



2019/20

Financial Year



GAUTENG PROVINCE

CO-OPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

Growing Gauteng Together

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The background features a photograph of an industrial facility, possibly a water treatment plant, with various structures, pipes, and a tall tower. A large, stylized graphic is overlaid on the image, consisting of a white circle with a blue diagonal line passing through it. The graphic is set against a dark blue and olive green geometric background.

PART A

General Information



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1. DEPARTMENT GENERAL INFORMATION

2. LIST OF ABBREVIATIONS/ACRONYMS

ABCD	Asset Based Community Development
AGSA	Auditor General of South Africa
AIDS	Acquired Immune Deficiency Syndrome
APP	Annual Performance Plan
B2B	Back to Basics
BBBEE	Broad-Based Black Economic Empowerment
CAPEX	Capital Expenditure
CBM	Community Based Monitoring
CDW	Community Development Workers
CEF	Capital Expenditure Framework
CFO	Chief Financial Officer
CGE	Commission for Gender Equality
CoGTA	Cooperative Governance and Traditional Affairs
CONTRALESA	Congress of Traditional Leaders of South Africa
DCoG	Department of Cooperative Governance
DoRA	Division of Revenue Act
EHWP	Employee Health and Wellness Programme
e-PMDS	Electronic Performance Management and Development System
EPWP	Expanded Public Works Programme
ERWAT	Ekurhuleni Water Care Company
FIN	Finance
FY	Financial Year
GAS	Gauteng Audit Services
GBV	Gender-based violence
GCIS	Government Communication and Information System
GCR	Gauteng City Region
GEMS	Government Employees Medical Scheme
GEYODI	Gender, Youth, and People with Disabilities
GMIP	Gauteng Municipal Integrity Project
GRAP	Generally Recognised Accounting Practices
HIV	Human Immuno-deficiency Virus
HOD	Head of Department
HR	Human Resources
HS	Human Settlements

ICT	Information and Communications Technology
ID	Identity
IDP	Integrated Development Plans
IGR	Intergovernmental Relations
IMFO	Institute of Municipal Finance Officers
IT	Information Technology
IUDF	Integrated Urban Development Framework
KPA	Key Performance Area
LGBTIQ	Lesbian, Gay, Bisexual, Transgender, Intersex or Questioning
LGSETA	Local Government Sector Education and Training Authority
LM	Local Municipality
MEC	Member of Executive Council
MIG	Municipal Infrastructure Grant
MISA	Municipal Infrastructure Support Agent
MSA	Municipal Systems Act
MTEF	Medium Term Expenditure Framework
NDMC	National Disaster Management Centre
NGO	Non-Governmental Organisation
NYDA	National Youth Development Agency
OHS	Occupational Health and Safety
OPCA	Operation Clean Audit
PCC	President's Coordinating Council
PDMC	Provincial Disaster Management Centre
PFMA	Public Finance Management Act
PMS	Performance Management System
RBIG	Regional Bulk Infrastructure Grant
RMC	Risk Management Committee
SALGA	South African Local Government Association
SAPS	South African Police Service
SCM	Supply Chain Management
SHERQ	Safety, Health, Environment, Risk and Quality
SITA	State Information Technology Agency
SMS	Senior Management Service
TB	Tuberculosis
TOR	Terms of Reference
WRDM	West Rand District Municipality

3. Foreword by the MEC



Lebogang Maile
*Member of the Executive
Council*

Local government is the high point of government necessity within a developmental state such as ours, because if governance at a local government level is done well it positively transforms lives, and if not, society collapses. Therefore most, if not all, the service delivery challenges and protests we are faced with stem from failures at a local government level.

It is for this reason that local government should be the high point of government competence, performance, and accuracy as we strive to positively transform the lives of individuals and communities within our city region. This is why the district development model, with its integrated approach to service delivery, becomes critical as we pursue sustainable ways of bringing about social, economic, and material improvement in the lives of communities.

We are forging broad-based coalitions and social compacts in our quest to enhance and accelerate service delivery. Our posture as a provincial government is not to over-reach or seek to run municipalities, but rather in line with our constitutional responsibilities to strengthen our Section 154 support towards our municipalities so that they in turn can fulfil their Section 152 obligations.

It is only when this systematic, methodical, and structured support has failed that we will be invoking our powers in terms of Section 139. Hence our intervention in Tshwane where there was a clear collapse of governance leading to service delivery failures and backlogs. The administrative team that we put in place is hard at work trying to turn that municipality around within the prescribed 90-day period in line with its terms of reference.

Consistent with this approach of strengthening our

support, we have conducted a series of bilateral meetings with each of the municipalities in Gauteng; looking to tackle service delivery head on, and administrative and governance challenges they are faced with so that we can address pertinent problems that prevent them delivering quality services in the manner that citizens rightfully expect.

These meetings have tackled challenges such as: waste collection, electricity issues, water shortages, infrastructure maintenance, revenue generation and fiscal viability, capacity and skills deficits and so forth, and from each meeting we have created action plans with set timeframes and deadlines in order to resolve all these issues. This is something we are tracking on a monthly basis as part of our ongoing Section 154 support.

We arranged a meeting between Eskom and each of our municipalities to try and craft a way forward in terms of payment of outstanding debt, as well as to iron out issues between our municipalities and Eskom. These fruitful engagements have had positive outcomes whose results will be seen in the years to come. We are excited about the opportunity that municipalities now have to purchase their own power from IPPs, as this will add to our energy mix providing greater energy security for our city region.

We have been working in tandem with our municipalities to create a comprehensive water security plan, which will create a water-efficient city region. We have also come up with exciting new ideas about how to assist municipalities in investment facilitation, working in tandem with relevant provincial entities.

In order to address audit challenges as highlighted by the Auditor General on an annual basis, we are working to support our municipalities so that they can implement preventative controls in key areas of accountability if breached, which by default become a natural source of consequence.

Working in tandem with relevant provincial departments such as Health and Community Safety, we are dealing with the unwanted phenomenon of illegal initiation schools, given that there have been no fatalities in any of the legal schools. We are participating in a provincial task team on illegal schools in this regard. We are working on building and maintaining a database of traditional surgeons and nurses, in partnership with the department of Health, and are also working in partnership with them to formalise traditional healers and help them

get better organised.

As part of our constitutional role of supporting traditional leadership institutions, we are working on assisting in the development of customary law jurisprudence as we believe traditions, like all things, are evolutionary and not static. The urban planning unit, which has been moved to this portfolio, has been integrated and is being positioned to provide proper planning in line with a development masterplan so that we can better coordinate all development in our city region.

Local government is a powerful redistributive tool, through the resources allocated to it and ours remains the need to ensure that there is an entrenched culture of disciplined execution of key priorities so that the lives of Gauteng citizens can be materially improved.



Hon. Lebogang Maile MPL

*MEC of the Gauteng
Department of Human
Settlements, Urban Planning
and Cooperative Governance
and Traditional Affairs*



4. REPORT OF THE ACCOUNTING OFFICER



Bongani Gxilishe
Head of Department

Overview of the operations of the Department:

This annual report reflects the Department's achievements, challenges, interventions, programmes, and deviations, as well as expenditures for the Financial Year 2019/20 under review. Since joining this Department, my task as Accounting Officer has been strengthened by a motivated team that is committed towards enabled and well-governed municipalities that deliver services to communities in a responsive, sustainable, and integrated manner.

During this reporting period, our mission has been to monitor, coordinate, and support municipalities to be effective in fulfilling their developmental mandate and facilitate service delivery and disaster resilience through engagement with government spheres and social partners. The Gauteng Department of Cooperative Governance and Traditional Affairs (CoGTA) has the responsibility and Constitutional Mandate to monitor the performance of local government (municipalities), as well as provide support to municipalities towards the achievement of their service delivery mandate.

The Department has a specific coordination role aimed at facilitating effective intergovernmental relations between the various spheres of government, with a particular focus on the provision of adequate support to the municipalities. The Department is further responsible for coordinating Disaster Management in Gauteng.

During this reporting period, the Department's performance has been guided and measured by the following four programmes: Administration, Local Governance and Support, Development Planning and Traditional Institutional Management.

During the year under review, and true to the nature of our mandate, we had a significant number of achievements while we also had to overcome a great deal of challenges along the way.

As I reflect on the role we play as civil servants and how our approach to our commitment to our citizens will ultimately determine our outcomes; I am reminded of the very old African Proverb “If you want to go fast, go alone. If you want to go far, go together.”

With the increased focus on issues and challenges across all spheres of government relating to gender based matters, I am happy to report that the Department’s commitment towards development in these areas as part of our service delivery milestones was demonstrated during our involvement in the Premier Women’s Awards assessment process. The awards are scheduled to take place in 2020 during Women’s month.

The Department also forged several critical and strategic partnerships when we actively took part in and supported several programmes and initiatives aimed to intensify the development and support of youth and gender based platforms around the province.

The financial health of municipalities remains a major critical focus area, and the inability of municipalities to collect money owed for services rendered is an ongoing challenge that requires a very robust and targeted approach in terms of Municipal Finance Support.

In our approach to assist struggling municipalities and to address audit outcome shortcomings, we can report several very successful interventions and support initiatives such as:

Municipalities (Randwest City, Lesedi and Emfuleni LMs) were provided with financial support to update and maintain Infrastructure Asset Registers in line with the GRAP 17 requirements. Two of these municipalities: Randwest and Lesedi received positive audit outcomes in the area of Property, Plant, and Equipment as a direct result of our support.

Millions of Rands in Revenue owed to municipalities were successfully collected through capacity support by Gauteng CoGTA to two municipalities, Emfuleni and Randwest City LMs. These municipalities were provided with capacity to implement the simplified revenue plans that enabled them to facilitate the collection of much needed revenue. These interventions directly resulted in the collection of a staggering R327 409 500.57 (three hundred and twenty-seven million four hundred nine thousand five hundred and fifty-seven cents) for business debt; R67 517 981.26 (sixty-seven million five hundred seventeen thousand nine hundred and eighty-one and twenty-six cents) for residential debt and R7 545 124.55 (seven million five hundred and forty-five thousand one hundred and twenty-four rand fifty-five cents) from employees.

In addition to the above, through the data cleansing project; a total of 88 655 ID numbers and 25 886 Company Registrations were found and updated on the municipal financial system since the inception of the project.

We also saw the prioritising of matters concerning Traditional Affairs and an increased focus on capacity to support the functioning of these structures.

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 cultural practice of initiation is a rite of passage marking the formal admission of young men/women from childhood to adulthood in a community. It also signifies the transformation of an initiate into a new role. Initiation is also a cultural ritual practiced by our communities and infrastructure had to be protected from the typical risks and dangers.

During the past Financial Year, both the winter and summer initiation seasons were unfortunately marred by a number of reports relating to the operation of illegal initiation schools, abductions, and other related criminal incidents. Successful interventions were put in place to curb, prevent, and address these incidents across the province and beyond, through established cross-border partnerships.

The Gauteng Province, just like most parts of the country, is vulnerable to various natural and unnatural hazards. The past year was no different, with disastrous events, such as structural and shack fires, severe thunderstorms and heavy rains being experienced in and around Gauteng. These situations demanded that the Provincial Disaster Management Centre (PDMC) is always in a state of readiness to be proactive and geared to handle these incidents.

In line with our mandate, our communities and infrastructure must be protected from the typical risks and dangers. A more dedicated and focused action was required to address the underlying disaster risk drivers such as poverty, climate change, rapid urbanisation, and poor land management.

The Provincial Disaster Management Centre continues to be the centre of coordination in the province. The centre together with municipalities, NGOs and other stakeholders strive to ensure that the community

of Gauteng does not remain vulnerable should an unforeseen disaster strike. This is evident in the continuous coordination of relief efforts, as well as the post disaster rehabilitation of infrastructure.

Through an integrated approach, the Department exercised oversight, monitored, applied interventions and supported municipalities, traditional leadership structures, Disaster Management and Fire Services, as well as communities across our province. We reached milestones, we made mistakes, we encountered obstacles and we conquered mountains on our path. Yet through it all, we learned, we grew in our commitments, and we became more motivated and determined to always improve our service to our communities.

The Department had 56 targets planned for the 2019/20 Financial Year and was able to achieve 51 of these targets. This translates to a 91% achievement.

Key Management

During the year under-review, the Department managed to fill only two management positions namely, Head of Department and Director: Chief Risk Officer (CRO), but could not fill other management positions, during the same period the Department lost the services of two managers namely: Director for Fire and Rescue Services and Director for Policy and Research.



Overview of the financial results of the department:

Departmental receipts

Departmental receipts	2018/2019			2019/2020		
	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	306	289	16	234	251	(17)
Interest, dividends and rent on land	30	-	28	72	115	(43)
Financial transactions in assets and liabilities	227	118	112	288	42	246
Total	563	407	156	594	408	186

The Department is not a major revenue-generating institution due to the nature of services it offers. The Department collected less revenue during the reporting period - the same as the year prior. The areas where the Department collected less was debt collection due to the poor payment by debtors where an amount of **R246 000** was not collected as anticipated. The Department collected more on sale of goods and interests respectively due to an

increase on third party transactions, which ultimately increased the collection on commissions including interest collected from one debtor.

During the same period the Department was allocated an amount of **R562 232 000** as an equitable share, of this amount **R495 781 000** was spent resulting in an **88%** expenditure on the allocated budget. The under-collection of **R186 000** was a direct result of the information articulated above.

Programme Expenditure

Program Name	2018/2019			2019/2020		
	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	131 210	111 824	19 386	143 956	127 934	16 022
Local Governance	212 161	204 818	7 343	236 228	232 077	4 151
Development and planning	174 662	171 324	3 338	164 202	120 978	43 224
Traditional Institutional Management	15 202	13 405	1 797	17 896	14 792	3 104
Total	533 235	501 371	31 864	562 282	495 781	66 501

The Department will surrender an amount of **R66 501 000** to the Provincial Revenue Fund which represents **12%** under-expenditure.

Programme 1: Administration

The programme was allocated a total budget of **R143 956 000**, of which **R127 934 000** was spent. This represents an average of **89%** of the total budget allocated. The remaining **11%** or **R16 022 000** could not be spent primarily because of the following reasons:

The Department was allocated the former Office of the Premier building for office accommodation. The said building was availed for occupation on or before the end of July 2019. However, due to compliance issues, the Department could not occupy; as a result, **R4 500 000** could not be spent on office partitioning, and about **R500 000** budgeted for cleaning and maintenance could not be spent as planned. Moreover, legal costs were estimated based on previous and periodic events, which mostly did not materialize. The result was that an amount of **R1 000 000** was saved on legal expenses. The Department did not pay any bonuses, progression increases, or similar benefits to senior managers; this and few vacancies resulted in under expenditure of **R7 000 000**. These significant savings and other minor savings like traveling, stationery, bursaries, and accommodation resulted in a total savings of **R16 000 000** reflected above. This under- expenditure did not affect the performance of the programme materially.

Programme 2: Local Governance

The programme spent an amount of **R232 077 000** out of the allocated budget of **R236 228 000**. The under-expenditure represents an average of **2%** or **R4 151 000** in nominal terms.

The under expenditure of **2%** or **R4 000 000** relates to mainly savings made from budgeted data and cellphone costs budgeted for Community Development Workers (CDW). Due to attrition mostly from death, a number of CDW currently employed is **350** compared to the required number of **570**. Put otherwise, a **39%** vacancy rate for CDW resulted in savings of **R4 000 000** on cellphone and data contracts.

Programme 3: Development and Planning

The programme was allocated a total budget of **R164 202 000** during the reporting period, of which **R120 978 000** was spent. This is **74%** of the total budget allocated.

The highest contributor to under expenditure in this programme was **R20 000 000** budgeted to support

Emfuleni with sewer issues. The funds were meant to be paid directly to ERWAT to effect repairs on the said sewer; however, due to several technicalities, Ekurhuleni Metropolitan Municipality, who is the only shareholder, refused to accept the funding resulting in no expenditure. In agreement with the Provincial Treasury, the funds will be re-allocated to the Department during the following reporting period.

Programme 4: Traditional Institutional Management

The programme was allocated the least budget during the reporting period. The allocation for this programme amounted to **R17 896 000**, of which **R14 792 000** was spent, which represented an average of **83%** of the total allocation.

The total amount of under expenditure relates to the funds transferable to Tradition Councils, which could not be transferred owing to outstanding financial reports from the respective councils.

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 period under review.

Future plans of the department

Transformation of the state and governance

Improving governance

Nine municipalities will be supported with ABCD and public participation initiatives. This will entail building capabilities, capacity and understanding of municipal Office of the Speaker officials through introducing new methods for Public Participation, through the use of ICT and applying asset approach to development to provide content to Public Participation.

Advisory support will be provided to the municipalities to develop and implement audit response action plans based on findings raised by the Auditor-General of South Africa (AGSA). The implementation of the

action plans will be monitored through engagements with municipalities and other stakeholders such as Auditor General, national CoGTA, Treasury, SALGA and IMFO. The engagements enable Municipalities to report on progress made in addressing AGSA findings, as well as progress towards achieving clean audits. They further allow stakeholders to present progress made in supporting municipalities to achieve clean audits.

The Department will continue to monitor and support the functionality of the Statutory IGR Structure in the province. Secretariat support will be provided to the structures and 30% of decisions taken by the structures will be implemented.

Fighting corruption

The fight against corruption is a fight that the country cannot afford to lose. Eleven municipalities will be monitored on the extent to which anti-corruption measures are implemented. The municipalities will also be supported on ethics and integrity management to change the organisational culture of municipalities including the administrative and political leadership as well as the staff members. The project aims to assist municipalities to adapt their strategies and action plans to the Municipal Integrity Framework.

Capacity Development

Eleven municipalities will be supported with capacity building intervention in Accountability and Ethical Conduct. This is so that officials meet the prescribed minimum competency requirements and councilors are able to fulfil their governance obligations, in terms of providing services to the community. Emfuleni LM will be supported with Legal services in Labour Relations Law and Related Litigation; the municipality will also be supported with Organisational Structure and institutional review. Sedibeng and West Rand municipalities will be supported with technical skills through MISA/COGTA/Multidisciplinary teams in engineering and town planning.

Financial Viability

Revenue Experts will be deployed to Lesedi, Emfuleni and Merafong City LMs to support the municipalities in developing an Integrated Revenue Enhancement and Debtors Management strategy. The initiative will support municipalities to put systems and mechanisms in place to facilitate collection of debt owed to them. Municipalities need to have financial stability for them to be able to deliver the critical services to citizens.

Community Development

CDWs play a role in identifying various service delivery cases in the communities through door to door visits, observation and other consultation fora. The CDW programme will assist in facilitating the activation of the hub structure of the ward-based war rooms. The Department will coordinate sector departments at the hub level to ensure that they are represented. The coordination will also ensure participation by departments in the development of district plans for implementation at the ward level.

Thirty Ward Based War Room Civic awareness campaigns on the fight against COVID-19 will be carried out in the provincial regions and 30 voter education Stakeholder engagement campaigns will also be implemented in the regions.

Disaster Management

The Department has successfully re-established the Provincial Disaster Management Centre (PDMC). The centre supports, monitors, and develops disaster plans for the sector departments and municipalities. The PDMC also support Municipal Disaster Management Centres to remain functional; 5 centres will be supported in the following Financial Year. The Department will draft 1 fire and rescue bylaw and complete 1 Level 1 and 2 Disaster Management plan in 20/21 Financial Year.

Traditional institutional Management

Gauteng Province has two recognised traditional communities, namely: Amandebele Ndzundza Sokhulumi traditional community under the leadership of Inkosi MP Mahlangu, who are situated in Sokhulumi; 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 Sokhulumi on account of the national moratorium on the recognition of new leadership positions, particularly the position of headman.

The support to Traditional Councils will still be focused on assisting them to perform their functions in adherence to legislative prescripts and enhanced accountability. The Department has been able to resolve succession claims/disputes and this is done

to improve administrative justice and the application of the legislative framework. Traditional Leaders will continue to get support from the Department to participate in municipal councils in terms of section 81 of the Municipal Structures Act. The support to participate in the IDP processes will also be continued.

Decisive spatial transformation

In contributing to province-wide infrastructure planning and performance, the Department will continue to support municipalities and play an integrative role between municipal and provincial planning matters. To this effect, the Department will enhance the work of the recently established CoGTA-led Capital Expenditure (CAPEX) War Room. The CAPEX War Room is comprised of relevant sector departments and SOEs, as a problem solving and intervention mechanism. Its scope includes identifying municipal infrastructure problem, ranging from planning, budgeting, skills shortages to implementation. Its main aim is to facilitate the implementation, of municipal infrastructure projects within planned timelines. Specifically, the CAPEX War Room will monitor Municipal Infrastructure Grant (MIG) capital projects performance and other major infrastructure in the cities. In cases where underperformance is identified, intervention will be instituted, to ensure improvements.

These projects are also expected to have a spatial location rationale and contribute towards the economic growth of the province, hence the necessity to also align with provincial planning processes and integrate.

The Department will further assess level of compliance to statutory Town Planning legislation by 6 provincial departments with capital project cases within the province. Compliance to Town Planning legislation facilitate faster implementation of capital projects as compliance allows them to be in line with municipal planning regulations and spatial policies.

Subsequent to the launch of the District Development Model (DDM), the Department is working closely with the Office of the Premier and the Gauteng Provincial Treasury to co-ordinate planning and budget process towards DDM's One Plan. This is in line with the Department's Urban Planning and IGR role to ensure synergy between provincial and local government priority plans.

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 aim of the structures 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 for the implementation of capital projects. The Department will further assess level of compliance to statutory Town Planning legislation by 6 departments with capital project cases within the province. 6 Local municipal capital projects in the Service Delivery and Budget Implementation Plans will be spatially referenced and 1st Draft Gauteng Spatial Development Framework will be reviewed.

Subsequent to the launch of the District Development Model (DDM) by the Presidency and the National Department of Cooperative Governance and Traditional Affairs, 3 pilot DDMs will be launch in Gauteng by the Department in the next Financial Year.

Public-Private Partnership

The Department did not enter any public-private partnership during the reporting period and neither does it plan any in the near future.

Discontinued Activities/ activities to be discontinued

There were no activities discontinued during the period under-review and the Department does have any plans to discontinue any of its activities in the near future.

New or proposed activities

The Department did not have any new activities during the reporting period nor does it have any proposals for new activities.

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 will often review procurement submissions to detect irregular, fruitless, and wasteful expenditure and report such incidents if detected. During the reporting period the Department did not incur any of the unwanted expenditures.

Gifts and Donations received in kind from non-related parties

There were no staff members who received any donation, gifts, or designated amounts 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 National Treasury

The Department was not granted any deviation or 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

I would like to thank my Executive Team for all the support and guidance. To all the staff be rest assured that all your contribution to making CoGTA a success is highly appreciated.

Conclusion

Approval and sign off



Bongani Gxilishe

Accounting Officer

Department of Urban Planning and Cooperative Governance and Traditional Affairs
2020



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 2020.

