancing service delivery within our province, with an increased focus on more professional, non-partisan service delivery in our municipalities.

We have taken steps to ensure that we take a more proactive approach in giving support and oversight to our municipalities and we facilitated sector engagements on governance challenges in hung Councils and municipalities where there are coalitions, with the aim of ensuring that these unique conditions that have arisen as a result of the 2016 local government elections don't negatively impact on the people of Gauteng who expect and deserve quality service delivery at all levels.

As author Zakes Mda states, *"if you are truly telling a South African story then it will be political-because you are dealing with people who lead political lives in an environment which is highly politically charged."* In an environment as politically charged as that within our municipalities in Gauteng, we want to ensure that the politics enhance as opposed to become a bottle neck to service delivery.

We want to see greater participation by communities in democratic engagement channels through petitions, ward communities etc. in line with our Ntirhisano (working together) service delivery model and our Community Development Workers play a significant role in that regard by enhancing our interactions with communities. Going forward, we have planned a series of thematic campaigns on a monthly basis to better engage with and involve our communities in the service delivery process. This will help us to identify backlogs that delay service delivery, ensuring that we are proactive as opposed to reactive.

We successfully launched the Provincial Disaster Management Centre and are looking to upscale capacity in order to improve efficiency and have planned a series of disaster risk assessments in vulnerable areas going forward. We have made progress in enhancing the role of traditional leaders in our democratic processes and resolving challenges with regards to traditional leadership claims and in better regulating initiation schools, by working to ensure that they are registered and compliant with legal requirements.

Building on our achievements and moving forward a province such as Gauteng is by no means an easy task. Without a doubt, however, it is a task that we are geared for and more motivated than ever to fulfil successfully. The people of this province deserve nothing less than a dedicated and focused government. That is exactly what we will achieve working hand in hand with all our municipalities.

We would like to thank the HOD, the executive and senior management teams and all staff for their sterling contribution during the year under review. We would also like to thank the oversight bodies that have provided support to us as we pursue our mandate of better, more effective, efficient and impactful local government within GCR.



Lebogang Maile MPL

**MEC: Human Settlements, Urban Planning and
Cooperative Governance and Traditional Affairs**

Date: 26/08/19

4. REPORT OF THE ACCOUNTING OFFICER



HoD Thandeka Mbassa

Overview of the operations of the department.

A department such as CoGTA comes with its own unique set of challenges and rewards. The Department is not a major revenue-generating institution due to the nature of services on offer. As a result, the Department collected less revenue during the reporting period as compared to the prior year. One of the contributing factors was debt collection which was also reduced as a result of the write-offs.

One of my responsibilities is to ensure financial viability in both the Department and in all the Gauteng municipalities. The implementation of the Government Debt strategy initiative was intended to ensure that both provincial and national government departments pay municipalities for the rates, taxes and services owed to Municipalities.

The support initiative was implemented by the Gauteng CoGTA and Gauteng Treasury through the coordination of the monthly Debt Management Committee engagements. To date, extensive progress has been made in terms of implementing the Government Debtors strategy resulting in the regular payment of current accounts by Provincial Departments.

Having said that, most municipalities could not recover the cost or break-even on services such as water and electricity as they were charging consumers lower rates and in turn, could not meet financial obligations.

On the other hand, high tariffs led to non-affordability for the services rendered by the municipalities. The tariff model the Department has developed (once implemented in the 16/17 Financial Year) ensured municipalities implemented sound tariff structures that provided municipalities with good financial health and that would assist them to deliver proper services for the foreseeable future.

Taking action through cost-reflective tariffs to address weaknesses and strengthen financial health ensured that resources were available to fund the level and quality of services expected by households.

Municipalities need to have financial stability for them to deliver critical services to citizens. Going forward, the Department plans to continue key support projects such as data cleansing, government debt, and OPCA Provincial Coordinating Committee and GRAP 17 Support.

During the year under review, the Department managed to fill only two management positions, those of Director: Human Capital Management and Director: Information Technology (CIO) but could not fill other management positions due to files that were destroyed by fire at the Bank of Lisbon.

To support our municipalities, CoGTA developed the Scarce and Critical Skills Strategy (2010) with the view of increasing the competence, efficiency, and effectiveness of officials in municipalities within the core functional areas. The period of realising the objectives of the strategy were 2010 until 2015. In 2015/16, a documentary review was conducted focusing on national and provincial policy and strategic documents that have a bearing on the mandate of CoGTA. The Scarce and Critical Skills Strategy (2010) was also reviewed to ensure thorough understanding of all key issues relating to the strategy and to elicit the overall purpose and objectives thereof and to outline the anticipated impact within all Gauteng Municipalities. As part of the implementation of the Scarce and Critical Skills Strategy in Gauteng municipalities, CoGTA continued to build capacity in municipalities based on the needs analysis which was conducted

Municipalities will be supported with capacity building interventions in project management, revenue management, supply chain management, contract management, and technical skills. Empowering section 79 committees of councils including MPAT continues to be a priority for the Department, so one hundred councillors will be enrolled in the oversight qualification.

We are looking forward to an even more successful 6th Administration and to keeping the delivery wheels of this Department oiled and rolling.

The Department had 58 targets planned for the 2018/19 financial year and was able to achieve 47 of these targets. This translates to 81% achievement

Key Management

During the year under review, the Department managed to fill only two management positions namely, Director: Human Capital Management and Director: Information Technology (CIO) but could not fill other management position due to files that were destroyed by fire at the Bank of Lisbon.

Overview of the financial results of the department:

Table 1: Revenue

Departmental receipts	2017/2018			2018/2019		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	276	282	(6)	306	290	16
Interest, dividends and rent on land	29	3	26	30	2	28
Sale of capital assets	-	-	-	-	-	-
Financial transactions in assets and liabilities	227	206	21	227	115	112
Total	532	491	41	563	407	156

The Department is not a major revenue-generating institution due to the nature of services on offer. The Department collected less revenue during the reporting period as compared to the prior year. The areas where the Department collected less was parking fees from staff members, debt collection was also reduced as a result of the write-offs which resulted in interest from staff being less. During the same period, the Department was allocated an amount of **R533 235 000** as an equitable share, of this amount **R501 371 000** was spent resulting in a **94%** expenditure on the allocated budget. The under collection of **R156 000** was a direct result of the information mentioned above.

Table 2: Expenditure

Programme Name	2017/2018			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	131 090	124 590	6 500	131 210	111 824	19 386
Local Governance	225 098	214 955	10 143	212 161	204 818	7 343
Development and planning	110 868	82 103	28 765	174 662	171 324	3 338
Traditional Institutional Development	11 985	11 269	716	15 202	13 405	1 797
Total	479 041	432 917	46 124	533 235	501 371	31 864

The Department will surrender **R31 864 000** to Provincial Revenue Fund which represents 6%, mainly due to the compensation of employees with the highest surrender as a result of fire at the Bank of Lisbon where files for the appointment of senior managers were burnt and the process has to be started from scratch, the slow implementation of other projects and the slow procurement of equipment for the Provincial Disaster Management Centre. The long outstanding issue of acquiring the building for staff accommodation, the Premier's imbizos that were planned with traditional councils and the completion of the voter education and awareness campaign, all contributed to the under-expenditure of the R31.8 000.

Programme 1: Administration

The programme was allocated a total budget of **R131 090 000** of which **R111 824 000** was spent which represents an average of **85%** of the total budget allocated. The remaining **15%** or **R19 000 000** could not be spent primarily because of the long outstanding issue of own building as staff accommodation, the files of appointing senior managers destroyed by fire at the Bank of Lisbon and accruals that will be finalised in the next financial year.

Programme 2: Local Governance

The programme spent an amount of **R204 818 000** out of the budgeted allocation of **R212 161 000**. The under-expenditure represents **3%** or **R7 300 000** in nominal terms. This amount was not spent as a result of various projects that were not completed or procurement was not finalised during the year under review.

Programme 3: Development Planning

The programme was allocated a total budget of **R174 662 000** during the reporting period of which **R171 324 000** was spent which is **98%** of the budget. This programme was the second-highest spending programme during the reporting period, with savings only of **R3 300 000**. This was due to multi-year projects of the PDMC.

Programme 4: Traditional Institutional Management

This programme had the least budget during the reporting period. The allocation for this programme amounted to **R15 200 000** of which **R13 400 000** was spent which represents 88%. The allocation was not fully spent in totality because of the earmarked funding

to Amandebele a Lebelo that was withheld by the Department due to the non-submission of the financial records and expenditure of the previous funding including the hosting of the workshop of the initiation school which was planned for the year under review.

Virements/rollovers

Virements

The Department had **R16 179 000** Virements during the reporting period.

Rollovers

The Department did not request any rollovers during the reporting period.

Unauthorised Expenditure

The Department did not incur any unauthorised expenditure during the reporting period.

Fruitless and wasteful expenditure

The Department did not incur any fruitless and wasteful expenditure during the reporting period.

Future Plans of the Department

Improving governance

9 Municipalities will be supported to implement indigent policies and the review that was conducted in the last financial year will be the base that is used to determine the type of support intervention that will be implemented. 1 Provincial Indigent policy framework incorporating indigent burial and homelessness will be developed in collaboration with municipalities. Public Participation will be done to get the views of the citizens in the process of developing the framework.

The Department saw an opportunity for sector engagement on governance challenges in Hung Councils and opportunities for coalition governments. CoGTA facilitated a focused sector engagement one year after the 2016 LGE. This allowed for a better understanding and appreciation of threats and opportunities presented by coalitions. 3 Municipalities are to be supported to have functional statutory council committees namely Merafong, Emfuleni, and Lesedi. The committees are responsible for decision-making in the municipalities and

when they are not functional key decisions are delayed which ends up affecting the day to day running of the municipality.

To improve intergovernmental planning the Department is in the process of finalising the GCR-Wide IGR Strategy. This will entail the establishment of the IGR Secretariat. The Department plans to strengthen IGR at the municipal level through the enhancement of municipal IGR strategies and implementation plans. This should lead to a fully functional Political and Technical IGR Fora.

Fighting corruption

The fight against corruption is a fight that the country cannot afford to lose. The Department continues to facilitate that 75% of maladministration and fraud complaints are acted upon within 3 months of reporting to national, provincial hotlines and municipalities. 11 Municipalities will be monitored on the extent to which anti-corruption measures are implemented. The work with the Ethics SA continues, and it is picking up momentum and the plan going forward is to capacitate 9 municipalities on ethics and integrity management.

Capacity Development

The Department continues to support municipalities with the institutionalisation of Performance Management System (PMS) and in the next financial year 5 municipalities will be supported to institutionalise Performance Management (Mogale City, West Rand District, Merafong, Lesedi, and Midvaal).

Municipalities are being supported with the standardisation of Human Resource processes and in the coming financial year, 11 municipalities will be provided with technical and advisory support on Human Resource processes. 11 Municipalities will be supported to comply with Municipal Structures Act regulations in terms of the appointment of Senior Managers. 75% of Section 54(a) and 56 posts are filled in Gauteng Municipalities and the Department plans to get to 100% in 2019.

CoGTA developed the Scarce and Critical Skills Strategy (2010) with the view of increasing competence, efficiency, and effectiveness of officials in Municipalities, within the core functional areas. The period of realising the aims of the strategy were 2010 until 2015. In 2015/16 a document review was conducted focusing on national and provincial policy and strategic documents that have a bearing on the mandate of CoGTA. The Scarce

and Critical Skills Strategy (2010) was also reviewed to ensure a thorough understanding of all key issues relating to the strategy and to elicit the overall purpose and objectives thereof and to outline the anticipated impacts within all Gauteng Municipalities. As part of the implementation of the scarce and critical skills strategy in Gauteng Municipalities, CoGTA continued to build capacity in municipalities based on the needs analysis which was conducted.

Municipalities will be supported with capacity building interventions in project management, revenue management, supply chain management, contract management, and technical skills. Empowering section 79 committees of councils including MPAT continues to be a priority for the Department so one hundred councillors will be enrolled in the oversight qualification. 5 Municipalities will be supported to institutionalise Performance Management System (Mogale City, West Rand District, Merafong, Lesedi, and Midvaal).

The Department in an effort to turnaround municipalities at risk would like to deploy the services of two technical teams of eighteen individuals to West Rand District and its Locals and Sedibeng District and its Locals. The team will consist of the following:

- Engineers (Civil, Electrical, Roads, Water and Sanitation)
- Development planners
- Economists

These teams will provide hands-on support, but this initiative will only be possible if the Department gets additional funding.

Financial Viability

The implementation of the Government Debt strategy initiative was intended to ensure that both Provincial and National Government Departments pay Municipalities for the rates, taxes, and services owed to Municipalities. The support initiative was implemented by the Gauteng CoGTA and Gauteng Treasury through the coordination of the monthly Debt Management Committee engagements. To date, extensive progress has been made concerning the implementation of the Government Debtors strategy resulting in the regular payment of current accounts by provincial departments.

Most municipalities could not recover the cost or break-even on services such as water and electricity as they were charging consumers lower rates and in turn, were not able to meet financial obligations. On the other hand, high tariffs lead to non-affordability for the services rendered by the municipalities. The tariff model the Department has developed (once implemented in the 16/17 Financial Year) ensured Municipalities implemented sound tariff structures that provided Municipalities with good financial health and that would assist municipalities to deliver proper services for the foreseeable future. Taking action through cost-reflective tariffs to address weaknesses and strengthen financial health ensured that resources were available to fund the level and quality of services expected by households.

The Department plans to continue key support projects e.g. Data cleansing, Government Debt, OPCA Provincial Coordinating Committee and GRAP 17 Support. Municipalities need to have financial stability for them to be able to deliver the critical services to citizens. 4 Municipalities to be provided with financial support to update and maintain Infrastructure Asset Registers in line with the GRAP 17 requirements (Rand-West City, Merafong, Lesedi, Emfuleni LMs). 3 Municipalities provided with additional capacity to implement the developed simplified revenue plans. (Emfuleni, Merafong and Rand-West City).

Community Development

CDWs played a role in disseminating information and community mobilisation to participate in monthly thematic planned campaigns/initiatives, as well as other ad hoc campaigns organised by the government, private institutions, government agencies, and civil society organisations to inform and build capacity. The plan is to support 12 thematic programmes in the 2019/20 financial year.

The CDWs will further identify blockages that delay service delivery and report them to the relevant government departments and entities for attention and speedy resolution and this support will be provided to 9 municipalities (6 Local Municipalities and 3 Metros).

Disaster Management

For the past three years, the Department has embarked on the re-establishment of the Provincial Disaster Management Centre. It is expected that the centre will start operating by 1st April 2019. Currently, the centre has only ten staff members assigned to it, including the Head of Disaster Management. The recommended

structure requires close to one hundred positions. The Department plans to finalise the Provincial Disaster Management Centre to a minimum level of operations in the next financial year. One of the focus areas will be on the installation of ICT servers and Server rooms equipment. The plan is also the acquisition of Whole-of-Society disaster management systems that include Radar, C-more and AFIS (Early Warning Systems). The Department plans to support, monitor and develop disaster plans for the sector departments and municipalities.

The plan is to continue to conduct disaster management awareness campaigns in high-risk areas and this is aimed at reducing risky behaviour which should ultimately lead to the saving of lives. 4 disaster risk assessments are planned in vulnerable areas as identified in the macro-risk assessment. 1 Response policy to be developed in the next financial year. 150 fire and rescue services officials are to be trained on the Incident Command System.

Traditional institutional management

Gauteng Province has two recognised traditional communities, Amandebele Ndzundza Sokhulumu traditional community under the leadership of Inkosi MP Mahlangu, who are situated in Sokhulumu and Amandebele Ba Lebelo traditional community, under the leadership of Kgosi KC Kekana situated in Hammanskraal, Majaneng. In 2017, the Department recognised four headmen in the Amandebele ba Lebelo traditional community in line with legislative prescripts. The positions existed before the moratorium but were not filled. Unfortunately, the same recognition could not be granted in the case of the Amandebele Ndzundza Sokhulumu on account of a national moratorium on the recognition of new leadership positions, particularly the position headman.

The support to Traditional Councils will still focus on assisting them to perform their functions in adherence to legislative prescripts and enhanced accountability. The Department has resolved succession claims/disputes, and this was done to improve administrative justice and the application of the legislative framework. The Department also plans to monitor registered initiation schools in terms of their compliance with National Guidelines, requirements and legislation. Traditional leaders will be supported to participate in municipal councils in terms of section 81 of the Municipal Structures Act. They will also be supported to participate in the IDP processes.

Decisive spatial transformation

In contributing to province-wide infrastructure planning and performance, the Department will continue to organise and manage the provincial and municipal infrastructure development and service delivery coordinating structures. The structure's aim is to facilitate the implementation of infrastructure projects that will influence the spatial planning of the province. The Department will also continue to monitor the allocation of MIG funds implementing capital projects. The Department would like to continue the work being undertaken with the Rand Water Board on water conservation, but this will be determined by the availability of the budget.

Public-Private Partnerships

The Department did not enter any public-private partnerships during the reporting period and neither does it plan any in the ensuing financial year.

Discontinued activities / activities to be discontinued

There were no activities discontinued during the reporting period, and the Department does not have any plans to discontinue any of its activities in the near future.

New or proposed activities

The Department did not have any new activity during the reporting period and has no proposals for a new activity in the next twelve months.

Supply chain management

There were no unsolicited bids during the reporting period; all bids awarded were based on open tender or request for proposals. The Department often reviews procurement submissions to detect irregular and fruitless expenditure and report such if detected. During the reporting period, the Department did not incur any irregular expenditure.

Gifts and Donations received in kind from non-related parties

According to the Department's gift register, there were no staff members who received any donation or gift designated amount from a non-related party, moreover, the Department did not receive any donation from a

non-related party during the reporting period.

Exemptions and deviations received from the National Treasury

The Department was not granted any deviation nor exemption from reporting requirements of the Public Finance Management Act (PFMA) or Treasury Regulations (TR).

Events after the reporting date

There were no favourable or unfavourable events that occurred after the reporting date.

Acknowledgement/s or Appreciation



Ms. Thandeka Mbassa

Head of Department: Department of Co-operative Governance and Traditional Affairs

Date: 26/08/19

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



Thandeka Mbassa

Head of Department: Department of Co-operative Governance and Traditional Affairs

6. Strategic Overview

6.1 Vision

Local Government for and by citizens where participatory democracy and effective governance fosters economic development, financial viability, sustainability and a better quality of life.

6.2 Mission

To lead, support and monitor in the following areas:

- efficient service delivery, institutional and financial viability and good governance, towards the realisation of Smart Cities, through cooperative governance with associated institutions and traditional leadership;
- deepening of democracy through proactive and focused stakeholder involvement;
- strengthening of intergovernmental relations across all spheres of government including the institution of traditional leadership; and
- disaster resilience through coordination with government spheres and social partners.

6.3 Values

Achieving the vision requires the Department to adopt and adhere to service delivery values as indicated below. The Department has adopted a set of values that are informed by the Batho Pele (People First) principles of the South African Public Service, and as an organisation, its specific focus is on the following:

Respect: We treat employees, customers, partners and suppliers with mutual respect and sensitivity, recognising the importance of diversity. We respect all individuals and value their contributions.

Integrity: We employ the highest ethical standards, demonstrating honesty and fairness in every action and service we provide.

Caring: We ensure that we and our service providers empathise with citizens, treating them with consideration and respect. We foster effective communication of services, products, information and problems, which may hamper or delay the efficient delivery of services to promised standards.

Accountability: We accept our individual and team obligations and we meet our commitments to service delivery. We will account for our performance in all of our decisions and actions.

Innovation: We enable municipalities to introduce modern and innovative procedures and systems for the delivery of services.

We are creative in our thought and in the execution of our duties, we seek innovative ways to solve problems and enhance effectiveness and efficiency within the context of the law.

7. Legislative and Other Mandates

The following sections are extracts from the Constitution which have a direct bearing on the Province and municipalities in terms of delivering on their respective constitutional mandates.

Section 139(1): provides that the Provincial Executive may intervene if a municipality fails to fulfil an executive obligation.

Section 152(1): provides for democratic and accountable government for local communities; ensures the provision of services to communities in a sustainable manner; promotes social and economic development; promotes a safe and healthy environment; and encourages the involvement of communities and community organisations in the matters of local government.

Section 152(2): stipulates that a municipality must strive, within its financial and administrative capacity, to achieve the objects as set out in subsection (1). It requires municipalities to provide a democratic and accountable local government. Councillors must be elected through a democratic process and must report back to their constituencies on decisions taken by the council.

Section 154(1): provides for support and strengthening the capacity of municipalities to manage their own affairs, exercise their powers and perform their functions.

Section 154(2): provides for drafting provincial legislation that affects the status, institutions, powers or functions of local government for approval by the Provincial Legislature; and for this legislation to be published for public comment before it is introduced in Parliament or a provincial legislature in a manner

that allows organised local government, municipalities and other interested persons an opportunity to make representation with regard to the draft legislation.

Section 155(6): stipulates that provincial legislature must determine the different types of municipalities to be established in the province, monitor, support and promote the development of local government and see to the effective performance by municipalities of their functions as per Schedules 4 and 5, and regulate the exercising by municipalities of their executive authority [Section 156 (1)].

Section 164: stipulates that any matter concerning local government not dealt with in the Constitution may be prescribed by national legislation or by provincial legislation within the framework of national legislation.

Municipal Structures Act (No. 117 of 1998): provides for the establishment of municipalities in accordance with the requirements relating to categories and types of municipalities and provides guidelines for the establishment and functions of ward committees.

Municipal Systems Act (No. 32 of 2000) – Amended Systems Act (July 2011): provides 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.

Municipal Finance Management Act (No. 56 of 2003): provides for the secure, sound and sustainable management of the fiscal and financial affairs of municipalities and municipal entities by establishing norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the fiscal and financial affairs of municipalities and municipal entities.

Municipal Property Rates Act (No. 6 of 2004): regulates the power of a municipality to impose rates on property and to exclude certain properties from rating in the national interest and makes provision for municipalities to implement a transparent and fair system of exemptions, reductions and rebates through their rating policies.

Gauteng Type of Municipalities Act (No. 3 of 2000): determines the types or categories of municipalities that can be established in the province.

Rationalisation of Local Government Affairs Act (No. 10 of 1998): provides for the rationalisation of

the legislative and administrative framework for the local sphere of government.

Gauteng Privileges and Immunities of Councillors Act (No. 1 of 2002): defines the privileges and immunities of councillors in Gauteng municipalities.

Disaster Management Act (No. 57 of 2002): provides for an integrated and coordinated disaster management policy that focuses on preventing or reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, and rapid and effective responses to disaster and post-disaster recovery.

Gauteng Land Administration Act (No. 11 of 1996): provides for the acquisition and disposal of land owned by the Gauteng Provincial Government.

Development Facilitation Act (No. 67 of 1995): facilitates and speeds up the implementation of the Reconstruction and Development Programme and associated projects.

Public Finance Management Act (No. 01 of 1999 as amended): enables public sector managers to manage and improve accountability in terms of eliminating waste and corruption in the use of public funds.

Division of Revenue Act as amended: provides for equitable division of revenue anticipated to be raised nationally among the national, provincial and local spheres of government for each financial year and the responsibilities of the three spheres pursuant to such divisions.

Promotion of Administrative Justice Act (No. 03 of 2000): gives effect to the constitutional right to just administrative action for any member of the public whose rights have been adversely affected and to ensure efficient, effective and legitimate administration within all spheres of government.

Preferential Procurement Policy Framework Act (No. 05 of 2000): gives effect to section 217 (3) and provides a framework for the implementation of the procurement policy contemplated in section 217 (2) of the Constitution.

Promotion of Access to Information Act (No. 02 of 2000): gives effect to the constitutional right of access to any information held by the State and any information held by a private person that is required for the exercise or protection of any other right.

Intergovernmental Relations Framework Act (No. 13 of 2005): establishes a framework for national, provincial and local government to promote and facilitate intergovernmental relations and to provide a mechanism and procedure to facilitate the settlement of intergovernmental disputes.

Municipal Demarcation Act (No. 27 of 1998): established the Municipal Demarcation Board, which is an independent authority responsible for determining municipal boundaries and determining wards within municipalities.

Municipal Electoral Act (No. 27 of 2002): establishes the Independent Electoral Commission (IEC) and regulates local elections.

Gauteng City Improvement District Act (No. 12 of 1997): provides procedures for the formation and independent management of city improvement districts to fund the provision of services in addition to those which a municipality ordinarily provides in order to facilitate investment in the city improvement district.

