



GAUTENG PROVINCE

CO-OPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

**DEPARTMENT OF COOPERATIVE GOVERNANCE
AND TRADITIONAL AFFAIRS**

PROVINCE OF GAUTENG

VOTE NO. 7

**Annual Report
2015/16 Financial Year**

PR 166/2016

ISBN: 978-0-621-44605-0

Table of Contents

PART A: GENERAL INFORMATION	4
1. DEPARTMENT GENERAL INFORMATION	5
2. LIST OF ABBREVIATIONS/ACRONYMS	6
3. FOREWORD BY THE MEC	8
4. REPORT OF THE ACCOUNTING OFFICER	11
5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT	18
6. STRATEGIC OVERVIEW	19
7. LEGISLATIVE AND OTHER MANDATES.....	20
8. ORGANISATIONAL STRUCTURE	24
9. ENTITIES REPORTING TO THE MINISTER/MEC.....	25
PART B: PERFORMANCE INFORMATION.....	26
1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES	27
2. OVERVIEW OF DEPARTMENTAL PERFORMANCE	28
3. STRATEGIC OUTCOME ORIENTATED GOALS	30
4. PERFORMANCE INFORMATION BY PROGRAMME	31
5. TRANSFER PAYMENTS	59
6. CONDITIONAL GRANTS.....	60
7. DONOR FUNDS.....	60
8. CAPITAL INVESTMENT	60

PART C: GOVERNANCE	62
1. INTRODUCTION.....	63
2. RISK MANAGEMENT.....	63
3. FRAUD AND CORRUPTION.....	63
4. MINIMISING CONFLICT OF INTEREST.....	63
5. CODE OF CONDUCT.....	64
6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES.....	64
7. PORTFOLIO COMMITTEES.....	64
8. SCOPA RESOLUTIONS.....	67
9. PRIOR MODIFICATIONS TO AUDIT REPORTS.....	67
10. INTERNAL CONTROL UNIT.....	67
11. INTERNAL AUDIT AND AUDIT COMMITTEES.....	68
12. REPORT OF THE AUDIT COMMITTEE.....	70
PART D: HUMAN RESOURCE MANAGEMENT	74
1. INTRODUCTION.....	75
2. OVERVIEW OF HUMAN RESOURCES.....	75
3. HUMAN RESOURCES OVERSIGHT STATISTICS.....	75
PART E: FINANCIAL INFORMATION	108



COMPLIANCE



RULES & REGULATIONS



POLICIES REQUIREMENTS



TRANSPARENCY & STANDARDS



BUSINESS & LAW

Part

A

General Information

1. DEPARTMENT GENERAL INFORMATION

Title of publication

Gauteng Department of Cooperative Governance and Traditional Affairs Annual Report for 2015/2016