Yours faithfully



Accounting Officer

Bongani Gxilishe

2020

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.

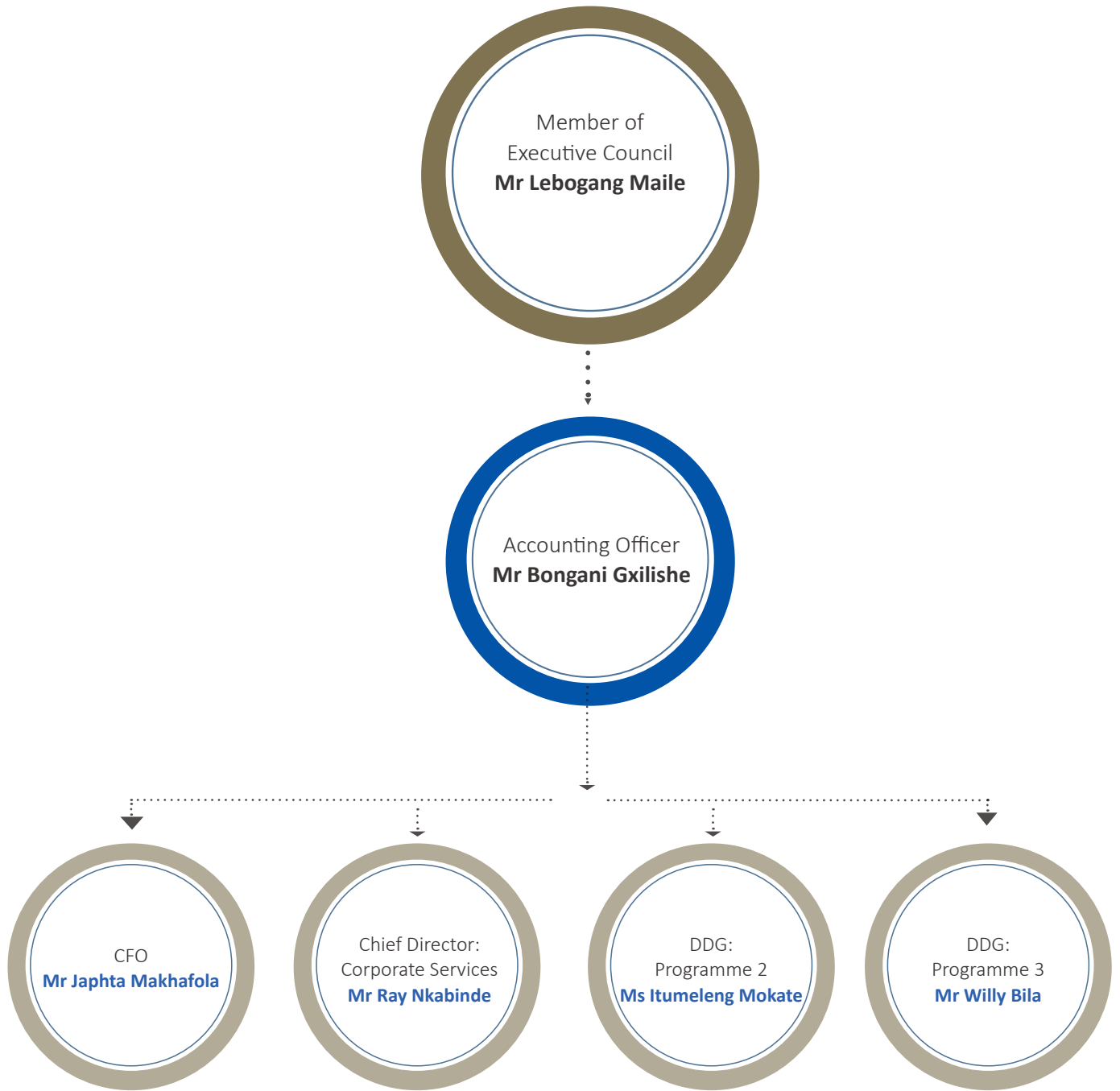
- ◊ **Division of Revenue Act as amended:** provides for equitable division of revenue anticipated to be raised nationally among the national, provincial and local spheres of government for each financial year and the responsibilities of the three spheres pursuant to such divisions.
- ◊ **Promotion of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

There are no 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 is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 109 to 113 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

- 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. Public participation by means of ward committee system is increasingly proving inefficient, and this has inadvertently led to a gain in prominence of other unlegislated forms of community participation. The destruction of government property during protests raises the question as to the understanding of civil society on where and how government raises its revenue to provide services to communities amongst other things.
- The ward committee system must be reviewed

to accommodate the depth and breadth of community interest and create a platform where communities will realise the platform to voice their concerns and feel heard in decision making by government. The denominator for participation has to be taken to the street level to afford every household a say in how their wards are governed. Civil society and ward committees need capacitation on how government works and what each has to contribute towards development of their locality and the province. Governance within local areas is a partnership between government, community, and stakeholders with a common vision that pulls all efforts together, and with distinct roles and responsibilities articulated to hold each other accountable and to see development realised.

- The issues of hung municipalities became a reality after the Local Government elections in 2016, and this has affected public participation because there was a change in political leadership in some wards. There are some municipalities that started to show signs of instability and thus the issue of Public Participation becomes even more important as CoGTA is expected to intervene and support municipalities. The Community Development Workers provide a mechanism for citizens to interact directly with government, and they also provide mobilisation support when government needs to interact with communities.

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	Emfuleni (ABCD and CBM)	3 Metros (ABCD and CBM)	City of Ekurhuleni, City of Johannesburg and the City of Tshwane were trained on the ABCD methodology. 5-day training course with 49 learning partners was completed.

Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
1. Quarterly Engagement with traditional council on current challenges and possible resolutions or action plans.	2. Quarterly Engagement with traditional council on current challenges and possible resolutions or action plans	3. Traditional Leaders were assisted to participate in the IDP process and also in Council meetings.
Door to Door Campaigns in 60% of wards covered	Door to Door Campaigns in 80% of wards covered	Door to Door Campaigns were conducted in 80% of wards as some of the wards do not have CDWs

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Department brochures with contact details and services the Department offers.	Updated department brochures with contact details and services the Department offers.	The departmental brochure was updated and circulated to households and also to members of the community during information sessions.
Public Participation Fora to share progress on the ABCD and CBM programmes.	Public Participation Fora to share progress on the ABCD and CBM programmes.	Group, face to-face and telephonic coaching sessions were conducted from May to November 2019.

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Departmental brochures with contact details for households.	Departmental brochures with contact details for households.	The updated departmental brochure contains departmental information, which includes the relevant officials to be contacted should a need arise.

2.3 Organisational environment

The performance year coincided with the incoming 6th administration; the importance of this point is that with the shift towards the 6th administration the path behind and ahead had to be re-evaluated specifically to ensure strengthening of government interventions. Consequently, the Department was challenged to review its strategy and most importantly its operational model.

The review above necessitated for the Department to urgently embark on an organisational structure review process, which is meant to ensure that the structure is in alignment and in support of the reviewed strategy and operating model. During this reporting period, led by human resources management, the Department was locked within intense consultations and engagements, assessing whether the current structure and the envisaged structure were sufficient. In the midst of this exercise the Premier Horn David Makhura also announced the migration of Urban

Planning and Land Use Management functions to the Department, which meant more organisational development processes to be embarked upon.

The support functions have been challenged to reposition themselves to proactively support the new operating model. This means a change of approach for support units. The new approach had to be embedded on proactive intervention, flexible and required reviewed policies and procedure, re-skilling and capacitation of the support employees. The new approach also exposed capacity constraints within support services and the Department.

The Department is still confronted with accommodation challenges in that 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. It was only during the 4th Quarter of the performance year that a building was identified which could accommodate some staff members of the Department. As at the

end of the performance year, preparatory work was underway to prepare the building for occupation. The lack of suitable accommodation has had negative impact on the effective performance of various units of the Department.

In the performance year the Department began to pilot a different service delivery approach or model, whereby a regional based approach is used as a form of service delivery vehicle. This meant pulling to pieces the former silo approach on service delivery towards a collaborative delivery approach.

Consequently, this challenged the norm and created anxiousness amongst employees. The Department had to carefully navigate through such anxieties and this will overflow to the new performance year, until stability is realised.

2.4 Key policy developments and legislative changes

There were no policy developments and legislative changes.

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 1: ADMINISTRATION

This programme focuses on strengthening the administrative capacity and capability of the Department, to ensure that the Department is able to deliver on its core mandate. It is related to Outcome 12: “An efficient, effective and development-oriented public service”. The functions rendered under this programme serve to provide the necessary support services (human capital and financial) to enable the core programmes to achieve the set strategic objectives. The objectives to be achieved under this Programme include the following:

- **Strategic Objective 1:** To ensure that the department has 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.

Strategic objectives, performance indicators, planned targets and actual achievements

- The Local Government Communicators Forum was held with representatives from CoGTA Communication and GCIS.
- The Information and Communications forum is functional.

Strategic objectives:

Programme Name: Administration					
Strategic objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
To ensure that the Department has capacity and capability to deliver on the departmental mandate.	New indicator.	2 Initiatives to capacitate the Department in compliance with the Employment equity regulations.	2 Initiatives to capacitate the Department in compliance with the Employment equity regulations implemented.	None.	None.

Performance indicators

Programme / Sub-programme: HUMAN CAPITAL MANAGEMENT							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Percentage of Employment Equity target reached for women in SMS positions.	35% of employed women in SMS positions.	40% women in SMS positions.	45% women in SMS positions.	40% women in SMS positions.	33% of women employed in SMS positions.	7% of women in SMS positions were not recruited.	The Department reviewed its strategy and subsequently embarked on a process to review its organisational structure hence the delay in the filling of SMS positions.
Percentage of Employment Equity target reached for people with disabilities.	1.4% of employed people with disabilities.	1.4% people with disabilities.	1.5% people with disabilities.	2% people with disabilities.	1.6% of employed people with disabilities.	0.4% of employed people with disabilities were not recruited.	The Department had difficulty in attracting people with disabilities, in the open recruitment market who present with the requisite competencies.

Programme Name: FINANCE MANAGEMENT					
Strategic objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Resourceful and effective departmental finance and governance support services.	3 Activities undertaken to reduce financial and non-financial risk exposure in the Department.	2 Activities undertaken to reduce financial and non-financial risk exposure in the Department.	2 Activities undertaken to reduce financial and non-financial risk exposure in the Department.	None.	None.

Sub-programme: FINANCE MANAGEMENT							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Percentage of invoices paid within thirty days as prescribed by Public Finance Management Act.	100% of invoices paid within thirty days as prescribed by the Public Finance Management Act.	100% of invoices paid within thirty days as prescribed by Public Finance Management Act.	100% of invoices paid within thirty days as prescribed by Public Finance Management Act.	100% of invoices paid within thirty days as prescribed by Public Finance Management Act.	100% of invoices paid within thirty days as prescribed by Public Finance Management Act.	None.	None.

Programme / Sub-programme: RISK MANAGEMENT							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of Strategic Risk Assessments conducted.	1 Strategic Risk Assessment conducted.	Conduct 1 Strategic Risk Assessment.	Conduct 1 Strategic Risk Assessment.	Conduct 1 Strategic Risk Assessment.	1 Strategic Risk Assessment conducted.	None.	None.

Programme Name: INFORMATION COMMUNICATION AND TECHNOLOGY (ICT)					
Strategic objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
To deliver better outcomes and efficiency through innovation and excellence in ICT, knowledge and information management services.	1 ICT corporate governance structure.	1 ICT intervention to improve departmental operations.	1 ICT intervention to improve departmental operations.	None.	None.

Programme / Sub-programme: INFORMATION AND COMMUNICATION							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of functional ICT corporate governance structures.	New indicator.	New indicator.	1 Functional ICT corporate governance structure.	1 Functional ICT corporate governance structure.	1 Functional ICT corporate governance structure.	None.	None.

Programme Name: COMMUNICATIONS					
Strategic objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Communication support provided to the Department, municipalities and Traditional Leadership.	3 Initiatives to strengthen communication in Local government.	2 Initiatives to strengthen communication in Local government.	2 Initiatives to strengthen communication in Local government.	None.	None.

Programme / Sub-programme: COMMUNICATIONS							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of intergovernmental communication forums convened.	New indicator.	New indicator.	4 Intergovernmental communication forums convened.	4 Intergovernmental communication forums convened.	4 Intergovernmental communication forums convened.	None.	None.
Number of capacity building workshops conducted with municipal communicators.	New indicator.	New indicator.	1 Capacity building workshop conducted with municipal communicators.	1 Capacity building workshop conducted with municipal communicators.	1 Capacity building workshop conducted with municipal communicators.	None.	None.

Provide reasons for all deviations

- 7% of women in SMS positions were not recruited.
- 0.4% of employed people with disabilities were not recruited.

Strategy to overcome areas of under performance

- The Department will include a clause in the recruitment advertisement – stating “preference” for female candidates.
- The Department will create awareness & access, and provide the available work opportunities to people with disabilities. Advertise positions in organisations which specialise in recruiting for people with disabilities.

Changes to planned targets

There were no changes to planned targets.

Linking performance with budgets

The programme was allocated a total budget of R143 956 000, of which R127 934 000 was spent. This represents an average of 89% of the total budget allocated. The remaining 11% or R16 022 000 could not be spent primarily because of the

following reasons. The Department was allocated the former Office of the Premier building for office accommodation. The said building was availed for occupation on or before the end of July 2019, however due to compliance issues, the Department could not occupy; as a result, R4 000 000 could not be spent on office partitioning, and about R500 000 budgeted for cleaning and maintenance could not be spent as planned. Moreover, legal costs were estimated based on previous and periodic events, which most did not materialize. The result was that an amount of R1 000 000 was saved on legal expenses. The Department did not pay any bonuses, progression increases, or similar benefits to senior managers, this and few vacancies resulted in under expenditure of R7 000 000. These significant savings and other minor savings like traveling, stationery, bursaries, and accommodation resulted in a total savings of R16 000 000 reflected above. This, under expenditure, did not affect the performance of the programme materially.

Sub-programme expenditure

Administration	2018/19			2019/20		
Local Governance	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	3 354	3 053	301	4 387	3 698	689
Corporate Services	127 856	108 771	19 085	139 569	124 236	15 333
Total	131 210	111 824	19 386	143 956	127 934	16 022

4.2 Programme 2: LOCAL GOVERNMENT SUPPORT

The goals contained herein relate to Outcome 9, and will be achieved through the implementation of 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 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.

The objectives to be achieved under this programme include amongst others 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.

Strategic objectives, performance indicators, planned targets and actual achievements

1. **Youth Engage @ Merafong Local Municipality** - The Department hosted a Youth Engagement in partnership with Local Government Youth Development Forum and NYDA on the 22nd November 2019. The purpose of the session was

to ensure that sector departments, government entities, and private sector bring opportunities that would empower young unemployed people in Merafong.

2. **16 Days of Activism Against the Abuse of Women, Children and LGBTIQ (2 Days Workshop for Mandebele a Sokhulumi)** - The Department in partnership with Tshwane Metro and the National Department of Cooperative Governance and Traditional Affairs hosted a 2-day workshop on GBV and also addressing the rights of Women, Children and LGBTIQ on the 27th and 28th November 2019 in Pretoria. Several organisations e.g. CGE, SAPS and others made presentations around GBV.
3. **Men's Dialogue** - The Department hosted this session for the men of Mandebele a Sokhulumi and ba Lebelo on the 29th November 2019 in Pretoria. The purpose of the session was to let men discuss issues of GBV, Patriarchy, and Substance Abuse amongst themselves. Department of Cooperative Governance and Traditional Affairs, Liquor Board, and other organisations made presentations around the above mentioned issues. An NGO called Pan African Chamber of Commerce launched a campaign called my "My Sister's Keeper" and the organisation would like to partner with the Department in order to assist municipalities and communities in reducing GBV.
4. **Sedibeng 16 Days Event** - The Department supported the event which was hosted by Sedibeng District on the 29th November 2019. The support offered by the Department was financial in terms of providing catering on the day.
5. **One on One Engagement with Municipalities** - During Women's Month workshop at Birchwood Hotel in partnership with SALGA, a commitment was made by the HoD to assist municipalities to ensure gender mainstreaming in municipalities. On the 8th of November 2019, the Department had an engagement in partnership with SALGA at Midvaal Local Municipality. The Department will be making recommendations to the municipalities in ensuring that municipalities do reach the National targets.
6. **Disability Bursaries** - One learner with disabilities received a bursary for his studies at the University of North West. The student resides in Gauteng.

Nine more learners with disabilities will be receiving bursaries during the last quarter of 2019/20 FY.

7. **Girl Child Campaign by the Premier** - The Department was part of the planning committee for the Premier's event on Girl Child. The event took place on the 29th October 2019 and the Department supported the event financially and with human capacity.
8. **Community Work Programme** - The Department monitors the programme and play a support role provincially. Some of the activities which took place during the year were visits to the sites, Management Meetings, Provincial Coordinating Forum, Monitoring & Reporting Forum, and consolidating of reports.
9. **Three (3) Municipalities provided with financial support to update and maintain Infrastructure Asset Registers in line with the GRAP 17 requirements. (Rand-West City, Lesedi, Emfuleni, LMs.**

Due to numerous audit findings in the Property, Plant and Equipment (assets) area, the Department is providing Asset Management support to municipalities to ensure that Asset Registers are compliant with the required GRAP Standards.

The project assisted Lesedi, Emfuleni, Rand West City and Merafong City Local Municipalities with additional capacity to compile a GRAP 17 compliant Infrastructure Fixed Asset Registers.

As a result of the initiative, the supported municipalities have not had a negative finding relating to Property, Plant and Equipment in the last three years.

In addition, the importance of maintaining an updated asset management system (asset register) which is GRAP compliant, is that it assists a municipality to have a system of complete and accurate records of assets. This enables the municipality to identify when it should maintain, refurbish or replace fixed assets as their values depreciates over year. This exercise assists in improving the effective, efficient and economical way in which services are delivered to the communities and therefore improving service delivery.

The following activities were undertaken in the period:

- Review of fair value for immoveable, moveable and intangible assets;
 - Review and update of the Asset Management Procedures Manual;
 - Component level data for uploading to the asset register to account for capital was prepared;
 - Asset movements were updated (including additional, de-recognitions, donations and transfers);
 - Completeness of Geographical coordinates of all assets;
 - Statutory annual review of impairments, reversal of impairments, losses useful life, residual value of assets, and depreciation methods;
 - Annual verification of immovable assets and Landfill site provision;
 - Ownership and control of inventory property and annual fair value;
 - Review of undeveloped land, impairment, depreciation and revaluation;
 - Review and update the WIP register, review reconciliations on opening balance in the asset register and movement in the general ledger to assets available for use, depreciation and work-in process, and review appropriate expenditure allocation and classification.
10. **Two (2) OPCA PCCs convened to provide advisory support to municipalities on the implementation of the audit response plan.**

The consistent coordination of the OPCA PCC engagements and OPCA steering committee meetings has ensured that the municipal Audit Response Plans are developed by all Municipalities. The rigor with which the plans were assessed by all stakeholders has ensured that the municipalities address root causes versus addressing symptoms. The thoroughness of the assessment of the progress reports by the stakeholders and persistent follow up by the Department on the progress being made by the municipalities in implementing the plans has ensured that the progress is significant. In addition,

the verification of the achievements by municipal Internal Audit also ensures that the progress reflects the real achievements. Also, key to the engagements is that they are solution driven. The AG adds value by providing support on technical issues. By the end of the municipal second quarter a significant number of issues were resolved. The only outstanding issues were those that only the auditor general could pronounce on post audit.

IMPACT STATEMENT

The resolve of continuing with the regular coordination of advisory support by different stakeholders such as Provincial Treasury, National CoGTA, AGSA and CIGFARO in the OPCA PCC resulted in consistent positive audit outcomes in all Gauteng municipalities. In addition, the participation in the municipal OPCA steering committees has ensured further opportunity to provide advisory support to the municipalities.

11. **Two (2) Municipalities provided with capacity to implement the developed simplified revenue plans. (Emfuleni and Rand-West City).**

The initiative started with an in-depth assessment of the Revenue value Chain to identify gaps that will need to be addresses; and agreeing with the municipalities on areas to be supported by the Province.

To date the focus of the initiative in the identified municipalities was as follows:

- Provision of ID numbers for customers without ID numbers for the municipalities to update on the municipal financial system;
- Provision of Company Registrations for the municipality to update on the municipal financial system;
- Provision of correct, complete customer data (Addresses, contact details and spouse details);
- Provision of accurate indigent data;
- Transactional audits
- Tariff alignment;
- Resolution of debt owed by municipal vendors/ service providers; and
- Resolution of debt owed by Municipal officials;

IMPACT STATEMENT

150 528 000 ID numbers and 2 192 Company registration numbers were provided to the two municipalities to update on the municipal finance system.

Financial benefits were realized **(Total of R394 927 481.80 for Emfuleni and R139 450 270.70 for Randwest City)** from the implementation of the project as highlighted above. In addition, processes, procedures and policies were put in place for the continuation of the work by the municipalities post the support.

Value for money statement:

There was a major return on investment from the project with the expenditure on the project by the Department being **R5,788,000.00 for a benefit to the value of (R534,377,751.00).**

Over and above the planned activities, the following were achieved as additional value add as identified during project implementation:

- **R 18 996 415** was collected from companies doing business municipalities that had outstanding debt to the municipality.
- The Municipal debtor's book was profiled to identify what is collectible and what is not collectible.
- **Indigent Data Management**-Out of 88 000 indigent accounts, 13646 have changed from indigent to Residential. A rand value associated with these accounts amounts to R 493 348 882,61.

Furthermore, facilitated value added services that were not part of the project but were of benefit to the Municipalities. The following were done:

Reviewing of policies: (Indigent policy, Credit control and debt management policy). While we were busy with indigent verification, we noticed how the municipality had more than one policy and officials used different versions of policies to implement indigent management. The latest policy was reviewed and agreed upon by all parties concerned. After the agreement on only one policy everyone managed the indigents according to only that policy.

Credit control: The municipalities was having issues with collecting, enforcing credit control procedures and reviewing the policy gave the project guidance on how to make recommendations and also guide the municipality with proper credit control processes to follow.

SCM Conflict of interest Reports: The project supplied the municipalities with SCM reports to assist them with linking expenditure with revenue in terms of Identifying suppliers and directors that owe the municipality money, in order to offset against municipal/vendor Claims. The municipality was not aware that they can hold the directors of their suppliers for the debt being owed to the municipality. After the project assisted the municipality with all the information relevant to the directors the municipality was able to collect R18 million from this exercise.

Although the City of Joburg was not part of the project, the incumbent facilitated support for the City as a pilot project. This entailed granting the City of Johannesburg access to bureau suite to have direct access for data enrichment namely:

- Id number search – 3 893 searches were done.
- Recent contact details – 834 searches were done.
- Recent address of a customer – 294 searches were done.
- Company related search – 1 038 searches were done.
- Property ownership search – 125 searches were done.
- Email search – 193 searches were done.
- Name, surname and DOB lookup search – 507 searches were done
- Passport search – 23 searches were done.
- Trace and No trace letter search – 3 searches were done.