Fire Brigade Services Act (No. 99 of 1987): provides for the establishment, maintenance, employment, coordination and standardisation of fire brigade services and matters connected therewith.

Traditional Leadership and Governance Framework Act (No. 41 of 2003): provides for the recognition of traditional communities as well as the establishment and recognition of Traditional Councils and the establishment of the Commission on Traditional Leadership Disputes and Claims.

National House of Traditional Leadership Act (No. 22 of 2009): paves the way for the establishment of the National House of Traditional Leaders.

Gauteng Traditional Leadership and Governance Act (No. 4 of 2010): provides for the establishment and recognition of traditional communities in the province.

Gauteng Local Government Laws Amendment Act (No. 1 of 2006): amends certain laws of the Gauteng Province pertaining to local government so as to eliminate references to defunct institutions and inconsistencies with other legislation, and repeal certain laws that are contrary to the Constitution of the Republic of South Africa 1996 or that no longer serve any useful purpose.

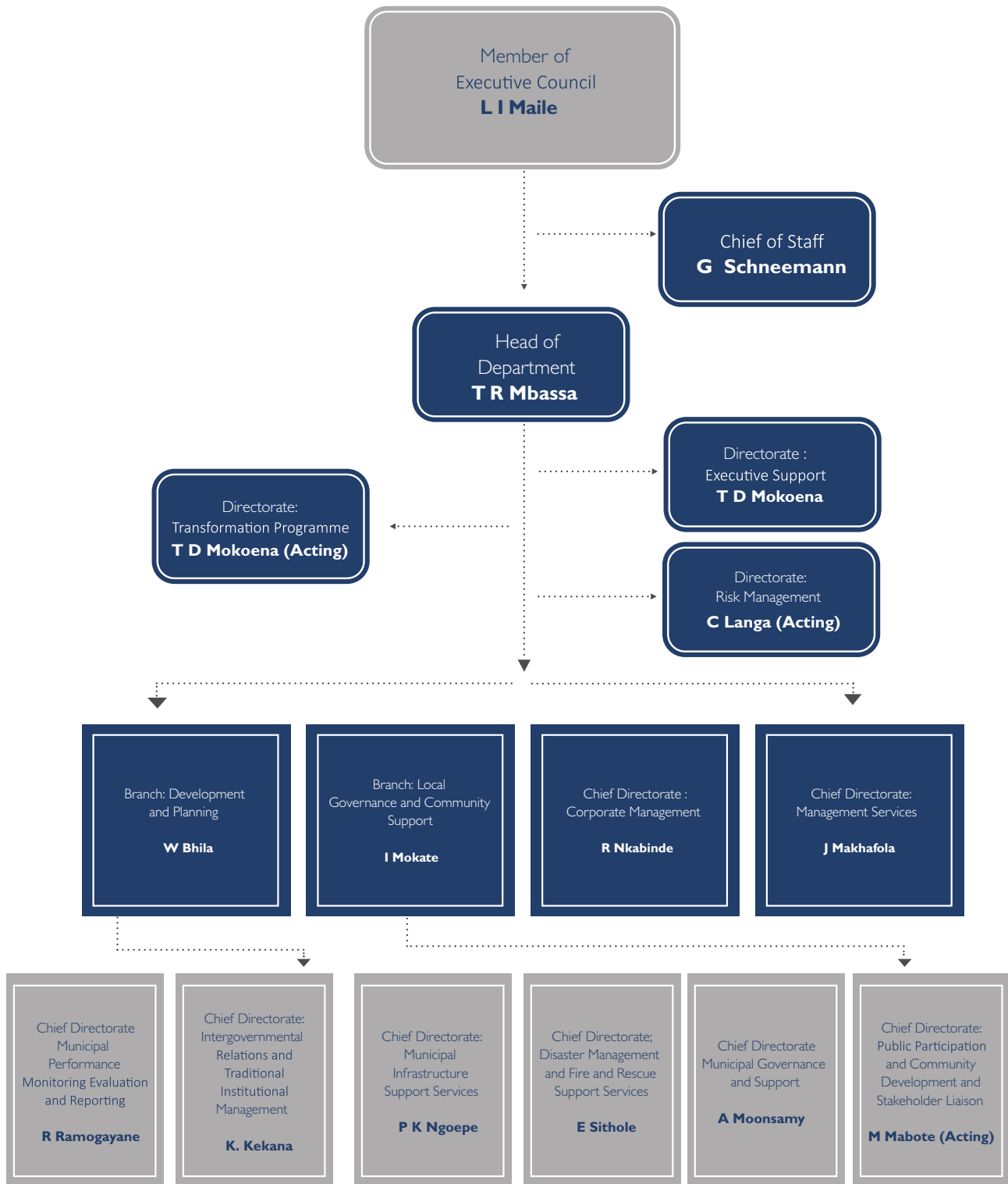
Local Government Amendment Laws Act (No. 19 of 2008): reviews the term of office of ward committees to be equivalent to the term of council. It also provides the legislative base for the funding model for ward committees.

Removal of Graves and Dead Bodies Ordinance (No. 7 of 1925): provides procedures for exhumations and re-interment.

Skills Development Act (No. 97 of 1998): provides an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce.

Employment Equity Act (No. 55 of 1998): serves as a mechanism to redress the effects of unfair discrimination and to assist in the transformation of workplaces, so as to reflect a diverse and broadly representative workforce.

8. Organisational Structure



9. Entities Reporting to the MEC

The Gauteng Department of Co-operative Governance and Traditional Affairs does not have entities reporting to the MEC.





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 are included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor’s report.

Refer to page 86 of the Report of the Auditor General, published as Part E: Financial Information.

2. Overview of Departmental Performance

2.1 Service Delivery Environment

Public Participation

Section 152(1), of the Constitution of South Africa, Act 108 of 1996, requires that local government encourages and promotes public participation in the matters of local government. The Municipal Structures Act (1998) and the Municipal Systems Act (2000) create space for public participation through mechanisms such as ward committees and the Integrated Development Planning (IDP) process. Legislatively, the ward committees are meant to be an advisory body, which is representative, independent, and impartial. The ward committee system, which sits at 86% functionality rate across the province instead of 100% functionality represents what is otherwise termed the “invited space” for public participation. The ward committee system has exposed major challenges ranging from the:

- lack of all-inclusive representation.
- vast geographical wards that make access and holding of meetings difficult;
- inability to respond and resolve raised community issues due to lack of authority;
- inability to provide feedback to communities because only elected representatives can convene ward meetings.

The criteria used to elect committee members also poses a challenge that affects the quality of engagements ward committee members can facilitate or influence. Gauteng province has experienced a fair share of protracted community protests that tend to

be violent in nature. These violent community protests raise a question about the efficiency and effectiveness of community engagement platforms that have been put in place by legislation. The Municipal IQ registered that up to June 2014, Gauteng accounted for 25% of all community protests in the country.

2.2 Service Delivery Improvement Plan

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

Main services and standards

Main services	Beneficiaries	Current /actual standard of service	Desired standard of service	Actual achievement
To provide advocacy and facilitation on community engagement, public participation, and government services.	Traditional Councils, Ward committees, Civil Society Organisations, Sector departments, Communities and Municipalities.	New indicator.	Emfuleni (ABCD and CBM).	Emfuleni (ABCD and CBM).

Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current / actual arrangements	Desired arrangements	Actual achievements
New indicator.	1 Quarterly engagement with the traditional council on current challenges and possible resolutions or action plans	2 Traditional Councils were supported by the Department.

Service delivery information tool

Current /actual information tools	Desired information tools	Actual achievements
New indicator	Public Participation Fora to share progress on the ABCD and CBM programmes.	Learning sessions were held in Emfuleni.

Complaints mechanism

Current/actual complaints mechanism	Desired complaint mechanism	Actual achievements
New indicator.	Departmental brochures with contact details for households.	The Department had a comprehensive voter education programme where the door-to-door interactions with communities were intensified.

2.3 Organisational environment

The current organisational environment is characterised by a departmental structure that is not aligned to the strategy as a result of various contributing factors such as the financial constraints regarding compensation of employees and, the Exco's decision to abolish posts in order to reduce the high vacancy rate. In the light of the current capacity constraints within Human Capital Management and as the organisation as a whole, the Department has to reprioritise interventions that will have a high impact but require fewer resources to achieve them.

Human Capital Management is repositioning itself to be a partner in support of the organisation considering the current imperatives; to alleviate capacity constraints the fast-tracking of recruitment and selection processes for the identified critical posts as well as upskilling of staff through training and development processes to better support the CoGTA workforce implement its mandate.

The Department is still faced with accommodation challenges because it does not have its own building and staff are scattered and accommodated in separate buildings as a result of the Bank of Lisbon fire outbreak. This also has a negative effect on the recruitment and appointment process, especially for persons living with disabilities. The Department is working with the Department of Infrastructure Development, to try and source suitable accommodation for CoGTA employees.

2.4 Key policy developments and legislative changes

The Department does not have a revision to its legislative mandate for the period in question and therefore its mandate has remained unchanged. There are no court rulings that have a bearing on the mandate of the Department.

3. Strategic Outcome Oriented Goals

NDP Chapter	Objective	National Outcome	TMR Pillar	CoGTA Response
Chapter 3: Economy and employment.	Implementation of public employment programmes.	NO 4: Decent employment through inclusive growth. Sub 3: Reduce youth unemployment Sub 7: Implementation of public works programmes.	Transformation of the State and Governance: • Improve Cooperative governance of the state. • Eliminate wastage and contain costs.	Community Work Programme.
Chapter 4: Economic Infrastructure.	Adequate supplies of services such as water and electricity.	NO 6: An efficient, competitive and responsive economic infrastructure framework. Sub 2 & 4: Bulk infrastructure. Sub 6: Communication and information technology.	Transformation of the State and Governance.	Support municipalities with bulk infrastructure plans.
Chapter 5: Environmental sustainability and resilience.	Improved disaster preparedness for extreme climate events.	NO 3: All people of South Africa feel and are safe.	Transformation of the State and Governance.	1 Provincial Disaster Management Centre. 5 Municipal Disaster Centres.
Chapter 9: Transforming Human Settlements.	Incentives for citizen activity for local planning and development of spatial compacts.	NO 8: Human and Community Development.	Transformation of the State and Governance.	Roll out of the ABCD approach in order to increase participation of citizens in Local Government.
Chapter 13: Building a capable and developmental state.	Mainstreaming citizen participation.	NO 7: Vibrant, equitable and sustainable rural communities and food security for all. Sub 5: Enabling institutional environment for sustainable and inclusive growth.	Transformation of the State and Governance.	Build the capacity of municipalities and other stakeholders on IDP public participation and Ward Committee training.

4. Performance Information by Programme

4.1 Programme I: Administration

Purpose of The Programme

This programme focuses on strengthening the administrative capacity and capability of the Department, to ensure that the Department is able to deliver on its policy and legislative mandate. It relates to **Outcome 12: An efficient, effective and development-oriented public service.** The work of the programme is linked to national Outcome 12: An efficient, effective and development-oriented public service. As a strategic partner to business units, this programme provided the necessary support services (financial, human capital and tools of trade) to enable the core programmes to achieve the set strategic objectives.

Sub-Programmes

- Corporate Services
- Finance Management
- Governance and Risk Management

Payment of Service Providers

Financial Year	Invoice received	Settled within 7 days	Settled within 30 days
2014-2015	1111	193	918
2015-2016	1327	779	548
2016-2017	1163	56	1107
2017-2018	1040	23	1017
2018-2019	460	2	458

Strategic Objectives for 2018/19 Financial Year

- Strategic Objective 1: To ensure that the Department has the capacity and capability to deliver on the departmental mandate.
- Strategic Objective 2: Resourceful and effective departmental finance and governance support services.
- Strategic Objective 3: To deliver better outcomes and efficiency through innovation and excellence in ICT, knowledge and information management services.
- Strategic Objective 4: Communication support provided to the Department, municipalities and traditional leadership.

Key Achievements

- In the management and maintenance of the departmental Post Establishment, the Department implemented the post establishment on PERSAL as per the approved Organisational Structure.
- The Department approved the Medium-Term Expenditure Framework (MTEF) Human Resource Plan which was submitted to Office of the Premier (OOP) and Department of Public Service and Administration (DPSA).

Strategic objectives, performance indicators, planned targets and actual achievements

Programme Name: Administration						
Sub: Programme: Human Capital Management						
Strategic Objectives	Performance Indicator	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
To ensure that the Department has the capacity and capability to deliver on the departmental mandate.	Percentage of Employment Equity target reached for women in SMS positions.	36% Women in SMS positions.	45% Women in SMS positions.	32% (11/34) of women in SMS positions were retained.	13% of women in SMS positions were not recruited.	The Department was in the process of finalising the recruitment and selection process for a number of SMS posts. Due to the Bank of Lisbon (BoL) fire outbreak, the files could not be accessed and the processes were halted.
	Percentage of Employment Equity target reached for people with disabilities.	1.4% of employed people living with disabilities.	1.5% people with disabilities.	1.5% (10/657) People with disabilities were retained.	None.	None.

Programme Name: Administration						
Sub-Programme: Finance Management						
Strategic objectives	Performance Indicator	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
Resourceful and effective departmental finance and governance support services.	Percentage of service providers paid within thirty days as prescribed by Public Finance Management.	100% of invoiced paid within thirty days as prescribed by the Public Finance Management Act Payment for all service providers within thirty days.	100% of invoices paid within thirty days as prescribed by the Public Finance Management Act.	100 % of invoiced paid within thirty days as prescribed by Public Finance Management Act Payment of all service providers within thirty days.	None.	None.
Sub-Programme: Risk Management						
Resourceful and effective departmental finance and governance support services.	A number of Strategic Risk Assessments conducted.	1 Departmental Strategic Risk Assessment conducted.	One Strategic Risk Assessment conducted.	One Strategic Risk Assessment was conducted..	None.	None.
	Percentage of mitigating measures implemented.	New indicator.	70% of corrective measures implemented.	70% of corrective measures were implemented.	None.	None.

Programme Name: Administration						
Sub-Programme: ICT						
Strategic objectives	Performance Indicator	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 deliver better outcomes and efficiency through innovation and excellence in ICT knowledge, and information management services.	A number of ICT corporate governance structures functional.	New indicator.	ICT corporate governance structure that is functional.	1 ICT corporate governance structure is functional.	None.	None.
Sub-Programme: Communications						
Communication support provided to the Department, municipalities and Traditional Leadership.	4 intergovernmental communication forums convened.	New indicator.	4 intergovernmental communication forums convened.	4 Intergovernmental Forums were held.	None.	None.
	A number of capacity building workshops conducted with municipal and traditional leadership communicators.	New indicator.	1 capacity building workshop conducted with municipal and traditional leadership communicators.	1 Capacity building workshop was conducted with municipal and traditional leadership communicators.	None.	None.
	A number of thematic awareness campaigns conducted.	New indicator.	1 thematic awareness campaign conducted.	1 thematic awareness campaign was conducted. The Department has embarked on a campaign to encourage people to pay for municipal services.	None.	None.

Provide reasons for all deviations

- The process of recruiting Senior Managers could not be finalised due to the fire incident in the Bank of Lisbon building.

Strategy to overcome areas of under performance

- The recruitment process is now underway and the Department is working with DID to get suitable accommodation for staff.

Changes to planned targets

None

Sub-programme expenditure

Sub- Programme Name	2017/2018			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the MEC	4 992	3 031	1 961	3 354	3 053	301
Corporate Services	126 098	121 559	4 539	127 856	108 771	19 085
Total	131 090	124 590	6 500	131 210	111 824	19 386

4.2 Programme 2: Local Governance

Purpose of The Programme

The goals contained herein relate to Outcome 9 and will be achieved through implementing the Local Governance sub-programmes. The Local Governance budget under these goals will be utilised for municipal administration, municipal financial support, public participation (specifically catering for the CDW Programme), capacity development and municipal performance, monitoring and reporting. The budget allocated under this programme is utilised to support and monitor local government performance to ensure that municipalities become viable and sustainable to carry out their constitutional mandate. The Local Governance Programme seeks to strengthen the developmental state by enhancing participatory governance and institutional stability as well as building the capacity and capability of local government to achieve its constitutional mandate.

Sub-Programme

- Municipal Administration (Transformation Programme)
- Back to Basics

Linking performance with budgets

The programme was allocated a total budget of **R131 210 000** of which an amount of **R111 824 000** was recorded as expenditure, which represents **85.2%** of the total allocated budget. The remaining **15%** to the value of **R19 386 000** was not spent during the reporting period due to the fact that some of the senior management positions could not be finalised as a result of the fire at the Bank of Lisbon building where appointment documents were destroyed, an amount of **R3 600 000** earmarked for the building to accommodate Departmental staff was not procured and the other payments to service providers could not be settled as invoices were received after the reporting period resulting in accruals.

- Public Participation
- Municipal Finance Support
- Capacity Development
- Municipal Performance Monitoring and Evaluation

Strategic Objectives for the financial year under review

The objectives to be achieved under this programme include the following:

Strategic Objective 5:	Interactive and meaningful citizen engagement to build sustainable communities by 2020.
Strategic Objective 6:	To promote and improve public trust in local government through good governance and policy advocacy by 2020.
Strategic Objective 7:	To strengthen research, analytics and innovation capability in the Department.
Strategic Objective 8:	To monitor and support the mainstreaming of gender, youth and people with disability.
Strategic Objective 9:	To improve financial and institutional stability within municipalities by 2020.
Strategic Objective 10:	To monitor and evaluate municipal performance and compliance with legislation.

Key Achievements

Community Development Workers Programme

Advocacy work – working with lead departments, Institutions, State Owned Companies. CDWP own piloted advocacy programmes are:

- Supporting and initiating monthly thematic advocacy programmes, including community engagements through Ntirhisano Outreach and Post SOPA Community Meetings (Environmental Scans and assistance to mobilization).
- Active learning piloted in Etwatwa – working with the Department of Education and efforts are underway to roll it out throughout the Province and to also design the other leg that will take it beyond School Holidays working in Partnership with CSI/GSI.
- Service Delivery Concerns through door to door work and other community engagements programmes – referred to relevant departments across government spheres, institutions, agencies and private sector for their resolution.
- Tshwane Co-operative Incubation Programme – over 300 Co-operatives benefiting.
- Lanseria Alternative Energy Self-Help Initiative – Community members working together and contributing towards the installation of Solar Panels (currently is at the small scale and encouraging if sustained support, including training).
- Asset Based Community Development Approach – CDWP working together with Public Participation Directorate contributed in the activation of the ABCD self-study held in Emfuleni, Hosting of International Guests at OR Tambo Memorial Precinct (Wattville) for pre-ABCD Imbizo.

Financial Viability and Institutional Stability

- To date, a total of R1 38,296,695.56 (Approximately R138million) in revenue was collected and potential revenue collection of R358,463,220.00 (Approximately R358 million) and a potential R1,020,000,000.00 (Approximately 1billion) reduction in the debtors book through write offs.
- Five (5) Municipalities Rand West City, Emfuleni LM, Mogale City, Merafong City and Lesedi LM

were provided with support to institutionalise Performance Management System (PMS) and cascading it to the levels below Senior Managers.

- All eleven (11) Gauteng Municipalities were provided with support to conduct Human Resource (HR) Audit to streamline, reposition and professionalise HR profession in Gauteng municipalities and the Local Government Sector in general.
- Five (5) Capacity Building Interventions (Finance, Project Management, Contract Management, Supply Chain Management and Oversight function) aimed at facilitating the development of specialist and technical skills to transform local government and enhance the levels of capacity and specialized skills with the specific focus areas on the Scarce and Critical Skills Strategy within local government.

Transformation Programme

- The Department was elected to Chair the Gauteng Local Government Youth Development Forum during the month of April 2019 until April 2021.
- Capacity building session for Municipal Youth Practitioners in partnership with SALGA, NYDA, DPME & LGSETA was held in January and April 2019.
- Assisting Mogale City Local Municipal in drafting Youth Development POA and establishing a Youth Directorate in collaboration with DPME (Ministry) and NYDA – Pilot project to be rolled out to all municipalities in Gauteng.
- In partnership with NGO (KDZ Training) - training Youth on Agriculture in Midvaal since the municipality has offered the Department land – MOU with Midvaal to be finalised.

Fighting Fraud and Corruption

The Department supported municipalities in building integrity management capacity.

- » Training of councillors and officials on ethics and integrity.
- » Conducting the Ethics maturity and ethics risk assessment surveys.
- » We have supported 11 municipalities in the development of ethics management strategies.

- Finalised ethics management strategies in the following municipalities:
 - » Rand West City Local Municipality.
 - » City of Ekurhuleni Metropolitan Municipality.
 - » Mogale City Local Municipality.
 - » Emfuleni Local Municipality.
 - » City of Johannesburg Metropolitan

Municipality.

- » Midvaal Local Municipality.

- Reviewed and provided inputs to 9 municipalities (excluding Districts municipalities) on all ethics related policies.

Current categorisation of Municipalities in the B2B Approach

1. City of Ekurhuleni 2. Midvaal LM	3. City of Johannesburg 4. City of Tshwane 5. Sedibeng DM 6. Merafong LM 7. Mogale LM 8. Rand West City LM 9. Lesedi LM	10. Emfuleni LM 11. West Rand DM
Doing Well	At Risk	Dysfunctional

Strategic objectives, performance indicators, planned targets and actual achievements

Programme Name: Local Governance						
Sub-Programme: Public Participation						
Strategic objectives	Performance Indicator	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
Interactive and meaningful citizen engagement to build sustainable communities by 2020.	Number of municipalities supported to implement ABCD approach.	New indicator.	6 Local municipalities supported to implement CBM and ABCD.	9 Municipalities were provided with ABCD training. WRDM and Lesedi municipalities were not represented in the training due to competing priorities.	3 Metros were trained.	3 Additional municipalities were supported due to their readiness to receive the support that was provided.
	Number of municipalities supported to maintain functional ward committee (Outcome 9, Sub outcome 2) (B2B Pillar 1).	New indicator.	9 Municipalities supported to maintain functional ward committees.	9 Municipalities were supported to maintain functional ward committees.	None.	None.

Programme Name: Local Governance						
Sub-Programme: Community Development Workers						
Strategic objectives	Performance Indicator	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
Interactive and meaningful citizen engagement to build sustainable communities by 2020.	Number of thematic campaigns supported as per government programme.	4 Reports on participatory democracy processes supported.	12 Thematic campaigns supported as per government programme.	12 Thematic campaigns were supported as per the government programme.	None.	None.
	Number of municipalities supported to respond to community concerns (Outcome 9, Sub-outcome 2) (B2B Pillar 1).	New indicator.	9 Municipalities supported to respond to community concerns (Outcome 9, Sub-outcome 2) (B2B Pillar 1).	All 9 municipalities were supported as and when there were community concerns.	None.	None.

Programme Name: Local Governance						
Sub-Programme: Stakeholder Liaison						
Strategic objectives	Performance Indicator	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
Interactive and meaningful citizen engagement to build sustainable communities by 2020.	Number of civic awareness action plans implemented in municipalities.	New indicator.	9 Civic awareness action plans implemented in municipalities.	28 Civic awareness campaigns were held in 5 municipalities.	19 Additional campaigns were held.	The additional campaigns were due to the demand received from different stakeholders.

Programme Name: Local Governance						
Sub-Programme: Municipal Administration						
Strategic objectives	Performance Indicator	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 promote and improve public trust in local government through good governance and policy advocacy by 2020.	Number of hung municipalities with rules and orders aligned to the SALGA Framework.	New indicator.	4 Hung municipalities with rules and orders reviewed in line with the SALGA Framework.	Rules and Orders were reviewed for 9 municipalities (4 hung municipalities and 5 other Gauteng municipalities) in line with the Deliverology targets.	5 Additional municipalities were reviewed.	None.
	Number of statutory council committees that are functional in hung municipalities.	New indicator.	4 Hung municipalities with functional statutory council committees.	The assessment of the functionality of Council Committees was conducted in 4 hung municipalities.	None.	None.