Physical Address

37 Pixley ka Isaka Seme Street
Johannesburg
2001

Postal Address

Private Bag X86
Marshalltown
2107

Telephone Number

+27 11 355 4000

Fax Number

+27 11 834 3670

Website Address

www.cogta.gpg.gov.za

Social Media

<https://www.facebook.com/GautengCoGTA/>

<https://www.twitter.com/GDCoGTA>

Email

connie.muvunyi@gauteng.gov.za

PR 166/2016

ISBN: 978-0-621-44605-0

2. LIST OF ABBREVIATIONS/ACRONYMS

ABLTC	Amandebele Ba Lebelo Traditional Council
ANSTC	Amandebele Nzunza Sokhulumi Traditional Council
AFS	Annual Financial Statements
APR	Annual Performance Report
BOL	Bank of Lisbon
CDWs	Community Development Workers
CDWP	Community Development Workers Programme
CFO	Chief Financial Official
COJ	City of Johannesburg
DCOG	Department of Cooperative Governance
DED	Department of Economic Development
DORA	Division of Revenue Act
EIA	Environmental Impact Assessment
EPWP	Expanded Public Works Programme
EXCO	Executive Council
GCR	Global City Region
GCRO	Global City Region Observatory
GDF	Gauteng Department of Finance
GDP	Gross Domestic Product
GEYODI	Gender, Youth and People with Disabilities
GPG	Gauteng Provincial Government
GRAP	Generally Recognised Accounting Practices
GSF	Gauteng Speaker's Forum
HR	Human Resources
ICT	Information Communication Technology
IGR	Inter-governmental Relations
IDP	Integrated Development Plans
IGSDF	Intergovernmental Service Delivery Forums
IQMS	Asset Management System
JOC	Joint Organising Committee
KPI	Key Performance Indicator
LED	Local Economic Development
LG	Local Government
LGAC-AAT	Local Government Accounting Certificate-Accelerated Artisan Training
LGTAS	Local Government Turn-around Strategy
LM	Local Municipality
MDB	Municipal Demarcation Board
MEC	Member of the Executive Council

MFI	Municipal Finance Indaba
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MISA	Municipal Infrastructure Support Agency
MPAC	Municipal Public Accounts Committees
MPRA	Municipal Property Rates Act
MSA	Municipal Systems Act
MTEF	Medium Term Expenditure Framework
NBCR	Nuclear, Biological, Chemical Response
NSDP	National Spatial Development Perspective
NYS	National Youth Service
OPCA	Operation Clean Audit
OPEX	Operational Expenditure
OPMS	Organisational Performance Management System
PAIA	Promotion of Access to Information Act
PCBTT	Provincial Capacity Building Task Team
PCF	Premier's Co-ordinating Forum
PDMC	Provincial Disaster Management Centre
PMS	Performance Management System
POA	Programme of Action
POBA	Public Office Bearers Act
PPF	Public Participation Framework
PSC	Public Service Commission
SALGA	South African Local Government Association
SDBIP	Service Delivery and Budget Implementation Plan
SETA	Sector Education Training Authority
SLAs	Service Level Agreements
SMS	Senior Management Service
SOP	Standard Operating
TC	Traditional Councils
TL	Traditional Leadership
TMR	Transformation, Modernisation and Re-industrialisation
ToR	Terms of Reference
TSC	Technical Steering Committee
USAR	Urban Search and Rescue
WC/WDM	Water Conservation/Water Demand Management
WWTW	Waste Water Treatment Works

3. FOREWORD BY THE MEC



Mr. Paul Mashatile MPL
Member of the Executive Committee

Considering that this year marks the 26th anniversary of the release of former President Nelson Mandela from prison and that this event is one of the most remarkable episodes in the history of our country, we are reminded and inspired by the most appropriate words of this great legend when he said: "After climbing a great hill, one only finds that there are many more hills to climb" (Nelson Rolihlahla Mandela)

This Annual Report, our blueprint guides us in how we can climb many more great hills together as we take municipalities forward whilst realising Outcome 9 and the National Development Plan (NDP). Going forward, the Department will continue to support and monitor local government performance to ensure that municipalities become viable and sustainable to carry out their constitutional mandate.

Gauteng province is a vibrant and dynamic province that brings with it a number of unique challenges. It is incumbent upon us as the provincial government, entrusted by the people of this province, to rise to these challenges in a strategic, result driven way of doing things.

We therefore committed ourselves, through the Premier's Ten-Pillar Plan for the Transformation, Modernisation and Revitalisation (TMR) strategy, to the radical transformation of the spatial legacy of our society across race, economic status and culture.

One of the challenges we were faced with, was the prevalent violent community protests that threatened the very stability and effective governance of the Gauteng province. These protests were not only about service delivery, but also about the way development and delivery was undertaken. The Premier's NTIRHISANO community outreach programme was launched to address these concerns. We have seen that Ntirhisano has turned around the mood in communities in an unprecedented manner. Through this kind of proactive and participatory approach to problem solving, we are restoring levels of trust and public confidence on the ground.