12. **Two (2) Municipality supported with capacity to review and implement the developed simplified revenue plan (Lesedi and Merafong Local Municipality).**

The project commenced with an in-depth review and subsequent augmentation of the previously developed simplified revenue plans in both municipalities. Out of this exercise, several gaps were identified, and the municipalities identified priority areas to be addressed.

Lesedi LM requested that the project address the data accuracy and completeness as one of the gaps identified. Consequently, extensive data cleansing was undertaken resulting in the identification of 578 understated accounts in Lesedi LM with the value approximately **R 149 752 890.00 which once collected will enhance the municipal revenue.**

In Merafong the project is still underway. To date, the focus has been on the review and improvement of budget related policies which were approved by Council. In addition, a reconciliation of metering and billing was undertaken, and gaps identified, and recommendations made for the corrections to be made by the municipality. The findings that were made included meters that were not billed as a result of being faulty, meters removed and not installed again, prepaid meters installed but not read, instead continuing to bill the previous conversional meters. Once corrected revenue will be improved. In addition, the Municipality were billing tariffs that are not on the rates policy thus Municipality losing potential revenue that should be earned.

IMPACT STATEMENT

Potential financial benefits were identified for the Lesedi LM municipality to collect through their credit control processes **(Total of R 149 752 890.00).**

In Merafong, the budget policies were extensively reviewed to the extent that they were used for the 2020/21 FY budget process.

13. **Two (2) Municipalities supported with revenue experts to develop an Integrated Revenue Enhancement and Debtors Management Plan (Emfuleni and Merafong City LMs).**

The Provincial Integrated Revenue Enhancement and Debtors Management plan was developed. In addition, a Provincial wide framework and strategy were developed.

IMPACT STATEMENT

The development of an Integrated Revenue Enhancement and Debtors management ensure a holistic approach to addressing revenue challenges in the municipalities. It will ensure that all areas on the revenue value chain are addressed seamlessly.

In addition, a detailed analysis of the results of 32 financial ratios, provide a holistic picture of the financial capability and sustainability of the municipality.

14. **Nine (9) Municipalities monitored and provided with capacity to resolve Government Debt**

The Department together with Gauteng Provincial Treasury has set up Government Debt Management Committee engagements. The objectives of the Committee is to fast-track payment of monies owed to Municipalities by National and Provincial Government Department. The committee meets on a quarterly basis.

The meetings are facilitated to resolve any queries between the Departments and the Municipalities. Furthermore, the engagements are aimed at ensuring that debtor's information on Government accounts is corrected in order to facilitate regular future payments for Municipal services. The meetings recognize the importance of an interactive approach between Municipalities and the affected Government Departments. The Government Debt Management Committee comprises of at least:

- Official representatives of all owing National and Provincial Departments,
- Debt Managers from Parastatals (Rand Water, Eskom, Prasa, Telkom and Transnet),
- Revenue Managers from all Municipalities.

In addition, two municipalities implemented simplified revenue plans with specific focus on Indigent management (Merafong and Lesedi LM). The implementation was done in conjunction with National DCoG.

IMPACT STATEMENT

The debt reported by Municipalities for National and Provincial Departments as at March 2020 was **R 647 706 294.51**.

Significantly, total payments facilitated by the two Departments on behalf of Municipalities in the years April 2019 to March 2020 amounted to **R 1 983 347 707.78**.

Furthermore, successfully coordinates the IGR engagements between the municipalities and departments thus resulting in:

- **Improved communication and relationships** between the departments, parastatals and municipalities.
- **Reduction in the disconnections** of critical services.
- Encouraging departments and parastatals to **provide proof of payments to facilitate the correct allocation** of accounts within municipalities.



Strategic objectives:

Programme Name: PUBLIC PARTICIPATION					
Strategic objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Interactive and meaningful citizen engagement to build sustainable communities by 2020.	5 Programmes supported to enhance public participation, community development and stakeholder engagement in municipalities.	5 Programmes supported to enhance public participation, community development and stakeholder engagement in municipalities.	5 Programmes supported to enhance public participation, community development and stakeholder engagement in municipalities.	None.	None.

Performance indicators

Programme / Sub-programme: PUBLIC PARTICIPATION							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of municipalities supported to maintain functional ward committees Outcome 9, Sub-outcome 2) (B2B Pillar 1).	New indicator.	New indicator.	9 Municipalities supported to maintain functional ward committees.	8 Municipalities supported to maintain functional ward committees.	8 Municipalities supported to maintain functional ward committees.	None.	None.

Programme / Sub-programme: PUBLIC PARTICIPATION							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of municipal and CoGTA officials trained on Asset Based Community Development and Citizen Based Monitoring (ABCD CBM).	New indicator.	New indicator.	New indicator.	30 Municipal and CoGTA officials trained on (ABCD and CBM).	130 Municipal and CoGTA officials trained on (ABCD and CBM).	100 Additional Municipal and CoGTA officials trained.	The Department was able to negotiate and partner with external stakeholders to fund the training so additional training was provided.

Sub-programme: COMMUNITY DEVELOPMENT WORKERS PROGRAMME							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of thematic campaigns supported as per government programmes.	4 Reports on participatory democracy processes supported, e.g. through IDP process and support to ward committees and role played by CDWs.	4 Reports on participatory democracy processes supported.	12 Thematic campaigns supported as per government programmes.	12 Thematic campaigns supported as per government programmes.	13 Thematic campaigns were supported as per government programmes.	1 Additional thematic campaign supported.	An additional request to support a campaign was received by the Department.
Number of municipalities supported to respond to community concerns (Outcome 9, Sub-outcome 2) (B2B Pillar 1).	New indicator.	New indicator.	9 Municipalities supported to respond to community concerns.	9 Municipalities supported to respond to community concerns.	9 Municipalities supported to respond to community concerns.	None.	None.

Sub-programme: STAKEHOLDER LIAISON							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of strategic stakeholder engagements sessions held aligned to community development and public participation.	New indicator.	New indicator.	New indicator.	2 Strategic stakeholder engagements sessions held aligned to community development and public participation.	13 Strategic stakeholder engagements sessions held aligned to community development and public participation.	11 Additional Strategic stakeholder engagements sessions of "Taking Parliament to the People" held.	Taking Parliament to the People held on the 11th-18th March 2020 to engage stakeholders and to mobilise participation for the Gauteng Feedback session.

Programme Name: MUNICIPAL ADMINISTRATION					
Strategic objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
To promote and improve public trust in local government through good governance and policy advocacy by 2020.	11 Municipalities supported to strengthen governance.	3 Interventions to strengthen Municipal governance.	3 Interventions to strengthen Municipal governance.	None.	None.

Sub-programme: MUNICIPAL ADMINISTRATION							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of municipalities with functional statutory council committees.	New Indicator.	New Indicator.	4 Hung municipalities with functional statutory council committees.	3 Municipalities with functional statutory council committees. (Merafong, Emfuleni and Lesedi).	0 Municipalities were assessed for the functionality of statutory council committees.	The inception report has been submitted but the research on the functionality of statutory was not finalised.	The research will be finalised in the new financial year.

Sub-programme: MUNICIPAL GOVERNANCE							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of municipalities monitored on the extent to which anti-corruption measures are implemented (Sub-outcome 4) (B2B Pillar 3).	New Indicator.	4 Reports produced on the extent to which municipalities comply with the implementation of the Anti-corruption measures (Sub-outcome 3, Action 8).	11 Municipalities monitored on the extent to which anti-corruption measures are implemented.	11 Municipalities monitored on the extent to which anti-corruption measures are implemented.	11 Municipalities monitored on the extent to which anti-corruption measures are implemented.	None.	None.
Number of municipalities capacitated on ethics and integrity management.	New Indicator.	New Indicator.	9 Municipalities capacitated on ethics and integrity management.	9 Municipalities capacitated on ethics and integrity management.	9 Municipalities capacitated on ethics and integrity management.	None.	None.

Programme Name: MUNICIPAL GOVERNANCE AND ADMINISTRATION					
Strategic objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
To strengthen research, analytics and innovation capability in the Department.	New indicator.	11 Municipalities provided governance support through action research.	11 Municipalities provided governance support through action research.	None.	None.

Programme / Sub-programme: MUNICIPAL ADMINISTRATION							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of municipalities supported to implement indigent policies (Outcome 9, Sub-outcome 1) (B2B Pillar 2).	New Indicator.	New Indicator.	9 Municipalities supported to implement indigent policies.	9 Municipalities supported to implement indigent policies.	9 Municipalities supported to implement indigent policies.	None.	None.
Number of Provincial Indigent Policy Frameworks developed.	New Indicator.	New Indicator.	New Indicator.	1 Provincial Indigent policy framework incorporating indigent burial and homelessness developed.	1 Provincial Indigent policy framework incorporating indigent burial and homelessness developed.	None.	None.

Programme Name: TRANSFORMATION					
Strategic objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
To monitor and support the mainstreaming of gender, youth and people with disability in municipalities.	2 Initiatives to support the mainstreaming of GEYODI.	1 Initiative to support the mainstreaming of GEYODI.	1 Initiative to support the mainstreaming of GEYODI.	None.	None.

Programme / Sub-programme: TRANSFORMATION							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of councillors and officials trained on GEYODI Main-streaming.	44 Women councillors were trained on GEYODI.	50 Women councillors inducted on GEYODI.	50 Councillors inducted on GEYODI.	80 Councillors and officials trained on GEYODI Main-streaming (60 Councillors and 20 Officials).	90 Councillors and officials have been trained.	10 Additional councillors and officials have been trained.	The Department was able to get additional people trained using the same budget as there were additional people that required the training.

Programme Name: BACK TO BASICS PROGRAMME					
Strategic objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
To improve financial and institutional stability within municipalities by 2020.	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.	4 Reports on the implementation of Back to Basics action plans by municipalities.	None.	None.

Sub-programme: Back 2 Basics							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Report on the implementation of Back-to-Basics action plans by municipalities (Outcome 9, Sub-outcome 4) (B2B Pillar 5).	Improvement of the Westonia and Randfontein Municipalities from municipalities at risk to doing well.	3 Local municipalities: Out of 67 combined priority supporting actions, 49 (73%) are achieved and 7 (10%) shown progress. The merger of Westonia and Randfontein led to the four municipalities becoming three (Merged Westonia/Randfontein, Emfuleni and Merafong Local Municipalities).	4 Reports on the implementation of Back to Basics support plans by municipalities.	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.	None.	None.

Programme Name: LOCAL GOVERNMENT SUPPORT					
Strategic objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
To improve financial and institutional stability within municipalities by 2020.	11 Municipalities supported to enhance financial and institutional stability.	11 Municipalities supported to enhance financial and institutional stability.	11 Municipalities supported to enhance financial and institutional stability.	None.	None.

Sub-programme: Municipal Financial Support

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of Municipalities provided with financial support to update and maintain Infrastructure Asset Registers in line with the GRAP 17 requirements.	4 Municipalities were supported to update and maintain Infrastructure Asset registers in line with GRAP 17 requirements. (Lesedi, Randfontein, Westonaria and Merafong City).	4 Municipalities provided with financial support to update Infrastructure Asset Registers in line with the GRAP 17 requirement. (Rand-West City, Merafong, Lesedi and Emfuleni LMs).	4 Municipalities provided with financial support to update Infrastructure Asset Registers in line with the GRAP 17 requirements. (Rand-West City, Merafong, Lesedi, Emfuleni LMs).	3 Municipalities provided with financial support to update and maintain Infrastructure Asset Registers in line with the GRAP 17 requirements. (Rand-West City, Lesedi, Emfuleni LMs).	3 Municipalities provided with financial support to update and maintain Infrastructure Asset Registers in line with the GRAP 17 requirements. (Rand-West City, Lesedi, Emfuleni, LMs).	None.	None.
Number of Municipalities supported with additional capacity to implement the developed simplified revenue plans.	81% collection of top 500 business debtors in local municipalities.	2 Municipalities (Emfuleni and Rand-West City) supported to improve revenue management through an assessment of the status of the Revenue Value chains.	2 Municipalities supported with additional capacity to implement the developed simplified revenue plans (Emfuleni and Rand-West City).	2 Municipalities provided with capacity to implement the simplified revenue plans. (Emfuleni and Rand-West City).	2 Municipalities were provided with capacity to implement the simplified revenue plans. (Emfuleni and Rand-West City).	None.	None.
Number of municipalities supported with capacity to implement the simplified revenue plan.	New Indicator.	New Indicator.	New Indicator.	2 Municipalities supported with capacity to implement the developed simplified revenue plan (Lesedi and Merafong Local Municipality).	2 Municipalities supported with capacity to implement the developed simplified revenue plan (Lesedi and Merafong Local Municipality).	None.	None.

Sub-programme: Municipal Financial Support							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of municipalities supported with revenue experts to strengthen the Integrated Revenue Enhancement and Debtors Management.	New indicator.	New indicator.	New indicator.	2 Municipalities supported with revenue experts to develop an Integrated Revenue Enhancement and Debtors Management Plan. (Emfuleni and Merafong City LMs).	2 Municipalities supported with revenue experts to develop an Integrated Revenue Enhancement and Debtors Management Plan (Emfuleni and Merafong City LMs).	None.	None.
Number of OPCA PCCs convened to provide advisory support to municipalities on the implementation of the audit response plan.	New indicator.	New indicator.	New indicator.	2 OPCA PCCs convened to provide advisory support to municipalities on the implementation of the audit response plan.	2 OPCA PCCs convened to provide advisory support to municipalities on the implementation of the audit response plan.	None.	None.

Sub-programme: MUNICIPAL INSTITUTIONAL SUPPORT

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of municipalities supported to institutionalise Performance Management System.	1 Municipality (Rand West City) provided with financial support to automate PMS. (Randfontein and Westonaria LMs merged after LG elections).	2 Municipalities supported to institutionalise Performance Management System. (Rand West City and Emfuleni).	5 Municipalities supported to institutionalise Performance Management System. (Emfuleni, Merafong, Rand West, Mogale and Lesedi).	3 Municipalities supported to institutionalise Performance Management System. (Mogale City, West Rand District and Merafong LM).	3 Municipalities supported to institutionalise Performance Management System. (Mogale City, West Rand District and Merafong LM).	None.	None.
Number of capacity building interventions conducted in municipalities (Outcome 9, Sub-outcome 3) (B2B Pillar 5).	120 Local municipal officials were trained.	5 Capacity building interventions supported in Municipalities (Lesedi and Emfuleni, Rand West City, Merafong, Mogale City and Midvaal).	5 Capacity building interventions supported in targeted Municipalities.	4 Capacity building interventions (SCM, Finance, Contract Management and Project Management) in action learning provided in 6 targeted municipalities. .	4 Capacity building interventions (SCM, Finance, Contract Management and Project Management) in action learning were provided in 6 targeted municipalities.	None.	None.

Sub-programme: MUNICIPAL INSTITUTIONAL SUPPORT							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of Municipalities supported to comply with MSA regulations in terms of the appointment of Senior Managers (Outcome 9, Sub-outcome 4) (B2B Pillar 5).	New indicator.	11 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).	11 Municipalities supported to comply with MSA regulations in terms of the appointment of Senior Managers.	11 Municipalities supported to comply with MSA regulations in terms of the appointment of Senior Managers.	None.	None.
Number of municipalities supported with the Organisational Structure and Institutional Review.	New indicator.	New Indicator.	New Indicator.	1 Municipality (Emfuleni LM) supported with the Organisational Structure and institutional review.	1 Municipality (Emfuleni LM) supported with the Organisational Structure and institutional review.	None.	None.

Sub-programme: MUNICIPAL INSTITUTIONAL SUPPORT							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of municipalities supported with Legal Services (Corporate, Commercial Law and Related Litigation and Labour Relations Law and Related Litigation).	New Indicator.	New Indicator.	New Indicator.	1 Municipality (Emfuleni LM) supported with Legal Services (Corporate, Commercial Law and Related Litigation and Labour Relations Law and Related Litigation).	1 Municipality, Emfuleni LM supported with Legal Services (Corporate, Commercial Law and Related Litigation and Labour Relations Law and Related Litigation).	None.	None.

Programme Name: MUNICIPAL PERFORMANCE MONITORING, REPORTING, AND EVALUATION					
Strategic objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
To monitor and evaluate municipal performance and compliance.	11 Municipal compliance and performance reports.	11 Municipal compliance and performance reports.	11 Municipal compliance and performance reports.	None.	None.

Sub-programme: MUNICIPAL PERFORMANCE MONITORING, REPORTING, AND EVALUATION (SERVICE DELIVERY)							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of municipal performance reports against the 4 key performance areas of Local Government.	4 Reports on municipal performance and compliance with Municipal Systems Act 2011 as amended and its regulations.	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.	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.	None.	None.
Number of Section 47 reports compiled as prescribed by the Municipal Systems Act (Outcome 9: Sub-outcome 4) (B2B Pillar 5).	1 Annual municipal performance report compiled for 2015/16 as per Section 47 of the Municipal Systems Act (MSA).	1 Annual municipal performance report compiled for 2016/17 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 (MSA).	1 Annual municipal performance report compiled for 2018/19 as per Section 47 of the Municipal Systems Act (MSA).	1 Annual municipal performance report compiled for 2018/19 as per Section 47 of the Municipal Systems Act (MSA).	None.	None.
Number of municipal mid-term review reports compiled.	New indicator.	New indicator.	New indicator.	1 Municipal mid-term review report compiled.	1 Municipal mid-term review report compiled.	None.	None.

Sub-programme: MUNICIPAL PERFORMANCE MONITORING, REPORTING, AND EVALUATION (MUNICIPAL FINANCE)							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of reports in terms of Section 131 of the Municipal Finance Management Act.	3 Reports on municipal compliance in terms of Municipal Finance Management Act (MFMA).	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.	1 Report in terms of the Municipal Finance Management Act Section 131.	None.	None.

Sub-programme: MUNICIPAL PERFORMANCE MONITORING, REPORTING, AND EVALUATION (MUNICIPAL FINANCE)

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
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 Monitoring reports on DoRA grants expenditure and municipal unauthorised; irregular; fruitless and wasteful expenditure reported.	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.	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.	None.	None.
Number of municipalities guided to comply with the Municipal Property Rates Act (Outcome 9: Sub-outcome 5) (B2B Pillar 4).	10 Municipalities that are compliant 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.	9 Municipalities guided to comply with the Municipal Property Rates Act.	9 Municipalities guided to comply with the Municipal Property Rates Act.	None.	None.

Provide reasons for all deviations

- 3 Municipalities with functional statutory council committees was not achieved due to delays in the implementation of the project.

Strategy to overcome areas of under performance

- The service provider has provided a catch up plan to ensure the project is back on track.

Changes to planned targets

- None.

Linking performance with budgets

- The programme spent an amount of R232 077 000 out of the allocated budget of R236 228 000. The under-expenditure represents an average of 2% or R4 151 000 in nominal terms. The under-expenditure of 2% or R4 000 000 relates to mainly savings made from budgeted data and cellphone costs budgeted for Community Development Workers (CDW). Due to attrition mostly from death, a number of CDW currently employed is 350 compared to the required number of 570. Put otherwise, a 39% vacancy rate for CDW resulted in savings of R4 000 000 on cellphone and data contracts.

Sub-programme expenditure

Local Governance	2018/2019			2019/2020		
	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	12 580	12 524	56	15 463	15 161	302
Municipal Finance	9 473	9 273	200	11 158	11 154	4
Public Participation	161 206	155 049	6 157	174 951	172 051	2 900
Capacity Development	14 081	13 702	379	18 371	18 367	4
Municipal Performance Monitoring, Reporting and Evaluation	14 821	14 270	551	16 285	15 344	941
Total	212 161	204 818	7 343	236 228	232 077	4 151

4.3. Programme 3: DEVELOPMENT AND PLANNING

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 the 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 delivery of municipal basic service and infrastructure delivery to

meet national targets.

Key objectives that fall within this programme include the following:

- **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.

Strategic objectives, performance indicators, planned targets and actual achievements

- The Provincial Disaster Management Centre with multiple stakeholders hosted a public awareness campaign in Tshegofatso Special School, Mamelodi East. The purpose of the campaign was to ensure maximum reach by approaching and educating the learners, parents, educators, and community at large about safety at school and at home through safety talks and exhibitions. The PDMC also contributed lunch packs, hats, and gloves to 420 learners and teachers at the school.
- The PDMC conducted an assessment of 5 municipal disaster centres and they were all found to be functional.

Strategic objectives:

Programme Name					
Strategic objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
To provide support to Mega Human Settlement projects, municipal infrastructure projects and the IDP process.	11 Municipalities supported with the IDP process, Infrastructure and Mega Human Settlement projects.	11 Municipalities supported with the IDP process and Infrastructure Planning.	11 Municipalities supported with the IDP process and Infrastructure Planning.	None.	None.

Performance indicators

Programme / Sub-programme:							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of municipalities supported with development of IDPs (Outcome 9: Sub-outcome 1).	11 Municipalities supported with development of legally compliant IDPs. (Randfontein and Westonaria LMs merged)	11 Municipalities supported with development of legally compliant IDPs.	11 Municipalities supported with development of IDPs.	11 Municipalities supported with development of IDPs.	11 Municipalities supported with development of IDPs.	None.	None.

Programme / Sub-programme:							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of municipalities supported with the realisation of the Integrated Urban Development Framework (IUDF) levers.	New indicator.	New indicator.	New indicator.	1 Municipality (Merafong City LM) supported in the development of the Capital Expenditure Framework (CEF) in line with the IUDF levers.	0 Municipalities supported with the development of the CEF in line with the IUDF levers	Merafong was not supported with the development of the CEF.	There was a challenge in getting the correct service provider for this project so the request for quotation had to be sent out twice before the correct service provider was appointed.

Programme / Sub-programme: INFRASTRUCTURE PLANNING SUPPORT							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of municipalities monitored on the implementation of infrastructure service delivery programmes (Outcome 9, Sub-outcome 1) (B2B Pillar 5).	7 Municipalities supported with service delivery programmes- (MIG and MISA).	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).- (National and adhoc Provincial Grants).	6 Local municipalities monitored on the implementation of infrastructure service delivery programmes - (National and adhoc Provincial Grants).	6 Local municipalities monitored on the implementation of infrastructure service delivery programmes (National and adhoc Provincial Grants).	None.	None.

Programme / Sub-programme: INFRASTRUCTURE PLANNING SUPPORT							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of municipalities supported with repairs and maintenance on sewer pump stations.	New Indicator.	New Indicator.	New Indicator.	1 Municipality (Emfuleni) supported with repairs and maintenance on sewer pump stations.	0 Municipalities supported with repairs and maintenance on sewer pump stations.	The Department could not finalise the arrangements in time for the transfer of funds to the Implementing Agent ERWAT.	Project to be funded through RBIG allocation from Department of Water and Sanitation in the new financial year.