Programme Name: Local Governance						
Sub-Programme: Municipal Governance and Administration						
Strategic objectives	Performance Indicator	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 promote and improve public trust in local government through good governance and policy advocacy by 2020.	Percentage of maladministration and fraud complaints acted upon within 3 months of reporting to national, provincial hotlines and municipalities.	New indicator.	70% of maladministration and fraud complaints acted upon within 3 months of reporting to national, provincial hotlines and municipalities.	100% of maladministration and fraud complaints were acted upon within 3 months of reporting to national, provincial hotlines and municipalities.	30% of maladministration and fraud complaints were acted upon within 3 months of reporting to national, provincial hotlines and municipalities.	None.
	Number of municipalities monitored on the extent to which anticorruption measures are implemented (Sub-outcome 4) (B2B Pillar 3).	4 Reports produced on the extent to which municipalities comply with the implementation of the anti-corruption measures.	11 Municipalities monitored on the extent to which anti-corruption measures are implemented.	11 Municipalities were monitored on the extent to which anti-corruption measures are implemented.	None.	None.
	Number of municipalities capacitated on ethics and integrity management.	New indicator.	9 Municipalities capacitated on ethics and integrity management.	9 Municipalities were capacitated on ethics and integrity management. The Department in collaboration with the Ethics Institute and the Office of the Premier hosted training for ethics officers and internal auditors as well as initiated the development of Ethics Management Strategies.	None.	None.

Programme Name: Local Governance						
Sub-Programme: Municipal Administration						
Strategic objectives	Performance Indicator	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 strengthen research, analytics and innovation capability in the Department.	Number of municipalities supported to implement indigent policies (Outcome 9, Sub-outcome 1) (B2B Pillar 2).	9 Municipalities were supported to implement indigent policies (Outcome 9, Sub-outcome 1) (B2B Pillar 2).	9 Municipalities supported to implement indigent policies (Outcome 9, Sub-outcome 1) (B2B Pillar 2).	The indigent policies of 9 municipalities were reviewed in the 4th quarter due to delays that were experienced in the previous quarters.	None.	None.
	Number municipalities provided with municipal governance support.	New indicator.	11 Municipalities provided with municipal governance support.	11 Municipalities were provided with municipal governance support.	None.	None.

Programme Name: Local Governance						
Sub-Programme: Transformation Programmes						
Strategic objectives	Performance Indicator	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 monitor and support the mainstreaming of gender, youth and people with disability in municipalities	Number of women councillors inducted on GEYODI.	57 Women councillors inducted on GEYODI.	50 Councillors inducted on GEYODI.	0 Councillors were inducted on GEYODI.	50 Councillors not inducted.	The logistics for the training were not finalised in time for the training to take place.
	Number of work opportunities created through the Community Work Programme.	The Department provided support to the CWP programme to create 22894	Support provided to the CWP Programme to create 19 000 jobs.	21237 Jobs/work opportunities were created to meet the targets of the Community Works Programme (CWP).	2237 Jobs/work opportunities created.	

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

Programme Name: Local Governance						
Sub-Programme: Back 2 Basics						
Strategic objectives	Performance Indicator	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 improve the quality of management, financial stability, governance and accountability within municipalities.	Report on the implementation of Back-to-Basics action plans by municipalities (Outcome 9, Sub-outcome 4) (B2B Pillar 5).	4 Reports on the implementation of Back to Basics support plans by municipalities (sub outcome 1).	4 Reports on the implementation of Back to Basics action plans by municipalities.	4 Reports on the implementation of Back to Basics action plans by municipalities were developed.	None.	None.

Programme Name: Local Governance						
Sub-Programme: Municipal Finance Support						
Strategic objectives	Performance Indicator	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 improve the financial and institutional stability within municipalities by 2020.	Number of municipalities provided with financial support to update and maintain Infrastructure Asset Registers in line with the GRAP 17 requirements.	4 Municipalities were provided with financial support to update and maintain their Infrastructure and Movable Asset Registers in line with GRAP 17 requirements.	4 Municipalities provided with financial support update Infrastructure Asset Registers in line with the GRAP 17 requirements. (Rand-West City, Merafong, Lesedi, Emfuleni LMs).	The 4 municipalities (Rand-West City, Merafong, Lesedi, Emfuleni LMs) provided with financial support have all updated and maintained their Infrastructure Asset Registers in line with the GRAP 17 requirements.	None.	None.
	Number of municipalities provided with additional capacity to implement the developed simplified revenue plans	The assessment of the Revenue Value Chains in Emfuleni and Rand-West City LMs is completed and two draft municipal specific simplified Revenue Plans have been developed for the two municipalities, Rand-West and Emfuleni LMs.	2 Municipalities provided with additional capacity to implement the developed simplified revenue plans (Emfuleni and Rand-West City).	2 Municipalities were provided with additional capacity to implement the developed simplified revenue plans (Rand-west City and Emfuleni LMs) as per the project plan milestones.	None.	None.

Strategic objectives, performance indicators, planned targets and actual achievements

Programme Name: Local Governance						
Sub-Programme: Municipal Institutional Support						
Strategic objectives	Performance Indicator	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 improve financial and institutional stability within municipalities by 2020.	Number of municipalities supported to institutionalise Performance Management System (PMS) (Outcome 9 Sub-outcome 4) (B2B Pillar 5).	2 Municipalities (Rand-West City and Emfuleni LM) supported to institutionalise Performance Management System: 66 levels 1-3 officials trained on PMS. PMS Indaba held for West-Rand district to advocate awareness on the PMS cascading.	5 Municipalities supported to institutionalise Performance Management System. (Emfuleni, Merafong, Rand West, Mogale and Lesedi).	5 Municipalities were supported to institutionalise Performance Management System. (Emfuleni, Merafong, Rand West, Mogale and Lesedi).	None.	None.
	Number of municipalities supported with the standardisation of Human Resource processes.	New indicator.	11 Municipalities supported with the standardisation of Human Resource processes.	11 Municipalities supported with the standardisation of Human Resource processes. A combined Human Resource Dialogue and PMCCMC was conducted.	None.	None.

Programme Name: Local Governance						
Sub-Programme: Municipal Institutional Support						
Strategic objectives	Performance Indicator	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 supported in municipalities (Outcome 9, Sub-outcome 3) (B2B Pillar 5)	1 Capacity building intervention was supported in municipalities (Lesedi, Emfuleni, Rand-West, Merafong, Mogale and Midvaal).	5 Capacity building interventions supported in targeted municipalities.	5 Capacity building interventions supported in targeted LMs. 1 Capacity building - Councillor Training – Training of 100 councillors completed. 4 Capacity Building – An enquiry phase and process workshops for all 6 targeted municipalities completed. First phase training commenced for the officials from Emfuleni and Mogale.	None.	None.
	Number of municipalities supported to comply with MSA regulations in terms of the appointment of Senior Managers (Sub outcome 3, Action 6).	11 Municipalities supported to comply with MSA regulations in terms of the appointment of Senior Managers (Sub outcome 3, Action 6). Emfuleni provided with the secondment of the MM. Merafong, Rand-West, Sedibeng and Emfuleni were supported with the process plan.	11 Municipalities supported to comply with MSA regulations in terms of the appointment of Senior Managers (Sub outcome 3, Action 6).	11 Municipalities supported. Secondment of MM of Emfuleni has been extended with another 12 Months. Lesedi also requested for secondment for the MM.	None.	None.

Strategic objectives, performance indicators, planned targets and actual achievements

Programme Name: Local Governance						
Sub-Programme: Municipal Performance, Monitoring Reporting and Evaluation (Service Delivery)						
Strategic objectives	Performance Indicator	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 monitor and evaluate municipal performance and compliance.	Number of municipal performance reports against the 4 key performance areas of Local Government.	4 Quarterly municipal performance reports against the 4 key performance areas of Local Government developed.	4 Quarterly municipal performance reports against the 4 key performance areas of Local Government.	4 Quarterly municipal performance reports against the 4 key performance areas of Local Government developed.	None.	None.
	Number of annual municipal performance reports compiled as per section 47 of the Municipal Systems Act.	1 Annual municipal performance assessment compiled as per section 47 of the Municipal Systems Act.	1 Annual municipal performance report compiled for 2017/18 as per Section 47 of the Municipal Systems Act (MSA).	1 Annual municipal performance report compiled for 2017/18 as per Section 47 of the Municipal Systems Act.	None.	None.

Strategic objectives, performance indicators, planned targets and actual achievements

Programme Name: Local Governance						
Sub-Programme: Municipal Performance, Monitoring Reporting and Evaluation (Municipal Finance)						
Strategic objectives	Performance Indicator	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 monitor and evaluate municipal performance and compliance.	Number of reports in terms of Municipal Finance Management Act Section 131.	1 Report in terms of the Municipal Finance Management Act Section 131.	1 Report in terms of the Municipal Finance Management Act Section 131.	1 Report in terms of the Municipal Finance Management Act Section 131 was produced.	None.	None.
	Number of municipal compliance reports in terms of Municipal Finance Management Act; Municipal Property Rates Act; Municipal Systems Act and Remuneration of Public Office Bearers Act.	4 Municipal compliance reports in terms of Municipal Finance Management Act; Municipal Property Rates Act; Municipal Systems Act and Remuneration of Public Office Bearers Act.	4 Municipal compliance reports in terms of Municipal Finance Management Act; Municipal Property Rates Act; Municipal Systems Act and Remuneration of Public Office Bearers Act.	4 Municipal compliance reports in terms of Municipal Finance Management Act; Municipal Property Rates Act; Municipal Systems Act and Remuneration of Public Office Bearers Act was developed.	None.	None.
	Number of municipalities guided to comply with the Municipal Property Rates Act.	10 Municipalities guided to comply with the Municipal Property Rates Act.	10 Municipalities guided to comply with the Municipal Property Rates Act.	10 Municipalities were guided to comply with the Municipal Property Rates Act.	None.	None.

Provide reasons for all deviations

- The City of Tshwane has not established ward committees as expected.
- 50 Women councillors have not been inducted due to logistics not being finalised on time.

Strategy to overcome areas of under performance

- The induction will take place in June 2019.
- The City of Tshwane is using other mechanisms to interact with the community so it does not seem as though the ward committees will be established.

Changes to planned targets

- None.

Sub-programme expenditure

Sub- Programme Name	2017/2018			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Municipal Administration	15 420	11 492	3 928	12 580	12 524	56
Municipal Finance	10 775	9 148	1 627	9 473	9 273	200
Public Participation	150 268	146 988	3 280	161 206	155 049	6 157
Capacity Development	33 615	32 847	768	14 081	13 702	379
Municipal Performance Monitoring, Reporting and Evaluation.	15 020	14 480	540	14 821	14 270	551
Total	225 098	214 955	10 143	212 161	204 818	7 343

4.3 Programme 3: Development And Planning

Purpose of The Programme

This programme seeks to coordinate, facilitate and promote integrated development and planning in municipalities to ensure that varieties of services are delivered in an integrated and sustainable manner. It facilitates and coordinates processes towards ensuring the municipal IDPs are credible, implementable, and aligned to national and provincial outcomes, plans and strategies. Coordination and support is provided for implementation of the National Disaster Management Act and framework to ensure the effective management of disaster at national, provincial and local level within this programme. In addition, it also ensures the accelerated

Linking performance with budgets

The programme spent an amount of **R204 818 000** out of the budgeted allocation of **R212 161 000**, which represents **96.5%** of the allocated budget. The under-expenditure represents **3.5%** to an amount of **R7 300 000**. This amount was not spent during the reporting period as a result of the voter education budget that was meant for the election awareness campaign. The election awareness campaign was not concluded by the end of the reporting period but was carried over to the new financial year with services hard at work to mobilise the society to vote during elections

delivery of municipal basic service and infrastructure delivery to meet national targets.

Sub-Programmes

- Integrated Development Coordination (IDP)
- Infrastructure Technical Support
- Energy Office
- Disaster Management
- Fire and Rescue Services

Strategic Objectives for the year under review

- Strategic Objective 11: To provide support to Mega Human Settlement projects, municipal infrastructure projects and the IDP process.
- Strategic Objective 12: To reduce bureaucratic red tape in Gauteng to improve government efficiency and customer experience.
- Strategic Objective 13: To improve the Gauteng City Region's (GCR) ability to reduce risk and respond to disasters.

engines.

- 11 municipalities were supported with development of IDPs.
- 6 local municipalities monitored on the implementation of infrastructure service delivery programmes (MIG).
- 4 disaster management awareness campaign conducted in a high-risk area.
- 2 response policies developed were developed (classification and declaration; accessing and managing relief grants).
- A total of 193 officials were trained during the period under review on Fire and Rescue Services.

Key Achievements

- R15 000 000 Gazetted funds transferred to WRDM for leasing of 5 rescue vehicles and 5 fire

Strategic objectives, performance indicators, planned targets and actual achievements

Programme Name: Development and Planning						
Sub-Programme: Integrated Development Planning Coordination (IDP)						
Strategic objectives	Performance Indicator	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 support to Human Settlement Mega projects, infrastructure projects and the IDP process by 2020.	Number of municipalities supported with development of IDPs (Outcome 9: Sub-outcome 1).	11 Municipalities supported with development of IDPs.	11 Municipalities supported with development of IDPs.	11 Municipalities supported with development of IDPs.	None.	None.
	Number of Technical Steering Committee (TSC) Engagements with Gauteng Sector Departments.	New indicator.	3 Technical Steering Committee (TSC) Engagements with Gauteng Sector Departments.	2 Technical Steering Committee (TSC) Engagements with Gauteng Sector Departments. The engagement did not take place but Municipalities were requested to submit Public Participation Outputs/ Community Needs.	1 Technical Steering Committee (TSC) Engagements with Gauteng Sector Departments did not take place.	Public Participation Outputs/ Community Needs received from municipalities were communicated to sector departments for incorporation into sector plans.
	Number of IDP Regional Engagement.	New indicator.	5 Regional IDP Engagements (Alignment of Municipal IDPs to GPG Annual Performance Plans).	One-on-one engagements were conducted in the 5 regions which focused on MEC findings and comments on IDPs, as well as on the progress in line with the IDP Process Plans.	None.	None.

Strategic objectives, performance indicators, planned targets and actual achievements

Programme Name: Development and Planning						
Sub-Programme: Infrastructure Technical Support						
Strategic objectives	Performance Indicator	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 support to Human Settlement Mega projects, infrastructure projects and the IDP process by 2020.	Number of municipalities supported to implement bulk infrastructure projects on Human Settlement mega projects.	No municipalities were supported to implement bulk infrastructure projects, the projects have been identified however funding for implementation is not available.	2 District municipalities (WRDM and Sedibeng DM) supported to implement bulk infrastructure projects on Human settlement mega projects. (Merafong and Emfuleni respectively).	0 District municipalities were supported. The action plan has not been finalised hence implementation has not commenced.	2 District municipalities were not supported.	The accessing of project status information is still a challenge.
	Number of municipalities monitored on the implementation of infrastructure service delivery programmes (Outcome 9, Sub outcome 1) (B2B Pillar 5).	6 Municipalities supported with service delivery programmes (MIG).	6 Local municipalities monitored on the implementation of infrastructure service delivery programmes (Outcome 9, Sub outcome 1) (B2B Pillar 5). - (MIG and other Grants).	6 Local municipalities were monitored on the implementation of infrastructure service delivery programmes.	None.	None.
	Number of schools supported with installation of Rainwater Harvesting Systems in the province.	50 Schools supported with the installation of rainwater harvesting systems.	100 Schools supported with the installation of rainwater harvesting systems.	25 Schools were supported with the installation of rainwater harvesting systems.	75 Schools were not supported.	The projects in the remaining 75 schools were not finalised in the period under review due to challenges from the service provider.

Strategic objectives, performance indicators, planned targets and actual achievements

Programme Name: Development and Planning						
Sub-Programme: Energy Office						
Strategic objectives	Performance Indicator	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 support to Human Settlement Mega projects, infrastructure projects and the IDP process by 2020.	Number of Informal Settlements supported with electrification readiness	New indicator.	10 Informal Settlements supported with electrification readiness. .	18 Informal Settlements electrified. Target achieved.	8 Additional informal settlements were supported.	8 Additional informal settlements were prioritised due to their readiness for electrification.
	Percentage reduction in electricity losses in targeted municipalities.	New indicator.	5% Reduction in electricity losses in Emfuleni and Merafong supported.	Merafong and Emfuleni electricity losses increased instead of decreasing.	5% Reduction in electricity losses in Emfuleni and Merafong	No funding available for the proposed interventions.

Strategic objectives, performance indicators, planned targets and actual achievements

Programme Name: Development and Planning						
Sub-Programme: Red Tape						
Strategic objectives	Performance Indicator	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 reduce bureaucratic Red Tape in Gauteng to improve government efficiency and customer experience.	Percentage of new developments and Mega Projects with township established.	New indicator.	10% of new developments and Mega Projects with established township.	0% of new developments and Mega Projects are with established township.	10% of new developments and Mega Projects are without established township.	The planning phase has not been finalised.
	Percentage of title deeds issued on new developments and Mega Projects.	New indicator.	10% of title deeds issued on completed projects .	0% of title deeds on completed projects were issued.	10% of title deeds on completed projects were not issued.	The planning phase has not been finalised.
	Number of targeted municipalities assisted with processes for approval of development applications.	New indicator.	6 Targeted municipalities assisted with processes for approval of development applications.	0 Targeted municipalities were assisted with processes for approval of development applications.	6 Targeted municipalities were not assisted with processes for approval of development applications.	The research has not been finalised as the data collection process has not been concluded.
	Number of targeted municipalities assisted with processes for approval of development applications.	New indicator.	14 Departments and 2 municipalities with Red Tape champions.	0 Departments and 0 municipalities are with Red Tape champions.	14 Departments and 2 municipalities are without Red Tape champions.	The terms of reference are still under review.

Strategic objectives, performance indicators, planned targets and actual achievements

Programme Name: Development and Planning						
Sub-Programme: Disaster Management						
Strategic objectives	Performance Indicator	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 coordinate and support the implementation of the National Disaster Management Act.	Number of Provincial Disaster Management Centers functional in accordance to the 4 KPAs of the Disaster Management Framework.	Phase 3 implemented.	Provincial Disaster Management Centre assessed on functionality in accordance to the KPAs 1 and 2 of the Disaster Management Framework.	The Provincial Disaster Management Centre's functionality was assessed in accordance to the KPAs 1 and 2 of the Disaster Management Framework.	None.	None.
	Number of municipalities supported to maintain functional Disaster Management Centers.	5 Municipalities supported to maintain functional Disaster Management Centers.	5 of municipalities supported to maintain functional Disaster Management Centers.	5 Municipality were supported to maintain functional Disaster Management Centers.	None.	None.
	Number of municipalities supported to maintain functional Disaster Management Centers.	New indicator.	4 Disaster management awareness campaigns conducted in high risk areas.	4 Disaster management awareness campaigns were conducted in high-risk areas.	None.	None.
	Number of disaster risk assessments conducted in vulnerable areas as identified in macro-risk assessment.	New indicator.	4 Micro-disaster risk assessments conducted in vulnerable areas as identified in macro-risk assessment.	4 Micro-disaster risk assessment conducted in vulnerable areas as identified in macro-risk assessment.	None.	None.
	Number of response policies developed.	New indicator.	2 Response policies developed (classification and declaration; accessing and managing relief grants).	2 Response policies developed (classification and declaration; accessing and managing relief grants).	None.	None.
Programme Name: Development and Planning						
Sub-Programme: Fire and Rescue Services						
Strategic objectives	Performance Indicator	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 coordinate and support the implementation of the National Disaster Management Act.	Number of fire and rescue services officials trained on the Incident Command System.	192 Fire and rescue services officials were trained on the Incident Command System.	300 Fire and rescue services officials trained on the Incident Command System.	193 Fire and rescue services officials were trained.	107 Fire and rescue services officials were not trained.	The request for quotations had to be reissued due to the non-response of training providers.
	Number of municipalities supported on Fire & Rescue Services.	New indicator.	2 District Municipalities supported on fire and rescue services.	2 District Municipalities were supported on fire and rescue services.	None.	None.

Provide Reasons for deviation

- 1 Technical Steering Committee (TSC) Engagements with Gauteng Sector Departments did not take place.
- The action plan for support to Human Settlement projects was not finalised hence implementation has not commenced.
- Merafong and Emfuleni electricity losses increased instead of decreasing.
- The strategies to reduce Red Tape did not yield the desired results.
- 25 fire and rescue services officials were not trained.

Strategy to overcome areas of under performance

- The TSC did not take place but the information required was received from municipalities.
- The Department is reviewing the approach to

Sub-programme expenditure

Development Planning	2017/2018			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Land Use Management	-	-	-	-	-	-
IDP Coordination	9 063	8 997	66	9 084	8 046	1 038
Disaster Management	63 549	55 195	8 354	105 637	105 007	630
Municipal Infrastructure	38 256	17 911	20 345	59 941	58 271	1 670
Total	110 868	82 103	28 765	174 662	171 324	3 338

4.4 Programme 4: Traditional Institution Management

The function of this programme is to promote and facilitate viable and sustainable traditional institutions and to support and enhance the capacity of traditional leadership and local governance institutions. The key performance areas are: Traditional Institutional Administration, Traditional Resource Administration, Rural Development Facilitation and Traditional Land Administration. The objectives to be achieved under this programme include the following:

Strategic Objective 14: To improve the quality of management and administrative practices to support

support the Human Settlement and reduction of Red Tape projects.

- The officials that were not trained this financial year will be added to the group targeted for the next financial year.

Changes to planned targets

- None

Linking performance with budgets

The programme was allocated a total budget of **R174 662 000** during the reporting period of which an amount of **R171 324 000** which relates to **98%**. This programme has the highest expenditure with an amount of **R3 300 000** representing only **2%** not spent. The under-expenditure is as a result of outstanding appointments of personnel within Municipal Infrastructure Unit and the Integrated Development Planning Coordination Unit. The delay resulted in these units not spending an amount of **R2 100 000** in compensation of employees.

traditional leadership.

Strategic Objective 15: To support co-operative governance between the three spheres of government through effective intergovernmental relations.

Key Achievements

- The Amandebele ba Lebelo/A Moletlane succession claim and dispute was resolved.
- Traditional councils prepared their community needs for consideration in the IDP and participated in engagements with the City of Tshwane. The two traditional councils have supported several government initiatives in their communities and have been instrumental in guiding the Provincial Initiation Technical Task Team.

Strategic objectives, performance indicators, planned targets and actual achievements

Programme Name: Programme 4						
Sub-programme: Traditional Institutional Management						
Strategic objectives	Performance Indicator	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 improve the quality of management and administrative practices in support of Traditional Leadership.	Number of Traditional Councils supported to perform their functions	2 Traditional Council complying with legislative prescripts.	2 Traditional Councils supported to perform their functions in terms of Section 4 of the Traditional Leadership and Governance Framework Act of 2003.	An induction programme was held; 2 Traditional councils prepared their community needs for consideration in the IDP and participated in engagements with the City of Tshwane; The two traditional councils have supported several government initiatives in their communities and have been instrumental in guiding the Provincial Initiation Technical Task Team.	None.	None.
	Percentage of succession claims/ disputes processed.	100% of traditional leadership complaints resolved within 90 days after date of receipt.	100% of succession claims/ disputes received and processed.	The Amandebele ba Lebelo/A Moletlane succession claim and dispute was resolved (1/1).	None.	None.

Programme Name: Programme 4						
Sub-programme: Intergovernmental Relations						
Strategic objectives	Performance Indicator	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 support co-operative governance between the three spheres of government through effective intergovernmental relations.	Number of Statutory IGR Structures functional in accordance with the IGR Framework by 2020 (PCC, MINMECs, PCF, MEC-MMC fora and District IGR fora.	New indicator.	4 Statutory IGR Structures functional in accordance with the IGR Framework by 2020.	The MEC engaged some of the Mayors in one on one engagements. Letters were sent to some of the Mayors due to the fact that they were unavailable for a joint meeting.	None.	None.
	Number of reports on IGR resolutions tracked across the three spheres.	New indicator.	4 Reports of IGR resolutions tracked across the three spheres.	4 Reports of IGR resolutions tracked across the three spheres.	None.	None.

Provide Reasons for deviation

- The MEC Mayor's forum could not be held during the period under review on account of the availability of Mayors.
- The Sedibeng District Municipality's District IGR Forum is not functional and meetings could not be held during the period under review.

Strategy to overcome areas of under performance

- The Department will support the Sedibeng district to make the forum functional.

Changes to planned targets

- None.

Programme 4: Traditional Institutional Administration

Linking performance with budgets

This programme had the least budget allocation compared to the above three due to the nature of services it offers. The allocation for this programme amounted to **R15 202 000** with an expenditure of **R13 405 000**, which represents 88%. The allocation was not fully spent due to the fact that funding to Amandebele a Lebelo was not transferred as a result of non-compliance from the tribal authority for submitting financial records for the previous transfers made.