Motivated by a greater sense of urgency, integrity and transparency, we will spend more time with the communities, solving problems together and speed up service delivery on all levels.

In order to continue our local government transformation agenda, we need fully functional municipalities, which equally must also be financially viable. Capacity building, training, skills development, hands-on approach and technical support will all help the municipalities perform better in discharging their responsibilities and mandates. Through meaningful interventions, Gauteng municipalities have become strong and capable institutions that are managed and governed efficiently. None of the municipalities has received disclaimers in the recent audit cycle, with an increasing number of municipalities achieving clean audit outcomes from year to year. The municipalities now have strong organisational structures that are intended to complement their mandates.

The department will monitor infrastructure spend by municipalities through the MIG war room. This is a joint initiative with the Gauteng Treasury. The Municipal Infrastructure Grant (MIG) expenditure as at April 2016 was at 57, 62% (R 263,486 mil).

Across all municipalities, vacancies at senior management level are below 15%, except in municipalities that will be merged after the local government elections.

Having said that, it is encouraging to note that due to the fact that our province does not have any dysfunctional municipalities, that we are in a good space as far as our municipalities are concerned.

It is, however, disconcerting that two of the twelve municipalities in the province, that is Westonaria and Randfontein Local Municipalities, were found to be municipalities "at risk". What is peculiar about these two municipalities is that they are both situated in distressed mining towns in the West Rand District, where there are high unemployment levels, poverty and inequality due to the eroding economic activity and plummeting performance of mining houses.

Although there has been some regression in the audit outcomes of these two of the municipalities in the province, there have been massive improvements in other audit outcomes. To date CoGTA, in partnership with the Gauteng Treasury and municipalities, have achieved major improvements in municipal audit outcomes as it relates to both the achievement of clean and unqualified audit outcomes and the reduction of both audit report and management letter issues as raised by the Auditor General. As it stands, 33 % of the municipalities achieved clean audit opinions, 50% of the municipalities achieved unqualified audit opinions, and only 17% received adverse audit opinions. The Department and Gauteng Treasury are intensifying the support to the two municipalities with negative audit opinions for the 16/17 financial year.

Furthermore, the municipalities in the province, through the monitoring and support of the CoGTA and Gauteng Treasury, have managed to reduce and in some cases totally eradicated recurring issues from previous audit processes. These achievements speak directly to the prudent financial management by municipalities, for which they should be commended.

The socio-economic plight of these municipalities and communities that live within them is continuously receiving attention from the provincial government. For example, the following programmes and projects were implemented to support these municipalities:

- Upgrading of the Sewer infrastructure in Bekkersdal
- A pilot project to implement the Waterless Sanitation Solution in informal settlements of Bekkersdal
- Formalisation and Electrification of Afghanistan informal settlement.
- Building of RDP houses at Westonaria Borwa.

The support programmes implemented in these municipalities have ensured service delivery improvement in the area. Furthermore, the area is no longer a hotspot.

Randfontein continues to have challenges with provision of bulk infrastructure to support human settlements but the required funding has been identified to address this problem. The Department of CoGTA is working with the Gauteng Treasury to find a solution to the challenge.

In what can be considered a major boost to skills development and job sustainability in our province, the Department embarked in the last year on a partnership with the Local Government Sector Education and Training Authority (LGSETA) and the South African Institute of South Africa (SAICE) to improve skills and to augment the professionalism of existing engineering officials in all Municipalities. Through this initiative known as **"THE ROAD TO REGISTRATION FOR ENGINEERS"** we hope to have a lasting significance on the scarce skills area given the high turnover on an ageing cohort and relatively young and inexperienced engineers left without adequate mentorship.

We are proud to have enrolled 169 candidates consisting of young and experienced engineers across all municipalities in Gauteng who have not yet registered as professional to be trained and mentored to professionalize and register with Engineering Council of South Africa (ECSA). To this end about 40 experienced engineers will be registered as professionals by the end of June 2016. We have successfully trained and declared 70% of the 60 officials competent in the National Training Regulation framework.