Programme / Sub-programme: ENERGY OFFICE							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of indigent households with access to basic electricity services.	New indicator.	New indicator.	New Indicator.	7000 Indigent households with access to basic electricity.	9477 Household connections completed.	2477 Additional connections were completed.	Municipalities used their own money to accelerate the projects due to the demand received from the public.
Number of Informal Settlements supported with electrification.	New indicator.	New indicator.	10 Informal Settlements supported with electrification readiness.	10 Informal Settlements electrified.	23 Informal Settlements were electrified.	13 Additional informal settlements were electrified.	Municipalities used their own money to accelerate the projects due to the demand received from the public.
Number of Implementation Plans developed for The Gauteng Energy Security Strategy.	New indicator.	New indicator.	New Indicator.	1 Implementation Plan for the Gauteng Energy Security strategy developed.	1 Implementation Plan for the Gauteng Energy Security strategy developed.	None.	None.

Programme Name: DISASTER MANAGEMENT					
Strategic objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
To improve the Gauteng City Region's (GCR) ability to reduce risk and respond to disasters	5 Disaster Management initiatives to reduce disaster risk and response to disasters.	5 Disaster Management initiatives to reduce disaster risk and response to disasters.	5 Disaster Management initiatives to reduce disaster risk and response to disasters.	None.	None.

Programme / Sub-programme: DISASTER MANAGEMENT							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of Provincial Disaster Management Centres functional in accordance to the 4 KPA's of the Disaster Management Framework.	Implementation of Phase 2 of the Provincial Disaster Management Centre.	Implementation of Phase 3 for the establishment of the PDMC. Development of Disaster Management policy framework.	Provincial Disaster Management Centre assessed on functionality in accordance to the KPA's 1 and 2 of the Disaster Management Framework.	1 Provincial Disaster Management Centre assessed on functionality in accordance to the KPA's 3 and 4 of the Disaster Management Framework.	1 Provincial Disaster Management Centre assessed on functionality in accordance to the KPA's 3 and 4 of the Disaster Management Framework.	None.	None.
Number of municipalities supported to maintain functional Disaster Management Centres.	5 Municipal Disaster Management Centres were functional.	5 Municipal Disaster Management Centres.	5 Municipalities supported to maintain functional Disaster Management Centres.	5 Municipalities supported to maintain functional Disaster Management Centres.	5 Municipalities supported to maintain functional Disaster Management Centres.	None.	None.
Number of disaster management awareness campaigns conducted in high risk areas.	New indicator.	New indicator.	4 Disaster management awareness campaigns conducted in high risk areas.	4 Disaster management awareness campaigns conducted in high risk areas.	4 Disaster management awareness campaigns conducted in high risk areas.	None.	None.

Programme / Sub-programme: DISASTER MANAGEMENT

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of disaster risk assessments conducted in vulnerable areas as identified in the macro-risk assessment.	New indicator.	New indicator.	4 Micro-disaster risk assessments conducted in vulnerable areas as identified in the macro-risk assessment.	4 Micro-disaster risk assessments conducted in vulnerable areas as identified in the macro-risk assessment.	4 Micro-disaster risk assessments conducted in vulnerable areas as identified in the macro-risk assessment. (Emfuleni, RandWest, Mogale and Merafong).	None.	None.
Number of response policies developed.	New indicator.	New indicator.	2 Response policies developed (classification and declaration; accessing and managing relief grants).	1 Policy guideline developed on public awareness strategies.	1 Policy guideline developed on public awareness strategies.	None.	None.

Programme / Sub-programme: FIRE AND RESCUE

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of Level 3 All Hazards Incident Management Teams (AHIMT) established within the Gauteng Province.	New Indicator.	New Indicator.	New Indicator.	2 x Level 3 AHIMTs established within the Gauteng Province.	2 x Level 3 AHIMTs established within the Gauteng Province.	None.	None.
Number of municipalities supported on Fire Brigade Services.	New Indicator.	New Indicator.	2 Municipalities supported on Fire Brigade Services.	2 Municipalities supported on Fire Brigade Services. (WRDM and Lesedi LM).	2 Municipalities supported on Fire Brigade Services (WRDM and Lesedi LM).	None.	None.

Provide reasons for all deviations

- Merafong was not supported with the development of the Capital Expenditure Framework due to the late appointment of service provider.
- Emfuleni was not supported with repairs and maintenance on sewer pump stations because the Department could not finalise the arrangements in time for transfer of funds to the Implementing Agent ERWAT.

Strategy to overcome areas of under performance

- The CEF project has been rolled-over to the 2020/21 Financial Year with a revised project plan.
- The Department will work with the Department of Water and Sanitation to assist municipalities with repairs and maintenance on sewer pump stations.

Changes to planned targets

- No indicators were changed during the financial year.

Linking performance with budgets

- The programme was allocated a total budget of R164 202 000 during the reporting period, of which R120 978 000 was spent. This is 74% of the total budget allocated. The highest contributor to under expenditure in this programme was R20 000 000 budgeted to support Emfuleni with sewer issues. The funds were meant to be paid directly to ERWAT to effect repairs on the said sewer; however, due to several technicalities, Ekurhuleni Metropolitan Municipality, who is the only shareholder, refused to accept the funding resulting in no expenditure. In agreement with the Provincial Treasury, the funds will be re-allocated to the Department during the following reporting period.

Development and Planning	2018/2019			2019/2020		
	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	9 084	8 046	1 038	11 085	8 915	2 170
Disaster Management	105 637	105 007	630	110 437	92 450	17 987
Municipal Infrastructure	59 941	58 271	1 670	42 680	19 613	23 067
Total	174 662	171 324	3 338	164 202	120 978	43 224

4.4. Programme 4: TRADITIONAL LEADERSHIP

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 objective to be achieved under this programme include the following:

- **Strategic Objective 14:** To improve the quality of management and administrative practices in support of Traditional Leadership.

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

Strategic objectives, performance indicators, planned targets and actual achievements

Awareness campaign in school in collaboration with Social Development & Gauteng Monitoring Team on the 07th August 2019. The purpose of the awareness was to educate the learners about cultural practice of initiation as a rite of passage & transformation from childhood to adulthood.

Awareness campaign in Orange farm conducted in collaboration with Orange Police Station, COTRALESA, Gauteng Initiation Monitoring Team & Tshaba Tsohle

Initiation Committee on the 10th September 2019 at Orange Farm Hall. The purpose of the workshop was to educate the community & the initiation school principals about the process of registering the initiation and requirements needed to establish initiation school.

Awareness campaign conducted in collaboration with Department of Education at the Camp Riverlake Vanderbijpark on the 17th October 2019. The purpose of the awareness was to educate the learners about cultural practice of initiation as a rite of passage & transformation from childhood to adulthood.

Strategic objectives:

Programme Name: TRADITIONAL INSTITUTIONAL LEADERSHIP					
Strategic objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
To improve the quality of management and administrative practices in support of Traditional Leadership.	2 of Traditional Councils supported to perform their functions.	2 of Traditional Councils supported to perform their functions.	6 Initiatives to promote cohesiveness, culture and heritage in traditional communities.	None.	None.

Performance indicators

Sub-programme: TRADITIONAL INSTITUTIONAL LEADERSHIP							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of Traditional Councils supported to perform their functions.	New Indicator.	New Indicator.	2 Traditional Councils supported to perform their functions in terms of Section 4 of the Traditional Leadership and Governance Framework Act of 2003.	2 Traditional Councils complying with legislative prescripts.	2 Traditional Councils complied with legislative prescripts.	None.	None.

Sub-programme: TRADITIONAL INSTITUTIONAL LEADERSHIP

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Percentage of succession claims/ disputes processed.	100% of complaints received were resolved. The one complaint received from the AmaNdebele a Moletlane was responded to within the stipulated timeframe.	100% of traditional leadership complaints resolved within 90 days after date of receipt.	100% of succession claims/ disputes received and processed.	100% of succession claims/ disputes received and processed.	100% of succession claims/ disputes received and processed.	None.	None.
Number of initiation schools complying with the National Initiation schools' guidelines.	New Indicator.	New Indicator.	New Indicator.	10 Initiations schools complying with the National Initiation schools' guidelines.	83 Initiation schools complied with the guidelines.	73 Additional Initiation schools complied with the National Initiation schools' guidelines.	Increased monitoring was done by municipalities hence the increase in compliance by initiation schools.
Number of awareness campaigns conducted in traditional communities to sensitise vulnerable groups on their Rights.	New Indicator.	New Indicator.	New Indicator.	4 Awareness campaigns conducted in traditional communities to sensitise vulnerable groups on their Rights.	4 Awareness campaigns conducted in traditional communities to sensitise vulnerable groups on their Rights.	None.	None.
Number of traditional leaders supported to participate in municipal councils.	New Indicator.	New Indicator.	New Indicator.	2 Traditional leaders supported to participate in municipal councils.	2 Traditional leaders supported to participate in municipal councils.	None.	None.

Sub-programme: TRADITIONAL INSTITUTIONAL LEADERSHIP							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of Traditional Authorities supported to participate in the IDP processes.	New Indicator.	New Indicator.	New Indicator.	2 Traditional Authorities supported to participate in the IDP processes.	2 Traditional Authorities supported to participate in the IDP processes.	None.	None.

Programme Name: GOVERNANCE AND INTERGOVERNMENTAL RELATIONS (IGR)					
Strategic objectives	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
To support co-operative governance between the three spheres of government through effective intergovernmental relations.	4 Functional Cooperative Governance and IGR structures.	4 Functional Cooperative Governance and IGR structures.	4 Functional Cooperative Governance and IGR structures.	None.	None.

Sub-programme: GOVERNANCE AND INTERGOVERNMENTAL RELATIONS (IGR)							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
Number of Statutory IGR Structures functional in accordance with the IGR Framework (HOD/MM forum, Traditional Affairs Technical Governance Forum and 2 District IGR Technical fora (WestRand and Sedibeng).	New Indicator.	3 IGR Structures functional in accordance with the IGR Framework by 2020.	4 Statutory IGR Structures functional in accordance with the IGR Framework by 2020.	4 Statutory IGR Structures functional in accordance with the IGR Framework by 2020.	4 Statutory IGR Structures functional in accordance with the IGR Framework by 2020.	None.	None.

Changes to planned targets

- None.

Linking performance with budgets

- The programme was allocated the least budget during the reporting period. The allocation for this programme amounted to R17 896 000, of which R14 792 000 was spent, which represented an average of 83% of the total allocation. The total amount of under expenditure relates to the funds transferable to Tradition Councils, which could not be transferred owing to outstanding financial reports from the respective councils.

Traditional Institutional Management	2018/2019			2019/2020		
	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	6 149	5 109	1 040	6 181	5 159	1 022
Trad. Resource Admin	7 557	6 858	699	8 991	7 973	1 018
Rural Development Facilitation	508	500	8	370	313	57
Traditional Land Admin	988	938	50	2 354	1 347	1 007
Total	15 202	13 405	1 797	17 896	14 792	3 104

5. TRANSFER PAYMENTS

5.1 Transfer payments to public entities

The Department has no public entities.

5.2 Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2019 to 31 March 2020

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
West Rand District Municipality	Municipality	Disaster Management Support Services	Yes	10 000	6 244	-
West Rand District Municipality	Municipality	Functional Fire and Rescue Services	Yes	35 000	35 000	-
Lesedi Local Municipality	Municipality	Functional Fire and Rescue Services	Yes	6 000	-	-
West Rand District Municipality	Municipality	PMS	Yes	500	500	-
Mogale City Local Municipality	Municipality	PMS	Yes	750	-	-
Merafong Local Municipality	Municipality	PMS	Yes	750	-	-
Rand West Local Municipality	Municipality	GRAP 17	Yes	1 000	1 000	-
Lesedi Local Municipality	Municipality	GRAP 17	Yes	1 000	965	-
Emfuleni Local Municipality	Municipality	GRAP 17	Yes	1 000	-	-
Merafong Local Municipality	Municipality	EPWP	Yes	1 000	606	-
Lesedi Local Municipality	Municipality	EPWP	Yes	1 004	1004	-

The table below reflects the transfer payments which were budgeted for in the period 1 April 2019 to 31 March 2020, 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
Ekurhuleni Metropolitan Municipality	Water Pump Station	20 000	-	

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	Two Municipalities (Lesedi 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	R 2 004 000
Amount transferred (R'000)	R 2 004 000
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	R 1 610 000
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 2020.
Monitoring mechanism by the transferring department	

Conditional Grant 2:

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

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 2019 to 31 March 2020.

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	R2 004 000.00
Amount received (R'000)	R2 004 000.00
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R2 004 000.00
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

7.1 Donor Funds Received

The Department did not receive any 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 implement risk management processes and procedures, as well as to maintain high standards 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 governance responsibilities.

2. RISK MANAGEMENT

The Department has an approved Risk Management Policy, Strategy, and Implementation plan in place to guide the Department in the implementation, 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 and the Audit Committee. The RMC was fully functional throughout the Financial Year 2019/20 and advised Executive Management whenever 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 2019/20 Financial Year:

- Failure or delay to fill vacant posts;
- Ineffective support provided to the municipalities;
- Loss of institutional memory and knowledge;
- Non-compliance with the Occupational Health and Safety act;
- Failure to adapt to technological changes (digital displacement);
- Lack of credible information received from municipalities;
- Violent Community protests resulting in bad

reputation for Local government/ Cooperative Governance;

- Fragmented service delivery; and
- Business disruption.

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. Training on Ethics Management in the Public Sector was rolled out during the Financial Year.

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

A designated building for all CoGTA staff still remains an issue for the Department. Staff accommodation has been sourced at 30 Simmonds Street however, the building has not yet been handed over to CoGTA and only accommodates a limited number of employees. Until such time the Department is not fully in control, and Occupational Safety and Environmental health matters for that building would be a shared responsibility with the Office of the Premier.

Due to the covid-19 global pandemic, prescribed health and safety measures have been implemented in the buildings where CoGTA staff are accommodated, in order to mitigate the spread of covid-19. The majority of staff members are currently working from home or on a rotational basis, to further mitigate the covid-19 risks.

7. PORTFOLIO COMMITTEES

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
CoGTA&HS 01	First Quarterly Performance Report for 2019/20 financial year.	The Department should ensure prudent financial spending in municipalities and report to the Portfolio Committee on a quarterly basis the financial status in municipalities.	Done.	Yes.
CoGTA&HS 02	First Quarterly Performance Report for 2019/20 financial year.	The Department should provide the Portfolio Committee with a detailed report on measures that will be put in place to ensure consequence management is implemented in municipalities where there are financial irregularities and or misconduct.	<ul style="list-style-type: none"> The Department is currently working with the <i>'The Ethics Institute'</i> and the Office of the Premier to implement Phase 2 of the Gauteng Municipal Integrity Project (GMIP) funded by Siemens. The project entails the implementation of support initiatives to the municipalities to strengthen the capacity of ethics officers to implement the municipal integrity management framework and the municipal anti-corruption strategy and ensure sustainability of the Gauteng Municipal Integrity Project. This three-year project targets integrity management within the municipal administration. 	Yes.
CoGTA&HS 02			Furthermore, the Department will implement a capacity development programme on integrity management targeting councillors in Gauteng. This will be implemented through the Municipal Institutional Support Directorate in collaboration with LGSETA.	

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
CoGTA&HS 03	First Quarterly Performance Report for 2019/20 financial year	The Department should provide the Portfolio Committee with reasons why there is no budget available on Provincial and Local Government transfers for the next three quarters of the 2019/20 financial year; Furthermore, the Department should motivate for funding during the budget adjustment and allocate funds to the Provincial and Local Government transfers in order to address service delivery challenges through municipal infrastructure support.	<ul style="list-style-type: none"> The Department has made budget available for GRAP17 and Performance Management System. The Department has further made funds available for the Emfuleni pump station through a transfer to Ekurhuleni to be Implemented by ERWAT. In addition, the EPWP grants received from national government is transferred to municipalities. 	Yes.
CoGTA&HS 04	First Quarterly Performance Report for 2019/20 financial year	The Department should ensure that it budget adequately on households so that it addresses the issues of service delivery.	The Department has enough budget on households and it does not relate to service delivery but payment of ex development board members.	Yes.
CoGTA&HS 05	Second Quarterly Performance Report for 2019/20 financial year	The Department should provide the Portfolio Committee with the number of wards that were supported to maintain functionality of ward committees in each municipality.	Done.	Yes.
CoGTA&HS 06	Second Quarterly Performance Report for 2019/20 financial year	The Department should provide the Portfolio Committee with details of how municipalities addressed concerns raised by communities.	Done.	Yes.
CoGTA&HS 07	Second Quarterly Performance Report for 2019/20 financial year	The Department should provide the Portfolio Committee with details of support that was provided to municipalities in terms of ensuring functionality of ward committees during the quarter under review.	Done.	Yes.

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
CoGTA&HS 08	Second Quarterly Performance Report for 2019/20 financial year	The Department should provide the Portfolio Committee with a breakdown of the amount that was spent in each municipality supported financially during the quarter under review.	In terms of transfer to municipalities for EPWP , the expenditure as at 2nd quarter amount to R248,646, comprises of: Merafong LM – R192,746 and Lesedi LM-R55,900. In terms of transfer to West Rand District Municipality for Disaster Management Support and Functional Fire and Rescue Services , the expenditure amount to R5,081 044 and R17,702 484 as at 2nd quarter respectively. Transfer to municipalities for GRAP17 Compliance reported an expenditure of R383, 774 as at 2nd quarter, comprises of: Rand West LM – R383, 774; Emfuleni LM – R0 and Lesedi LM- R0. Transfer to municipalities for Performance Management Systems reported no expenditure as at 2nd quarter, comprises of: West Rand District – R0; Mogale LM – R0 and Merafong LM- R0.	Yes.
CoGTA&HS 09	Second Quarterly Performance Report for 2019/20 financial year	The Department should provide the Portfolio Committee with the following on MIG: <ul style="list-style-type: none"> • Provide the financial expenditure per municipality on MIGs funding; • State the intervention mechanisms that has been provided by the Department for the municipalities under Sedibeng District (Emfuleni, Midvaal and Lesedi); • State the intervention mechanisms that has been provided by the Department for the municipalities under West Rand District (Rand West City, Mogale City and Merafong); • Name the infrastructure projects that are currently funded at Rand West City, Mogale City and Merafong municipalities; Name the blockages and successes of project implementation of the six local municipalities;	Done.	Yes.

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
CoGTA&HS 10	Second Quarterly Performance Report for 2019/20 financial year	The Department should provide the Portfolio Committee with factors that contributed to underspending reported in Development and Planning; Administration and Traditional Institutional Management.	<p>Underspending on Programme 1 Administration: Underspending on this programme is a result of the Department being unable to source the building as accommodation for staff members as a result commodity such as telephones, cleaning services, security services, municipal services including partitions for the building were budgeted for but expenditure could not be incurred as planned.</p> <p>Programme 3: Development and Planning: Under-expenditure on this programme is due to the projects that were not implemented during the period under review as committees were still in the process of finalising the processes and the appointment of probity auditors by Treasury.</p> <ul style="list-style-type: none"> Programme 4: Traditional Institutional Management: The local authorities have not yet submitted financial records for the funds that were previously transferred therefore, current year transfers were not yet done during the reporting period. 	Yes.
CoGTA&HS 11	Second Quarterly Performance Report for 2019/20 financial year	The Department should ensure that it put measures in place to avert underspending on the remaining quarters (3&4) of 2019/20 financial year.	The Department will ensure that most of the projects that are due for implementation and those that are due for completion are all done so that invoices are settled and other invoices with service providers are speeded. All this efforts and mechanism are to ensure that under-expenditure is curbed and service delivery is realised for the coming two quarters and beyond. Also the delay is the late appointment of probity auditors by Treasury that sits at committees meetings.	Yes.

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
CoGTA&HS 12	Fourth Quarterly Performance Report for 2019/20 financial year	The Department should provide the Portfolio Committee with the factors that contribute to under expenditure reported under Development and Planning, Administration and Traditional Institutional Development.	<p>The major contributors to under expenditure across all three programs were:</p> <ul style="list-style-type: none"> • Funds that could not be transferred to Emfuleni because of the condition of the funds. • Unfinished projects pertaining to disaster management projects. • Delays in procurement, mainly emanating from probity audits. • Starting of procurement process late in the Financial year. • Lack of office accommodation. 	Yes.
CoGTA&HS 13	Fourth Quarterly Performance Report for 2019/20 financial year	The Department should provide the Portfolio Committee with measures that will be put in place to avert underspending by the end of the 2019/2020 Financial Year.	In the current year, despite the effect of lockdown, all tenders will be advertised at once. Funds that remain unspent and uncommitted towards the end of the second quarter will be redirected to high spending priority projects before the end of second quarter.	Yes.

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
CoGTA&HS 14	Fourth Quarterly Performance Report for 2019/20 financial year	<p>The Department should provide the Portfolio Committee with the following:</p> <ul style="list-style-type: none"> The municipal projects or programmes that were initially budgeted for the R26 000 000.00 Provide the Portfolio Committee with the municipal projects that have been initiated based on the R6 000 000.00 transfer Name the Municipalities that were targeted for these transfers <p>Why the planned R26 000 000.00 was not transferred during the quarter under review</p>	<ul style="list-style-type: none"> The first R20million was meant to support Emfuleni Local Municipality with management of identified sewer pups. The R6million was meant to support Lesedi Local Municipality with maintenance/ purchase of the fire and rescue vehicles and equipment. As at the end of the reporting period Lesedi Local Municipality was undertaking procurement implying that implantation is still underway. <p>R6million was transferred, however R20million was not transferred as planned. The funds in question came with a condition that the same can be transferred directly to Emfuleni, as such the Department decided to use the service of ERWAT, an entity of Ekurhuleni Metropolitan Municipality. However, it was a legal requirement that such transfer need to be made through the Metro. For various technical reasoning the Metro could not accept the funds.</p>	Yes.
CoGTA&HS 15	Fourth Quarterly Performance Report for 2019/20 financial year	<p>The Department should provide the Portfolio Committee with reasons why the target of supporting Merafong Municipality with developing a Capital Expenditure Framework (CEF) was not achieved and has since been deferred to the first quarter of the 2020/2021 Financial Year.</p>	<p>Delays were experienced in the finalisation of ToRs and the sitting of the BSC, and that led to the project being moved to the 2020/2021 Financial year.</p>	Yes.
CoGTA&HS 16	Fourth Quarterly Performance Report for 2019/20 financial year	<p>The Department should provide the Portfolio Committee with the financial breakdown of the expenditure on Municipal Infrastructure Grants.</p>	Done.	Yes.