Traditional Institutional Management	2017/2018			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Trad Inst Admin	5 621	5 585	36	6 149	5 109	1 040
Tradit Resource Admin	4 821	4 814	7	7 557	6 858	699
Rural Development Facilitation	553	-	553	508	500	8
Traditional Land Admin	990	870	120	988	938	50
Total	11 985	11 269	716	15 202	13 405	1 797

5. Transfer Payments

5.1 Transfer payments to public entities

The Department does not have entities.

5.2 Transfer payments to all organisations other than public entities

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

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Merafong Local Municipality	Municipality	Water Supply Infrastructure	Yes	20 000	-	
Merafong Local Municipality	Municipality	GRAP 17	Yes	500	500	
Lesedi Local Municipality	Municipality	GRAP 17	Yes	750	750	
Emfuleni Local Municipality	Municipality	GRAP 17	Yes	750	-	
RandWest Local Municipality	Municipality	GRAP 17	Yes	1 000	1000	
Lesedi Local Municipality	Municipality	PMS	Yes	500	500	
Merafong Local Municipality	Municipality	PMS	Yes	1 000	500	
Mogale City Local Municipality	Municipality	PMS	Yes	500	250	
Lesedi Local Municipality	Municipality	EPWP	Yes	1 000	1 000	
Rand-West Local Municipality	Municipality	EPWP	Yes	500	250	
Merafong Local Municipality	Municipality	EPWP	Yes	500	500	
West Rand District Municipality	Municipality	Leased Fire Engines	Yes	22 500	-	
West Rand District Municipality	Municipality	Improved Response Capability of Fire and rescue services	Yes	35 000	-	

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	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred

6. Conditional Grants

6.1 Conditional grants and earmarked funds paid

The table below describes each of the conditional grants and earmarked funds paid by the Department.

Conditional Grant 1:

Department/ Municipality to whom the grant has been transferred	Three Municipalities (Lesedi, RandWest and Merafong Local Municipalities).
Purpose of the grant	Expanded Public Works Programme
Expected outputs of the grant	Job creation opportunities in communities
Actual outputs achieved	Jobs opportunities created
Amount per amended DORA	R2 000 000.00
Amount transferred (R'000)	R2 000 000.00
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	R1 750 000.00
Reasons for the funds unspent by the entity	The municipalities still have the fourth quarter of their financial year in which to spend the funds. The municipal fourth quarter ends on 30 June 2019
Monitoring mechanism by the transferring department	

Conditional Grant 2:

Department/ Municipality to whom the grant has been transferred	N/A
Purpose of the grant	N/A
Expected outputs of the grant	N/A
Actual outputs achieved	N/A
Amount per amended DORA	N/A
Amount transferred (R'000)	N/A
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	N/A
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the transferring department	N/A

6.2 Conditional grants and earmarked funds received

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:

Department who transferred the grant	National Department of Public Works
Purpose of the grant	Expanded Public Works Programme
Expected outputs of the grant	Poverty alleviation grant
Actual outputs achieved	YES
Amount per amended DORA	R 2 000 000.00
Amount received (R'000)	R 2 000 000.00
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R 2 000 000.00
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	N/A

7. Donor Funds

The Department did not receive donor funds.

8. Capital Investment

The Department does not have capital investment, maintenance and asset management plan.





PART C: **GOVERNANCE**

1. Introduction

The Department is committed to effectively and efficiently implementing risk management processes and procedures as well as maintaining a high standard of good governance. As prescribed by the Public Finance Management Act (PFMA), the Department contributes to the Gauteng Provincial Government Risk Management Framework in carrying out all such responsibilities.

2. Risk Management

The Department have an approved Risk Management Policy, Strategy and Implementation plan in place to guide the Department in the management and monitoring of risks and action plans at all levels.

Strategic and operational risk assessments are undertaken at least annually in an attempt to satisfactorily identify new and emerging risks. Risk Reports or registers for each of the above-mentioned categories are in place and are monitored for progress in implementing action plans designed to mitigate these risks.

Progress in the management of all risks is reported on a quarterly basis to the Risk Management Committee (RMC), which is chaired by an Independent Chairperson. The Risk Management Committee was fully functional throughout the financial year and advised Top Management wherever necessary on the management of existing risks, identification and assessment of emerging risks, including progress as well as reported on implementation of action plan.

As part of departmental strategic risk assessment, the following risks were identified for the 2018/19 financial year:

- Business disruption;
- Lack of capacity and capabilities to support municipalities;
- Lack of credible information from municipalities that might negatively impact the integrity on the analyses of performance information;
- Non-conducive working environment;
- Fragmented Service Delivery;
- Illegal /unregistered Initiation schools;

- Inability to recruit SMS members and persons with disabilities; and
- Inefficient response to provincial disasters.

Audit Committee is functional and effective in advising the Department on monitoring and improvement of the risk management Framework, Strategy, processes and other systems as a third line of defence and playing the role of an independent assurance provider.

3. Fraud and Corruption

The Department conducted Fraud Risk assessment for the period under review. The Fraud Prevention Plan is in place as a control measure. The implementation of actions planned to address recommendations is monitored regularly. Internal fraud cases are identified, reported and presented to the Head of Department. Awareness campaigns were conducted.

Allegations of fraud and corruption through the National Anti-Corruption Hotline are referred to the Gauteng Provincial Forensic Audit unit for investigations, thereafter reported to the Head of Department.

4. Minimising Conflict of Interest

Senior Management, Middle Management, Finance and Supply Chain Management officials are required to disclose their financial interest on an annual basis. Furthermore, an audit is done on a quarterly basis by the Gauteng Audit Services to identify any areas of potential conflict of interests. Thereafter, recommendations from the report are implemented.

5. Code of Conduct

The Department is implementing the Public Service Code of Conduct as applicable in the entire Public Service. The Code forms part of CoGTA's internal induction programme. Every employee receives a copy of the Code of Conduct, and accordingly accepts and binds his or herself to the Code.

CoGTA follows the process as outlined in the Disciplinary Code and Procedures as per Resolution 1 of 2003 in cases of any breach of the Code of Conduct.

6. Health Safety and Environmental Issues

The Department of Cooperative Governance and Traditional Affairs is currently sharing the building, since the incident of the Bank of Lisbon that burnt during the financial reporting year. The building is privately owned and it is shared with other Provincial Government Departments.

The anomaly of this state of affairs is such a nature that CoGTA is only able to exercise limited control of health and safety strategy and plans. The safety issues of the 7th floor, 11 Diagonal building experienced during the reporting period included inadequate air conditioning, construction conducted during office hours (making the working environment unsafe), inadequate ventilation in the building, non-compliance with the requirements

for management of emergency exits points (blocked); the storage of combustibles material (old furniture and boxes retrieved from the Bank of Lisbon building) in a manner that pose a fire hazard and danger to the lives of employees.

The structural layout of the building supports the Department's duty of care to provide reasonable accommodation for its employees/persons living with disabilities (i.e. toilets).

7. Portfolio Committees

Provide commentary on the following:

- The dates of the meeting
- Matters raised by the Portfolio Committee and

how has the department addressed these matters

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
COGTA&HS 01	First Quarterly Performance Report for 2018/2019 financial year	The Department should ensure that it delivers on its strategic objective especially on objective 11 to fast track service delivery.	Whilst service delivery is the function of municipalities, the Department will be establishing a Provincial Infrastructure Planning Forum to facilitate alignment of plans and monitor the implementation of services infrastructure.	Yes
COGTA&HS 02	First Quarterly Performance Report for 2018/2019 financial year	The Department should ensure that it provides adequate support to the Mega Human Settlement projects and infrastructure services.	The Department will be providing support in the form of facilitating and coordinating stakeholders and role players in achieving the following: Assessing the implementation readiness of the MEGA projects as it relates to bulk infrastructure projects. Coordination of stakeholders for project implementation to deliver water, sanitation, electricity and social amenities to MEGA projects; and	Yes
COGTA&HS 03	First Quarterly Performance Report for 2018/2019 financial year	The Department should ensure there are quarterly planned targets under sub-programme (Energy Office) for the next three quarters in the current financial year.	The operational issues in the Energy Unit are contained in the operational plan. The achievements for the 2 nd quarter have been included in the 2 nd quarter performance report under key achievements and the department will report in this fashion until the 4 th quarter.	Yes
COGTA&HS 04	First Quarterly Performance Report for 2018/2019 financial year	The Department should provide the Portfolio Committee with clear reasons of activities that have caused the Department to utilize an amount of R245 000.00 (82%) on Household (HH).	An amount of R245 000.00 utilized on Household (HH). This amount (R245 000.00) was spent as contribution to ex-Development Board members pension. These boards were abolished by the then government in 1986 and employees were absorbed by the Transvaal Provincial Administration whilst others were put on pension. These funds are currently transferred to National Treasury who manages the payment to beneficiaries until they reach the pensionable age or passes on. The Department budget for this services on yearly basis.	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
COGTA&HS 05	First Quarterly Performance Report for 2018/2019 financial year	The Department should provide the portfolio committee with details in terms of the availability of funds earmarked for Mega Projects.	CoGTA does not fund Mega Human Settlement projects and its role is to facilitate and coordinate stakeholders to implement such projects.	Yes
COGTA&HS 06	Second Quarterly Performance Report for 2018/2019 financial year	The Department should empower both municipal officials and traditional councils; the Portfolio Committee will track progress made in the next quarter of the 2018/19 financial year.	<p>In November 2018, the Department hosted the Provincial Traditional Leadership Social Cohesion Imbizo to empower municipal officials, recognised and unrecognised Traditional Leaders in the province on legislative requirements for recognition, land management and the land claims process and the protection of indigenous knowledge systems.</p> <p>Furthermore, the Department hosted an Induction program during the 3rd quarter targeting the two (2) recognised Traditional Councils (Amandebele Ba Lebelo and Amandebele Ndzundza Sokhulumu). The induction programme addressed the legislative framework that governs and administers the institution of traditional leadership. It should be noted that only Amandebele Ba Lebelo attended the induction programme. Amandebele Ndzundza Sokhulumu will be inducted during the second quarter of 2019/20 Financial Year.</p>	Yes
COGTA&HS 07	Second Quarterly Performance Report for 2018/2019 financial year	The Department should build capacity in respect of Rand-West City and Emfuleni Municipalities in the 2018/19 FY	<p>Rand West City is one of five municipalities currently supported by the Department with the standardisation of Human Resource processes.</p> <p>Councilors from both Emfuleni and Rand West City are amongst the 100 councilors that are being trained on the newly developed qualifications, NQF Level 3,4 and 5 for councilors with oversight functions.</p> <p>Number of Participants:</p> <p>The Department has already trained 20 Councilors from Emfuleni Local Municipality as well as 13 Councilors from the Rand West City Local Municipality. Wherein, 99% of their portfolio of evidence has already been submitted.</p> <p>200 officials are currently being trained and coached in lean sig sigma on the following areas namely: Supply Chain Management (SCM), Finance (Revenue enhancement), Contract Management and Project Management. The 6 targeted municipalities supported are Mogale City, Merafong Local Municipality, Rand West City Local Municipality, Lesedi Local Municipality, Emfuleni Local Municipality and Midvaal Local Municipality.</p> <p>Number of Participants:</p> <p>The Department has nominated 46 officials from Emfuleni Local Municipality and 43 officials from Rand West City Local Municipality from the 200, who are currently been trained and coached in the lean sig sigma.</p> <p>The Department is currently busy with procurement processes for the appointment of a multi-disciplinary team of experts which will provide capacity in the following functional areas of Institutional development, Finance, Infrastructure and Municipal Property Valuers. Emfuleni and Rand West City have been identified and targeted for the support.</p> <p>The Department is also currently busy with the procurement processes to appoint service providers for Legal Professionals, who will provide legal support to Emfuleni Local Municipality in the following categories namely; Corporate and Commercial Law; Litigation; and Labour and Employment Law.</p>	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
COGTA&HS 08	Second Quarterly Performance Report for 2018/2019 financial year	<p>The Department should provide the Portfolio Committee with the following:</p> <ul style="list-style-type: none"> Names of the identified municipalities who are supposed to respond to community grievances; and Provide the community grievances that were responded to by municipalities. 	<ul style="list-style-type: none"> All municipalities are tasked with addressing grievances raised by community members. CoGTA reports on the grievances raised through the Offices of Speakers and those raised through public meetings. CoGTA does not monitor which grievances are responded to by municipalities. <p>Grievances are addressed on a continuous basis by municipalities. These grievances are either referred to the relevant line function department/ utilities or elevated to the relevant provincial or national departments.</p> <p>The office of the Speakers follows up with line function departments and also provide support to Ward Councillors with community meetings to communicate on the ongoing challenges of crime, illegal connection, etc.</p> <ul style="list-style-type: none"> The common issues addressed across the municipalities were pre- paid electricity or concern about illegal connections, pre- paid water, payment of service charges, housing issues, report back on service delivery challenges, crime prevention strategies, indigent registers and IDP issues. 	Yes
COGTA&HS 09	Second Quarterly Performance Report for 2018/2019 financial year	<p>The Department should inform the Portfolio Committee of the action that has been taken against municipalities that are implicated in fraud and malpractice allegations.</p>	<p>The following actions were taken in respect of municipalities implicated in allegations of fraud, corruption and maladministration:</p> <ul style="list-style-type: none"> Letters were written to the respective municipalities advising them of the allegations and requesting them to provide responses to the allegations; Meetings were held with the respective municipalities; In terms of Section 106 of the Municipal Systems Act No 32 of 2000, the MEC informed the NCOP, the Minister of Cooperative Governance and Traditional Affairs and the MEC for Finance of the intention to do a Section 106 investigation. Where municipalities concluded investigations, the investigation reports were requested; and The MEC identified a team to investigate the allegations. 	Yes
COGTA&HS 10	Second Quarterly Performance Report for 2018/2019 financial year	<p>The Department should provide the Portfolio Committee with measures that will be put in place to address financial misconduct or mismanagement at the local level.</p>	<p>Over the past year, the Ethics Institute, the Office of the Premier and the Department have implemented the Gauteng Municipal Integrity Project which ensures that systems are in place to address ethics and integrity, these actions are:</p> <ul style="list-style-type: none"> Training and Development of Ethics and Integrity Officers; Awareness raising activities with municipal staff members; Establishing Ethics and Integrity Committees in all metropolitan municipalities and locals; Conducting ethics risk assessments and maturity assessments; and Finalising integrity management strategies and implementation plans in each metropolitan municipality and locals. 	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
COGTA&HS 11	Second Quarterly Performance Report for 2018/2019 financial year	The Department should explain to the Portfolio Committee the omission of not monitoring the City of Tshwane, City of Johannesburg and City of Ekurhuleni because of anti-corruption measures as planned in the second quarter of the 2018/19 financial year.	The monitoring reports for metropolitan municipalities were scheduled for the 3 rd and 4 th quarter of the 2018/19 financial year.	Yes
COGTA&HS 12	Second Quarterly Performance Report for 2018/2019 financial year	The Department should ensure that it delivers on its strategic objective to fast-track service delivery and take into cognisance the demand of bulk infrastructure services facing the identified municipalities through proper planning.	Whilst service delivery is the function of municipalities, the Department will be establishing a Provincial infrastructure Planning Forum to facilitate alignment of plans and monitor the implementation of services infrastructure.	Yes
COGTA&HS 13	Second Quarterly Performance Report for 2018/2019 financial year	The Department should provide details in terms of the availability of funds earmarked for bulk infrastructure.	The Department does not have any funding earmarked for bulk infrastructure within its budget.	Yes
COGTA&HS 14	Second Quarterly Performance Report for 2018/2019 financial year	The Portfolio Committee should motivate that the Department's budget be increased. Despite the huge demand of municipal infrastructure services at the local level, the Department's budget is still constrained.	The Department notes the comments and concerns of the committee and appreciate the support.	Yes
COGTA&HS 15	Second Quarterly Performance Report for 2018/2019 financial year	The Department should provide the Portfolio Committee with the follow: <ul style="list-style-type: none"> List the activities or projects that were funded by the amount of R20 million during the quarter under consideration. 	The allocation is meant for the replacement of the Adatta Pipe line.	Yes
COGTA&HS 16	Second Quarterly Performance Report for 2018/2019 financial year	Inform the Portfolio Committee whether there were virements that were made to access an amount of R20 million.	The funds were allocated by Treasury as a once-off allocation, no virements were effected to secure the funds.	Yes
COGTA&HS 17	Second Quarterly Performance Report for 2018/2019 financial year	Inform the Portfolio Committee whether there will be other transfers to local government for the next two quarters.	The aim of the Department is to avoid any further transfers, however, considering the period the funds were allocated to the Department, there is a risk that if procurement is done by the Department, the funds may not be spent, as result the funds may be transferred to the relevant municipality.	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
COGTA&HS 18	FIS Report	The Department should encourage municipalities to exercise fiscal discipline in collecting outstanding debt	The Department monitors the performance of municipalities with regard to collection of debt through attending and participating in the municipal revenue steering committees. In these meetings the Department makes recommendations of how outstanding debt can be collected.	Yes
COGTA&HS 19	FIS Report	The Department should ensure that measures are put in place in order for municipalities to assist communities to assist consumers that are unable to pay for services because of unemployment and poverty.	The Department of Economic Development is responsible for supporting municipalities in the Province with developing and implementing local economic strategies to create employment and alleviate poverty.	Yes
COGTA&HS 20	FIS Report	The Department should ensure municipalities address the issues of weak credit control systems and ensure that customer service mechanisms are in place so that consumers continue payment of services.	Gauteng CoGTA has identified the need to support Gauteng municipalities in becoming more sustainable through the process of resolving debt owed to municipalities by top 500 business and top 100 residential customers. Resolving top business and residential debt has potential to enhance municipal business integrity and promote improved revenue generation for municipalities as both business and residential debtors make up an important segment of the customer base that should be relatively easy to manage and maintain going forward. The key focus of the support is ensuring that billing data is accurate. In addition, the Department is in the process of conceptualising and motivating for funding to support municipalities with customer service systems.	Yes
COGTA&HS 21	FIS Report	The Department should ensure that municipalities have sufficient cash flow to pay its creditors in line with MFMA requirement.	The various revenue support projects are intended at ensuring that municipality's revenue collection improves and thereby cash flow improves.	Yes
COGTA&HS 22	FIS Report	The Department should review the mechanisms in place to assist the municipalities with resolving inaccurate billing.	In addition to the Top 100 residential and top 500 business initiatives, the Department is supporting municipalities to implement simplified revenue plans. These plans are mainly focusing on improving data quality.	Yes
COGTA&HS 23	Budget Vote	The Department of COGTA should motivate to the National Department of COGTA for sufficient funding for transfer to the Municipalities over the MTEF budget allocation.	Ordinarily the Department makes its bid for funding to the Premier's Budget Committee in which request for funding for specific project of some municipalities were made, unfortunately there were other compelling priorities in the Province. The Department will make further submission(s) to the same Committee in the next round of bidding.	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
COGTA&HS 24	Budget Vote	The Department of COGTA should update the Portfolio Committee on the status in terms of acquiring the building; Furthermore, the Department should also update the Portfolio Committee in relation to the separate floors that were supposed to be occupied from another building.	According to the Department of Infrastructure Development's Bid Adjudication Committee, the tender has been awarded to Urban Ocean ETN and we await an award letter. As far as occupation of separate floors is concerned, CoGTA officials are still accommodated at Corner House, BoL and no: 11 Diagonal Street.	Yes
COGTA&HS 25	Budget Vote	Local Governance 11.3 The Department should provide a description of the functions of the Municipal Finance sub-programme that are budgeted for in the 2018/19 financial year.	A description was provided to the Committee	Yes
COGTA&HS 26	Budget Vote	The Department should ensure that it increases the financial projections, taking into cognisance the entrenched demand of basic services from municipalities.	Ordinarily the Department makes its bid for funding to the Premier's Budget Committee in which request for funding for specific project of some municipalities were made, unfortunately there were other compelling priorities in the Province. The Department will make further submission(s) to the same Committee in the next round of bidding.	Yes
COGTA&HS 27	Budget Vote	The Department should ensure the following on Disaster Management Centre: The PDMC should be visible towards municipalities.	The Provincial Disaster Management Centre (PDMC) and Municipalities work together and perform respective roles and responsibilities as required by the Disaster management legislation. In addition to this, there are IGR forums in place such as the Provincial Disaster Management Advisory forum and the Provincial head of Centres forum.	Yes
COGTA&HS 28	Budget Vote	The Department should ensure that the PDMC building is fully operational in the FY under review.	The Disaster Management Centre building was procured by the Department of Infrastructure Development (DID) and transferred into GPG name in December 2016. Thereafter, the DID began a process of appointing architects and a contractor for the purpose of equipping the PDMC (i.e. Renovating the inside of the building to be a disaster centre and also to comply with the legislative requirements for disaster centres.) The Equipping of the building is in its final stages and the DID is due to hand over the PDMC building to CoGTA by July 2018.	Yes
COGTA&HS 29	Budget Vote	The assessment regarding the extent of the disaster should be conducted speedily.	Assessments, costs and funding for emergency infrastructure repairs are finalised within 3 months after the declaration of a disaster. Before this, the focus must be on humanitarian needs and disaster relief.	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
COGTA&HS 30	Budget Vote	The Portfolio Committee should stress the readiness of the PDMC hence it remains significant.	A policy framework for disaster management in Gauteng Province, which guides and ensures that a uniform approach is achieved broadly in all aspects of the function (i.e. from the establishment of centres to risk assessments, risk reduction, planning, response and recovery, as well as funding) has been developed and is awaiting EXCO approval. In line with this policy framework the disaster management center is being established and the level 1 disaster management plan was developed. The PDMC is also in the process of assisting Sector departments to develop disaster management plans.	Yes
COGTA&HS 31	Budget Vote	There should be decisive cooperation with the National Disaster Management Centre, the Gauteng PDMC and Municipalities as part of interdependent priorities study.	The NDMC, PDMC and Municipalities work together and perform respective roles and responsibilities as required by the Disaster management legislation. There are IGR forums in place where the spheres of government meet to discuss matters pertaining to cooperation and relations e.g. the Head of Centres forums.	Yes
COGTA&HS 32	Budget Vote	Inter-governmental relations should play a significant role in terms of coordination and facilitation during man-made or natural disasters.	At a provincial level coordination during disaster is through response structures such as the PROVJOC which is an operational structure of the PROVJOINTS. Municipalities also activate JOC's in the event of major incidents. Advisory Forums (IGR structures) are also activated if there is a need for the coordination of advice. It must be noted that JOC are chaired by Disaster Management only for non-security related events.	Yes

8. Scopa Resolutions

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
COGTA&HS 1	SCOPA	An under-expenditure of R6,5 million under this programme relates to the following positions, Director: Human Resource Development, Director: Risk Management and Director: Information Management Systems which became vacant a few months into the reporting period, and could not be filled immediately because of limited office space.	<p>Programme 1: Administration</p> <p>An under-expenditure of R6,5 million under this programme relates to the following positions, Director: Human Resource Development, Director: Risk Management and Director: Information Management Systems which became vacant a few months into the reporting period, and could not be filled immediately because of limited office space.</p> <p>Programme 2: Local Governance</p> <p>Under-expenditure of R10.1 million on this programme relates to the following positions, Director: Community Development Workers, Director: Stakeholder Liaison including which became vacant during the financial year, and could not be filled immediately for the same reasons mentioned above.</p> <p>Moreover, the program could not spend its entire goods and services budget as a result of one project with a budget of R8 million, which was re-advertised (2) two times due to issues related to probity audits.</p> <p>Programme 3: Development and Planning</p> <p>The underspending on this programme is due to an amount of R20 million which was meant to assist Merafong Local Municipality to repair the water infrastructure pipeline damaged by a sinkhole. The plan was to effect direct transfers to the Municipality, however, due to various technical issues, the Department together with Provincial Treasury agreed to defer the transfer to the current financial year. The amount has since been transferred to the Municipality.</p> <p>Furthermore, goods and services as well as part of capital budget in the programme could not be spent as anticipated owing to delays by the service provider appointed to construct the building for the Provincial Disaster Management Centre. Moreover, the Department's intervention and/or interaction with the service provider was limited to a certain extent since the service provider was appointed by the Department of Infrastructure Development.</p>	Yes
COGTA&HS 2	SCOPA	What was the impact of the underspending on service delivery?	A significant number of targets in the Annual Performance Plan (APP) of the Department were met, or 86%, not all or majority of targets not met relate to budget. Although the impact on service delivery was minimal the Department plans to spend more than 98% going forward.	Yes
COGTA&HS 3	SCOPA	What was the impact of the underspending on the Departmental targets?	The impact is estimated at less 10% of the targets.	Yes
COGTA&HS 4	SCOPA	What disciplinary steps will be taken against the Accounting Officer for the material underspending of the budget?	MEC is closely monitoring the performance of the accounting officer while intervening where possible by holding regular meetings with senior managers.	Yes

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
COGTA&HS 5	SCOPA	What actions have the Department taken, in partnership with the Department of e-Government to find solutions to information technology controls deficiencies to resolve operating systems problems?	The Department has an SLA with e-Government, where matters relating to connectivity and availability of Network Services are resolved through monthly meetings.	Yes
COGTA&HS 6	SCOPA	What action did the Department take against the management for neglecting to refurbish the ICT infrastructure for 20 years and over-reliance on the external service provider for securing the system?	The Department of Cooperative Governance and Traditional Affairs has not been in existent for 20 years. It was established in 2009 and there has not been over reliance of external service providers.	Yes
COGTA&HS 7	SCOPA	Does the Department have a scheduled maintenance plan for ICT infrastructure?	Management of Network infrastructure is in the jurisdiction of e-Government. However, the Department has Asset Management policy for ICT resources in place, in which, issues relating to the Asset life span are addressed and the policy is been implemented on an ongoing basis.	Yes
COGTA&HS 8	SCOPA	To mitigate high risk to the Department, provide the Committee with a progress report on the implementation of the disaster recovery plan.	ICT has been placed on the Risk Management Committee agenda as a standing item, for progress reporting on implementation of Corporate Governance of ICT, where developments on ICT Continuity and Disaster Recovery Plan are covered as a subset of Departmental Business Continuity Plan. Currently, the Department have a draft Disaster Recovery Plan which is in the process of finalization and approval.	Yes

9. Prior Modifications to Audit Reports

The department may include the information in a table as follows:

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Clean audit outcome	2015/16 until 2018/19	Maintaining clean audit

10. Internal Control Unit

During the current reporting period, the Governance unit was involved in the following activities:

- Monitoring the implementation of controls in resolving the internal and external audit findings;
- Assessing the drivers of key controls and monitoring progress in the implementation of controls; and
- Assisting the Department in the development of Standard Operating Procedures.