Despite our many significant delivery achievements across the province, we could at no stage afford to become complacent. We had to take stock and assess our options to find a better way to serve our people. In context, it is therefore important to understand where we are, where we could be and what needs to be done to improve the functioning of municipalities to better serve our communities and to get the basics right. The Back-to-Basics programme has yielded exceptional results and paved a way forward for a different approach to how the community is served and served best.

To take the Back to Basics (B2B) programme forward, the provincial government will be participating fully in the implementation of Phase 2 of the Programme as defined by the National Department of Cooperative Governance and Traditional Affairs. The orientation of Phase 2 of the B2B programme will be geared towards:

- Improving performance through building effective systems and resilient institutions of Local Government;
- Working smarter and innovatively to increase impact;
- Focusing on 20% of actions that will deliver 80% of impact;
- Moving municipalities at "risks" of ill-functionality to the next level; halt "at-risk" municipalities from becoming dysfunctional; and maintain well performing municipalities at that level;
- Establishing programmes to address generic systemic problems – e.g. weaknesses in human resource management, supply chain management, infrastructure procurement and financial management;
- Mobilising multi-departmental teams at provincial and national levels to tackle municipalities at risks of ill-functionality; and
- Strengthening community engagement and local government accountability to citizens through innovative platforms (e.g. social media, community radio)

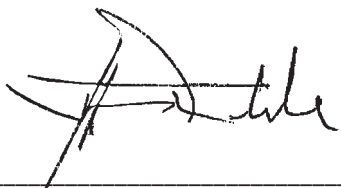
As far as Traditional Institutional Management is concerned, our APP goal is to radically transform, modernise and build sustainable, responsive, viable local and traditional councils.

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

- Support and strengthen good governance; financial management and viability; the quality of institutional and administrative capacity and practice of local institutions.
- To facilitate the development of specialist and technical skills in order to transform local government.
- To improve the developmental and governance capacity, quality of management and administrative practices within Traditional Leadership.
- Establishment of an effective, efficient, responsive, accountable and resilient local government.
- To tackle corruption within local government effectively by enhancing the quality of governance structures, systems, processes and political leadership.
- To promote transparency, ethical governance and build public trust in local government institutions.

The funding set aside for this programme will be utilised to continuously integrate the traditional leaders into the mainstreaming of the municipal councils.

Motivated by our commitment to the betterment of the lives of the people in the Gauteng province, we will, true to the words of Nelson Mandela, climb one great hill after another in our mission to fulfil our mandate the best way possible.



SP Mashatile, MPL

Member of the Executive Council: Department of Cooperative Governance and Traditional Affairs and Human Settlements

Date: 31 August 2016

4. REPORT OF THE ACCOUNTING OFFICER



Mr. Nhlakanipho Nkontwana
Head of Department

Overview of the Operations of the Department

It is my pleasure to give account on the performance of the department for the 2015/16 financial year. During this reporting year, we made commitments to reposition the department and ensure that the basics of establishing a fully-fledged institution are put in place, support to municipalities and rigorous implementation of the B2B programme receive an urgent attention. It was both a year of reflection on previous years after the demerger from Human Settlement and defining the future operating model for CoGTA in pursuit of the Gauteng TMR objectives as outlined in the 2014 and 2015 State of the Province Addresses.

The Department was allocated an amount of R406,5 million during the reporting period of which R368 888 or 91% was spent. The under expenditure was mainly due to some of projects that were not concluded and settled by the end of the reporting period including the completion of the acquisition of the Provincial Disaster Management Centre. The department managed to achieve 85% of its planned targets

for the financial year. The projects that were not achieved in the previous financial year have been rolled over.