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
CoGTA&HS 17	Fourth Quarterly Performance Report for 2019/20 financial year	The Department should provide the Portfolio Committee with a list of projects that have been funded through MIGs for the six (6) Municipalities identified.	Done.	Yes.
CoGTA&HS 18	Fourth Quarterly Performance Report for 2019/20 financial year	<p>The Department should provide the Portfolio Committee with the cost of funding the project of electrifying 9 477 households and 23 Informal Settlements spent by Municipalities.</p> <p>The Department should provide the Portfolio Committee with reasons for not supporting Sedibeng Municipality to maintain the functionality of Disaster Management Centre in the 4th Quarter of 2019/2020</p>	<ol style="list-style-type: none"> 1. Annually, in line with Legislative requirements the PDMC must monitor and assess disaster management capacity in the province. Sedibeng District Municipality and West Rand District Municipality are assessed during the 4th quarter of the CoGTA APP. 2. The PDMC received a request from the NDMC's Policy Development and Regulatory Frameworks Unit stating that they are proposing that the compliance assessment for District be conducted in conjunction with the NDMC. 3. The NDMC's proposed date was 1st November 2019 at 10h00, and the district municipality agreed and welcomed the request from NDMC. <p>The PDMC achieved their 4th quarter target even though the assessment was conducted during the 3rd quarter and a functionality report was compiled accordingly.</p>	Yes.

8. SCOPA RESOLUTIONS

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
None.				

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

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

2019/20 outcome of the Audit Report.

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 2019/20	94% of the audit findings were cleared.

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.

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 and Compliance Audit Services.

Summary of work done by Internal Audit

	COGTA Internal Audit Activities 2019/20	Audit Status/Report	Opinion Indicator
	IT Audit Services		
1.	Data analysis- SCM / HR / FIN (Q2)	Issued	Consultancy, no audit opinion expressed
2.	IT risk assessment	Issued	Consultancy, no audit opinion expressed
3.	Data analysis- SCM / HR / FIN (Q4)	Issued	Consultancy, no audit opinion expressed
	Performance Audit Services		
4.	Follow-up audit on transfer of grants to Merafong municipality (Disaster Management Grant)	Issued	Adequate but ineffective
5.	Performance Information audit /Performance of the department against predetermined objectives.	Issued	Adequate but ineffective
	Risk & Compliance Audit Services		
6.	Supply Chain: Tenders, Contract Management and Procure to Pay	Issued	Adequate and Effective
7.	Follow Up AG Findings	Issued	Adequate but ineffective

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
Collen Weapond	<ul style="list-style-type: none"> • BCom Honours Information Technology • Mtech Forensic Investigations • LLB • BTech Policing • B.luris • Diploma in Business Management • Diploma in Compliance Management • Diploma in Education 	External	-	11 August 2020	Current	1
Sidwell Mofokeng	<ul style="list-style-type: none"> • MDP • HMDP • Diploma Public Sector Finance • Cert Project Management • Certified Risk Practitioner 	External	-	01 September 2016	Current	5
Billy Mokale	<ul style="list-style-type: none"> • Bachelor of Law • Diploma in Corporate Law 	External	-	01 September 2018	11 August 2020	3
Pumla Mzizi	<ul style="list-style-type: none"> • CA(SA) • Honours Bachelor of Commerce • Honours Bachelor of Accounting Science 	External	-	01 September 2018	Current	4

12. AUDIT COMMITTEE REPORT

GAUTENG PROVINCIAL GOVERNMENT (GPG)

Report of the Audit Committee – Cluster 5

Gauteng Department of Cooperative Governance and Traditional Affairs

We are pleased to present our report for the financial year ended 31 March 2020.

Audit Committee Members 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 (Former Chairperson)	04 (01 September 2016)
Adv. Collen Weapond (Chairperson)	01 (Appointed 11 August 2020)
Mr. Billy Mokale (Former Member)	03 (01 September 2018)
Mr. Sidwell Mofokeng (current Member)	01 (01 September 2016)
Ms. Pumla Mzizi (Member)	04 (01 September 2018)

Executive Members

Compulsory Attendees	Number of Meetings attended
Ms. Thandeka Mbassa (Former Accounting Officer)	02
Mr. Bongani Gxilishe (Accounting Officer)	02
Mr. Jafta Makhafola (Chief Financial Officer)	04
Ms. Mamafolo Namanyane (Chief Risk Officer)	05
Mr. Kweyama Velile (Chief Audit Executive)	05

The Audit Committee noted that the Acting Accounting Officer attended two (01) scheduled Audit Committee meetings since her appointment. Therefore, 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 internal 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 regulated 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 is concerned with the regression in the internal control environment of the Department. The regression in the internal control environment of the Department mainly relates to the failure to implement prior year recommendations of the AGSA, inadequate review of performance information and compliance with laws and regulations in the Supply Chain Management function. Some deficiencies in the system of internal control and deviations were reported in the Internal Audit Reports. SCM still remains an area of concern in light of the external audit findings. The Audit Committee note the implementation of IT Governance and systems as substantiated in the external audit report. The Department did not satisfactorily implement the recommendations AGSA and Internal Audit findings raised in previous years.

The Audit Committee also reviewed the progress with respect to the IT Governance in line with the ICT Framework which confirms that the Department maintains adequate IT Governance controls. Some progress was made by the Department to implement and monitor its Disaster Recovery Plan and Business Continuity Processes.

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

- Supply Chain: Tenders, Contract Management and Procure to Pay
- Follow Up AG Findings
- Follow-up audit on transfer of grants to Merafong municipality (Disaster Management Grant)
- Performance Information audit /Performance of the department against predetermined objectives
- Data analysis- SCM / HR / FIN (Q2)
- IT risk assessment
- Data analysis- SCM / HR / FIN (Q4)
-

The following were areas of concern:

- Disaster Management Grant; and
- Performance Information.

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 is satisfied that the internal auditors consulted with Management, Auditor General and the Audit Committee on its Internal Audit Plan.

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 coordination of efforts between internal audit and AGSA have been enhanced further during the year in the provision of assurance services. The Committee believes this is an important step towards a fully effective combined assurance.

It was noted that a Quality Assurance Review (external assessment) was performed by an external independent reviewer during the year and Internal Audit was assessed to be Generally Conformant with the International Standards for Professional Practice of Internal Auditing.

The Audit Committee will continue to monitor the capacity and the resources allocated to the Internal Audit function.

Risk Management

Progress on the departmental risk management was reported to the Audit Committee on a quarterly basis. The Audit Committee notes the effort made by the Department to improve its risk management processes, although some areas still requires improvement. Management should take full responsibility for the entire Enterprise Risk Management Process and continue to support the Chief Risk Officer to enhance the performance of the Department. The Department should improve its culture of risk management in order to obtain a clean administration.

Forensic Investigations

Investigations into alleged financial irregularities, financial misconduct and fraud were performed during the year under review. The Audit Committee will monitor the recommendations as contained in the Forensic Investigation reports.

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

The Audit Committee notes 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 emphasise that the Department must improve the quality of its financial and non-financial reports.

Evaluation of Annual Financial Statements

The Audit Committee has:

- Audit Committee reviewed the draft annual financial statements prepared by the department before the submission of the annual financial statements to the external auditors for audit the audit committee meeting held on 15th June 2020 and recommended them for audit.
- 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.

The department must once again be commended for having no material misstatements.

One-on-one Meetings 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 committee has not met with the Executive Authority for the Department to apprise the MEC on the performance of the Department it believes that the frequency of these interactions would be more beneficial to the Executive Authority.

Auditor-General of South Africa

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



Adv. Collen Weapond

Chairperson of the Audit Committee

07th October 2020

13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013, and as determined by the Department of Trade and Industry.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	NO	
Developing and implementing a preferential procurement policy?	YES	The supply chain management evaluate all quotations in line with preferential procurement policy.
Determining qualification criteria for the sale of state-owned enterprises?	NO	
Developing criteria for entering into partnerships with the private sector?	NO	
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	NO	



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

The status of human resources in the Department:

- The reporting year under review has ushered in the sixth administration of the Country and the Province. The advent of the new administration brought about a new set of Government service delivery priorities and these subsequently led to the review/revision of the Department’s five-year Strategic Objectives, aimed at ensuring alignment in order to achieve the new mandate;
- The revision of the Department’s Strategy consequently/naturally leads to the review of the Department’s Organisational structure; and service delivery model, as these form a fundamental cog in the realisation of the revised organisational strategy in pursuit of the delivery mandate.

Human Capital Management

Human resource priorities for the year under review and the impact of thereof:

HR Planning Priorities	Impact
Organisational Structure Review	<ul style="list-style-type: none"> • The developed organisational structure designed to deliver on the mandate of the Department.
Training and development – workplace skills plans	<ul style="list-style-type: none"> • Training and development initiatives focused on development of the Department’s core competencies. • The implementation of the identified training programmes served to fulfil and ascertain progress/improvement on performance.
Employment Equity Plan	<ul style="list-style-type: none"> • Compliance to the Employment Equity Act.
Conducive and safe working environment	<ul style="list-style-type: none"> • The Department not having an office building.
Repositioning of Human Capital Management as an solutions orientated business partner	<ul style="list-style-type: none"> • Meaningful contribution to the holistic development of the human capital of the Department.

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

- The workforce planning strategy entails looking at how the Department seeks to attract, retain and develop its workforce, inform the culture as the Department evolves and seeks to engage officials at all levels of the supply chain, and work life lifecycle management in ensuring that our workforce is educated, trained, and developed into the future.

Employee performance management:

- The year under consideration saw the implementation of a new Policy on Performance Management and Development system, and
- The above referenced implementation was complemented by a rollout of the electronic performance management via the Employee Self-Service (ESS) platform.

Employee wellness programmes:

- Is actively communicating, marking, and communicating the existence of the Zinakekele programme, which is available and accessible to employees throughout the year.

- The interventionist value of the programmes places at its centre a voluntary Behaviour Risk Management Assessment approach.

Achievements

Performance Management and Development Systems –

- Successfully implemented a new policy complemented by the successful rollout of e-PMDS. The implementation of the e-PMDS has served to increase the line managers and employees' independence and control in management of their performance. This in turn has freed Human Resources to focus on playing an advisory role, provision of ongoing training and support.
- Reposition of the role of Management's role and ownership of performance appraisal management of their employees, with the support and facilitation (where required) by Human Resource.

Recruitment and selection –

- The overall vacancy rate in the Department was constantly kept in the single digit, throughout the year in question.

Employee Wellness Programme –

- Reprioritised training of the Occupational Health and Safety Committee on various training programmes to equip them in the execution of the responsibilities, specifically following the Bank of Lisbon fire, and
- The continuous expansion and ease of access of service provided by the programme.

Challenges:

Training and development:

- Opportunity costs for lack of or least development of the required competencies to deliver on the mandate of the Department.

Recruitment and selection:

- The failure to timeously obtain the approval to fill vacant posts, at the various stages of recruitment value chain;
- The Budget Committee not active in playing its role in the management of the prioritisation and filling of active and vacant posts;
- Financial constraints as directed by Finance; and
- Lack of an Office building:
 - ◊ The lack of an Office building for the Department has resulted in far less than desirable levels of employees, reporting for duty, imposition of an additional dynamic for managers to contend with in managing their staff and this has impacted the Departmental performance severely.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

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

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

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2019 and 31 March 2020

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	127 934	84 540	317	2 312	66%	575
Local Governance	232 077	194 018	-	8 547	84%	433
Development and Planning	120 978	38 186	-	5 565	32%	734
Traditional Institution Management	14 792	10 153	-	1 305	69%	781
Total	495 781	326 897	317	17 729	66%	495

Table 3.1.2 Personnel costs by salary band for the period 1 April 2019 and 31 March 2020

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)	1 024	0%	6	171
Skilled (level 3-5)	8 485	3%	35	242
Highly skilled production (levels 6-8)	170 123	52%	469	363
Highly skilled supervision (levels 9-12)	97 886	30%	117	837
Senior and Top management (levels 13-16)	49 379	15%	33	1 496
Total	326 897	100%	660	495

Table 3.1.3 Salaries, Overtime, Home Owners Allowance, and Medical Aid by programme for the period 1 April 2019 and 31 March 2020

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	56 779	67%	142	0%	2 359	3%	2 846	3%
Local Governance	133 953	69%	-	-	6 670	3%	12 287	6%
Development and Planning	26 342	69%	106	0%	815	2%	1 296	3%
Traditional Institution Management	6 259	62%	32	0%	97	1%	220	2%
Total	223 333	68%	280	0%	9 941	3%	16 649	5%

Table 3.1.4 Salaries, Overtime, Home Owners Allowance, and Medical Aid by salary band for the period 1 April 2019 and 31 March 2020

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)	741	72%	-	-	87	8%	9	1%
Skilled (level 3-5)	5 832	69%	28	0%	460	5%	526	6%
Highly skilled production (levels 6-8)	118 514	70%	188	0%	6 911	4%	13 315	8%
Highly skilled supervision (levels 9-12)	67 615	69%	64	0%	1 682	2%	2 551	3%
Senior management (level 13-16)	30 631	62%	-	-	801	2%	248	1%
Total	223 333	68%	280	0%	9 941	3%	16 649	5%

3.2 Employment and Vacancies

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

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

This information is presented in terms of three key variables:

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

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

Table 3.2.1 Employment and vacancies by programme as on 31 March 2020

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
PROGRAMME 1	169	169	19	0
PROGRAMME 2	460	446	14	0
PROGRAMME 3	85	53	32	0
PROGRAMME 4	14	11	3	0
Total	728	660	68	0

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2020

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	6	14,28%	0
Skilled (3-5)	42	35	16,66	0
Highly skilled production (6-8)	492	469	4,67%	0
Highly skilled supervision (9-12)	146	117	19,86	0
Senior management (13-16)	41	33	19,51%	0
Total	728	660	9,34%	0

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2020

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	3	3	0,0%	0
Senior Management	38	32	15,8%	2
Total	60	47		2

3.3 Filling of SMS Posts

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

Table 3.3.1 SMS post information as on 31 March 2020

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	0
Salary Level 16	1	1	100	0	0
Salary Level 15	2	2	100	0	0
Salary Level 14	9	8	89	1	11
Salary Level 13	28	22	79	6	21
Total	41	34	83	7	20%

Table 3.3.2 SMS post information as on 30 September 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	0,00	0,00
Salary Level 16	1	1	100	0,00	0,00
Salary Level 15	2	2	100	0,00	0,00
Salary Level 14	8	8	100	0,00	0,00
Salary Level 13	27	24	89%	3	11%
Total	39	36	92%	3	8%

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2019 and 31 March 2020

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	1	1	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	0	0	0
Salary Level 13	1	0	1
Total	2	1	1

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 2019 and 31 March 2020

Reasons for vacancies not advertised within six months
Failure to obtain sign off on the recruitment submission, timeously.

Reasons for vacancies not filled within twelve months
Failure to obtain sign off on the recruitment submission, timeously.

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 2019 and 31 March 2020

Reasons for vacancies not advertised within six months
Failure to obtain sign off on the recruitment submission, timeously.

Reasons for vacancies not filled within six months
Failure to obtain sign off on the recruitment submission, timeously.

3.4 Job Evaluation

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

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2019 and 31 March 2020

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	0	100%	0	0	0	0
Skilled (Levels 3-5)	42	0	100%	0	0	0	0
Highly skilled production (Levels 6-8)	492	0	100%	0	0	0	0
Highly skilled supervision (Levels 9-12)	146	0	100%	0	0	0	0
Senior Management Service Band A	28	0	100%	0	0	0	0
Senior Management Service Band B	9	0	100%	0	0	0	0
Senior Management Service Band C	2	0	100%	0	0	0	0
Senior Management Service Band D	2	0	100%	0	0	0	0
Total	728	0	100%	0	0	0	0

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2019 and 31 March 2020

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	
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Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2019 and 31 March 2020

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				
Percentage of total employed				

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2019 and 31 March 2020

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

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

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2019 and 31 March 2020

Salary band	Number of employees at beginning of period-1 April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	7	0	0	0,00
Skilled (Levels3-5)	30	0	1	0,15
Highly skilled production (Levels 6-8)	457	2	9	1,35
Highly skilled supervision (Levels 9-12)	120	2	2	1.70
Senior Management Service Bands A	19	2	3	15.80

Salary band	Number of employees at beginning of period-1 April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Senior Management Service Bands B	6	0	1	0,00
Senior Management Service Bands C	4	0	0	0,00
Senior Management Service Bands D	2	0	2	100.00
Contracts	17	24	16	5,00
Total	663	30	34	6.20

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2019 and 31 March 2020

Critical occupation	Number of employees at beginning of period-April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Engineers	19	0	0	0
	3	0	0	0
	38	0	4	1%
TOTAL	60	0	4	

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

Table 3.5.3 Reasons why staff left the department for the period 1 April 2019 and 31 March 2020

Termination Type	Number	% of Total Resignations
Death	2	4.90
Resignation	10	22
Expiry of contract	14	61
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	5	12.20
Transfer to other Public Service Departments	3	8.00
Other	0	0
Total	34	5,12
Total number of employees who left as a % of total employment		

Table 3.5.4 Promotions by critical occupation for the period 1 April 2019 and 31 March 2020

Occupation	Employees 1 April 2019	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
ADMINISTRATIVE RELATED	74	2	2.70	43,00	58,00
FINANCIAL AND RELATED PROFESSIONALS	8	1	12.50	4,00	50,00
HUMAN RESOURCE RELATED	16	1	6.30	8,00	50,00
MATERIAL RECORDING AND TRANSPORT CLERKS	3	1	33,30	1,00	33,30
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	30	1	3,30	21,00	70,00
TOTAL	131	6	0,90	277,00	41,80

Table 3.5.5 Promotions by salary band for the period 1 April 2019 and 31 March 2020

Salary Band	Employees 1 April 2019	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 (Levels3-5)	30	0	0	0	0
Highly skilled production (Levels 6-8)	477	3	0,70	0	0
Highly skilled supervision (Levels 9-12)	125	2	1.70	0	0
Senior Management (Level 13-16)	31	1	3,20	0	0
Total	669	6	0,90	0	0

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 2020

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	20	2	1	1	9	1	0	0	34
Professionals	32	0	0	1	26	1	1	4	65
Technicians and associate professionals	42	0	0	2	56	3	2	1	106
Clerks	131	2	0	1	182	12	0	1	329
Service and sales workers	5	0	0	0	6	0	0	0	11
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	5	0	0	0	0	0	0	0	5
Elementary occupations	43	0	0	0	66	0	0	0	109
Total	279	4	1	5	345	17	3	6	660
Employees with disabilities	4	0	0	0	5	0	0	0	9

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2020

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	3	0	0	0	1	0	0	0	4
Senior Management	17	2	1	1	8	1	0	0	30
Professionally qualified and experienced specialists and mid-management	63	0	0	2	57	4	2	2	130

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	171	2	0	2	264	12	1	4	456
Semi-skilled and discretionary decision making	22	0	0	0	11	0	0	0	33
Unskilled and defined decision making	3		0	0	4	0	0	0	7
Total	279	4	1	5	345	17	3	6	660

Table 3.6.3 Recruitment for the period 1 April 2019 to 31 March 2020

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	1	0	0	1	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management	6	0	0	0	4	1	0	1	12
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3	0	0	0	8	0	0	0	11
Semi-skilled and discretionary decision making	3	0	0	0	1	0	0	0	4
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	14	0	0	1	13	1	0	1	30
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2019 to 31 March 2020

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management									
Senior Management	0	0	0	0	1	0	0	0	1
Professionally qualified and experienced specialists and mid-management	0	0	0	0	2	1	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	0	0	0	0	0	0	0	1
Semi-skilled and discretionary decision making	0	0	0	0	0	1	0	0	1
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	1	0	0	0	3	2	0	0	6
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.5 Terminations for the period 1 April 2019 to 31 March 2020

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	1	0	0	0	2
Senior Management	3	1			1	0	0	0	5
Professionally qualified and experienced specialists and mid-management	2	0	0	0	3	0	0	1	5
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	6	0	0	0	9	0	0	0	15
Semi-skilled and discretionary decision making	3	0	0	0	3	0	0	0	6
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	15	1	0	0	17	0	0	1	34
Employees with Disabilities									

Table 3.6.6 Disciplinary action for the period 1 April 2019 to 31 March 2020

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Formal Disciplinary Hearing	0	0	0	0	1	0	0	0	1
Progressive Disciplinary Action	2	0	0	0	0	1	0	0	3

Table 3.6.7 Skills development for the period 1 April 2019 to 31 March 2020

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	1	0	0	0	5	0	0	0	5
Professionals	4	0	0	0	2	1	1		8
Technicians and associate professionals	6	0	0	0	9	1	0	1	17
Clerks	3	0	0	0	17	3	0	0	23
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	3	0	0	0	0	0	0	0	0
Total	18	0	0	0	40	5	1	1	65
Employees with disabilities		0	0	0	2	0	0	0	2

3.7 Signing of Performance Agreements by SMS Members

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2020

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	0	0%
Salary Level 16	1	1	1	100%
Salary Level 15	2	2	2	100%
Salary Level 14	10	10	10	100%
Salary Level 13	22	21	21	100%
Total	36	35	34	97%

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2020

Reasons
Non compliance

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

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2020

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

3.8 Performance Rewards

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

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2019 to 31 March 2020

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	477	623	77%	R8,277,931.55	R17,354.15
Male	201	279	72%	R3,413,162.98	R16,980.91
Female	276	344	80%	R4,864,768.57	R17,625.97

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
Asian	2	4	50%	R47,414.88	R23,707.44
Male	0	1	0%	R0.00	R0.00
Female	2	3	67%	R47,414.88	R23,707.44
Coloured	16	22	73%	R297,865.74	R18,616.61
Male	1	4	25%	R16,194.57	R16,194.57
Female	15	18	83%	R281,671.17	R18,778.08
White	8	11	73%	R32,354.28	R4,044.29
Male	2	5	40%	R32,354.28	R16,177.14
Female	6	6	100%	R133,765.14	R22,294.19
Total	503	660	76%	R8,655,566.45	R17,207.89

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2019 to 31 March 2020

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	4	7	57%	R27,646.92	R6,911.73	0.01%
Skilled (level 3-5)	23	33	70%	R260,866.21	R11,342.01	0.09%
Highly skilled production (level 6-8)	379	454	83%	R6,277,157.48	R16,562.42	2.07%
Highly skilled supervision (level 9-12)	97	131	74%	R2,223,660.99	R22,924.34	0.73%
Total	503	625	80%	R8,789,331.60	R17,473.82	2.90%

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2019 to 31 March 2020

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Civil/Building Engineering	10	17	59%	R222,450.06	R22,245.01
Senior Management	0	35	0%	R0.00	R0.00
Legal Practitioners	0	1	0%	R0.00	R0.00
Total	10	53	59%	R222,450.06	R22,245.01

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2019 to 31 March 2020

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	0	1	0%	R0.00	R0.00	0.00%
Band B	0	3	0%	R0.00	R0.00	0.00%
Band C	0	10	0%	R0.00	R0.00	0.00%
Band D	0	21	0%	R0.00	R0.00	0.00%
Total	0	35	0%	R0.00	R0.00	0.00%

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 2019 and 31 March 2020

Salary band	01 April 2019		31 March 2020		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	0,00
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	0,00

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2019 and 31 March 2020

Major occupation	01 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% Change
Other Occupations	1	33,30	1	33,30	1	0,00
Professionals and Managers	2	66,70	2	66,70	2	0,00
TOTAL	3	100	3	100	3	0,00

3.10 Leave utilisation

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided.