Summary of work done by Internal Audit

	COGTA Internal Audit Activities 2018/2019	Audit Status/Report	Opinion Indicator
	IT AUDIT SERVICES		
1	IT governance	Issued	Consulting/Advisory audit only
2	Data analysis: SCM / HR / FIN (Q2)	Issued	Consulting/Advisory audit only
3	Data analysis: SCM / HR / FIN (Q4)	Issued	Consulting/Advisory audit only
4	IT risk assessment (Advisory review only)	Issued	Consulting/Advisory audit only
	PERFORMANCE AUDIT SERVICES		
5	Transfer of Disaster Management Grant to Merafong Municipality	Issued	Inadequate/Ineffective
6	Draft 2019/20 Annual performance plan	Issued	Consulting/Advisory audit only
7	Performance Information		Adequate but ineffective
	RISK & COMPLIANCE AUDIT SERVICES		
8	Follow-up: Municipal Finance Support- Revenue	Issued	Adequate but ineffective
9	Human Resources Management	Issued	Adequate but ineffective
10	Municipal Intergrated Development Planning (MIDP)	Issued	Inadequate/Ineffective
12	Follow-up: AG significant findings	Issued	Adequate but ineffective
13	Transfer of Payments	Issued	Inadequate/Ineffective
14	Management Performance Assessment Tool (MPAT 1.8)(Advisory only)	Issued	Consulting/Advisory audit only

11. Internal Audit and Audit Committees

Internal Audit Objectives

Gauteng Audit Services (GAS) provides internal audit services to all Gauteng Provincial Government Departments. The objective of GAS is to promote sound corporate governance in the Province through ensuring effective internal control environment.

Key Activities of Internal Audit

Consulting/advisory Internal Audit plans were developed by Gauteng Audit Services (GAS) and approved by the Audit Committee which exercises oversight on the activities of GAS. The internal audit activities were as follow:

- IT Audit Services;
- Performance Audit Services; and
- Risk & Compliance Audit Services.

The table below discloses relevant information on the audit committee members:

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Mandla Ncube	<ul style="list-style-type: none"> Diploma in Accounting Certificate in Accounting Association of Chartered Certified Accountant 	External	-	01 October 2014	Contract expired (31 August 2018)	
Janice Meissner	<ul style="list-style-type: none"> Chartered Accountant (SA) B. Com B.Com. Honours 	External	-	01 October 2014	Appointed until 31 August 2018	
Sidwell Mofokeng	<ul style="list-style-type: none"> Dip. Public Sector Finance Certificate in Project Management Certificate in Housing Program Management Development Management Development Programme 	External	-	01 September 2016	Current	
Billy Mokale	<ul style="list-style-type: none"> B PROC LLB Diploma in Corporate Law Programme for Management Development 	External		01 September 2018	Current	
Phumla Mzizi	<ul style="list-style-type: none"> BCom Honours in Transport Economics CA (SA) BCompt Honours BBusSci Finance Honours 	External		01 September 2018	Current	

12. Audit Committee Report

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

Audit Committee and Attendance

The Audit Committee consists of the external Members listed hereunder and is required to meet a minimum of at least two times per annum as per provisions of the Public Finance Management Act (PFMA). In terms of the approved Terms of Reference (GPG Audit Committee Charter), five meetings were held during the current year, i.e. three meetings to consider the Quarterly Performance Reporting (financial and non-financial) and two meetings to review and discuss the Annual Financial Statements and the Auditor-General of South Africa's (AGSA) Audit and Management Reports.

Non-Executive Members

Name of Member	Number of Meetings attended
Mr. Sidwell Mofokeng (Chairperson)	05
Ms. Phumla Mzizi	02
Mr. Billy Mokale	04
Mr. Mandla Ncube (Former Chairperson)	01
Ms. Janice Meissner (Former Member)	01

Executive Members

In terms of the GPG Audit Committee Charter, officials listed hereunder are obliged to attend meetings of the Audit Committee:

Compulsory Attendees	Number of Meetings attended
Ms. Thandeka Mbassa (Accounting Officer)	02
Mr. Japhter Makhafola (Chief Financial Officer)	05
Ms. Mamafole Namanyane (Acting Chief Risk Officer)	03
Ms. Cebisile Langa (Acting Chief Risk Officer)	02
Mr. Lutendo Makhadi (Acting Chief Audit Executive)	03
Mr. Velile Kweyama (Chief Audit Executive)	01

The Audit Committee noted that the Accounting Officer attended two out of five scheduled Audit Committee meetings. However, a letter of apology was tendered with a proxy delegated to represent the Accounting Officer. The Audit Committee is satisfied

that the Department adhered to the provisions of the GPG Audit Committee Charter in relation to ensuring that there is proper representation for the Accounting Officer.

The Members of the Audit Committee met with the Senior Management of the Department and Internal Audit, collectively to address risks and challenges facing the Department. A number of in-committee meetings were held to address control weaknesses and deviations within the Department.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a) of the PFMA and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has conducted its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control and Information and Communication Technology (ICT) Governance

The Audit Committee has observed that the overall control environment of the Department has continued to improve during the year under review. Some deficiencies in the system of internal control and deviations were reported in the Internal Audit Reports.

The Audit Committee also reviewed the progress with respect to the ICT Governance in line with the ICT Framework issued by the Department of Public Services and Administration. Although there were some significant progress and progressive plans outlined by the department on the ICT internal control, the Audit Committee report its dissatisfaction with minimal progress made with the implementation of the Disaster Recovery Plan and the Business Continuity Plan. This continued to be a high risk for the Department.

Internal Audit

The Audit Committee is satisfied that the Internal Audit plan represents a clear alignment with the key risks, has adequate information systems coverage, and a good balance across the different categories of audits, i.e. risk-based, mandatory, performance, computer and follow-up audits.

The Audit Committee has noted considerable

improvement in the communication between the Executive Management, the AGSA and the Internal Audit Function, which has strengthened the Corporate Governance initiatives within the Department.

The Audit Committee wishes to stress that in order for the Internal Audit Function to operate at optimal level as expected by the Audit Committee, the shortage in human resources and skills should be addressed.

Risk Management

Progress on the departmental risk management was reported to the Audit Committee on a quarterly basis. The Audit Committee is satisfied that the actual management of risk is receiving attention, although there are areas that still require improvement. Management should take full responsibility for the entire Enterprise Risk Management Process and continue to support the Acting Chief Risk Officer to even further enhance the performance of the Department. The Committee is also satisfied that the Risk Management Committee has executed its responsibilities in accordance with its approved Charter

Forensic Investigations

Investigations into alleged financial misconduct and fraud or improper conduct in Supply Chain Management were either completed or in progress during the year under review. Various measures were recommended, including taking action against any identified officials who are found guilty. The recommendations are at various stages of implementation.

The quality of quarterly reports submitted in terms of the PFMA and the Division of Revenue Act

The Audit Committee is satisfied with the content and quality of financial and non-financial quarterly reports prepared and submitted by the Accounting Officer of the Department during the year under review and confirms that the reports were in compliance with the statutory reporting framework.

Evaluation of Annual Financial Statements

The Audit Committee has:

- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the AGSA and the Accounting Officer;

- Reviewed the Audit Report of the AGSA;
- Reviewed the AGSA's Management Report and Management's response thereto;
- Reviewed the Department's compliance with legal and regulatory provisions; and
- Reviewed significant adjustments resulting from the audit.

The Audit Committee concurs with and accepts the AGSA's conclusions 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 AGSA.

One-on-One Meeting with the Accounting Officer

The Audit Committee has met with the Accounting Officer for the Department to address unresolved issues.

One-on-One Meetings with the Executive Authority

The Audit Committee did meet with the Executive Authority for the Department to apprise the MEC on the performance of the Department. Furthermore, the Audit Committee did also after each quarterly meeting prepare and send a letter to the MEC with matters that need his intervention.

Auditor-General of South Africa

The Audit Committee has met with the AGSA to ensure that there are no unresolved issues.



Mr. Sidwell Mofokeng

Chairperson of the Audit Committee

Date: 31st July 2019





PART D: **HUMAN RESOURCE MANAGEMENT**

1. Introduction

The information contained in this part of the annual report has been prescribed by the Minister for the Public Service and Administration for all departments in the public service.

2. Overview Of Human Resources

During the year of reporting, the Department has been operating on a pure split approved organisational structure and all positions were accordingly job evaluated.

During the year under review, the Department was engaged in several strategic discussions around its capacity and capability to deliver on its mandate. The discussions as referred to above span across the support and line function's ability to fully execute the mandate, whilst no definitive and tested scientific organisational review process has been embarked upon there has been obvious areas that the Department zoomed in and agreed which pure observation require reconfiguration and/or review. Management noted that this process is to be approached carefully commencing with strategy examination, closely followed by the examination of the service delivery model and structure. This all is underpinned by a normal process of ensuring effective and efficient service delivery. During this period there

were challenges with stringent financial resources resulting in some positions being prioritised, whilst others were abolished until such time that the financial situation begins to improve.

During the year under review, the Department also faced limitations in terms of the physical environment more specifically on a safe and suitable office accommodation. The issue of suitable office accommodation has to some extent raised grave concern about health and safety issues for the employees. Equally the staff morale and productivity has been indirectly affected.

The worst was experienced by the Department and its employees on the 5th of September 2018, when the departmental head office suffered a fire blaze, resulting in the evacuation and displacement of employees. This was the greatest catastrophe, to put it mildly, which fell upon the Department. Whilst measures were put in place to recover from the disaster, the effects of the blaze still linger and haunt the employees. Immediately after the blaze, employees were provided with trauma interventions.

It is safe to indicate that despite the challenges, as mentioned above, the Department managed to remain resilient and stretched its human capital and achieved most of its mandatory outputs and projects.

3. Human Resources Oversight Statistics

3.1 Personnel related expenditure

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2018 and 31 March 2019

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	1 11 824	78 059	549	2 799	70%	548
Local Governance	204 818	178 582		4 691	87%	399
Develop Planning	171 324	37 017		18 051	22%	649
Traditional Institutional Management	13 405	9 747		1 573	73%	750
Total	501 371	303 405	549	27 114	61%	458

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

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	969	0%	7	138
Skilled (level 3-5)	8 175	3%	36	227
Highly skilled production (levels 6-8)	160 406	53%	453	354
Highly skilled supervision (levels 9-12)	90 191	30%	129	699
Senior and Top management (levels 13-16)	43 664	14%	37	1 180
Total	303 405	100%	662	458

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		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	68 987	88%	44	0%	2 047	3%	2 558	3%
Local Governance	151 155	85%	-	-	6 117	3%	11 507	6%
Develop Planning	32 594	88%	33	0%	745	2%	1 127	3%
Traditional Institutional Management	8 858	91%	-	-	95	1%	226	2%
Total	261 594	86%	77	0%	9 004	3%	15 418	5%

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 band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	687	71%	-	-	62	3%	27	3%
Skilled (level 3-5)	5 544	68%	-	-	448	5%	571	7%
Highly skilled production (levels 6-8)	166 640	104%	16	0%	6 482	4%	12 365	8%
Highly skilled supervision (levels 9-12)	60 850	67%	61	0%	1 373	2%	2 243	2%
Senior management (level 13-16)	27 873	64%	-	-	639	1%	212	0%
Total	261 594	84%	77	0%	9 004	3%	15 418	5%

3.2 Employment and Vacancies

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

Table 3.2.1 Employment and vacancies by programme as on 31 March 2019

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
PROGRAMME 1	219	148	32,42%	0
PROGRAMME 2	571	451	21,01%	0
PROGRAMME 3	68	53	22,05%	2
PROGRAMME 4	22	11	50%	0
Total	880	663	24,66%	2

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

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	7	4	42,85%	0
Skilled (3-5)	49	40	18,36%	0
Highly skilled production (6-8)	604	469	22,35%	1
Highly skilled supervision (9-12)	182	116	36,26%	1
Senior management (13-16)	38	34	10,52%	0
Total	880	663	24,66%	2

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

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Engineers	19	13	31,57%	0
Legal Services	6	1	16,7%	0
Senior Management	38	34	89,5%	0
Total	63	48	23,8%	0

3.3 Filling of SMS Posts

Table 3.3.1 SMS post information as on 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
Director-General/ Head of Department	1	1	100%	0	100%
Salary Level 16	1	1	100%	0	100%
Salary Level 15	2	2	100%	0	100%
Salary Level 14	8	8	100%	0	100%
Salary Level 13	26	22	84,61%	4	15,38%
Total	38	34	89,47%	4	10,53%

Table 3.3.2 SMS post information as on 30 September 2018

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	0	100%
Salary Level 16	1	1	100%	0	100%
Salary Level 15	2	2	100%	0	100%
Salary Level 14	8	8	100%	0	100%
Salary Level 13	26	21	80.76%	5	19.23%
Total	38	33	86.84%	5	13.15%

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2018 and 31 March 2019

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	0	0	0
Salary Level 13	1	1	2
Total	1	1	2

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2018 and 31 March 2019

Reasons for vacancies not advertised within six months
Limited funding on compensation of employees

Reasons for vacancies not filled within twelve months
Positions were not filled during the prescribed period due to the outbreak of a fire at the Bank of Lisbon building. The process of recruitment for some of the positions has already been finalised, however, the documents could not be retrieved due to the non-access to the building.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2018 and 31 March 2019

Reasons for vacancies not advertised within six months
None- Limited funding on compensation of employees

Reasons for vacancies not filled within six months
None-Positions were not filled during the prescribed period due to the outbreak of fire at the Bank of Lisbon building. The process of Recruitment for some of the positions had already been finalised, however, the documents could not be retrieved due to the non-access to the building

3.4 Job Evaluation

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
Lower Skilled (Levels 1-2)	7	7	100%	0	0%	0	0%
Skilled (Levels 3-5)	49	49	100%	0	0%	0	0%
Highly skilled production (Levels 6-8)	604	604	100%	0	0%	5	0.82%
Highly skilled supervision (Levels 9-12)	182	182	100%	0	0%	4	2.19%
Senior Management Service Band A	26	26	100%	0	0%	0	0%
Senior Management Service Band B	8	8	100%	0	0%	0	0%
Senior Management Service Band C	2	2	100%	0	0%	0	0%
Senior Management Service Band D	2	2	100%	0	0%	0	0%
Total	880	880	100%	0	0%	9	3.01%

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	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0

Employees with a disability	0
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The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation.

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
None	None	None	None	None
Total number of employees whose salaries exceeded the level determined by job evaluation				None
Percentage of total employed				None

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	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0

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

The following tables provide a summary of turnover rates by salary band and critical occupations:

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

Salary band	Number of employees at beginning of period-1 April 2018	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	7	0	0	0%
Skilled (Levels3-5)	32	3	3	9.4%
Highly skilled production (Levels 6-8)	458	8	5	1.1
Highly skilled supervision (Levels 9-12)	120	6	5	4.2
Senior Management Service Bands A	18	3	2	11.1
Senior Management Service Bands B	7	0	0	0
Senior Management Service Bands C	2	0	0	0
Senior Management Service Bands D	2	0	0	0
Contracts	17	4	5	29.4
Total	663	24	20	3.02

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

Critical occupation	Number of employees at beginning of period-April 2018	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Engineers	18	0	1	5.6%
Legal Services	1	0	0	0%
Senior Management	34	2	2	5.9%
TOTAL	53	2	3	5.7%

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	% of Total Resignations
Death	0	0 %
Resignation	8	40%
Expiry of contract	5	25%
Dismissal – operational changes	0	0%
Dismissal – misconduct	1	5%
Dismissal – inefficiency	0	0%
Discharged due to ill-health	0	0%
Retirement	4	20%
Transfer to other Public Service Departments	2	10%
Other	0	0%
Total	20	100%
Total number of employees who left as a % of total employment		3.02%

Table 3.5.4 Promotions by critical occupation for the period 1 April 2018 and 31 March 2019

Occupation	Employees 1 April 2018	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Engineers	0	0	0%	0	0%
Legal Services	0	0	0%	0	0%
SMS	0	0	0%	0	0%
TOTAL	0	0	0%	0	0%

Table 3.5.5 Promotions by salary band for the period 1 April 2018 and 31 March 2019

Salary Band	Employees 1 April 2018	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)	7	0	0%	0	0%
Skilled (Levels 3-5)	35	0	0%	0	0%
Highly skilled production (Levels 6-8)	461	3	0.65%	0	0%
Highly skilled supervision (Levels 9-12)	125	0	0%	0	0%
Senior Management (Level 13-16)	35	0	0%	0	0%
Total	663	3	0.45%	0	0%

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 31 March 2019

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	19	3	1	0	10	1	0	0	34
Professionals	31	0	0	1	22	1	0	5	60
Technicians and associate professionals	40	0	0	1	56	3	3	1	104
Clerks	134	1	0	1	187	12	0	1	336
Service and sales workers	6	0	0	0	0	0	0	0	6
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	1	0	0	0	0	0	0	0	1
Plant and machine operators and assemblers	6	0	0	0	0	0	0	0	6
Elementary occupations	43	1	0	1	71	0	0	0	116
Total	280	5	1	4	346	17	3	7	663
Employees with disabilities	4	0	0	0	6	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 31 March 2019

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	0	2	0	0	0	4
Senior Management	18	3	1	0	8	1	0	0	31
Professionally qualified and experienced specialists and mid-management	58	0	0	2	61	3	2	3	129
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	178	2	0	2	265	11	1	4	463
Semi-skilled and discretionary decision making	21	0	0	0	10	2	0	0	33
Unskilled and defined decision making	3	0	0	0	0	0	0	0	3
Total	280	5	1	4	346	17	3	7	663

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	2	0	0	0	1	0	0	0	3
Professionally qualified and experienced specialists and mid-management	2	0	0	0	1	0	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	4	0	0	0	5	0	0	0	9
Semi-skilled and discretionary decision making	3	0	0	0	2	0	0	0	5
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	11	0	0	0	9	0	0	0	20
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2018 to 31 March 2019

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	0	0	0	1	0	0	0	3
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	2	0	0	0	1	0	0	0	3
Employees with disabilities	0	0	0	0	1	0	0	0	1

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	1	0	0	0	0	1	0	0	2
Professionally qualified and experienced specialists and mid-management	2	0	0	1	2	0	0	3	8
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	5	0	0	0	5
Semi-skilled and discretionary decision making	2	0	0	0	3	0	0	0	5
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	5	0	0	1	10	1	0	3	20
Employees with Disabilities	0	0	0	0	0	0	0	0	0

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

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Formal Disciplinary Hearings	2	0	0	0	0	0	0	0	2
Progressive Discipline	2	0	0	0	0	0	0	0	2

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

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	1	0	0	0	3	0	0	0	4
Professionals	31	0	0	0	30	0	0	0	61
Technicians and associate professionals	8	0	0	0	42	12	0	0	62
Clerks	6	0	0	0	5	0	0	0	11
Service and sales workers	9	0	0	0	12	0	0	0	21
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	2	0	0	0	2
Total	55	0	0	0	94	12	0	0	161
Employees with disabilities	2	1	0	0	0	0	0	0	3

3.7 Signing of Performance Agreements by SMS Members

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 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
Director-General/ Head of Department	1	1	1	100%
Salary Level 16	1	1	1	100%
Salary Level 15	2	3	3	100%
Salary Level 14	8	8	8	100%
Salary Level 13	26	21	20	95%
Total	38	34	33	97%

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2018

Reasons
Non-Compliance

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2019

Reasons
Progressive disciplinary action in the form of written warning issued to the SMS members.

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.

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

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	492	626	79%	R8,376,671.85	R17,025.76
Male	207	280	74%	R3,630,293.22	R17,537.65
Female	285	346	82%	R4,746,378.63	R16,653.96
Asian	4	4	100%	R120,916.26	R30,229.07
Male	1	1	100%	R56,707.35	R56,707.35
Female	3	3	100%	R64,208.91	R21,402.97
Coloured	18	22	82%	R390,393.75	R21,688.54
Male	3	5	60%	R126,405.87	R42,135.29
Female	15	17	88%	R263,987.88	R17,599.19
White	8	11	73%	R154,124.19	R19,265.52
Male	2	4	50%	R29,790.39	R14,895.20
Female	6	7	86%	R124,333.80	R20,722.30
Total	522	663	79%	R9,042,106.05	R17,322.04

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

Salary band	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Lower Skilled (Levels 1-2)	7	9	78%	R44,500.68	R6,357.24	0.01%
Skilled (level 3-5)	27	35	77%	R281,543.88	R10,427.55	0.09%
Highly skilled production (level 6-8)	375	459	82%	R5,755,141.23	R15,347.04	1.90%
Highly skilled supervision (level 9-12)	97	126	77%	R2,085,628.41	R21,501.32	0.69%
Total	506	629	80%	R8,166,814.20	R16,139.95	2.69%

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

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Engineering	9	14	64%	R201,447.36	R22,383.04
Senior Management	13	33	39%	R682,515.30	R52,501.18
Legal Services	1	1	100%	R24,549.03	R24,549.03
Total	23	48	48%	R908,511.69	R39,500.51

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

Salary band	Beneficiary Profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	Total cost as a % of the total personnel expenditure
Band A	1	1	100%	R73,939.95	R73,939.95	0.02%
Band B	2	2	100%	R137,925.60	R68,962.80	0.05%
Band C	3	8	38%	R167,620.20	R55,873.40	0.06%
Band D	10	22	45%	R495,806.10	R49,580.61	0.16%
Total	16	33	48%	R875,291.85	R54,705.74	0.29%

3.9 Foreign Workers

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

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

Salary band	01 April 2018		31 March 2019		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0%	0	0%	0	0%
Highly skilled production (Lev. 6-8)	0	0%	0	0%	0	0%
Highly skilled supervision (Lev. 9-12)	3	100%	3	100%	3	100%
Contract (level 9-12)	0	0%	0	0%	0	0%
Contract (level 13-16)	0	0%	0	0%	0	0%
Total	3	100%	3	100%	3	0%

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
Engineers	3	100%	3	100%	3	100%

3.10 Leave utilisation

Table 3.10.1 Sick leave for the period 1 January 2018 to 31 December 2018

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	20	100%	7	3.5%	2	10
Skilled (levels 3-5)	132	80.50%	21	9.50%	13	108
Highly skilled production (levels 6-8)	664	84.60%	106	47.70%	16	851
Highly skilled supervision (levels 9 - 12)	426	78.80%	71	31.90%	17	1064
Top and Senior management (levels 13-16)	74	71.60%	16	7.30%	21	337
Total	1316	83.20%	229	100%	17	1097

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2018 to 31 December 2018

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	62	100	2	13.2%	31	0
Senior management (Levels 13-16)	0	0	0	0	0	0
Total	62	0	2	13.2%	31	0

The table below summarises the utilisation of annual leave:

Table 3.10.3 Annual Leave for the period 1 January 2018 to 31 December 2019

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	176	25	7
Skilled Levels 3-5)	731	37	35
Highly skilled production (Levels 6-8)	9328	34	468
Highly skilled supervision (Levels 9-12)	2730	36	128
Senior management (Levels 13-16)	684	31	36
Total	13649	163	674

Table 3.10.4 Capped leave for the period 1 January 2018 to 31 December 2019

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2019
Lower skilled (Levels 1-2)	0	0	0	0
Skilled Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	1	1	1	26
Highly skilled supervision (Levels 9-12)	11	1	5	24
Senior management (Levels 13-16)	0	0	0	51
Total	12	2	6	16

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

Table 3.10.5 Leave payouts for the period 1 April 2018 and 31 March 2019

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2018/19 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2018/19	136	3	28000
Current leave payout on termination of service for 2018/19	649	13	45333
Total	785	33	7333

3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
	The unit provides employees with opportunities to conduct HIV Counselling and Testing (HCT). Care and Support is provided in the form of counselling for employees and family members.