During the reporting year, the Department performed exceptionally well achieving the overall score of 85%. The four programmes of the department performed as follows:

- | | |
|---|------|
| • Programme 1: Administration | 92% |
| • Programme 2: Local Governance and Support | 88% |
| • Programme 3: Development Planning | 80% |
| • Programme 4: Traditional Institutional Management | 100% |

It is exciting that during the 2015/16 financial year, the organisational structure of the department was approved by the Minister of Public Service and Administration which paved the way towards institutional stability and informed forward looking planning to meet future obligations. This was a functional structure that is aligned to the generic CoGTA structure by the Department of Public Service of South Africa (DPSA). The next phase of the process will entail the review of this structure against the strategy of the department. While this positive development is appreciated, a concern is raised regarding the lack of suitable workplace environment which is also inhibiting further job creation within the department. The Department will continue to work with the relevant department responsible for State property to secure the office accommodation.

During the 2015/16 financial year, the President of South Africa launched first phase of Back-to-Basics to improve the performance of municipalities in the country. Gauteng Provincial Government approved of the programme and launched the Provincial chapter in September 2015 with only two municipalities at risk. The Department established relevant IGR structures, working with GPG departments, public entities and national departments to support ailing municipalities and improve performance of those municipalities that are doing well.

The reporting year saw the department dedicating its support to two municipalities that are merging during the 2016 Local Government elections, namely; Westonaria and Randfontein Local Municipalities. These municipalities are also classified as at risk in terms of national categorisation by the national government. The support to these municipalities included cascading of performance management system to improve institutional performance, ensuring compliance with GRAP standards, improving compliance with pillars of B2B especially on service delivery and fast tracking of transitional arrangements for the 2016 merger.

Other deliverables during the relevant financial year include the review of municipal Anti-Corruption strategies and fraud plans, establishment of ethics committees, more than 50% of women trained in scarce and critical skills, development and approval of water and sanitation plan for GCR, 2030 and voter education strategy for 2016 Local Government elections. The audit outcomes of municipalities also improved with more municipalities receiving clean audits save for two municipalities at risk that performed badly.

As we move towards the 2016/17 financial year, the focus of the department will be on supporting the IEC to ensure successful free and fair elections, provision of dedicated support to needy municipalities on infrastructure and institutional capacity such as Emfuleni, Merafong, Randfontein and Westonaria and Lesedi Local Municipalities, ensuring that monies owed to municipalities is settled by state organs, monitoring of infrastructure spent in terms of MIG and USDG utilisation and improve Provincial Government response to natural and man-made disasters and increase support to Human Settlement Mega Settlement projects.

Furthermore, the 15th year local government review report will be released prior the local government elections. It is my firm belief that the department is on the right track to play a pivotal role in the achievement of TMR, especially with the newly appointed MEC Mashatile who is a seasoned leader of note. MEC Mashatile's leadership will increase the value add in the further transformation of the local government sector in Gauteng and we are blessed to have him as our MEC.

Key Management

During the reporting period, the Department managed to fill the following key positions, Director: Supply Chain Management, Director: Strategic Management, Director: Facilities Management and Security, Director: Executive Support and Director: Public Participation. The Department sadly lost the Director: GEYODI due to untimely death as well as the services of the Chief Director: Corporate Services who resigned during the month of March 2016.

Overview of the financial results of the Department

The Department is not a revenue generating institution due to the nature of the services it offers, however the Department managed to collect most its targeted revenue over the past two financial years. The major area of revenue collection for the Department was parking fees from staff members followed by the commission from various financial institutions on collection of premiums and instalments on their behalf from the some of the staff members as well as the sale of tender documents.

Arising from the demerger with the Department of Human Settlement is the fact that the Department could not estimate its revenue from parking and commission precise accuracy, however going forward the Department is comfortable that the estimate will be precise. The under collection on other category of revenue was due to late payment of servitude fees by one institution that has servitudes on provincially owned land. The fees were only paid in the current financial year. This function will be transferred to the Department of Infrastructure Development as the custodian of land management in the province.