Table 3.10.1 Sick leave for the period 1 January 2019 to 31 December 2019

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	5	100	2	1.20	3	3,00
Skilled (levels 3-5)	40	66.70	12	5.80	7	37,00
Highly skilled production (levels 6-8)	708	90.80	92	52.90	9	985,00
Highly skilled supervision (levels 9-12)	255	80.20	47	25.00	10	677,00
Top and Senior management (levels 13-16)	122	85.80	19	10.50	9	559,00
Total	1 138.00	87.10	172	100	38	2 261

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2019 to 31 December 2019

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

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

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

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	144,00	7	7
Skilled Levels 3-5)	595,00	33	24
Highly skilled production (Levels 6-8)	9520,84	463	29
Highly skilled supervision(Levels 9-12)	2398,25	130	27
Senior management (Levels 13-16)	669	35	29
Total	13 292,09	668	20

Table 3.10.4 Capped leave for the period 1 January 2019 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 2022
Lower skilled (Levels 1-2)	0	0	0	0.00
Skilled Levels 3-5)	0	0	0	099
Highly skilled production (Levels 6-8)	0	0	0	27
Highly skilled supervision(Levels 9-12)	0	0	0	024
Senior management (Levels 13-16)	1	1	1	54
Total	1	1	1	38

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 2019 and 31 March 2020

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2019/20 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2019/20	0	0	0
Current leave payout on termination of service for 2019/20	472,00	9	0
Total	472,00	9	0

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
Community Development Worker's due to the nature of their work in the field.	Wellness Days inclusive of HIV Counselling and Testing (HCT) are coordinated. Counselling and support services are provided by the Wellness unit and the Zinakeke Wellness Programme. Other interventions are provided as per the Directorates' need.

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
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) consists of 4 employees with a budget of R1,136,156.84
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 1) HIV & 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, Wellness & Peer Educators Committee. The committee consists of the following members: 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 (Finance), Mr. C Nkuna (HCM), Ms. P Vilakazi (Municipal Finance), Ms. A Rautenbach (Facilities), Ms. L Kesten (Facilities), Mr. D Mahlangu (Facilities), Ms. C Tlala (Disaster Management), Ms. B Lisa (Disaster Management), Ms. M Mashaba (Facilities), Ms. A Schoole (Risk Management), Ms. N Monama (Municipal Finance Support), Ms. I Sehunoe (IT), Mr. S Ngcobo (Risk Management), Mr. N Tshobeka (Facilities), Mr. P Komane (Cooperative Governance), Mr. T Maimela (Knowledge & Info. Management), Mr. A Ndaba (HCM), Mr P.Ndaba (Facilities), Mr D. Lentswane (HCM), Ms D. Kirsten (HCM), Ms I. Maluleke (HCM), Ms S. Witbooi (CDWP), Ms L. Maluleke (Infrastructure Support), Ms T. Lande (CDWP), Mr L. Khauoe (CDWP), Mr L Tsoku (CDWP) .

Question	Yes	No	Details, if yes
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 Policy however, the Department is also guided by both national policies and internal policies such as; the 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-mentioned 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 utilization reports from the respective service providers e.g. GEMS and Zinakekele Wellness Programme, Quarterly reports compiled by the Wellness unit, attendance registers of Wellness Days and seminars.

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2019 and 31 March 2020

Subject matter	Date
Micro Organisation of the State, Resolution 1 of 2019 (Reconfiguration of some Departments)	30 March 2019

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

Total number of Collective agreements	None
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The following table summarises the outcome of disciplinary hearings conducted within the department for the year under review.

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2019 and 31 March 2020

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	0	0
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	1	100%
Not guilty	0	0
Case withdrawn	0	0
Total	1	100%

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

Total number of Disciplinary hearings finalised	None
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Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2019 and 31 March 2020

Type of misconduct	Number	% of total
Fraud	1	100%
Total	1	100%

Table 3.12.4 Grievances logged for the period 1 April 2019 and 31 March 2020

Grievances	Number	% of Total
Number of grievances resolved	13	93%
Number of grievances not resolved	1	7%
Total number of grievances lodged	14	100%

Table 3.12.5 Disputes logged with Councils for the period 1 April 2019 and 31 March 2020

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

Table 3.12.6 Strike actions for the period 1 April 2019 and 31 March 2020

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2019 and 31 March 2020

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)	R0, 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 20YY	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	9	0	0	5	5
	Male	23	0	0	1	1
Professionals	Female	229	0	2	4	6
	Male	183	0	1	4	5
Technicians and associate professionals	Female	64	0	5	11	16
	Male	42	0	0	6	6
Clerks	Female	60	0	8	20	28
	Male	20	0	0	3	3

Occupational category	Gender	Number of employees as at 1 April 20YY	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Service and sales workers	Female	0	0	0	6	6
	Male	5	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	5	0	0	0	0
Elementary occupations	Female	9	0	0	1	1
	Male	10	0	0	3	3
Sub Total	Female	371	0	15	47	62
	Male	289	0	1	18	19
Total		660	0	16	65	81

Table 3.13.2 Training provided for the period 1 April 2019 and 31 March 2020

Occupational category	Gender	Number of employees as at 1 April 2019	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	9	0	0	5	5
	Male	23	0	0	1	1
Professionals	Female	229	0	2	4	6
	Male	183	0	1	4	5
Technicians and associate professionals	Female	64	0	5	11	16
	Male	42	0	0	6	6
Clerks	Female	60	0	8	20	28
	Male	20	0	0	3	3
Service and sales workers	Female	0	0	0	6	6
	Male	5	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	5	0	0	0	0

Occupational category	Gender	Number of employees as at 1 April 2019	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Elementary occupations	Female	9	0	0	1	1
	Male	10	0	0	3	3
Sub Total	Female	371	0	15	47	62
	Male	289	0	1	18	19
Total		660	0	16	65	81

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 2019 and 31 March 2020

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

3.15 Utilisation of Consultants

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

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

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2019 and 31 March 2020

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

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2019 and 31 March 2020

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 2019 and 31 March 2020

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

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

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2019 and 31 March 2020

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 2019 and 31 March 2020

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



PART E

Financial Information

REPORT OF THE AUDITOR GENERAL

This is the auditor's report as issued by AGSA.

Report of the auditor-general to the 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 53 to 57, which comprise the appropriation statement, the statement of financial position as at 31 March 2020, 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 2020, 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 (Act No. 1 of 2019) (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 *Code of ethics for professional accountants* and parts 1 and 3 of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* of the International Ethics Standards Board for Accountants (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of 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 R16 million on programme 1: Administration, R4.1 million on programme 2: Local Governance, R43,2 million on programme 3: Development and planning and R3.1 million on programme 4: Traditional Institutional Management.

Other matter

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

Unaudited supplementary schedules

9. The supplementary information set out on pages 174 to 181 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

10. 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 and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
11. 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

12. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
13. 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

14. 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 on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
15. My procedures address the usefulness and reliability of 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 do not examine whether the actions taken

by the department enabled service delivery. My procedures also do 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.

16. 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 programme presented in the annual performance report of the department for the year ended 31 March 2020:

Programme	Pages in the annual performance report
Programme 3 – Development and planning	53 – 57

17. 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.
18. I did not identify any material findings on the usefulness and reliability of the reported performance information for Programme 3 – Development and Planning.

Other matter

19. I draw attention to the matter below.

Achievement of planned targets

20. Refer to the annual performance report on pages 27 to 61 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a significant number of targets.

Report on the audit of compliance with legislation

Introduction and scope

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

23. 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.
24. 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.
25. 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.
26. 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

27. 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

30 September 2020



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit¹

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 board of directors, which constitutes 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 determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

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APPROPRIATION STATEMENT
for the year ended 31 March 2020 • vote no. 7

Appropriation per programme

	2019/20						2018/19		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Programme									
1. Administration	145 792	-	(1 836)	143 956	127 934	16 022	88.9%	131 210	111 824
2. Local Governance	234 392	-	1 836	236 228	232 077	4 151	98.2%	212 161	204 818
3. Development and Planning	164 202	-	-	164 202	120 978	43 224	73.7%	174 662	171 324
4. Traditional Institutional Management	17 896	-	-	17 896	14 792	3 104	82.7%	15 202	13 405
Subtotal	562 282		-	562 282	495 781	66 501	88.2%	533 235	501 371
Statutory Appropriation									
President and Deputy President salary									
Members' remuneration									
Debt service costs									
Provincial equitable share									
General fuel levy sharing with metropolitan municipalities									
Judges' and magistrates' salaries									
TOTAL	562 282	-	-	562 282	495 781	66 501	88.2%	533 235	501 371

APPROPRIATION STATEMENT
for the year ended 31 March 2020 • vote no. 7

	2019/20		2018/19	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)				
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	408		407	
PRF Receipts				
Aid assistance				
Actual amounts per statement of financial performance (total revenue)	562 690		533 642	
ADD				
Aid assistance				
Prior year unauthorised expenditure approved without funding				
Actual amounts per statement of financial performance (total expenditure)		495 781		501 371

Appropriation per economic classification

	2019/20						2018/19		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Economic classification									
Current payments	467 776	(6 565)	-	461 211	432 081	29 130	93.7%	436 593	408 655
Compensation of employees	341 648	-	-	341 648	326 897	14 751	95.7%	319 895	303 405
Salaries and wages	295 871	(1 056)	-	294 815	281 934	12 881	95.6%	276 710	261 594
Social contributions	45 777	1 056	-	46 833	44 963	1 870	96.0%	43 185	41 811
Goods and services	126 128	(6 565)	-	119 563	105 184	14 379	88.0%	116 698	105 250
Administrative fees	900	(624)	-	276	254	22	92.0%	383	260
Advertising	10 365	(110)	-	10 255	10 164	91	99.1%	7 193	4 939
Minor assets	963	(528)	-	435	128	307	29.4%	611	558
Audit costs: External	4 000	118	-	4 118	4 054	64	98.4%	3 003	3 002
Bursaries: Employees	1 735	(415)	-	1 320	1 076	244	81.5%	984	983
Catering: Departmental activities	2 028	608	-	2 636	2 583	53	98.0%	1 762	1 554
Communication	10 320	(1 757)	-	8 563	6 601	1 962	77.1%	8 026	7 361
Computer services	9 769	1 103	-	10 872	10 522	350	96.8%	8 015	5 160
Consultants: Business and advisory services	7 629	(2 424)	-	5 205	2 669	2 536	51.3%	20 060	19 940
Legal services	1 495	-	-	1 495	467	1 028	31.2%	1 207	1 137
Contractors	809	1 062	-	1 871	1 866	5	99.7%	231	78
Agency and support / outsourced services	17 269	(32)	-	17 237	15 060	2 177	87.4%	7 952	7 174
Fleet services	12 100	(244)	-	11 856	11 846	10	99.9%	7 646	7 645

APPROPRIATION STATEMENT
for the year ended 31 March 2020 • vote no. 7

Appropriation per economic classification

	2019/20							2018/19	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Housing	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	4 537	(1 296)	-	3 241	2 969	272	91.6%	8 005	7 998
Consumable: Stationery, printing and office supplies	2 581	(695)	-	1 886	1 583	303	83.9%	1 924	1 904
Operating leases	1 373	(734)	-	639	622	17	97.3%	970	836
Property payments	8 025	2 506	-	10 531	9 931	600	94.3%	19 021	19 020
Travel and subsistence	7 429	(1 186)	-	6 243	4 890	1 353	78.3%	4 555	4 295
Training and development	10 991	(3 670)	-	7 321	4 997	2 324	68.3%	3 713	3 475
Operating payments	2 443	1 626	-	4 069	3 867	202	95.0%	4 660	1 685
Venues and facilities	8 253	127	-	8 380	7 923	457	94.5%	6 777	6 246
Rental and hiring	1 114	-	-	1 114	1 112	2	99.8%	-	-
Transfers and subsidies	74 214	6 565	-	80 779	60 778	20 001	75.2%	85 713	85 481
Provinces and municipalities	72 004	6 000	-	78 004	58 004	20 000	74.4%	84 500	84 500
Provinces	-	-	-	-	-	-	-	-	-
Municipalities	72 004	6 000	-	78 004	58 004	20 000	74.4%	84 500	84 500
Municipal bank accounts	72 004	6 000	-	78 004	58 004	20 000	74.4%	84 500	84 500
Households	2 210	565	-	2 775	2 774	1	100.0%	1 213	981
Social benefits	2 210	565	-	2 775	2 774	1	100.0%	1 213	981

Appropriation per economic classification

	2019/20						2018/19		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Payments for capital assets	20 292	-	-	20 292	2 922	17 370	14.4%	10 894	7 201
Machinery and equipment	20 292	-	-	20 292	2 922	17 370	14.4%	10 894	7 201
Transport equipment	926	-	-	926	926	-	100%	-	-
Other machinery and equipment	19 366	-	-	19 366	1 996	17 370	10.3%	10 894	7 201
Payments for financial assets	-	-	-	-	-	-	-	35	34
TOTAL	562 282	-	-	562 282	495 781	66 501	88.2%	533 235	501 371

Statutory Appropriation per economic classification

	2019/20						2018/19		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Economic classification									
Current payments	467 776	(6 565)	-	461 211	432 081	29 130	93.7%	436 593	408 655
Compensation of employees	341 648	-	-	341 648	326 897	14 751	95.7%	319 895	303 405
Goods and services	126 128	(6 565)	-	119 563	105 184	14 379	88.0%	116 698	105 250
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	74 214	6 565	-	80 779	60 778	20 001	75.2%	85 713	85 481
Provinces and municipalities	72 004	6 000	-	78 004	58 004	20 000	74.4%	84 500	84 500
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 210	565	-	2 775	2 774	1	100.0%	1 213	981

Statutory Appropriation per economic classification

	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virements	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Payments for capital assets	20 292	-	-	20 292	2 922	17 370	14.4%	10 894	7 201
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	20 292	-	-	20 292	2 922	17 370	14.4%	10 894	7 201
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	35	34
TOTAL	562 282	-	-	562 282	495 781	66 501	88.2%	533 235	501 371

APPROPRIATION STATEMENT
for the year ended 31 March 2020 • vote no. 7

PROGRAMME 1: ADMINISTRATION

	2019/20						2018/19		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Sub programme									
1. Office of the MEC	4 387	-	-	4 387	3 698	689	84.3%	3 354	3 053
2. Corporate Services	141 405	-	(1 836)	139 569	124 236	15 333	89.0%	127 856	108 771
Total for sub programmes	145 792	-	(1 836)	143 956	127 934	16 022	88.9%	131 210	111 824
Economic classification									
Current payments	137 358	(565)	(1 836)	134 957	123 607	11 350	91.6%	125 247	109 786
Compensation of employees	93 825	-	(1 836)	91 989	84 540	7 449	91.9%	89 932	78 059
Salaries and wages	84 706	(800)	(1 836)	82 070	74 706	7 364	91.0%	80 241	68 987
Social contributions	9 119	800	-	9 919	9 834	85	99.1%	9 691	9 072
Goods and services	43 533	(565)	-	42 968	39 067	3 901	90.9%	35 315	31 727
Administrative fees	105	24	-	129	116	13	89.9%	155	85
Advertising	1 250	(399)	-	851	779	72	91.5%	978	978
Minor assets	653	(400)	-	253	123	130	48.6%	357	355
Audit costs: External	4 000	-	-	4 000	3 936	64	98.4%	3 003	3 002
Bursaries: Employees	1 735	(415)	-	1 320	1 076	244	81.5%	984	983
Catering: Departmental activities	343	67	-	410	392	18	95.6%	294	257
Communication	3 542	(1 512)	-	2 030	1 973	57	97.2%	3 395	3 395
Computer services	4 785	2 703	-	7 488	7 445	43	99.4%	5 190	2 390
Consultants: Business and advisory services	1 572	141	-	1 713	1 613	100	94.2%	2 162	2 162
Legal services	1 495	-	-	1 495	467	1 028	31.2%	1 207	1 137

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PROGRAMME 1: ADMINISTRATION

	2019/20						2018/19		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Contractors	724	611	-	1 335	1 334	1	99.9%	170	63
Agency and support / outsourced services	790	18	-	808	697	111	86.3%	898	637
Fleet services	9 100	95	-	9 195	9 194	1	100.0%	5 928	5 927
Consumable supplies	1 289	(385)	-	904	737	167	81.5%	1 342	1 340
Consumable: Stationery, printing and office supplies	1 954	(662)	-	1 292	1 049	243	81.2%	1 593	1 574
Operating leases	1 239	(600)	-	639	622	17	97.3%	836	836
Property payments	2 520	(130)	-	2 390	1 793	597	75.0%	2 474	2 473
Travel and subsistence	2 441	(280)	-	2 161	1 617	544	74.8%	856	850
Training and development	873	(185)	-	688	457	231	66.4%	998	823
Operating payments	874	350	-	1 224	1 194	30	97.5%	629	628
Venues and facilities	1 864	394	-	2 258	2 068	190	91.6%	1 866	1 832
Rental and hiring	385	-	-	385	385	-	100.0%	-	-
Transfers and subsidies	2 210	565	-	2 775	2 774	1	100.0%	1 213	981
Households	2 210	565	-	2 775	2 774	1	100.0%	1 213	981
Social benefits	2 210	565	-	2 775	2 774	1	100.0%	1 213	981
Payments for capital assets	6 224	-	-	6 224	1 553	4 671	25.0%	4 715	1 023
Machinery and equipment	6 224	-	-	6 224	1 553	4 671	25.0%	4 715	1 023
Other machinery and equipment	6 224	-	-	6 224	1 553	4 671	25.0%	4 715	1 023
Payments for financial assets	-	-	-	-	-	-	-	35	34
TOTAL	145 792	-	(1 836)	143 956	127 934	16 022	88.9%	131 210	111 824

1.1 Office of the MEC

	2019/20						2018/19		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Economic classification									
Current payments	4 387	-	-	4 387	3 698	689	84.3%	3 354	3 053
Compensation of employees	2 435	-	-	2 435	1 873	562	76.9%	2 234	2 005
Goods and services	1 952	-	-	1 952	1 825	127	93.5%	1 120	1 048
TOTAL	4 387	-	-	4 387	3 698	689	84.3%	3 354	3 053

1.2 Corporate Services

	2019/20						2018/19		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Economic classification									
Current payments	132 971	(565)	(1 836)	130 570	119 909	10 661	91.8%	121 893	106 733
Compensation of employees	91 390	-	(1 836)	89 554	82 667	6 887	92.3%	87 698	76 054
Goods and services	41 581	(565)	-	41 016	37 242	3 774	90.8%	34 195	30 679
Transfers and subsidies	2 210	565	-	2 775	2 774	1	100.0%	1 213	981
Households	2 210	565	-	2 775	2 774	1	100.0%	1 213	981
Payments for capital assets	6 224	-	-	6 224	1 553	4 671	25.0%	4 715	1 023
Machinery and equipment	6 224	-	-	6 224	1 553	4 671	25.0%	4 715	1 023

1.2 Corporate Services

		2019/20					2018/19		
	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
Payments for financial assets	-	-	-	-	-	-	-	-	34
TOTAL	141 405	-	(1 836)	139 569	124 236	15 333	89.0%	127 856	108 771

PROGRAMME 2: LOCAL GOVERNANCE

		2019/20							2018/19		
	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		
Sub programme											
1. Municipal Administration	15 613	(150)	-	15 463	15 161	302	98.0%	12 580	12 524		
2. Municipal Finance	11 366	(208)	-	11 158	11 154	4	100.0%	9 473	9 273		
3. Public Participation	170 962	2 153	1 836	174 951	172 051	2 900	98.3%	161 206	155 049		
4. Capacity Development	18 881	(510)	-	18 371	18 367	4	100.0%	14 081	13 702		
5. Municipal Performance Monitoring, Reporting and Evaluation	17 570	(1 285)	-	16 285	15 344	941	94.2%	14 821	14 270		
Total for sub programmes	234 392	-	1 836	236 228	232 077	4 151	98.2%	212 161	204 818		

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PROGRAMME 2: LOCAL GOVERNANCE

	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virements	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification									
Current payments	229 392	-	1 836	231 228	227 077	4 151	98.2%	207 161	199 818
Compensation of employees	192 192	-	1 836	194 028	194 018	10	100.0%	178 855	178 582
Salaries and wages	162 936	(256)	1 836	164 516	164 511	5	100.0%	151 229	151 156
Social contributions	29 256	256	-	29 512	29 507	5	100.0%	27 626	27 426
Goods and services	37 200	-	-	37 200	33 059	4 141	88.9%	28 306	21 236
Administrative fees	205	(66)	-	139	130	9	93.5%	167	115
Advertising	6 780	(138)	-	6 642	6 625	17	99.7%	5 771	3 527
Minor assets	163	(128)	-	35	-	35	-	51	-
Catering: Departmental activities	218	(76)	-	142	119	23	83.8%	397	278
Communication	6 500	-	-	6 500	4 596	1 904	70.7%	4 631	3 966
Computer services	390	-	-	390	320	70	82.1%	370	315
Consultants: Business and advisory services	675	(343)	-	332	143	189	43.1%	1 548	1 428
Contractors	5	-	-	5	1	4	20.0%	5	-
Agency and support / outsourced services	6 489	2 427	-	8 916	8 405	511	94.3%	3 420	3 263
Consumable supplies	689	(158)	-	531	435	96	81.9%	886	882
Consumable: Stationery, printing and office supplies	200	-	-	200	142	58	71.0%	-	-
Travel and subsistence	2 300	(231)	-	2 069	1 821	248	88.0%	2 353	2 175

PROGRAMME 2: LOCAL GOVERNANCE

	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virements	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Training and development	7 645	(2 859)	-	4 786	4 013	773	83.8%	2 178	2 170	
Operating payments	1 163	1 322	-	2 485	2 314	171	93.1%	3 734	784	
Venues and facilities	3 138	251	-	3 389	3 356	33	99.0%	2 795	2 333	
Rental and hiring	640	(1)	-	639	639	-	100.0%	-	-	
Transfers and subsidies	5 000	-	-	5 000	5 000	-	100.0%	5 000	5 000	
Provinces and municipalities	5 000	-	-	5 000	5 000	-	100.0%	5 000	5 000	
Provinces	-	-	-	-	-	-	-	-	-	
Municipalities	5 000	-	-	5 000	5 000	-	100.0%	5 000	5 000	
Municipal bank accounts	5 000	-	-	5 000	5 000	-	100.0%	5 000	5 000	
TOTAL	234 392	-	1 836	236 228	232 077	4 151	98.2%	212 161	204 818	