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	x		Director: Human Capital Management, Mr. Odwa Chabula
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.	x		The Employee Health and Wellness Programme(EHWP) covers HIV as one of the 4 pillars of the Programme. The unit consists of 4 employees with a budget of R960 000.00
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.	X		The Employee Health and Wellness Programme (EHWP) is guided by four Pillars. The following services are provided: <ul style="list-style-type: none"> 1. HIV and AIDS Management, which focuses on HIV prevention; 2. Health and Productivity Management, which includes employees on long term incapacity leave; 3. Wellness Management that includes counselling and health promotion; 4. SHERQ which includes Occupational Health and Safety within the workplace;
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.	X		The Department has the following committees in place: OHS Committee and Peer Educators Committee. The Committee consists of the following members: <ul style="list-style-type: none"> * Mr. S. Ratau(16.2 and Director: Facilities Management) * Ms. C. Steenkamp (EHWP) * Mr. V. Tonga (EHWP) * Ms. P. Tibini (EHWP) * Ms. M. Molewa (OHS Officer) * Ms. I. Mchalla (Policy & Research) * Ms. J. Johannes (CFO) * Mr. C. Nkuna (HCM) * Ms. P. Vilakazi (Municipal Finance) * Ms. A. Rautenbach (Facilities) * Ms. L. Mc Dillion (Facilities) * Mr. Mahlangu (facilities) * Ms. C. Tlala (Disaster Management) * Ms. B. Lisa (Disaster Management) * Ms. M. Mashaba (Facilities) * Ms. A. Sehoole (Risk Management) * Ms. N. Monama (Municipal Finance Support) * Ms. I. Sehunoe (ICT)

Question	Yes	No	Details, if yes
			<ul style="list-style-type: none"> * Mr. S. Ngcobo (Risk Management) * Mr. P. Komane (Governance) * Mr. T. Maimela (Knowledge and Information Management) * Mr. A. Ndaba (HCM) * Mr. S. Mkhize (Facilities) * Ms. R. Ntoagae (Disaster Management) * Mr. P. Ndaba (Facilities) * Mr. T. Mosia (HCM) * Mr. D. Lentswane (HCM) * Ms. D. Kirsten (HCM) * Ms. I. Maluleke (Infrastructure Support) * Ms. T. Lande (CDWP) * Mr. L. Khauoe (CDWP) * Mr. M. Mabefu (CDWP) * Mr. L. Tsoku (CDWP)
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.	X		The Department has a policy on HIV & AIDS Management however, the Department is also guided by both national policies and internal policies such as Basic Conditions of Employment Act and the internal Recruitment Policy
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		The Department is guided by the above policies to prevent discrimination. The wellness programme promotes a healthy lifestyle for all employees including those who are HIV positive. Those who have tested positive during a Wellness day event are provided with counselling and referred by the nurse to a clinic or doctor for treatment and care.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	X		HIV Counselling and Testing is provided to all staff on a quarterly basis. Employees are encouraged to know their status for better management of HIV & AIDS and TB
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	x		Health and Utilisation reports from the respective service providers e.g. GEMS and Zinakelele, Quarterly reports compiled by the unit, attendance registers of Wellness Days and Seminars.

3.12 Labour Relations

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

Total number of Collective agreements	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
Correctional counselling	0	0%
Verbal warning	0	0%
Written warning	0	0%
Final written warning	2	50%
Suspended without pay	2	50%
Fine	0	0%
Demotion	0	0%
Dismissal	0	0%
Not guilty	0	0%
Case withdrawn	0	0%
Total	4	100%

Notes

- If there were no agreements, keep the heading and replace the table with the following:

Total number of Disciplinary hearings finalised	None
---	------

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
Failure to submit monthly reports as expected	1	50%
Misuse of state vehicle	1	50%
Total	2	100%

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

Grievances	Number	% of Total
Number of grievances resolved	1	33%
Number of grievances not resolved	2	67%
Total number of grievances lodged	3	100%

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

Disputes	Number	% of Total
Number of disputes upheld	3	60%
Number of disputes dismissed	2	40%
Total number of disputes lodged	5	100%

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

Total number of persons working days lost	0
Total costs working days lost	0
Amount recovered as a result of no work no pay (R'000)	R0.00

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

Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost of suspension(R'000)	R 0.00

3.13 Skills development

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

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

Occupational category	Gender	Number of employees as at 1 April 2018	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	11	0	52	5	57
	Male	20	0	27	2	29
Professionals	Female	29	0	3	7	10
	Male	31	0	2	3	5
Technicians and associate professionals	Female	61	0	7	6	13
	Male	41	0	1	6	7
Clerks	Female	202	0	27	6	33
	Male	136	0	18	6	24
Service and sales workers	Female	0	0	33	13	46
	Male	6	0	31	8	39
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	1	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	6	0	0	0	0
Elementary occupations	Female	74	0	0	0	0
	Male	45	0	0	0	0
Sub Total	Female	377	0	122	37	159
	Male	286	0	79	25	104
Total		663	0	201	62	263

Table 3.13.2 Training provided for the period 1 April 2018 and 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	11	0	0	3	3
	Male	20	0	0	1	1
Professionals	Female	29	0	15	1	16
	Male	31	0	17	3	20
Technicians and associate professionals	Female	61	0	40	5	45
	Male	41	0	13	4	17
Clerks	Female	202	0	14	15	29
	Male	136	0	12	15	27
Service and sales workers	Female	0	0	0	0	0
	Male	6	0	0	1	1
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	1	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	6	0	0	0	0
Elementary occupations	Female	74	0	2	0	2
	Male	45	0	0	0	0
Sub Total	Female	377	0	71	24	95
	Male	286	0	42	24	66
Total		663	0	113	48	161

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 and 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

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2018 and 31 March 2019

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
None	0	0	R0.00

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
None	0	0	R0.00

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 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
None	0%	0%	0

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2018 and 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	R0.00

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
0	0	0	R0.00

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 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
None	0%	0%	0

3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 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
Total	0	0	0	0



Joburg

JDAU

KAZERNE INTERMODAL FACILITY

Implemented by the Johannesburg Development Agency on behalf of the City of Johannesburg

CLIENT: JOHANNESBURG DEVELOPMENT AGENCY

PROJECT MANAGERS: BADAT DEVELOPMENTS

ARCHITECTS: URBAN SOUP

QUANTITY SURVEYORS: KOOR DINDAR MOTHEI

CIVIL & STRUCTURAL ENGINEERS: HLANGANANI ENGINEERS & PROJECT MANAGERS

MECHANICAL & ELECTRICAL ENGINEERS: PLP CONSULTING

PUBLIC PARTICIPATION CONSULTANTS: NMA EFFECTIVE SOCIAL STRATEGISTS

WET SERVICES & FIRE ENGINEERS: IZAZI CONSULTING ENGINEERS

TRAFFIC ENGINEERS: ARUP

HEALTH & SAFETY

CONTRACTOR: STEFANUTTI STOCKS GEOTECHNICAL

START DATE: JANUARY 2015

WORKS COMPLETION DATE: JUNE 2015

FOR ENQUIRIES CONTACT





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

I. Report of the Auditor General

Report of the auditor-general to Gauteng Provincial Legislature on vote no. 7: Gauteng 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 Gauteng Department of Co-operative Governance and Traditional Affairs set out on pages 91 to 142, 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 Gauteng 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 Standards (MCS) prescribed by the National Treasury, the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2016 (Act No. 3 of 2016) (DoRA).

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* (IESBA code), parts 1 and 3 of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

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

Material underspending of the budget

7. As disclosed in the appropriation statement, the department has materially underspent the budget by R19.3 million on programme 1: Administration, R7.3 million on programme 2: Local Governance, R3.3 million on programme 3: Development and planning and R1.7 million on programme 4: Traditional Institutional Management.

Responsibilities of the accounting officer for the financial statements

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with MCS, the requirements of the PFMA and DORA 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.
9. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

10. 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 statements.
11. 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

12. 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.
13. 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.
14. 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	26 to 36
Programme 3 – Development and planning	36 to 41

15. 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.
16. I did not raise any material findings on the usefulness and reliability of the reported performance information for these programmes.

Other matters

17. I draw attention to the matters below.

Achievement of planned targets

18. Refer to the annual performance report on pages x to x for information on the achievement of planned targets for the year and explanations provided for the under/ over achievement of a significant number of targets.

Adjustment of material misstatements

19. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Programme 2: Local governance and Programme 3: Development and planning. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

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. 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. If, based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

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

Johannesburg

31 July 2019



A U D I T O R - G E N E R A L
S O U T H A F R I C A

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 Gauteng Department of Cooperative Governance and Traditional Affairs’ 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.

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..

2. Annual Financial Statements Of Gauteng Department Of Co-Operative Governance and Traditional Affairs



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APPROPRIATION STATEMENT
for the year ended 31 March 2019

	2018/19					2017/18			
	Adjusted Appropriation	Shifting of Funds	Virements	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	137,284	-	(6,074)	131,210	111,824	19,386	85.2%	131,090	124,590
2: Local Governance	221,389	-	(9,228)	212,161	204,818	7,343	96.5%	225,098	214,955
3: Development Planning	158,483	-	16,179	174,662	171,324	3,338	98.1%	110,868	82,103
4: Traditional Institutional Management	16,079	-	(877)	15,202	13,405	1,797	88.2%	11,985	11,269
Programme Sub total	533,235	-	-	533,235	501,371	31,864	94.0%	479,041	432,917
Statutory Appropriation	-	-	-	-	-	-	-	-	-
TOTAL	533,235	-	-	533,235	501,371	31,864	94.0%	479,041	432,917

	2018/19		2017/18	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	407		491	
NRF Receipts				
Aid assistance				
Actual amounts per statement of financial performance (total revenue)	533,642		479,532	
Actual amounts per statement of financial performance (total expenditure)		501,371		432,917

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	R'000	R'000	R'000
Current payments	471,596	(20,003)	(15,000)	436,593	408,655	27,938	93.6%	430,648	389,829	
Compensation of employees	319,895	-	-	319,895	303,405	16,490	94.8%	302,359	291,523	
Salaries and wages	278,756	(2,046)	-	276,710	261,594	15,116	94.5%	259,948	252,278	
Social contributions	41,139	2,046	-	43,185	41,811	1,374	96.8%	42,411	39,245	
Goods and services	151,701	(20,003)	(15,000)	116,698	105,250	11,448	90.2%	128,289	98,306	
Administrative fees	915	(467)	(65)	383	260	123	67.9%	421	368	
Advertising	10,050	(2,185)	(672)	7,193	4,939	2,254	68.7%	5,857	5,615	
Minor assets	876	(211)	(54)	611	558	53	91.3%	1,921	1,831	
Audit costs: External	3,500	-	(497)	3,003	3,002	1	100.0%	2,998	2,996	
Bursaries: Employees	525	459	-	984	983	1	99.9%	854	850	
Catering: Departmental activities	1,868	(106)	-	1,762	1,554	208	88.2%	2,526	1,319	
Communication (G&S)	11,800	(2,846)	(928)	8,026	7,361	665	91.7%	8,375	8,372	
Computer services	4,473	4,204	(662)	8,015	5,160	2,855	64.4%	9,665	8,328	
Consultants: Business and advisory services	16,014	4,046	-	20,060	19,940	120	99.4%	6,783	6,721	
Legal services	1,325	(118)	-	1,207	1,137	70	94.2%	900	691	
Contractors	250	(19)	-	231	78	153	33.8%	861	164	
Agency and support / outsourced services	34,289	(23,616)	(2,721)	7,952	7,174	778	90.2%	30,182	8,314	
Entertainment	-	-	-	-	-	-	-	43	-	
Fleet services (including government motor transport)	6,720	926	-	7,646	7,645	1	100.0%	8,389	7,583	
Consumable supplies	4,535	3,530	(60)	8,005	7,998	7	99.9%	15,862	15,718	
Consumable: Stationery, printing and office supplies	2,341	162	(579)	1,924	1,904	20	99.0%	2,747	2,666	
Operating leases	834	136	-	970	836	134	86.2%	842	840	
Property payments	21,171	(2,150)	-	19,021	19,020	1	100.0%	6,964	6,606	
Travel and subsistence	6,686	94	(2,225)	4,555	4,295	260	94.3%	7,364	6,186	
Training and development	9,313	(1,682)	(3,918)	3,713	3,475	238	93.6%	4,495	4,227	

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	R'000		
Operating payments	7,372	(279)	(2,433)	4,660	1,685	2,975	36,2%	1,847	1,577		
Venues and facilities	6,844	119	(186)	6,777	6,246	531	92,2%	8,393	7,334		
Transfers and subsidies	50,713	20,000	15,000	85,713	85,481	232	99,7%	26,701	26,231		
Provinces and municipalities	49,500	20,000	15,000	84,500	84,500	-	100,0%	25,136	25,136		
Municipalities	49,500	20,000	15,000	84,500	84,500	-	100,0%	25,136	25,136		
Municipal bank accounts	49,500	20,000	15,000	84,500	84,500	-	100,0%	25,136	25,136		
Households	1,213	-	-	1,213	981	232	80,9%	1,565	1,095		
Social benefits	1,213	-	-	1,213	981	232	80,9%	1,565	1,095		
Other transfers to households	-	-	-	-	-	-	-	-	-		
Payments for capital assets	10,894	-	-	10,894	7,201	3,693	66,1%	21,627	16,793		
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-		
Machinery and equipment	10,894	-	-	10,894	7,201	3,693	66,1%	21,627	16,793		
Other machinery and equipment	10,894	-	-	10,894	7,201	3,693	66,1%	21,627	16,793		
Software and other intangible assets	-	-	-	-	-	-	-	-	-		
Payment for financial assets	32	3	-	35	34	1	97,1%	65	64		
TOTAL	533,235	-	-	533,235	501,371	31,864	94,0%	479,041	432,917		

APPROPRIATION STATEMENT
for the year ended 31 March 2019

	Statutory 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	R'000	
Economic classification										
Current payments	471,596	(20,003)	(15,000)	436,593	408,655	27,938	93.6%	430,648	389,829	
Compensation of employees	319,895	-	-	319,895	303,405	16,490	94.8%	302,359	291,523	
Goods and services	151,701	(20,003)	(15,000)	116,698	105,250	11,448	90.2%	128,289	98,306	
Transfers and subsidies	50,713	20,000	15,000	85,713	85,481	232	99.7%	26,701	26,231	
Provinces and municipalities	49,500	20,000	15,000	84,500	84,500	-	100.0%	25,136	25,136	
Households	1,213	-	-	1,213	981	232	80.9%	1,565	1,095	
Payments for capital assets	10,894	-	-	10,894	7,201	3,693	66.1%	21,627	16,793	
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	
Machinery and equipment	10,894	-	-	10,894	7,201	3,693	66.1%	21,627	16,793	
Intangible assets	-	-	-	-	-	-	-	-	-	
Payments for financial assets	32	3	-	35	34	1	97.1%	65	64	
TOTAL	533,235	-	-	533,235	501,371	31,864	94.0%	479,041	432,917	

APPROPRIATION STATEMENT
for the year ended 31 March 2019

PROGRAMME I: 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	5,203	(1,849)	-	3,354	3,053	301	91.0%	4,992	3,031
2. Corporate Services	132,081	1,849	(6,074)	127,856	108,771	19,085	85.1%	126,098	121,559
TOTAL	137,284	-	(6,074)	131,210	111,824	19,386	85.2%	131,090	124,590
Economic classification									
Current payments	130,145	(3)	(4,895)	125,247	109,786	15,461	87.7%	121,889	115,902
Compensation of employees	89,932	-	-	89,932	78,059	11,873	86.8%	83,441	80,017
Salaries and wages	80,275	(34)	-	80,241	68,987	11,254	86.0%	72,917	71,494
Social contributions	9,657	34	-	9,691	9,072	619	93.6%	10,524	8,523
Goods and services	40,213	(3)	(4,895)	35,315	31,727	3,588	89.8%	38,448	35,885
Administrative fees	155	-	-	155	85	70	54.8%	164	161
Advertising	1,650	-	(672)	978	978	-	100.0%	1,864	1,718
Minor assets	271	86	-	357	355	2	99.4%	252	173
Audit costs: External	3,500	-	(497)	3,003	3,002	1	100.0%	2,998	2,996
Bursaries: Employees	525	459	-	984	983	1	99.9%	636	634
Catering: Departmental activities	297	(3)	-	294	257	37	87.4%	721	300
Communication (G&S)	4,840	(1,445)	-	3,395	3,395	-	100.0%	3,677	3,676
Computer services	4,003	1,849	(662)	5,190	2,390	2,800	46.1%	5,281	5,279
Consultants: Business and advisory services	2,749	(587)	-	2,162	2,162	-	100.0%	2,703	2,644
Legal services	1,325	(118)	-	1,207	1,137	70	94.2%	900	691
Contractors	170	-	-	170	63	107	37.1%	122	98
Agency and support / outsourced services	1,512	(614)	-	898	637	261	70.9%	831	822
Entertainment	-	-	-	-	-	-	-	43	-
Fleet services (including government motor transport)	5,620	308	-	5,928	5,927	1	100.0%	6,389	6,363
Consumable supplies	1,097	245	-	1,342	1,340	2	99.9%	1,392	1,266

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
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable: Stationery, printing and office supplies	2,001	-	(408)	1,593	1,574	19	98.8%	2,295	2,269
Operating leases	700	136	-	836	836	-	100.0%	842	840
Property payments	2,291	183	-	2,474	2,473	1	100.0%	832	831
Travel and subsistence	2,440	(550)	(1,034)	856	850	6	99.3%	2,844	2,376
Training and development	2,199	-	(1,201)	998	823	175	82.5%	426	376
Operating payments	1,050	-	(421)	629	628	1	99.8%	1,039	1,008
Venues and facilities	1,818	48	-	1,866	1,832	34	98.2%	2,197	1,364
Transfers and subsidies	1,213	-	-	1,213	981	232	80.9%	1,565	1,095
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Households	1,213	-	-	1,213	981	232	80.9%	1,565	1,095
Social benefits	1,213	-	-	1,213	981	232	80.9%	1,565	1,095
Payments for capital assets	5,894	-	(1,179)	4,715	1,023	3,692	21.7%	7,571	7,529
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	5,894	-	(1,179)	4,715	1,023	3,692	21.7%	7,571	7,529
Other machinery and equipment	5,894	-	(1,179)	4,715	1,023	3,692	21.7%	7,571	7,529
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Payment for financial assets	32	3	-	35	34	1	97.1%	65	64
TOTAL	137,284	-	(6,074)	131,210	111,824	19,386	85.2%	131,090	124,590

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	5,203	(1,849)	-	3,354	3,053	301	91.0%	4,992	3,031
Compensation of employees	2,234	-	-	2,234	2,005	229	89.7%	2,185	1,978
Goods and services	2,969	(1,849)	-	1,120	1,048	72	93.6%	2,807	1,053
TOTAL	5,203	(1,849)	-	3,354	3,053	301	91.0%	4,992	3,031

	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	124,942	1,846	(4,895)	121,893	106,733	15,160	87.6%	116,897	112,871
Compensation of employees	87,698	-	-	87,698	76,054	11,644	86.7%	81,256	78,039
Goods and services	37,244	1,846	(4,895)	34,195	30,679	3,516	89.7%	35,641	34,832
Transfers and subsidies	1,213	-	-	1,213	981	232	80.9%	1,565	1,095
Households	1,213	-	-	1,213	981	232	80.9%	1,565	1,095
Payments for capital assets	5,894	-	(1,179)	4,715	1,023	3,692	21.7%	7,571	7,529
Machinery and equipment	5,894	-	(1,179)	4,715	1,023	3,692	21.7%	7,571	7,529
Payments for financial assets	32	3	-	35	34	1	97.1%	65	64
TOTAL	132,081	1,849	(6,074)	127,856	108,771	19,085	85.1%	126,098	121,559

APPROPRIATION STATEMENT
for the year ended 31 March 2019

PROGRAMME 2: LOCAL GOVERNANCE

	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. Municipal Administration	13,458	-	(878)	12,580	12,524	56	99.6%	15,420	11,492
2. Municipal Finance	10,892	-	(1,419)	9,473	9,273	200	97.9%	10,775	9,148
3. Public Participation	163,473	2,070	(4,337)	161,206	155,049	6,157	96.2%	150,268	146,988
4. Capacity Development	17,111	(436)	(2,594)	14,081	13,702	379	97.3%	33,615	32,847
5. Municipal Performance Monitoring, Reporting and Evaluation	16,455	(1,634)	-	14,821	14,270	551	96.3%	15,020	14,480
TOTAL	221,389	-	(9,228)	212,161	204,818	7,343	96.5%	225,098	214,955

	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	216,389	-	(9,228)	207,161	199,818	7,343	96.5%	196,962	186,819
Compensation of employees	178,855	-	-	178,855	178,582	273	99.8%	176,083	168,893
Salaries and wages	153,241	(2,012)	-	151,229	151,156	73	100.0%	149,317	143,239
Social contributions	25,614	2,012	-	27,626	27,426	200	99.3%	26,766	25,654
Goods and services	37,534	-	(9,228)	28,306	21,236	7,070	75.0%	20,879	17,926
Administrative fees	230	2	(65)	167	115	52	68.9%	129	81
Advertising	5,600	171	-	5,771	3,527	2,244	61.1%	433	340
Minor assets	105	-	(54)	51	-	51	-	114	106
Bursaries: Employees	-	-	-	-	-	-	-	218	216
Catering: Departmental activities	365	32	-	397	278	119	70.0%	669	101
Communication (G&S)	6,720	(1,161)	(928)	4,631	3,966	665	85.6%	4,388	4,388
Computer services	370	-	-	370	315	55	85.1%	350	309
Consultants: Business and advisory services	1,125	423	-	1,548	1,428	120	92.2%	-	-
Contractors	5	-	-	5	-	5	-	-	-
Agency and support / outsourced services	5,967	24	(2,571)	3,420	3,263	157	95.4%	4,853	3,735
Consumable supplies	858	88	(60)	886	882	4	99.5%	661	645
Consumable: Stationery, printing and office supplies	40	-	(40)	-	-	-	-	157	153

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
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Travel and subsistence	2,010	1,044	(701)	2,353	2,175	178	92.4%	2,333	1,714
Training and development	5,116	(246)	(2,692)	2,178	2,170	8	99.6%	3,202	3,091
Operating payments	5,697	(32)	(1,931)	3,734	784	2,950	21.0%	400	298
Venues and facilities	3,326	(345)	(186)	2,795	2,333	462	83.5%	2,972	2,749
Transfers and subsidies	5,000	-	-	5,000	5,000	-	100.0%	23,136	23,136
Provinces and municipalities	5,000	-	-	5,000	5,000	-	100.0%	23,136	23,136
Municipalities	5,000	-	-	5,000	5,000	-	100.0%	23,136	23,136
Municipal bank accounts	5,000	-	-	5,000	5,000	-	100.0%	23,136	23,136
Payments for capital assets	-	-	-	-	-	-	-	5,000	5,000
Machinery and equipment	-	-	-	-	-	-	-	5,000	5,000
Other machinery and equipment	-	-	-	-	-	-	-	5,000	5,000
Payment for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	221,389	-	(9,228)	212,161	204,818	7,343	96.5%	225,098	214,955

	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	13,458	-	(878)	12,580	12,524	56	99.6%	15,420	11,492
Current payments	10,393	246	-	10,639	10,638	1	100.0%	11,578	9,687
Compensation of employees	3,065	(246)	(878)	1,941	1,886	55	97.2%	3,842	1,805
Goods and services	-	-	-	-	-	-	-	-	-
TOTAL	13,458	-	(878)	12,580	12,524	56	99.6%	15,420	11,492

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	7,892	-	(1,419)	6,473	6,273	200	96.9%	8,275	6,648
Compensation of employees	4,065	-	-	4,065	4,007	58	98.6%	5,327	3,856
Goods and services	3,827	-	(1,419)	2,408	2,266	142	94.1%	2,948	2,792
Transfers and subsidies	3,000	-	-	3,000	3,000	-	100.0%	2,500	2,500
Provinces and municipalities	3,000	-	-	3,000	3,000	-	100.0%	2,500	2,500
TOTAL	10,892	-	(1,419)	9,473	9,273	200	97.9%	10,775	9,148

	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	163,473	2,070	(4,337)	161,206	155,049	6,157	96.2%	145,268	141,988
Compensation of employees	140,392	2,070	-	142,462	142,459	3	100.0%	136,908	133,765
Goods and services	23,081	-	(4,337)	18,744	12,590	6,154	67.2%	8,360	8,223
Payments for capital assets	-	-	-	-	-	-	-	5,000	5,000
Machinery and equipment	-	-	-	-	-	-	-	5,000	5,000
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	163,473	2,070	(4,337)	161,206	155,049	6,157	96.2%	150,268	146,988

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
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.4 Capacity Development									
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	15,111	(436)	(2,594)	12,081	11,702	379	96.9%	12,979	12,211
Compensation of employees	8,661	(682)	-	7,979	7,939	40	99.5%	8,358	7,909
Goods and services	6,450	246	(2,594)	4,102	3,763	339	91.7%	4,621	4,302
Transfers and subsidies	2,000	-	-	2,000	2,000	-	100.0%	20,636	20,636
Provinces and municipalities	2,000	-	-	2,000	2,000	-	100.0%	20,636	20,636
TOTAL	17,111	(436)	(2,594)	14,081	13,702	379	97.3%	33,615	32,847

	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
2.5 Municipal Performance Monitoring Reporting and Evaluation									
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	16,455	(1,634)	-	14,821	14,270	551	96.3%	15,020	14,480
Compensation of employees	15,344	(1,634)	-	13,710	13,539	171	98.8%	13,912	13,676
Goods and services	1,111	-	-	1,111	731	380	65.8%	1,108	804
TOTAL	16,455	(1,634)	-	14,821	14,270	551	96.3%	15,020	14,480

APPROPRIATION STATEMENT
for the year ended 31 March 2019

PROGRAMME 3: DEVELOPMENT PLANNING

	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. Land Use Management	-	-	-	-	-	-	-	-	-
2. Idp Coordination	10,266	(1,182)	-	9,084	8,046	1,038	88.6%	9,063	8,997
3. Disaster Management	87,098	2,360	16,179	105,637	105,007	630	99.4%	63,549	55,195
4. Municipal Infrastructure	61,119	(1,178)	-	59,941	58,271	1,670	97.2%	38,256	17,911
TOTAL	158,483	-	16,179	174,662	171,324	3,338	98.1%	110,868	82,103
Economic classification									
Current payments	108,983	(20,000)	-	88,983	85,646	3,337	96.2%	99,812	75,839
Compensation of employees	39,606	-	-	39,606	37,018	2,588	93.5%	35,148	35,058
Salaries and wages	34,778	-	-	34,778	32,594	2,184	93.7%	30,914	30,852
Social contributions	4,828	-	-	4,828	4,424	404	91.6%	4,234	4,206
Goods and services	69,377	(20,000)	-	49,377	48,628	749	98.5%	64,664	40,781
Administrative fees	530	(488)	-	42	42	-	100.0%	128	126
Advertising	2,800	(2,356)	-	444	434	10	97.7%	3,498	3,496
Minor assets	500	(297)	-	203	203	-	100.0%	1,555	1,552
Catering: Departmental activities	706	(328)	-	378	326	52	86.2%	534	316
Communication (G&S)	240	(240)	-	-	-	-	-	310	308
Computer services	100	2,355	-	2,455	2,455	-	100.0%	4,034	2,740
Consultants: Business and advisory services	12,140	4,210	-	16,350	16,350	-	100.0%	4,080	4,077
Contractors	75	(19)	-	56	15	41	26.8%	739	66
Agency and support / outsourced services	25,032	(22,979)	-	2,053	1,701	352	82.9%	23,182	2,966
Fleet services (including government motor transport)	1,100	618	-	1,718	1,718	-	100.0%	2,000	1,220
Consumable supplies	2,580	3,161	-	5,741	5,741	-	100.0%	13,499	13,497
Consumable: Stationery, printing and office supplies	150	162	-	312	312	-	100.0%	225	174

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
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating leases	134	-	-	134	-	134	-	-	-
Property payments	18,880	(2,333)	-	16,547	16,547	-	100.0%	6,130	5,773
Travel and subsistence	1,457	(447)	-	1,010	958	52	94.9%	1,486	1,420
Training and development	1,328	(795)	-	533	482	51	90.4%	660	586
Operating payments	525	(247)	-	278	255	23	91.7%	408	271
Venues and facilities	1,100	23	-	1,123	1,089	34	97.0%	2,196	2,193
Transfers and subsidies	44,500	20,000	15,000	79,500	79,500	-	100.0%	2,000	2,000
Provinces and municipalities	44,500	20,000	15,000	79,500	79,500	-	100.0%	2,000	2,000
Municipalities	44,500	20,000	15,000	79,500	79,500	-	100.0%	2,000	2,000
Municipal bank accounts	44,500	20,000	15,000	79,500	79,500	-	100.0%	2,000	2,000
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	5,000	-	1,179	6,179	6,178	1	100.0%	9,056	4,264
Machinery and equipment	5,000	-	1,179	6,179	6,178	1	100.0%	9,056	4,264
Other machinery and equipment	5,000	-	1,179	6,179	6,178	1	100.0%	9,056	4,264
Payment for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	158,483	-	16,179	174,662	171,324	3,338	98.1%	110,868	82,103

3.1 Idp Coordination	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	10,266	(1,182)	-	9,084	8,046	1,038	88.6%	9,063	8,997
Current payments	10,266	(1,182)	-	9,084	8,046	1,038	88.6%	9,063	8,997
Compensation of employees	8,790	-	-	8,790	7,808	982	88.8%	7,430	7,428
Goods and services	1,476	(1,182)	-	294	238	56	81.0%	1,633	1,569
TOTAL	10,266	(1,182)	-	9,084	8,046	1,038	88.6%	9,063	8,997

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
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.2 Disaster Management									
Economic classification	59,598	2,360	-	61,958	61,329	629	99.0%	54,493	50,931
Current payments	15,754	-	-	15,754	15,325	429	97.3%	13,798	13,796
Compensation of employees	43,844	2,360	-	46,204	46,004	200	99.6%	40,695	37,135
Goods and services	22,500	-	15,000	37,500	37,500	-	100.0%	-	-
Transfers and subsidies	22,500	-	15,000	37,500	37,500	-	100.0%	-	-
Provinces and municipalities	5,000	-	1,179	6,179	6,178	1	100.0%	9,056	4,264
Payments for capital assets	5,000	-	1,179	6,179	6,178	1	100.0%	9,056	4,264
Machinery and equipment									
TOTAL	87,098	2,360	16,179	105,637	105,007	630	99.4%	63,549	55,195

	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
3.3 Municipal Infrastructure									
Economic classification	39,119	(21,178)	-	17,941	16,271	1,670	90.7%	36,256	15,911
Current payments	15,062	-	-	15,062	13,885	1,177	92.2%	13,920	13,834
Compensation of employees	24,057	(21,178)	-	2,879	2,386	493	82.9%	22,336	2,077
Goods and services	22,000	20,000	-	42,000	42,000	-	100.0%	2,000	2,000
Transfers and subsidies	22,000	20,000	-	42,000	42,000	-	100.0%	2,000	2,000
Provinces and municipalities	61,119	(1,178)	-	59,941	58,271	1,670	97.2%	38,256	17,911
TOTAL	61,119	(1,178)	-	59,941	58,271	1,670	97.2%	38,256	17,911

APPROPRIATION STATEMENT
for the year ended 31 March 2019

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. Traditional Institution Administration	7,026	-	(877)	6,149	5,109	1,040	83.1%	5,621	5,585
2. Traditional Resource Administration	7,543	14	-	7,557	6,858	699	90.8%	4,821	4,814
3. Rural Development Facilitation	555	(47)	-	508	500	8	98.4%	553	-
4. Traditional Land Administration	955	33	-	988	938	50	94.9%	990	870
TOTAL	16,079	-	(877)	15,202	13,405	1,797	88.2%	11,985	11,269
Economic classification									
Current payments	16,079	-	(877)	15,202	13,405	1,797	88.2%	11,985	11,269
Compensation of employees	11,502	-	-	11,502	9,746	1,756	84.7%	7,687	7,555
Salaries and wages	10,462	-	-	10,462	8,857	1,605	84.7%	6,800	6,693
Social contributions	1,040	-	-	1,040	889	151	85.5%	887	862
Goods and services	4,577	-	(877)	3,700	3,659	41	98.9%	4,298	3,714
Administrative fees	-	19	-	19	18	1	94.7%	-	-
Advertising	-	-	-	-	-	-	-	62	61
Catering: Departmental activities	500	193	-	693	693	-	100.0%	602	602
Agency and support / outsourced services	1,778	(47)	(150)	1,581	1,573	8	99.5%	1,316	791
Consumable supplies	-	36	-	36	35	1	97.2%	310	310
Consumable: Stationery, printing and office supplies	150	-	(131)	19	18	1	94.7%	70	70
Property payments	-	-	-	-	-	-	-	2	2
Travel and subsistence	779	47	(490)	336	312	24	92.9%	701	676
Training and development	670	(641)	(25)	4	-	4	-	207	174
Operating payments	100	-	(81)	19	18	1	94.7%	-	-
Venues and facilities	600	393	-	993	992	1	99.9%	1,028	1,028
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
TOTAL	16,079	-	(877)	15,202	13,405	1,797	88.2%	11,985	11,269

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	7,026	-	(877)	6,149	5,109	1,040	83.1%	5,621	5,585
Compensation of employees	3,079	-	-	3,079	2,048	1,031	66.5%	1,935	1,934
Goods and services	3,947	-	(877)	3,070	3,061	9	99.7%	3,686	3,651
TOTAL	7,026	-	(877)	6,149	5,109	1,040	83.1%	5,621	5,585

	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	7,543	14	-	7,557	6,858	699	90.8%	4,821	4,814
Compensation of employees	7,492	(33)	-	7,459	6,760	699	90.6%	4,757	4,751
Goods and services	51	47	-	98	98	-	100.0%	64	63
TOTALS	7,543	14	-	7,557	6,858	699	90.8%	4,821	4,814

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	
4.3 Facilitation Traditional Land										
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current payments	555	(47)	-	508	500	8	98.4%	553	-	
Compensation of employees	-	-	-	-	-	-	-	28	-	
Goods and services	555	(47)	-	508	500	8	98.4%	525	-	
TOTAL	555	(47)	-	508	500	8	98.4%	553	-	
4.4 Traditional Land Administration										
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current payments	955	33	-	988	938	50	94.9%	990	870	
Compensation of employees	931	33	-	964	938	26	97.3%	967	870	
Goods and services	24	-	-	24	-	24	-	23	-	
TOTAL	955	33	-	988	938	50	94.9%	990	870	

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2019

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

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

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

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

3. Detail on payments for financial assets

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

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

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Programme 1: Administration	131,210	111,824	19,386	85%
Programme 2: Local Governance	212,161	204,818	7,343	97%
Programme 3: Development Planning	174,662	171,324	3,338	98%
Programme 4: Traditional Institutional Management	15,202	13,405	1,797	88%
TOTAL	533,235	501,371	31,864	94%

4.2 Per economic classification	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
Current payments	436,593	408,655	27,938	94%
Compensation of employees	319,895	303,405	16,490	95%
Goods and services	116,698	105,250	11,448	90%
Transfers and subsidies	85,713	85,481	232	
Provinces and municipalities	84,500	84,500	-	100%
Households	1,213	981	232	81%
Payments for capital assets	10,894	7,201	3,693	
Machinery and equipment	10,894	7,201	3,693	66%
Payments for financial assets	35	34	1	97%
TOTAL	533,235	501,371	31,864	94%

4.3 Per conditional grant	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
EPWP Grant for the creation of Job Opportunities.	2,000	2,000	-	100%

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2019

	Note	2018/19 R'000	2017/18 R'000
REVENUE			
Annual appropriation	1	533,235	479,041
Departmental revenue	2	407	491
TOTAL REVENUE		533,642	479,532
EXPENDITURE			
Current expenditure			
Compensation of employees	3	303,405	291,523
Goods and services	4	105,250	98,306
Total current expenditure		408,655	389,829
Transfers and subsidies			
Transfers and subsidies	6	85,481	26,231
Total transfers and subsidies		85,481	26,231
Expenditure for capital assets			
Tangible assets	7	7,201	16,793
Total expenditure for capital assets		7,201	16,793
Payments for financial assets	5	34	64
TOTAL EXPENDITURE		501,371	432,917
SURPLUS/(DEFICIT) FOR THE YEAR		32,271	46,615
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		31,864	46,124
Annual appropriation		31,864	46,124
Conditional grants			
Departmental revenue and NRF Receipts	12	407	491
SURPLUS/(DEFICIT) FOR THE YEAR		32,271	46,615

STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2019

	Note	2018/19 R'000	2017/18 R'000
ASSETS			
Current assets			
		32,452	46,942
Unauthorised expenditure	8	-	-
Cash and cash equivalents	9	31,486	45,911
Receivables	10	966	1,031
TOTAL ASSETS		32,452	46,942
LIABILITIES			
Current liabilities			
		31,913	46,424
Voted funds to be surrendered to the Revenue Fund	11	31,864	46,124
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	12	30	74
Payables	13	19	226
Non-current liabilities		-	-
Payables		-	-
TOTAL LIABILITIES		31,913	46,424
NET ASSETS		539	518
		2018/19 R'000	2017/18 R'000
Represented by:			
Recoverable revenue		539	518
TOTAL		539	518

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2019

NET ASSETS	2018/19 R'000	2017/18 R'000
Recoverable revenue		
Opening balance	518	181
Transfers:	21	337
Debts recovered (included in departmental receipts)	21	337
Closing balance	539	518
TOTAL	539	518

CASH FLOW STATEMENT
for the year ended 31 March 2019

	Note	2018/19 R'000	2017/18 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		533,642	479,532
Annual appropriated funds received	1.1	533,235	479,041
Departmental revenue received	2	407	491
Net (increase)/decrease in working capital		(142)	(569)
Surrendered to Revenue Fund		(46,575)	(61,059)
Current payments		(408,655)	(389,829)
Payments for financial assets		(34)	(64)
Transfers and subsidies paid		(85,481)	(26,231)
Net cash flow available from operating activities	14	(7,245)	1,780
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(7,201)	(16,793)
Net cash flows from investing activities		(7,201)	(16,793)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		21	337
Net cash flows from financing activities		21	337
Net increase/(decrease) in cash and cash equivalents		(14,425)	(14,676)
Cash and cash equivalents at beginning of period		45,911	60,587
Cash and cash equivalents at end of period	15	31,486	45,911

ACCOUNTING POLICIES
for the year ended 31 March 2019

Accounting Policies	
Summary of significant accounting policies	
<p>The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.</p> <p>The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.</p> <p>Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.</p>	
1	<p>Basis of preparation</p> <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p>
2	<p>Going concern</p> <p>The financial statements have been prepared on a going concern basis.</p>
3	<p>Presentation currency</p> <p>Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.</p>
4	<p>Rounding</p> <p>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p>
5	<p>Foreign currency translation</p> <p>Cash flows arising from foreign currency transactions are translated into South African Rand's using the spot exchange rates prevailing at the date of payment / receipt.</p>
6	<p>Comparative information</p>
6.1	<p>Prior period comparative information</p> <p>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.</p>
6.2	<p>Current year comparison with budget</p> <p>A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p>
7	<p>Revenue</p>

ACCOUNTING POLICIES
for the year ended 31 March 2019

7.1	<p>Appropriated funds</p> <p>Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p> <p>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.</p> <p>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.</p>
7.2	<p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
7.3	<p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> • 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. <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the department's debt write-off policy</p>
8	Expenditure
8.1	Compensation of employees
8.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p>Social contributions</p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>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.</p>
8.2	<p>Other expenditure</p> <p>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.</p>

ACCOUNTING POLICIES
for the year ended 31 March 2019

8.3	<p>Accruals and payables not recognised</p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.</p>
8.4	<p>Leases</p>
8.4.1	<p>Operating leases</p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>
8.4.2	<p>Finance leases</p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> • 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	<p>Aid Assistance</p>
9.1	<p>Aid assistance received</p> <p>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.</p> <p>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.</p>
9.2	<p>Aid assistance paid</p> <p>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.</p>
10	<p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>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.</p>

ACCOUNTING POLICIES
for the year ended 31 March 2019

11	<p>Prepayments and advances</p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p> <p><Indicate when prepayments are expensed and under what circumstances.></p>
12	<p>Loans and receivables</p> <p>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.</p>
13	<p>Investments</p> <p>Investments are recognised in the statement of financial position at cost.</p>
14	<p>Financial assets</p>
14.1	<p>Financial assets (not covered elsewhere)</p> <p>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.</p> <p>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.</p>
14.2	<p>Impairment of financial assets</p> <p>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.</p>
15	<p>Payables</p> <p>Payables recognised in the statement of financial position are recognised at cost.</p>
16	<p>Capital Assets</p>
16.1	<p>Immovable capital assets</p> <p>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.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p> <p>Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.</p>

ACCOUNTING POLICIES
for the year ended 31 March 2019

16.2	<p>Movable capital assets</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 R.I.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R.I.</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. 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>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 R.I.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R.I.</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>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>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>

ACCOUNTING POLICIES
for the year ended 31 March 2019

17.2	<p>Contingent liabilities</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>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>Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.</p>
18	<p>Unauthorised expenditure</p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> • 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>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
19	<p>Fruitless and wasteful expenditure</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</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>

ACCOUNTING POLICIES
for the year ended 31 March 2019

21	<p>Changes in accounting policies, accounting estimates and errors</p> <p>Changes in accounting policies that are affected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</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</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</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</p> <p>The Annual Financial Statements have been prepared in accordance with the modified cash basis of accounting. The Annual Financial Statements are free from material misstatements, including omissions.</p> <p>All amounts appearing on the Annual Financial statements have been cast and cross-cast.</p>
25	<p>Capitalisation reserve</p> <p>The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
26	<p>Recoverable revenue</p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
27	<p>Related party transactions</p> <p>A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.</p>

ACCOUNTING POLICIES
for the year ended 31 March 2019

28	<p>Inventories</p> <p>At the date of acquisition, inventories are recognised at cost in the statement of financial performance.</p> <p>Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.</p> <p>The cost of inventories is assigned by using the weighted average cost basis.</p>
29	<p>Public-Private Partnerships</p> <p>Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <p>A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.</p>
30	<p>Employee benefits</p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p>

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

I. Annual Appropriation

I.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
Administration	131,210	131,210		131,090	131,090
Local Governance	212,161	212,161		225,098	225,098
Development Planning	174,662	174,662		110,868	110,868
Traditional Institutional Management:	15,202	15,202		11 985	11 985
Total	533,235	533,235	-	479,041	479,041

I.2 Conditional grants

	2018/19 R'000	2017/18 R'000
Total grants received	27 2,000	2,000
Provincial grants included in Total Grants received	2,000	2,000

All conditional Grants received from the National Department of Public Works were for Extended Public Works Programme and have been transferred to three municipalities for the creation of job opportunities within their communities namely:

- Lesedi Local Municipality R 1,000, 000
- Randwest Local Municipality R 500, 000
- Merafong Local Municipality R 500, 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	289	282
Transactions in financial assets and liabilities	2.2	118	209
Transfer received			
Total revenue collected		407	491
Less: Own revenue included in appropriation		-	-
Departmental revenue collected		407	491

The Department collects its revenue from two major sources, parking fees from staff members and commission for collection of funds from the payroll on behalf of third parties.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

2.1 Sales of goods and services other than capital assets

	Note	2018/19 R'000	2017/18 R'000
	2		
Sales of goods and services produced by the department		289	282
Sales by market establishment		289	282
Sales of scrap, waste and other used current goods			
Total		289	282

The sales of goods and services other than capital assets include, parking fees and commission on collection of funds on behalf of third parties from the payroll.

2.2 Transactions in financial assets and liabilities

	Note	2018/19 R'000	2017/18 R'000
	2		
Loans and advances			
Receivables		118	209
Total		118	209

Included in the transactions in financial assets and liabilities are amounts received for debt collection from staff members.

3. Compensation of employees

3.1 Salaries and Wages

	2018/19 R'000	2017/18 R'000
Basic salary	206,455	193,718
Performance award	9,403	8,055
Service Based	788	959
Compensative/circumstantial	3,365	9,584
Periodic payments	5	9
Other non-pensionable allowances	41,578	39,952
Total	261,594	252,277

Compensation of Employees includes all payments and benefits paid to employees in remuneration of their labour and skills. The increase in compensation of employees was as a result of annual inflationary adjustment, annual progression salary increase, performance bonuses awarded to qualifying employees from level 3 to 12.

The decrease in Compensative/circumstantial compensation to the amount of R6 million was a result of termination of contracts of temporary staff, mainly in the Information Technology Unit.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

3.2 Social contributions

	2018/19 R'000	2017/18 R'000
Employer contributions		
Pension	26,333	24,805
Medical	15,418	14,386
UIF	1	-
Bargaining council	59	55
Total	41,811	39,246
Total compensation of employees	303,405	291,523
Average number of employees	669	671

Social contributions include department's contribution for the benefits of employees. The department also reported a reduction in number of employees resulting from various types of termination without replacement or replacement underway by the time of reporting

4. Goods and services

	2018/19 R'000	2017/18 R'000
Administrative fees	260	368
Advertising	4,939	5,615
Minor assets	4.1 558	1,831
Bursaries (employees)	983	850
Catering	1,554	1,319
Communication	7,361	8,372
Computer services	4.2 5,160	8,328
Consultants: Business and advisory services	19,940	6,721
Legal services	1,137	691
Contractors	78	164
Agency and support / outsourced services	7,174	8,314
Audit cost – external	4.3 3,002	2,996
Fleet services	7,645	7,583
Consumables	4.4 9,902	18,384
Operating leases	836	840
Property payments	4.5 19,020	6,607
Travel and subsistence	4.6 4,295	6,185
Venues and facilities	6,246	7,334
Training and development	3,475	4,227
Other operating expenditure	4.7 1,685	1,577
Total	105,250	98,306

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2019

During the reporting period, most of the expenditure increased in line with inflation however some have significant increases/decreases based on the following reasons:

- Consultants increased by R12 million due to hydrology study conducted for Gauteng city region to assess areas susceptible to flooding in the province, provision of the ICT Turnkey solution and procurement of Disaster Management C4 system and mobile unit to the amount of R5,7 million.
- Consumables reduced by R8 million for the reporting period due to prior year R11 Million expenditure on hosting of traditional council's events, humanitarian relief material of disaster incidents.
- Property payments increased as result of the modification of the building acquired for the Provincial Disaster Management Centre, including installation of electronic security systems. Property maintenance includes transactions for the maintenance of wireless Local Area Network infrastructure (LAN) and electric security systems installed at PDMC.

Other operating expenditure includes payments for printing of annual reports and other printing related commodities.