2.1 Municipal Administration

	2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virements	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Current payments	15 613	(150)	-	15 463	15 161	302	98.0%	12 580	12 524	
Compensation of employees	11 962	(150)	-	11 812	11 809	3	100.0%	10 639	10 638	
Goods and services	3 651	-	-	3 651	3 352	299	91.8%	1 941	1 886	
TOTAL	15 613	(150)	-	15 463	15 161	302	98.0%	12 580	12 524	

2.2 Municipal Finance

	2019/20						2018/19		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Economic classification									
Current payments	8 366	(208)	-	8 158	8 154	4	100.0%	6 473	6 273
Compensation of employees	4 366	(203)	-	4 163	4 162	1	100.0%	4 065	4 007
Goods and services	4 000	(5)	-	3 995	3 992	3	99.9%	2 408	2 266
Transfers and subsidies	3 000	-	-	3 000	3 000	-	100.0%	3 000	3 000
Provinces and municipalities	3 000	-	-	3 000	3 000	-	100.0%	3 000	3 000
TOTAL	11 366	(208)	-	11 158	11 154	4	100.0%	9 473	9 273

2.3 Public Participation

	2019/20						2018/19		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Economic classification									
Current payments	170 962	2 153	1 836	174 951	172 051	2 900	98.3%	161 206	155 049
Compensation of employees	150 782	2 153	1 836	154 771	154 766	5	100.0%	142 462	142 459
Goods and services	20 180	-	-	20 180	17 285	2 895	85.7%	18 744	12 590
TOTAL	170 962	2 153	1 836	174 951	172 051	2 900	98.3%	161 206	155 049

2.4 Capacity Development

	2019/20						2018/19		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Economic classification									
Current payments	16 881	(510)	-	16 371	16 367	4	100.0%	12 081	11 702
Compensation of employees	9 302	(523)	-	8 779	8 778	1	100.0%	7 979	7 939
Goods and services	7 579	13	-	7 592	7 589	3	100.0%	4 102	3 763
Interest and rent on land									
Transfers and subsidies	2 000	-	-	2 000	2 000	-	100.0%	2 000	2 000
Provinces and municipalities	2 000	-	-	2 000	2 000	-	100.0%	2 000	2 000
TOTAL	18 881	(510)	-	18 371	18 367	4	100.0%	14 081	13 702

2.5 Municipal Performance Monitoring, Reporting and Evaluation

	2019/20						2018/19		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Economic classification									
Current payments	17 570	(1 285)	-	16 285	15 344	941	94.2%	14 821	14 270
Compensation of employees	15 780	(1 277)	-	14 503	14 503	-	100.0%	13 710	13 539
Goods and services	1 790	(8)	-	1 782	841	941	47.2%	1 111	731
TOTAL	17 570	(1 285)	-	16 285	15 344	941	94.2%	14 821	14 270

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PROGRAMME 3: DEVELOPMENT PLANNING

	2019/20						2018/19		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Sub programme									
1. IDP Coordination	11 085	-	-	11 085	8 915	2 170	80.4%	9 084	8 046
2. Disaster Management	110 437	-	-	110 437	92 450	17 987	83.7%	105 637	105 007
3. Municipal Infrastructure	42 680	-	-	42 680	19 613	23 067	46.0%	59 941	58 271
Total for sub programmes	164 202	-	-	164 202	120 978	43 224	73.7%	174 662	171 324
Economic classification									
Current payments	83 130	(6 000)	-	77 130	66 605	10 525	86.4%	88 983	85 646
Compensation of employees	42 537	-	-	42 537	38 186	4 351	89.8%	39 606	37 018
Salaries and wages	37 352	-	-	37 352	33 477	3 875	89.6%	34 778	32 594
Social contributions	5 185	-	-	5 185	4 709	476	90.8%	4 828	4 424
Goods and services	40 593	(6 000)	-	34 593	28 419	6 174	82.2%	49 377	48 628
Administrative fees	590	(582)	-	8	8	-	100.0%	42	42
Advertising	2 335	427	-	2 762	2 760	2	99.9%	444	434
Minor assets	147	-	-	147	5	142	3.4%	203	203
Catering: Departmental activities	767	250	-	1 017	1 006	11	98.9%	378	326
Communication	278	(245)	-	33	32	1	97.0%	-	-
Computer services	4 594	(1 600)	-	2 994	2 757	237	92.1%	2 455	2 455
Consultants: Business and advisory services	5 382	(2 222)	-	3 160	913	2 247	28.9%	16 350	16 350
Contractors	80	451	-	531	531	-	100.0%	56	15
Agency and support / outsourced services	8 596	(2 398)	-	6 198	4 652	1 546	75.1%	2 053	1 701
Fleet services	3 000	(339)	-	2 661	2 652	9	99.7%	1 718	1 718

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PROGRAMME 3: DEVELOPMENT PLANNING

	2019/20						2018/19		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Consumable supplies	2 509	(753)	-	1 756	1 751	5	99.7%	5 741	5 741
Consumable: Stationery, printing and office supplies	260	60	-	320	319	1	99.7%	312	312
Operating leases	134	(134)	-	-	-	-	-	134	-
Property payments	5 505	2 636	-	8 141	8 138	3	100.0%	16 547	16 547
Travel and subsistence	1 695	(374)	-	1 321	825	496	62.5%	1 010	958
Training and development	2 244	(472)	-	1 772	527	1 245	29.7%	533	482
Operating payments	406	(173)	-	233	233	-	100.0%	278	255
Venues and facilities	2 051	(532)	-	1 519	1 291	228	85.0%	1 123	1 089
Rental and hiring	20	-	-	20	19	1	95.0%	-	-
Transfers and subsidies	67 004	6 000	-	73 004	53 004	20 000	72.6%	79 500	79 500
Provinces and municipalities	67 004	6 000	-	73 004	53 004	20 000	72.6%	79 500	79 500
Municipalities	67 004	6 000	-	73 004	53 004	20 000	72.6%	79 500	79 500
Payments for capital assets	14 068	-	-	14 068	1 369	12 699	9.7%	6 179	6 178
Machinery and equipment	14 068	-	-	14 068	1 369	12 699	9.7%	6 179	6 178
Transport equipment	926	-	-	926	926	-	100%	-	-
Other machinery and equipment	13 142	-	-	13 142	443	12 699	3.4%	6 179	6 178
TOTAL	164 202	-	-	164 202	120 978	43 224	73.7%	174 662	171 324

3.1 IDP Coordination

	2019/20						2018/19		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Economic classification									
Current payments	11 085	-	-	11 085	8 915	2 170	80.4%	9 084	8 046
Compensation of employees	9 241	-	-	9 241	8 451	790	91.5%	8 790	7 808
Goods and services	1 844	-	-	1 844	464	1 380	25.2%	294	238
TOTAL	11 085	-	-	11 085	8 915	2 170	80.4%	9 084	8 046

3.2 Disaster Management

	2019/20						2018/19		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Economic classification									
Current payments	51 369	(6 000)	-	45 369	40 081	5 288	88.3%	61 958	61 329
Compensation of employees	17 620	-	-	17 620	14 893	2 727	84.5%	15 754	15 325
Goods and services	33 749	(6 000)	-	27 749	25 188	2 561	90.8%	46 204	46 004
Transfers and subsidies	45 000	6 000	-	51 000	51 000	-	100.0%	37 500	37 500
Provinces and municipalities	45 000	6 000	-	51 000	51 000	-	100.0%	37 500	37 500
Payments for capital assets	14 068	-	-	14 068	1 369	12 699	9.7%	6 179	6 178
Transport equipment	926	-	-	926	926	-	100.0%	-	-

3.2 Disaster Management

	2019/20						2018/19		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Other machinery and equipment	1 342	-	-	1 342	443	12 699	3.4%	6 179	6 178
TOTAL	110 437	-	-	110 437	92 450	17 987	83.7%	105 637	105 007

3.3 Municipal Infrastructure

	2019/20						2018/19		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Economic classification									
Current payments	20 676	-	-	20 676	17 609	3 067	85.2%	17 941	16 271
Compensation of employees	15 676	-	-	15 676	14 842	834	94.7%	15 062	13 885
Goods and services	5 000	-	-	5 000	2 767	2 233	55.3%	2 879	2 386
Interest and rent on land									
Transfers and subsidies	22 004	-	-	22 004	2 004	20 000	9.1%	42 000	42 000
Provinces and municipalities	22 004	-	-	22 004	2 004	20 000	9.1%	42 000	42 000
TOTAL	42 680	-	-	42 680	19 613	23 067	46.0%	59 941	58 271

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PROGRAMME 4: TRADITIONAL INSTITUTIONAL MANAGEMENT

		2019/20						2018/19	
	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
Sub programme									
1. Traditional Institution Administration	6 335	(154)	-	6 181	5 159	1 022	83.5%	6 149	5 109
2. Traditional Resource Administration	8 861	130	-	8 991	7 973	1 018	88.7%	7 557	6 858
3. Rural Development Facilitation	500	(130)	-	370	313	57	84.6%	508	500
4. Traditional Land Administration	2 200	154	-	2 354	1 347	1 007	57.2%	988	938
Total for sub programmes	17 896	-	-	17 896	14 792	3 104	82.7%	15 202	13 405
Economic classification									
Current payments	17 896	-	-	17 896	14 792	3 104	82.7%	15 202	13 405
Compensation of employees	13 094	-	-	13 094	10 153	2 941	77.5%	11 502	9 746
Salaries and wages	10 877	-	-	10 877	9 240	1 637	84.9%	10 462	8 857
Social contributions	2 217	-	-	2 217	913	1 304	41.2%	1 040	889
Goods and services	4 802	-	-	4 802	4 639	163	96.6%	3 700	3 659
Audit costs: External	-	118	-	118	118	-	100.0%	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	700	367	-	1 067	1 066	1	99.9%	693	693
Agency and support / outsourced services	1 394	(79)	-	1 315	1 306	9	99.3%	1 581	1 573
Consumable supplies	50	-	-	50	46	4	92.0%	36	35

PROGRAMME 4: TRADITIONAL INSTITUTIONAL MANAGEMENT

		2019/20						2018/19		
	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	
Consumable: Stationery, printing and office supplies	167	(93)	-	74	73	1	98.6%	19	18	
Travel and subsistence	993	(301)	-	692	627	65	90.6%	336	312	
Training and development	229	(154)	-	75	-	75	-	4	-	
Operating payments	-	127	-	127	126	1	99.2%	19	18	
Venues and facilities	1 200	14	-	1 214	1 208	6	99.5%	993	992	
Rental and hiring	69	1	-	70	69	1	98.6%	-	-	
TOTAL	17 896	-	-	17 896	14 792	3 104	82.7%	15 202	13 405	

4.1 Traditional Institution Administration

		2019/20						2018/19		
	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	
Economic classification										
Current payments	6 335	(154)	-	6 181	5 159	1 022	83.5%	6 149	5 109	
Compensation of employees	3 033	-	-	3 033	2 115	918	69.7%	3 079	2 048	
Goods and services	3 302	(154)	-	3 148	3 044	104	96.7%	3 070	3 061	
TOTAL	6 335	(154)	-	6 181	5 159	1 022	83.5%	6 149	5 109	

4.2 Traditional Resource Administration

		2019/20						2018/19		
	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	
Economic classification										
Current payments	8 861	130	-	8 991	7 973	1 018	88.7%	7 557	6 858	
Compensation of employees	8 061	-	-	8 061	7 045	1 016	87.4%	7 459	6 760	
Goods and services	800	130	-	930	928	2	99.8%	98	98	
TOTAL	8 861	130	-	8 991	7 973	1 018	88.7%	7 557	6 858	

4.3 Rural Development Facilitation

		2019/20						2018/19		
	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	
Economic classification										
Current payments	500	(130)	-	370	313	57	84.6%	508	500	
Compensation of employees	-	-	-	-	-	-	-	-	-	
Goods and services	500	(130)	-	370	313	57	84.6%	508	500	
TOTAL	500	(130)	-	370	313	57	84.6%	508	500	

4.4 Traditional Land Administration

	2019/20						2018/19		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virements R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual expenditure R'000
Economic classification									
Current payments	2 200	154	-	2 354	1 347	1 007	57.2%	988	938
Compensation of employees	2 000	-	-	2 000	993	1 007	49.7%	964	938
Goods and services	200	154	-	354	354	-	100.0%	24	-
Interest and rent on land									
TOTAL	2 200	154	-	2 354	1 347	1 007	57.2%	988	938

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 1 (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 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on payments for financial assets

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

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

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
1: Administration	143,956	127,934	16,022	89%
2: Local Governance	236,228	232,077	4,151	98%
3: Development Planning	164,202	120,978	43,224	74%
4: Traditional Institutional Management	17,896	14,792	3,104	83%
TOTAL	562 282	495 781	66 501	88%

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments	461,211	432,081	29,130	94%
Compensation of employees	341,648	326,897	14,751	96%
Goods and services	119,563	105,184	14,379	88%
Interest and rent on land				
Transfers and subsidies	80,779	60,778	20,001	75%
Provinces and municipalities	78,004	58,004	20,000	74%
Non-profit institutions				
Households	2,775	2,774	1	100%
Payments for capital assets	20,292	2,922	17,370	14%
Machinery and equipment	20,292	2,922	17,370	14%
TOTAL	562,282	495,781	66 501	88%

4.3 Per conditional grant	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Expanded Public Works Programme	2,004	2,004	-	100%

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2020 • vote no. 7

	Note	2019/20	2018/19
		R'000	R'000
REVENUE			
Annual appropriation	1	562,282	533,235
Departmental revenue	2	408	407
TOTAL REVENUE		562,690	533,642
EXPENDITURE			
Current expenditure			
Compensation of employees	3	326,897	303,405
Goods and services	4	105,184	105,250
Total current expenditure		432,081	408,655
Transfers and subsidies			
Transfers and subsidies	6	60,778	85,481
Total transfers and subsidies		60,778	85,481
Expenditure for capital assets			
Tangible assets	7	2,922	7,201
Total expenditure for capital assets		2,922	7,201
Payments for financial assets	5	-	34
TOTAL EXPENDITURE		495,781	501,371
SURPLUS FOR THE YEAR		66,909	32,271
Reconciliation of Net Surplus for the year			
Voted funds		66,501	31,864
Annual appropriation		66,501	31,864
Departmental revenue and PRF Receipts	11	408	407
SURPLUS FOR THE YEAR		66,909	32,271

STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2020 • vote no. 7

	Note	2019/20	2018/19
		R'000	R'000
ASSETS			
Current assets		67,082	32,452
Cash and cash equivalents	8	66,100	31,486
Receivables	9	982	966
TOTAL ASSETS		67,082	32,452
Current liabilities		66,601	31,913
Voted funds to be surrendered to the Revenue Fund	10	66,501	31,864
Departmental revenue and PRF Receipts to be surrendered to the Revenue Fund	11	26	30
Payables	12	74	19
Non-current liabilities			
Payables			
TOTAL LIABILITIES		66,601	31,913
NET ASSETS		481	539
		2019/20	2018/19
		R'000	R'000
Represented by:			
Recoverable revenue		481	539
TOTAL		481	539

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2020 • vote no. 7

		2019/20	2018/19
		R'000	R'000
Recoverable revenue			
Opening balance		539	518
Transfers:		(58)	21
Debts recovered (included in departmental receipts)		(58)	21
Closing balance		481	539
TOTAL		481	539

CASH FLOW STATEMENT
for the year ended 31 March 2020 • vote no. 7

	Note	2019/20	2018/19
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		562,690	533,642
Annual appropriated funds received	1.1	562,282	533,235
Departmental revenue received		293	407
Interest received	2	115	-
Net (increase)/decrease in working capital		39	(142)
Surrendered to Revenue Fund		(32,276)	(46,575)
Current payments		(432,081)	(408,655)
Payments for financial assets		-	(34)
Transfers and subsidies paid		(60,778)	(85,481)
Net cash flow available from operating activities	13	37,594	(7,245)
CASH FLOWS FROM INVESTING ACTIVITIES			
Distribution/dividend received		-	-
Payments for capital assets	7	(2,922)	(7,201)
Net cash flows from investing activities		(2,922)	(7,201)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(58)	21
Net cash flows from financing activities		(58)	21
Net increase/(decrease) in cash and cash equivalents		34,614	(14,425)
Cash and cash equivalents at beginning of period		31,486	45,911
Cash and cash equivalents at end of period	14	66,100	31,486

Summary of significant accounting policies

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

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

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

1 Basis of preparation

The financial statements have been prepared in accordance with the Modified Cash Standard.

2 Going concern

The financial statements have been prepared on a going concern basis.

3 Presentation currency

Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

4 Rounding

Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).

5 Foreign currency translation

Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.

6 Comparative information

6.1 Prior period comparative information

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

6.2 Current year comparison with budget

A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.

7 Revenue

7.1 Appropriated funds

Appropriated funds comprise of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).

Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.

The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.

7.2 Departmental revenue

Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.

Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

7.3 Accrued departmental revenue

Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and
- the amount of revenue can be measured reliably.

The accrued revenue is measured at the fair value of the consideration receivable.

Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.

Write-offs are made according to the department's debt write-off policy

8 Expenditure

8.1 Compensation of employees

8.1.1 Salaries and wages

Salaries and wages are recognised in the statement of financial performance on the date of payment.

8.1.2 Social contributions

Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.

Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.

8.2 Other expenditure

Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.

8.3 Accruals and payables not recognised

Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.

8.4 Leases

8.4.1 Operating leases

Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.

The operating lease commitments are recorded in the notes to the financial statements.

8.4.2 Finance leases

Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.

The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.

Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:

- cost, being the fair value of the asset; or
- the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.

9 Aid Assistance

9.1 Aid assistance received

Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.

Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

9.2 Aid assistance paid

Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

10 Cash and cash equivalents

Cash and cash equivalents are stated at cost in the statement of financial position.

Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.

11 Prepayments and advances

Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.

Prepayments and advances are initially and subsequently measured at cost.

prepayments and advances are expensed during the trip and the return of the official on business travel.

12 Loans and receivables

Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.

13 Investments

Investments are recognised in the statement of financial position at cost.

14 Financial assets

14.1 Financial assets (not covered elsewhere)

A financial asset is recognised initially at its cost-plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.

At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.

14.2 Impairment of financial assets

Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.

15 Payables

Payables recognised in the statement of financial position are recognised at cost.

16 Capital Assets

16.1 Immovable capital assets

Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.

16.2 Movable capital assets

Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.

Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.

Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.

16.3 Intangible assets

Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.

Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.

Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.

Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.

16.4 Project Costs: Work-in-progress

Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.

Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.

Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.

17 Provisions and Contingents

17.1 Provisions

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.

17.2 Contingent liabilities

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.

17.3 Contingent assets

Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.

17.4 Capital commitments

Capital commitments are recorded at cost in the notes to the financial statements.

18 Unauthorised expenditure

Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:

- approved by Parliament or the Provincial Legislature with funding and the related funds are received; or
- approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or
- transferred to receivables for recovery.

Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.

19 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.

Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off.

Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

20 Irregular expenditure

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.

Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off.

Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.

21 Changes in accounting estimates and errors

Changes in accounting estimates are applied prospectively in accordance with MCS requirements.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

22 Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.

23 Departures from the MCS requirements

The Annual Financial Statements have been prepared in accordance with the modified cash basis of accounting. There were no departures from the modified cash standards.

24 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.

25 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

26 Related party transactions

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.

The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.

27 Inventories

At the date of acquisition, inventories are recognised at cost in the statement of financial performance.

Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.

Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.

The cost of inventories is assigned by using the weighted average cost basis.

28 Public-Private Partnerships

Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.

A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.

29 Employee benefits

The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.

30 Transfers of functions

Transfers of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer.

Transfers of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.

31 Mergers

Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger.

Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.

1. Annual Appropriation

1.1 Annual Appropriation

	2019/20		2018/19	
	Final Appropriation	Actual Funds Received	Final Appropriation	Actual Funds Received
	R'000	R'000	R'000	R'000
Administration	143 956	143 956	131 210	131 210
Local Governance	236 228	236 228	212 161	212 161
Development Planning	164 202	164 202	174 662	174 662
Traditional Institutional Management	17 896	17 896	15 202	15 202
Total	562 282	562 282	533 235	533 235

1.2 Conditional grants

	Note	2019/20	2018/19
		R'000	R'000
Total grants received	26	2 004	2 000
Provincial grants included in Total Grants received		2 004	2 000

All Conditional grants received from National Department of Public Works were for Extended Public Works Programme and have been transferred to two local municipalities for the creation of job opportunities within their communities namely:

- Lesedi Local Municipality R1 004 000
- Merafong Local Municipality R1 000 000

2. Departmental revenue

	Note	2019/20	2018/19
		R'000	R'000
Sales of goods and services other than capital assets	2.1	251	289
Interest, dividends and rent on land	2.2	115	-
Transactions in financial assets and liabilities	2.3	42	118
Departmental revenue collected		408	407

Revenue is derived from commissions for collection of funds from the payroll on behalf of third parties, interest on staff debts and staff parking. However, since the tragic event of the fire at Bank of Lisbon building. Staff parking is no longer collected until new office accommodation is secured.

2.2 Sales of goods and services other than capital assets

	2019/20	2018/19
	R'000	R'000
Sales of goods and services produced by the Department	251	289
Sales by market establishment	251	289
Total	251	289

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

2.3 Interest, dividends and rent on land

	2019/20	2018/19
	R'000	R'000
Interest	115	-
Total	115	-

2.4 Transactions in financial assets and liabilities

	2019/20	2018/19
	R'000	R'000
Receivables	42	118
Total	42	118

Transaction in financial assets is mainly debt recovered from owing staff members.

3. Compensation of employees

3.1 Salaries and Wages

	2019/20	2018/19
	R'000	R'000
Basic salary	223 334	206 455
Performance award	9 147	9 403
Service Based	46	788
Compensative/circumstantial	4 188	3 365
Periodic payments	-	5
Other non-pensionable allowances	45 219	41 578
Total	281 934	261 594

3.2 Social contributions

	2019/20	2018/19
	R'000	R'000
Employer contributions		
Pension	28 249	26 333
Medical	16 649	15 418
UIF	-	1
Bargaining council	65	59
Total	44 963	41 811
Total Compensation of Employees	326 897	303 405
Average number of employees	673	669

4. Goods and services

	Note	2019/20	2018/19
		R'000	R'000
Administrative fees		254	260
Advertising		10 164	4 939
Minor assets	4.1	128	558
Bursaries (employees)		1 076	983
Catering		2 583	1 554
Communication		6 601	7 361
Computer services	4.2	10 522	5 160
Consultants: Business and advisory services		2 669	19 940
Legal services		467	1 137
Contractors		1 866	78
Agency and support / outsourced services		15 060	7 174
Audit cost – external	4.3	4 054	3 002
Fleet services		11 846	7 645
Consumables	4.4	7 559	9 902
Operating leases		622	836
Property payments	4.5	9 931	19 020
Rental and hiring		1 112	-
Travel and subsistence	4.6	4 890	4 295
Venues and facilities		7 923	6 246
Training and development		4 997	3 475
Other operating expenditure	4.7	860	1 685
Total		105 184	105 250

The following service item increased materially due to the reason mentioned below:

- Advertising increase as a result of expenditure voters' awareness campaign in preparation of the 2019 general elections.
- Catering increase by approximately R1million due to expense incurred in support of traditional councils on annual commemorations. The Department also launched the Provincial Disaster Management Centre (PDMC) in which event funds were spent on catering.
- Expenditure on computer services increased by approximately R5million late receipt of Microsoft licence fees for the previous reporting period. The Department also spent funds on Information Technology to bring the Provincial Disaster Management Centre to operation.
- The Department also moved some of the tangible movable assets salvaged from the burned Bank of Lisbon building to a storage facility and other offices. Moreover, funds were spent on maintenance of the PDMC. As a result, there was an increase in expenditure for contractors.
- Outsourced services include consultants procured to assist municipalities, during the reporting period additional support was sought for local municipalities in the province. The result was an increase in expenditure on outsourced services.
- The huge variance between the reporting period and the prior year on property payments includes a number of installations of wireless Local Network infrastructure (LAN), electric security systems, electronic security systems and the modification of the building acquired. All this happened at the Provincial Disaster Management Centre (PDMC).