4.1 Minor assets

	Note	2018/19 R'000	2017/18 R'000
Tangible assets	4	558	211
Machinery and equipment		558	211
Intangible assets		-	1,620
Software		-	1,620
Total		558	1,831

Minor assets refer to assets of value of less than R5000.00, however the prior year includes intangible software to the value of R1.6 million

4.2 Computer services

	Note	2018/19 R'000	2017/18 R'000
SITA computer services	4	217	5,710
External computer service providers		4,943	2,618
Total		5,160	8,328

Included in Computer Services are payments to State Information Technology Agency (SITA) for cloud services and licences for Microsoft products. The supply, installation of Local Area Network (LAN) DMC

4.3 Audit cost – External

	Note	2018/19 R'000	2017/18 R'000
Regularity audits	4	3,002	2,996
Total		3,002	2,996

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

4.4 Consumables

	Note	2018/19 R'000	2017/18 R'000
	4		
Consumable supplies		7,999	15,718
Uniform and clothing		510	984
Household supplies		2,328	2,311
Building material and supplies		3,192	11,875
IT consumables		364	170
Other consumables		1,605	378
Stationery, printing and office supplies		1,903	2,666
Total		9,902	18,384

4.5 Property payments

	Note	2018/19 R'000	2017/18 R'000
	4		
Municipal services		1,043	670
Property management fees		141	129
Property maintenance and repairs		15,529	3,760
Other		2,307	2,048
Total		19,020	6,607

Property entails the payment for installations, maintenance and other property related expenses in relation to the Provincial Disaster Management Centre

4.6 Travel and subsistence

	Note	2018/19 R'000	2017/18 R'000
	4		
Local		3,623	4,239
Foreign		672	1,946
Total		4,295	6,185

Local and foreign travel includes payments for flights, accommodation and car rentals for attending conferences and study tours. The biggest items are reimbursement of employee for use of private vehicles for work related activities as well as periodic rental of buses for Community Development Workers for their periodic meetings.

4.7 Other operating expenditure

	Note	2018/19 R'000	2017/18 R'000
	4		
Professional bodies, membership and subscription fees		-	194
Resettlement costs		-	83
Other		1,685	1,300
Total		1,685	1,577

Other operating expenditure includes payments for printing and publication services which includes gazettes and proclamations for by-elections in the Metro's and other municipalities.

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2019

5. Payments for financial assets

	2018/19 R'000	2017/18 R'000
Debts written off	34	64
Total	34	64

Numerous debts of former and late staff members were written-off during the reporting period due to non-recoverability mostly as a result of death.

5.1 Debts written off

	2018/19 R'000	2017/18 R'000
Staff debt for deceased	34	64
Total	34	64
Total debt written off	34	64

6. Transfers and subsidies

	2018/19 R'000	2017/18 R'000
Provinces and municipalities	84,500	25,136
Households	981	1,095
Total	85,481	26,231

During the reporting period, the Department made the following transfers to the municipalities:

1. R3 million to municipalities for support to comply with GRAP 17 in the following order.

» Merafong Local Municipality	R 500,000
» Lesedi Local Municipality	R 750,000
» Emfuleni Local Municipality	R 750,000
» Rand West Local Municipality	R 1,000,000

2. R2 million to municipalities for Performance Management Systems in the following order:

» Lesedi Local Municipality	R 500 000
» Merafong Local Municipality	R 1 000,000
» Mogale City Local Municipality	R 500 000

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2019

3. R2 million to municipalities for the Extended Public Works Programme in the following order:

» Merafong City Local Municipality	R 500,000
» Rand West Local Municipality	R 500,000
» Lesedi Local Municipality	R 1 000,000

4. R57,500 Million for Leased Fire fighting vehicles:

» West Rand District Municipality	R 57,500,000
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5. R20 Million for Water Supply Infrastructure

» Merafong City Local Municipality	R 20,000,000
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7. Expenditure for capital assets

	2018/19 R'000	2017/18 R'000
Tangible assets	7,201	16,793
Machinery and equipment	7,201	16,793
Total	7,201	16,793

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	7,201		7,201
Machinery and equipment	7,201		7,201
Total	7,201		7,201

Included in the payment for capital assets is the procurement of office furniture and equipment, weather stations and computer hardware and systems for the Provincial Disaster Management Centre.

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

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	16,793	-	16,793
Buildings and other fixed structures	-	-	-
Machinery and equipment	16,793	-	16,793
Total	16,793	-	16,793

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

8. Unauthorised expenditure

8.1 Reconciliation of unauthorised expenditure

	2018/19 R'000	2017/18 R'000
Opening balance	-	-
Prior period error	-	-
As restated	-	-
Unauthorised expenditure – discovered in current year (as restated)	-	-
Capital	-	-
Current	-	-
Transfers and subsidies	-	-
Less: Amounts transferred to receivables for recovery	-	-
Closing balance	-	-
Analysis of closing balance	-	-
Unauthorised expenditure awaiting authorisation	-	-
Unauthorised expenditure approved without funding and not derecognised	-	-
Total	-	-

The department did not incur any unauthorised expenditure during the 2018/19 Financial year.

9. Cash and cash equivalents

	2018/19 R'000	2017/18 R'000
Consolidated Paymaster General Account	31,486	45,988
Disbursements	-	(77)
Total	31,486	45,911

The consolidated paymaster general account reflects the balance of cash in the bank account of the department on the last day of the reporting period.

10. Receivables

	2018/19			2017/18		
	Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
Recoverable expenditure	-	-	-	61	-	61
Staff debt	966	-	966	970	-	970
Total	966	-	966	1,031	-	1,031

10.1 Recoverable expenditure (disallowance accounts)

	2018/19 R'000	2017/18 R'000
Sal: Reversal Control; CA	-	61
Total	-	61

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

10.2 Staff debt

	2018/19 R'000	2017/18 R'000
Debt Account	966	970
	966	970

11. Voted funds to be surrendered to the Revenue Fund

	2018/19 R'000	2017/18 R'000
Opening balance	46,124	60,587
Prior period error	-	-
As restated	46,124	60,587
Transfer from statement of financial performance (as restated)	31,864	46,124
Paid during the year	(46,124)	(60,587)
Closing balance	31,864	46,124

The funds to be surrendered to the Provincial Revenue Fund are composed as follows:

Compensation of employees:	R 16 490
Goods and services:	R 11 448
Transfers:	R 232
Capital assets	R 3 693
Payment for financial assets:	R1

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

	2018/19 R'000	2017/18 R'000
Opening balance	74	55
Prior period error	-	-
As restated	74	55
Transfer from Statement of Financial Performance (as restated)	407	491
Paid during the year	(451)	(472)
Closing balance	30	74

13. Payables – current

	2018/19 R'000	2017/18 R'000
Other payables	19	226
Total	19	226

Other payables includes transactions resulting from payroll activities

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

13.1 Other payables

	2018/19 R'000	2017/18 R'000
Sal:ABC Recalls:CA:	-	6
Sal:PERSAL EBT Control ACC DOM	-	172
Sal Finance other Institutions:CL	-	2
Sal:income Tax:CL	16	46
Sal:Pension Fund	3	-
Total	19	226

Other payables comprise of employee income tax and pension fund portions deducted from salaries but not yet paid over to South African Revenue Service and GEPP at the end of reporting period (payroll activities).

14. Net cash flow available from operating activities

	2018/19 R'000	2017/18 R'000
Net surplus/(deficit) as per Statement of Financial Performance	32,271	46,615
Add back non cash/cash movements not deemed operating activities	(39,516)	(44,835)
(Increase)/decrease in receivables	65	(751)
Increase/(decrease) in payables – current	(207)	182
Expenditure on capital assets	7,201	16,793
Surrenders to Revenue Fund	(46,575)	(61,059)
Voted funds not requested/not received	-	-
Net cash flow generated by operating activities	(7,245)	1,780

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

	2018/19 R'000	2017/18 R'000
Consolidated Paymaster General account	31,486	45,988
Disbursements	-	(77)
Total	31,486	45,911

16. Contingent liabilities and contingent assets

16.1 Contingent liabilities

		2018/19 R'000	2017/18 R'000
Liable to Nature			
Housing loan guarantees Employees	Annex 3A	21	21
Intergovernmental payables (unconfirmed balances)		-	-
Total		21	21

The housing guarantee relates to the guarantee issued by the Department for staff members to commercial banks.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

17. Commitments

	2018/19 R'000	2017/18 R'000
Current expenditure		
Approved and contracted	27,228	34,784
Approved but not yet contracted	9,707	16,547
	36,935	51,331
Capital expenditure		
Approved and contracted	619	12,560
Approved but not yet contracted	-	-
Total Commitments	37,554	63,891

Included in the approved and contracted commitments is an amount of R16, 620 million for various contracts which are for a period longer than a year.

18. Accruals and payables not recognised

18.1 Accruals

	2018/19 R'000			2017/18 R'000
Listed by economic classification	30 Days	30+ Days	Total	Total
Goods and services	4,600		4,600	2,627
Total	4,600		4,600	2,627
		Note	2018/19 R'000	2017/18 R'000
		<u>18.1</u>		
Listed by programme level				
Program 1: Administration			2,703	1,720
Program 2: Local Governance			251	75
Program 3: Development Planning			1,393	779
Program 4: Traditional Institutional Management			253	53
Total			4,600	2,627

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

18.2 Payables not recognised

	2018/19 R'000			2017/18 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	2,860	-	2,860	1,022
Capital assets	-	-	-	38
Total	2,860		2,860	1,060

	Note	2018/19 R'000	2017/18 R'000
Listed by programme level			
Program 1: Administration	<u>18.2</u>	2,860	595
Program 2: Local Governance		-	98
Program 3: Development Planning		-	367
Program 4: Traditional Institutional Management		-	-
		2,860	1,060

	Note	2018/19 R'000	2017/18 R'000
Included in the above totals are the following:			
Confirmed balances with other departments	Annex 5	12	65
Confirmed balances with other government entities	Annex 5	791	
Total		803	65

19. Employee benefits

	2018/19 R'000	2017/18 R'000
Leave entitlement	22,665	18,485
Service bonus	8,508	7,900
Performance awards	4,798	4,535
Capped leave commitments	2,641	2,889
Other	42	40
Total	38,654	33,849

The amount of R42 000.00 other employee benefits relates to long service award liability for 20 and 30 years in service.

Estimates on performance awards are calculation of 1.5% of dept. compensation budget 3 19,895 x 1.5%=4798.

A credit balance of R121, 988 is included in the Leave entitlement.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

20. Lease commitments

20.1 Operating leases

2018/19	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	3,536	3,536
Later than 1 year and not later than 5 years	-	-	-	2,346	2,346
Total lease commitments	-	-	-	5,882	5,882

2017/18	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	4,729	4,729
Later than 1 year and not later than 5 years	-	-	-	2,057	2,057
Total lease commitments	-	-	-	6,786	6,786

The operating leases relates to vehicles (G-Fleet) and office automation equipment.

20.2 Finance leases

2018/19	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	5,649	5,649
Later than 1 year and not later than 5 years	-	-	-	2,354	2,354
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	8,003	8,003

2017/18	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	12,223	12,223
Later than 1 year and not later than 5 years	-	-	-	17,315	17,135
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	29,538	29,538

The finance leases include only mobile phones utilized by management and other qualifying officials.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

21. Irregular expenditure

21.1 Reconciliation of irregular expenditure

	2018/19 R'000	2017/18 R'000
Opening balance	5,577	4,792
As restated	5,577	4,792
Add: Irregular expenditure – relating to prior year	-	-
Add: Irregular expenditure – relating to current year	1,042	785
Less: Prior year amounts condoned		
Less: Current year amounts condoned	(651)	
Closing balance	5,968	5,577

Analysis of awaiting condonation per age classification

Current year	1,042	785
Prior years	4,926	4,792
Total	5,968	5,577

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
Procurement processes not followed	No disciplinary steps taken/criminal proceedings	1,042
Total		1,042

The irregular expenditure incurred during the financial period relate to travelling that was undertaken by the official of the department with quotations valued more than R500k threshold

21.3 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2018/19 R'000
PWC	Head of Department	651
Total		651

During the reporting period the Department condoned an irregular expenditure as per the recommendation of the investigation report.

22. Fruitless and wasteful expenditure

22.1 Reconciliation of fruitless and wasteful expenditure

	2018/19 R'000	2017/18 R'000
Fruitless and wasteful expenditure – relating to current year	137	-
Closing balance	137	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

The Department incurred fruitless and wasteful expenditure to an amount of R137 000 as an interest paid to Telkom for non-payment of disputed invoices.

22.2 Analysis of awaiting resolution per economic classification

	2018/19 R'000	2017/18 R'000
Current	137	-
Total	137	-

The Department incurred fruitless and wasteful expenditure to an amount of R137 000 as an interest paid to Telkom for non-payment of disputed invoices.

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
TELKOM Interest		137
Total		137

The Department incurred fruitless and wasteful expenditure to an amount of R137 000 as an interest paid to Telkom for non-payment of disputed invoices.

23. Related party transactions

During the reporting period the Department reimbursed the Department of Human Settlement R172 351 for use of telephones line at the Bank of Lisbon building. The arrangement was that the Department of Human Settlement will pay Telkom the total telephone bill and claim from COGTA for use based on number of telephone extensions used by COGTA officials.

The Department occupied the building owned by the Department of Infrastructure Development at no cost. During the same period the Department shared a building with Health and Human Settlement at no cost to the Department until September 2018.

Other related parties include: All GPG Departments and entities are related parties to COGTA as Office of the Premier, Provincial Treasury, Economic Development, Health, Education, Social Development, Roads and Transport, Community Safety, Agriculture and Rural Development, Sports, Arts, Culture and Recreation and E-Government.

With the exception of the above transaction, only transactions on arm's length were made with these related parties.

24. Key management personnel

	No. of Individuals	2018/19Z R'000	2017/18 R'000
Political office bearers	1	2,005	1,991
Officials:			
Level 15 to 16	5	8,818	8,375
Level 14	9	11,219	10,659
Total		22,042	21,025

Level 15 to 16 management includes the Head of Department, two Deputy Director Generals, the Chief Financial Officer and one official paid out of adjustment

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

25. Movable Tangible Capital Assets

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

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	26,969	-	7,248	-	34,217
Computer equipment	20,023	-	1,141	-	21,164
Furniture and office equipment	5,274	-	2,891	-	8,165
Other machinery and equipment	1,672	-	3,216	-	4,888
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	26,969	-	7,248	-	34,217

Additions include all capital assets procured during the reporting period which are on the asset register.

Movable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	179	2,848

Assets under investigation are assets located at the Bank of Lisbon Building, at the time of reporting, the Department could not verify the existence of the same since the building was declared unsafe to enter. A service provider appointed by the Department of Infrastructure Development will remove all usable assets from the building at some point, in which the Department will write-off those that were destroyed by the fire.

Movable Asset Under Investigation

Major Assets

	No. of Assets	2018/19 R'000	2017/18 R'000
Computer Equipment	103	1,808	0
Other Machinery and Equipment	31	329	0
Furniture and Fittings	20	283	0
Office Equipment	25	421	0
Totals	179	2,848	0

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	7,201	47	-	-	7,248
Computer equipment	1,094	47			1,141
Furniture and office equipment	2,891				2,891
Other machinery and equipment	3,216				3,216
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	7,201	47	-	-	7,248

Assets to an amount of R47 000 were received from the Department of Agriculture and Rural Development through section 42 as a result of transfer of two officials

25.2 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	11,230	48	16,793	1,102	26,969
Computer equipment	4,712	28	16,167	884	20,023
Furniture and office equipment	4,789	20	540	75	5,274
Other machinery and equipment	1,729		86	143	1,672
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	11,230	48	16,793	1,102	26,969

25.2.1 Prior period error

	2017/18 R'000
Nature of prior period error	
Relating to 2017/18 [affecting the opening balance]	48
	48
Relating to 2017/18	
Total prior period errors	48

Assets recovered include assets previously written-off during the prior year but recovered during verification in the reporting period. These were five items.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

25.3 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	-	1,620	-	2,924	-	4,544
Value adjustments	-	-	-	-	-	-
Additions				558		558
Disposals						
TOTAL MINOR ASSETS	-	1,620	-	3,482	-	5,102

Minor Capital Assets under investigation

	Number	Value R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	940	574

Minor assets under investigation are assets located at the Bank of Lisbon Building, at the time of reporting, the Department could not verify the existence of the same since the building was declared unsafe to enter. A service provider appointed by the Department of Infrastructure Development will remove all usable assets from the building at some point, in which the Department will write-off those that were destroyed by the fire.

Minor Assets

Major Assets

	No. of Assets	2018/19 R'000	2017/18 R'000
Computer Equipment	111	69	0
Other Machinery and Equipment	81	120	0
Furniture and Fittings	572	275	0
Office Equipment	179	110	0
Totals	940	574	0

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	-	-	-	2,761	-	2,761
Prior period error	-	-	-	31	-	31
Additions	-	1,620	-	281	-	1,901
Disposals	-	-	-	149	-	149
TOTAL MINOR ASSETS	-	1,620	-	2,924	-	4,544

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

25.3.1 Prior period error

	2017/18 R'000
Nature of prior period error	
Relating to 2017/18 [affecting the opening balance]	31
Assets were incorrectly written off due to incorrect location	31
Relating to 2017/18	-
Total prior period errors	31

Included in prior error is 65 minor office equipment previously written-off in the prior year but were recovered during verification in the reporting period.

25.4 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	-	-	-	948	-	948
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	948	-	948

25.5 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				2		2
Value of the assets (R'000)				47		47

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	-	-	-	30	-	30
Value of the assets (R'000)				(154)		(154)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

26. CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2019

	Opening balance	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2019
Annex 7	1 April 2018 R'000	R'000	R'000	R'000
Machinery and equipment	-	1,400		1,400
Intangible assets	-	-		-
TOTAL	-	1,400	-	1,400

Work in progress include four weather stations purchased for the Provincial Disaster Management Centre

Age analysis on ongoing projects

	Number of projects		2018/19
	Planned, Construction not started	Planned, Construction started	Total R'000
0 to 1 Year	0	1,400	1,400
1 to 3 Years			
3 to 5 Years			
Longer than 5 Years			
Total		1,400	1,400

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

27. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION						SPENT				2017/18		
	Division of Revenue Act/ Provincial Grants	R'000	Roll Overs	DORA Adjust-ments	R'000	Other Adjust-ments	R'000	Total Available	Amount received by department	Amount spent by department	Under / (Overspending)	% of available funds spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
National Public Works	2,000	-	-	-	-	-	2,000	2,000	2,000	-	100%	2,000	2,000
	2,000	-	-	-	-	-	2,000	2,000	2,000	-	100%	2,000	2,000

Departments are reminded of the requirement to certify that all transfers in terms of this Act were deposited into the primary bank account of the province or, where appropriate, into the CPD account of the province.

28. 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	%
Lesedi Local Municipality (PMS)	500	-	-	500	500	-	-
Merafong City Local Municipality (PMS)	1,000	-	-	1,000	1,000	-	-
Mogale City Local Municipality (PMS)	500	-	-	500	500	-	-
Lesedi Local Municipality (GRAP 17)	750	-	-	750	750	-	-
Merafong City Local Municipality (GRAP 17)	500	-	-	500	500	-	-
Emfuleni Local Municipality (GRAP 17)	750	-	-	750	750	-	-
Rand West Local Municipality (GRAP 17)	1,000	-	-	1,000	1,000	-	-
Merafong City Local Municipality (EPWP)	500	-	-	500	500	-	-
Rand West Local Municipality (EPWP)	500	-	-	500	500	-	-
Lesedi Local Municipality (EPWP)	1,000	-	-	1,000	1,000	-	-
West Rand District Municipality (leased Fire fighting vehicles)	57,500	-	-	57,500	57,500	-	-
Merafong City Local Municipality (water supply Infrastructure)	20,000	-	-	20,000	20,000	-	-
TOTAL	84,500	-	-	84,500	84,500	-	-

It is confirmed that all the above amounts were paid to the Primary bank accounts of the respective municipalities

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

ANNEXURE IA

UNAUDITED STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				SPENT				2017/18	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000	
Rand West Local Mun (Transformation Proj)	-	-	-	-	-	-	-	-	-	-	-	18,636	18,636	
Emfuleni Local Mun (PMS)	-	-	-	-	-	-	-	-	-	-	-	1,000	1,000	
Rand West Local Mun (PMS)	-	-	-	-	-	-	-	-	-	-	-	1,000	1,000	
Lesedi Local Municipality (PMS)	500	-	-	500	500	-	-	500	-	500	0%	-	-	
Merafong City Local Municipality (PMS)	1,000	-	-	1,000	1,000	-	-	1,000	500	500	50%	-	-	
Mogale City Local Municipality (PMS)	500	-	-	500	500	-	-	500	250	250	50%	-	-	
Merafong City Local Municipality (GRAP 17)	500	-	-	500	500	-	-	500	500	-	100%	500	500	
Lesedi Local Municipality (GRAP 17)	750	-	-	750	750	-	-	750	750	-	100%	500	500	
Emfuleni Local Municipality (GRAP 17)	750	-	-	750	750	-	-	750	-	750	0%	500	500	
Rand West Local Municipality (GRAP 17)	1,000	-	-	1,000	1,000	-	-	1,000	1,000	-	100%	1,000	1,000	
Lesedi Local Municipality (EPWP)	1,000	-	-	1,000	1,000	-	-	1,000	1,000	-	100%	500	500	
Rand West Local Municipality (EPWP)	500	-	-	500	500	-	-	500	250	250	50%	1,000	1,000	
Merafong City Local Municipality (EPWP)	500	-	-	500	500	-	-	500	500	-	100%	500	500	
West Rand District Municipality (leased Fire fighting vehicles)	57,500	-	-	57,500	57,500	-	-	57,500	-	57,500	0%	-	-	
Merafong City Local Municipality (water supply Infrastructure)	20,000	-	-	20,000	20,000	-	-	20,000	-	20,000	0%	-	-	
TOTAL	84,500	-	-	84,500	84,500	-	-	84,500	4,750	79,750	-	25,136	25,136	

It is confirmed that all the above amounts were paid to the Primary bank accounts of the respective municipalities

APPROPRIATION STATEMENT
for the year ended 31 March 2019

ANNEXURE 1G

UNAUDITED STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION					EXPENDITURE		2017/18 Final Appropriation R'000
	Adjusted Appropriation Act	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Transferred		
	R'000	R'000	R'000	R'000	R'000	%		
Transfers								
H/H EMPL S/BENI:PST RETIREMT BENEF	-	-	-	-	543	-	511	
Keyhealth Med Scheme	-	-	-	-	205	-	421	
National Treasury	-	-	-	-	-	-	2	
Tshwane Mun Pen Fund	-	-	-	-	227	-	308	
Alexander Forbes Group	-	-	-	-	-	-	-	
H/H EMPL S/BENI:INJURY ON DUTY	-	-	-	-	6	-	6	
Clinics,drs,compensation Commissioner	-	-	-	-	-	-	-	
TOTAL	-	-	-	-	981	-	1,248	

ANNEXURE 3A

UNAUDITED STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2019 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2018	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2019	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2019
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Housing Nedbank: Q Kuhn		-	21	-	-	-	21	-	-
TOTAL		-	21	-	-	-	21	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

ANNEXURE 4

UNAUDITED 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
Other Government Entities								
Dep of Roads & Transport (G-Fleet)	-	52	-	-	-	52	-	-
TOTAL	-	52	-	-	-	52	-	-

APPROPRIATION STATEMENT
for the year ended 31 March 2019

ANNEXURE 5

UNAUDITED 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	R'000
DEPARTMENTS								
Current								
Dept of Human Settlements	-	18	-	-	-	18	-	-
Dept of Justice & Const. Dev	12	36	-	-	12	36	-	-
Office Of The Premier	-	11	-	-	-	11	-	-
Subtotal	12	65	-	-	12	65	-	-
OTHER GOVERNMENT ENTITY								
Current								
Department of Roads & Transport (G-Fleet)	791	-	-	-	791	-	-	-
Subtotal	791	-	-	-	791	-	-	-
TOTAL	803	65	-	-	803	65	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2019

ANNEXURE 7

MOVEMENT IN CAPITAL WORK IN PROGRESS

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

	Opening balance R'000	Current Year Capital WIP R'000	Ready for use (Asset register) / Contract terminated R'000	Closing balance R'000
MACHINERY AND EQUIPMENT				
Computer equipment				
Furniture and office equipment	-	1,400	-	1,400
Other machinery and equipment				
TOTAL	-	1,400	-	1,400

Work in progress include four weather stations purchased for the Provincial Disaster Management Centre

PR285/2019

ISBN: 978-0-621-47643-9

Website:

www.gauteng.gov.za



GAUTENG PROVINCE

CO-OPERATIVE GOVERNANCE AND
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