4.1 Minor assets

		2019/20	2018/19
		R'000	R'000
Tangible assets		128	558
Machinery and equipment		128	558
Total		128	558

4.2 Computer services

		2019/20	2018/19
		R'000	R'000
SITA computer services		3 916	217
External computer service providers		6 606	4 943
Total		10 522	5 160

Computer services is comprised of annual license fees for Microsoft and hydronet software for South African Weather Services

4.3 Audit cost – External

		2019/20	2018/19
		R'000	R'000
Regulatory audits		4 054	3 002
Total		4 054	3 002

An increase in the cost of regulatory audit was mainly as a result of overlapping audits conducted. It includes the cost of normal audit for the 2018/19 financial year and the planning for the reporting period

4.4 Consumables

	2019/20	2018/19
	R'000	R'000
Consumable supplies	2 968	7 999
Uniform and clothing	771	510
Household supplies	1 678	2 328
Building material and supplies	451	3 192
IT consumables	44	364
Other consumables	24	1 605
Stationery, printing and office supplies	4 591	1 903
Total	7 559	9 902

4.5 Property payments

	2019/20	2018/19
	R'000	R'000
Municipal services	846	1 043
Property management fees	129	141
Property maintenance and repairs	2 866	15 529
Other	6 090	2 307
Total	9 931	19 020

4.6 Travel and subsistence

	2019/20	2018/19
	R'000	R'000
Local	4 875	3 623
Foreign	15	672
Total	4 890	4 295

4.7 Other operating expenditure

	2019/20	2018/19
	R'000	R'000
Professional bodies, membership and subscription fees	191	-
Resettlement costs	203	-
Other	466	1 685
Total	860	685

5. Payments for financial assets

		2019/20	2018/19
		R'000	R'000
Debts written off		-	34
Total		-	34

No debts were written off during the reporting period

5.1 Debts written off

		2019/20	2018/19
		R'000	R'000
Staff debt for deceased		-	34
Total debt written off		-	34

6. Transfers and subsidies

		2019/20	2018/19
		R'000	R'000
Provinces and municipalities	Annexure 1A	58 004	84 500
Households	Annexure 1G	2 774	981
Total		60 778	85 481

During the reporting period the department made the following transfers to the municipalities:

1. R 3 million for support to comply with GRAP 17 to the following municipalities.

- Emfuleni Local Municipality R 1 000 000.00
- Rand West Local Municipality R 1 000 000.00
- Merafong Local Municipality R 1 000 000.00

2. R 2 million for Performance Management System as follows:

- West Rand District Municipality R 500 000.00
- Merafong Local Municipality R 750 000.00
- Mogale City Local Municipality R 750 000.00

3. R 41 million for Lease of Fire Engines

- West Rand District Municipality R 35 000 000.00
- Lesedi Local Municipality R 6 000 000.00

4. R 10 million for Disaster Management Services

- West Rand District Municipality R10 000 000.00

5. R 2 million for Expanded Public Works Project as follows:

- Merafong Local Municipality R 1000 000.00
- Lesedi Local Municipality R 1004 000.00

7. Expenditure for capital assets

	2019/20	2018/19
	R'000	R'000
Tangible assets	2 922	7 201
Machinery and equipment	2 922	7 201
Total	2 922	7 201

7.1 Analysis of funds utilised to acquire capital assets – 2019/20

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	2 922	-	2 922
Machinery and equipment	2 922	-	2 922
Total	2 922	-	2 922

7.2 Analysis of funds utilised to acquire capital assets – 2018/19

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	7 201	-	7 201
Machinery and equipment	7 201	-	7 201
Total	7 201	-	7 201

8. Cash and cash equivalents

	2019/20	2018/19
	R'000	R'000
Consolidated Paymaster General Account	66 100	31 486
Total	66 100	31 486

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

9. Receivables

	2019/20			2018/19		
	Current	Non-current	Total	Current	Non-current	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable						
Trade receivables						
Recoverable expenditure	56	-	56	-	-	-
Staff debt	926	-	926	966	-	966
Total	982	-	982	966	-	966

9.1 Recoverable expenditure (disallowance accounts)

		2019/20	2018/19
		R'000	R'000
(Group major categories, but list material items)			
Sal Recoverable		56	-
Total		56	-

9.2 Staff debt

		2019/20	2018/19
		R'000	R'000
Debt accounts		926	966
Total		926	966

10. Voted funds to be surrendered to the Revenue Fund

		2019/20	2018/19
		R'000	R'000
Opening balance		31 864	46 124
As restated		31 864	46 124
Transfer from statement of financial performance (as restated)		66 501	31 864
Paid during the year		(31 864)	(46 124)
Closing balance		66 501	31 864

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

Compensation of Employees	R14 751 000
Goods and Services	R14 379 000
Transfers	R20 000 000
Capital Assets	R17 310 000
Total	R66 501 000

11. Departmental revenue and PRF Receipts to be surrendered to the Revenue Fund

	2019/20	2018/19
	R'000	R'000
Opening balance	30	74
As restated	30	74
Transfer from Statement of Financial Performance (as restated)	408	407
Paid during the year	(412)	(451)
Closing balance	26	30

12. Payables – current

	2019/20	2018/19
	R'000	R'000
Other payables	74	19
Total	74	19

12.1 Other payables

	2019/20	2018/19
	R'000	R'000
Sal: ACB Recall CA	9	-
Sal: Income Tax	44	16
Sal: Pension	21	3
Total	74	19

13. Net cash flow available from operating activities

	2019/20	2018/19
	R'000	R'000
Net surplus as per Statement of Financial Performance	66 909	32 271
Add back non cash/cash movements not deemed operating activities	(29 315)	(39 516)
Increase/decrease in receivables	(16)	65
Increase/(decrease) in payables – current	55	(207)
Expenditure on capital assets	2 922	7 201
Surrenders to Revenue Fund	(32 276)	(46 575)
Net cash flow generated by operating activities	37 594	(7 245)

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

	2019/20	2018/19
	R'000	R'000
Consolidated Paymaster General account	66 100	31 486
Total	66 100	31 486

15. Contingent liabilities and contingent assets

15.1 Contingent liabilities

	2019/20	2018/19
	R'000	R'000
Liable to Nature		
Housing loan guarantees Employees	21	21
Total	21	21

The housing guarantee relates to the guarantee issued by the Department for staff members to commercial banks. However, the relevant house(s) were since paid-off, however the Department is struggling to get release letters from the relevant bank. All guarantees relate to houses bought during the period when state guarantees were applicable.

16. Capital commitments

		2019/20	2018/19
		R'000	R'000
Office furniture and equipment		1 332	619
Total		1 332	619

Improvements on Modified Cash Standard as amended requires only the disclosure of capital commitments. The changes have reduced overall commitments value by approximately R27 million which includes amongst others the support to municipalities contracts. Included in the capital commitments are amounts related to the procurement of office furniture for the Provincial Disaster Management Centre.

17. Accruals and payables not recognised

17.1 Accruals

			2019/20	2018/19
			R'000	R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	9 570	–	9 570	4 600
Capital assets	409	–	409	–
Other				
Total	9 979	–	9 979	4 600
Listed by programme level				
			2019/20	2018/19
			R'000	R'000
Administration			4 558	2 703
Local Governance			960	251
Development planning			3 950	1 393
Traditional Institutional Management			511	253
Total			9 979	4 600

17.2 Payables not recognised

		2019/20		2018/19	
		R'000		R'000	
Listed by economic classification					
	30 Days	30+ Days	Total	Total	
Goods and services	750	-	750	2 860	
Interest and rent on land					
Transfers and subsidies					
Capital assets					
Other (Employees Benefit)					
Total	750	-	750	2 860	
Listed by programme level					
Administration			242	2 860	
Local Governance			470	-	
Development Planning			38	-	
Traditional Institutional Management			-	-	
Total			750	2 860	
Included in the above totals are the following:					
Confirmed balances with other departments	<i>Annexure 5</i>		264	12	
Confirmed balances with other government entities	<i>Annexure 5</i>		1 068	791	
Total			1 332	803	

18. Employee benefits

	2019/20	2018/19
	R'000	R'000
Leave entitlement	26 242	22 665
Service bonus	8 842	8 508
Performance awards	2 562	4 798
Capped leave	2 389	2 641
Other	98	42
Total	40 133	38 654

During the reporting period long service award liability relates to 20 and 30 respectively and estimate on performance awards liability are calculated at 0.75% of Departmental salary bill of R341 648 X 0.75=R2 562. The significance variance between the prior and reporting period for leave entitlement is the previous leave cycle which is currently not reported on.

19. Lease commitments

19.1 Operating leases

2019/20	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	3 907	3 907
Later than 1 year and not later than 5 years	-	-	-	4 400	4 400
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	8 307	8 307

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

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

19.2 Finance leases **

2019/20	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	5 623	5 623
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	5 623	5 623

2018/19	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	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

The reduced finance lease amount in 19/20 financial is attributed to the contract that comes to an end by end August 2020. The finance leases include mobile phones utilized by management and other qualifying officials.

20. Irregular expenditure

20.1 Reconciliation of irregular expenditure

	2019/20	2018/19
	R'000	R'000
Opening balance	5 968	5 577
Prior period error		
As restated	5 968	5 577
Add: irregular expenditure-relating to prior year	-	-
Add: Irregular expenditure – relating to current year	-	1 042
Less: Current year amounts condoned	-	(651)
Closing balance	5 968	5 968

		2019/20	2018/19
		R'000	R'000
Analysis of awaiting condonation per age classification			
Current year		-	-
Prior years		5 968	5 968
Total		5 968	5 968

During the reporting period no irregular expenditure incurred by the Department.

21 Fruitless and wasteful expenditure

21.1 Reconciliation of fruitless and wasteful expenditure

		2019/20	2018/19
		R'000	R'000
Opening balance		137	-
As restated		137	-
Fruitless and wasteful expenditure-relating to prior year		-	-
Fruitless and wasteful expenditure – relating to current year		-	137
Closing balance		137	137

22. Related party transactions

Department has a related party relationship with Gauteng Department of Human Settlement, Housing Fund and Gauteng Partnership Fund due to the fact both departments have one political head.

23. Key management personnel

	No. of Individuals	2019/20	2018/19
		R'000	R'000
Political office bearers			
Officials:	2	3 294	2 005
Level 15 to 16	6	9 788	8 818
Level 14	11	12 408	11 219
Total		25 490	22 042

As a result of general elections during the reporting period, the Department paid one office bearer for two months and the other for ten months.

24. Movable Tangible Capital Assets

Movement in Movable Tangible Capital Assets per asset register for the year ended 31 march 2020					
	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000		R'000
MACHINERY AND EQUIPMENT	33 967	-	2 922	-	36 889
Transport assets	-	-	926	-	926
Computer equipment	21 164	-	900	-	22 064
Furniture and office equipment	8 165	-	548	-	8 713
Other machinery and equipment	4 638	-	548	-	5 186
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	33 967	-	2 922	-	36 889

Movable Tangible Capital Assets under investigation 2019/2020		
	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:		
Computer equipment	125	2 106
Furniture and Fittings	17	125
Office Equipment	16	217
Other machinery	23	263
TOTAL	181	2 711

Assets under investigations include assets mostly assets salvaged from the Bank of Lisbon building. The investigation was concluded in in February 2020, however an opinion of a third party was requested which opinion was produced into a report in May 2020. As a result, there no substantial change in assets under investigations except those which were recovered during passements and verifications.

Movable Capital Assets under investigation 2018/19		
	Number	Value R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Computer equipment	103	1 808
Furniture and fitting	31	329
Office equipment	20	283
Other machinery and equipment	25	421
TOTAL	179	2 848

24.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020					
	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	2 922	-	-	-	2 922
Transport assets	926	-	-	-	926
Computer equipment	900	-	-	-	900
Furniture and office equipment	548	-	-	-	548
Other machinery and equipment	548	-	-	-	548
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	2 922	-	-	-	2 922

24.2 Movement for 2018/19

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019					
	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	26 969	(250)	7 248	-	33 967
Transport assets	-	-	-	-	-
Computer equipment	20 023	-	1 141	-	21 164
Furniture and office equipment	5 274	-	2 891	-	8 165
Other machinery and equipment	1 672	(250)	3 216	-	4 638
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	26 969	(250)	7 248	-	33 967

The change on the closing balance for the prior year and opening balance for the reporting is as result of the prior error of R250 000 is the once annual licence fee amount which was part of the under capital working in progress reported during the prior year.

24.2.1 Prior period error

	2018/19
	R'000
Nature of prior period error	
Relating to 2018/19 [affecting the opening balance]	(250)
	(250)
Relating to 2018/19	
Total prior period errors	(250)

Prior year of R250 000 relates to annual licence fee expense which was captured as part of additions on machinery and equipment in the prior year under capital work in progress.

24.3 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2020						
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	1 620	-	3 482	-	5 102
Value adjustments	-	-	-	-	-	-
Additions	-	-	-	128	-	128
De-Recognition	-	-	-	(61)	-	(61)
TOTAL MINOR ASSETS	-	1 620	-	3 549	-	5 169

Minor Capital Assets under investigation 2019/2020		
	Number	Value
		R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Computer equipment	160	88
Furniture and fitting	425	133
Office equipment	165	107
Other machinery and equipment	86	117
TOTAL	836	445

Minor Capital Assets under investigation 2018/19		
	Number	Value
		R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Computer equipment	111	69
Furniture and fitting	572	275
Office equipment	179	110
Other machinery and equipment	81	120
TOTAL	940	574

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As a result of de-merger, the Department receive major assets from the Department of Human Settlement. Due to none availability of source documents the assets in question were received at the value R1. As a result of the above minor assets under investigation include large assets like desks and computers

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2019						
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	1 620	-	2 924	-	4 544
Prior period error	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Disposals	-	-	-	558	-	558
TOTAL MINOR ASSETS	-	1 620	-	3 482	-	5 102

24.4 S42 Movable capital assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2019						
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
No. of Assets	-	-	-	2	-	2
Value of the assets (R'000)	-	-	-	47	-	47

25. Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2020				
	Opening balance 1 April 2019	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2020
	R'000	R'000	R'000	R'000
Heritage assets	-	-	-	-
Buildings and other fixed structures	-	-	-	-
Machinery and equipment	1 400	(1 400)	-	-
Intangible assets				
TOTAL	1 400	(1 400)	-	-

Weather stations that were reported as capital work in progress in the prior year were delivered during the reporting period.

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2019					
	Opening balance 1 April 2019	Prior Period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2019
	R'000	R'000	R'000	R'000	R'000
Heritage assets	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-
Machinery and equipment	-	-	1 400	-	1 400
Intangible assets	-	-	-	-	-
TOTAL	-	-	1 400	-	1 400

Work in progress include four weather stations procured for the provincial Disaster Management.

Age analysis on ongoing projects	Number of projects		2018/19
	Planned, construction not started	Planned, construction started	Total R'000
0 to 1 year	-	-	1 400
1 to 3 year(s)	-	-	-
3 to 5 year(s)	-	-	-
Total	-	-	1 400

26. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	GRANT ALLOCATION					SPENT				2018/19	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjust-ments	Other Adjust-ments	Total Available	Amount received by department	Amount spent by department	Under / (Overspending)	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Expanded Public Works Programme	2,004	-	-	-	2,004	2,004	2,004	-	100%	2,000	2,000
	2,004	-	-	-	2,004	2,004	2,004	-	100%	2,000	2,000

27. UNAUDITED STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	2019/20						2018/19		
	GRANT ALLOCATION			TRANSFER			Division of Revenue Act	Actual transfer	
	DORA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld			
R'000	R'000	R'000	R'000	R'000	R'000	%			
West Rand District Municipality (PMS)	500	-	-	500	500	-	-	-	-
Lesedi Local Municipality (PMS)	-	-	-	-	-	-	-	500	500
Merafong City Local Municipality (PMS)	750	-	-	750	750	-	-	1,000	1,000
Mogale City Local Municipality (PMS)	750	-	-	750	750	-	-	500	500
Lesedi Local Municipality (GRAP 17)	1,000	-	-	1,000	1,000	-	-	750	750
Merafong City Local Municipality (GRAP 17)	-	-	-	-	-	-	-	500	500
Emfuleni Local Municipality (GRAP 17)	1,000	-	-	1,000	1,000	-	-	750	750
Randwest City Local Municipality (GRAP 17)	1,000	-	-	1,000	1,000	-	-	1,000	1,000
Merafong City Local Municipality (EPWP)	1,000	-	-	1,000	1,000	-	-	500	500
Randwest City Local Municipality (EPWP)	-	-	-	-	-	-	-	500	500
Lesedi Local Municipality (EPWP)	1,004	-	-	1,004	1,004	-	-	1,000	1,000
West Rand District Municipality (Leased Fire fighting vehicles)	35,000	-	-	35,000	35,000	-	-	57,500	57,500
West Rand District Municipality (Improve Disaster response)	10,000	-	-	10,000	10,000	-	-	-	-
Lesedi Local Municipality (Functional Fire Rescue)	6,000	-	-	6,000	6,000	-	-	-	-
Merafong City Local Municipality (Water supply infrastructure)	-	-	-	-	-	-	-	20,000	20,000
TOTAL	58,004	-	-	58,004	58,004	-	-	84,500	84,500

It is confirmed that all the above amounts were paid into the primary bank accounts of the respective municipalities

28. ANNEXURE 1A
UNAUDITED STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT			2018/19		
	DORA and other transfers R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual transfer R'000	Funds Withheld R'000	Re-allocations by National Treasury or National Department %	Amount received by municipality R'000	Amount spent by municipality R'000	Unspent funds R'000	% of available funds spent by municipality	Division of Revenue Act R'000	Actual transfer R'000
West Rand District Municipality (PMS)	500	-	-	500	500	-	-	500	500	-	100%	-	-
Lesedi Local Municipality (PMS)	-	-	-	-	-	-	-	-	-	-	-	500	500
Merafong City Local Municipality (PMS)	750	-	-	750	750	-	-	750	-	-	0%	1,000	1,000
Mogale City Local Municipality (PMS)	750	-	-	750	750	-	-	750	-	-	0%	500	500
Lesedi Local Municipality (GRAP 17)	1,000	-	-	1,000	1,000	-	-	1,000	965	-	97%	750	750
Merafong City Local Municipality (GRAP 17)	-	-	-	-	-	-	-	-	-	-	-	500	500
Emfuleni Local Municipality (GRAP 17)	1,000	-	-	1,000	1,000	-	-	1,000	-	-	0%	750	750
Randwest City Local Municipality (GRAP 17)	1,000	-	-	1,000	1,000	-	-	1,000	1,000	-	100%	1,000	1,000

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NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	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
Merafong City Local Municipality (EPWP)	1,000	-	-	1,000	1,000	-	-	1,000	606	-	61%	500	500
Randwest City Local Municipality (EPWP)	-	-	-	-	-	-	-	-	-	-	-	500	500
Lesedi Local Municipality (EPWP)	1,004	-	-	1,004	1,004	-	-	1,004	1,004	-	100%	1,000	1,000
West Rand District Municipality (Leased Fire fighting vehicles)	45 000	-	-	45 000	45 000	-	-	45 000	41 244	-	92%	57,500	57,500
West District Municipality (Disaster response)	-	-	-	-	-	-	-	-	-	-	-	-	-
Lesedi Local Municipality	6,000	-	-	6,000	6,000	-	-	6,000	-	-	0%	-	-
Merafong City Local Municipality (Water supply)	-	-	-	-	-	-	-	-	-	-	-	20,000	20,000
TOTAL	58,004	-	-	58,004	58,004	-	-	58 004	45 319	-	78%	84,500	84,500

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

ANNEXURE 1G

UNAUDITED STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2018/19 Final Appropriation R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjust-ments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
Transfers	-	-	-	-	-	-	-
H/H EMPL S/BEN:PST RETIRMT BENEF	-	-	-	-	-	-	-
Key health Med Scheme	-	-	-	-	587	-	543
National Treasury	-	-	-	-	86	-	205
Alexander Forbes Group	-	-	-	-	-	-	227
MEC	-	-	-	-	1422	-	-
H/H EMPL S/BEN: INJURY ON DUTY	-	-	-	-	196	-	6
Clinics, drs, compensation Commissioner	-	-	-	-	-	-	-
H/H EMPL SBEN LEAVE GRATUITY	-	-	-	-	483	-	-
	-	-	-	-	2,774	-	981
Subsidies	-	-	-	-	-	-	-
TOTAL	-	-	-	-	2,774	-	981

ANNEXURE 3A
UNAUDITED STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT
31 MARCH 2020 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2019	Guarantees draw downs during the year	Guarantees repayments/cancelled/reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2020	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2020
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Housing								
NEDBANK	Subtotal	-	21	-	-	-	21	-	-
	Housing								
	Subtotal								
	Other								
	Subtotal								
	TOTAL	-	21	-	-	-	21	-	-

ANNEXURE 4

UNAUDITED CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2019/20 *	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Department of Agriculture	20	-	-	-	20	-	-	-
Department of Economic Dev	53	-	-	-	53	-	-	-
Other Government Entities								
TOTAL	73	-	-	-	73	-	-	-

ANNEXURE 5

UNAUDITED INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2019/20 *	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
Department of Justice	-	12	259	-	259	12	-	-
Department of Econ Dev	264	-	-	-	264	-	-	-
Subtotal	264	12	259	-	523	12	-	-
Non-current								
Subtotal								
TOTAL	264	12	259	-	523	12	-	-

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2019/20 *	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	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
OTHER GOVERNMENT ENTITY								
Current								
Department of transport (G-Fleet)	1 068	791	-	-	1 068	791	-	-
Subtotal	1 068	791	-	-	1 068	791	-	-
Subtotal	1068	791	-	-	1068	791	-	-
TOTAL INTERGOVERNMENT PAYABLES	1 332	803	259	-	1 591	803	-	-

NOTES

Lined area for notes with horizontal blue lines.



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