Table 1: Revenue

Departmental receipts	2014/2015			2015/2016		
	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
Tax Receipts	0	0	0	0	0	0
Casino taxes	0	0	0	0	0	0
Horse racing taxes	0	0	0	0	0	0
Liquor licences	0	0	0	0	0	0
Motor vehicle licences	0	0	0	0	0	0
Sale of goods and services other than capital assets	140	317	(177)	141	292	(151)
Transfers received	0	0	0	0	0	0
Fines, penalties and forfeits	0	0	0	0	0	0
Interest, dividends and rent on land	25	0	25	26	6	20
Sale of capital assets	0	0	0	0	0	0
Financial transactions in assets and liabilities	300	173	127	314	60	255
Total	465	490	(25)	481	358	123

The under-collection of revenue of R358 000.00 is due to the decline of projects being advertised thus decreasing the collection on the sale of tender documents and the transfer of staff members belonging to Human Settlements Department which increased the collection in the previous financial year. The Department is not a revenue generating institution due to the nature of services it provides therefore, no new revenue sources were identified during the reporting period as result the collection of revenue cannot be exactly determined.

Table 2: Expenditure

Programme Name	2014/2015			2015/2016		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	114 863	82 819	32 044	112 354	105 531	6 823
Local Governance	177 855	162 712	15 143	208 333	206 287	2 046
Development and Planning	40 686	31 423	9 263	78 642	50 268	28 374
Traditional Institutional Development	7 194	6 507	687	7 248	6 802	446
Total	340 598	283 461	57 137	406 577	368 888	37 689

During the period under review the Department was allocated a total budget of R406,577 million of which represent an average of 20 percent compared to the allocation of the previous financial year. The Department managed to spend R368,888 million which represents 91% of the total budget allocated. The under expenditure was mainly due to some of projects that were concluded and settled by the end of the reporting period including the completion to acquire the Provincial Disaster Management Centre. The two major contributors of under expenditure in terms of programmes is Administration (Programme 1) followed by Development and Planning (Programme 3). Programme 1 under-expenditure is due to the non-availability of the building to accommodate staff members which resulted in the Department not being to spend capital funds allocated for the renovations of floors. Programme 3 under-expenditure is attributed to Department failing to complete the procurement of the building for

Disaster Management Centre. In terms of economic classification the under-expenditure is attributed to capital expenditure for spending 4% or R1.1 million of the total allocation of R30 million. This was as result of the failure of the Department to conclude the procurement of building for the Centre prior the end of the reporting period.

Programme 1: Administration.

The programme was allocated a total budget of R112,354 million of which an amount of R105,531 was spent which represent 94% of the total budget allocated. The major reason for an under-expenditure on this programme is compensation of employees and payment of capital assets mainly due to the lack of building to accommodate staff members as part of the office space and filling of other critical positions due to office space.

Programme 2: Local Governance.

The programme was allocated a total budget of R208,333 million during the year under review of which an amount of R206,287 million or 99% was spent during the same period. The contributing factor the programme to spend most of its funds is related to the transfer of funds to municipalities to carry out identified projects and priorities. This was a demonstration that a very high level, urgent and stern intervention was required to restore financial viability and sustainability in the identified municipalities with the sole aim of ensuring that service delivery continues smoothly.

Programme 3: Development and Planning.

The programme was allocated a budget of R78,642 million, of which an amount of R50,268 million or 64% was spent out of the total allocation. The major area of under-expenditure is machinery and equipment with an allocation of R26.8 million. This amount was not spent in totality. These funds were set aside for the outright procurement of the Provincial Disaster Management Centre building (PDMC). The process of acquiring the building could not be completed prior the end of the reporting period which resulted to the funds not being spent. The Department requested approval from the Provincial Treasury to rollover the funds to complete the project during 2016/17 financial year.

Programme 4: Traditional Institutional Management.

This programme had a least budget allocation of R7.2 million of which 6.8 million or 94% was spent. The allocation was not fully spent due to the payments amounting to R358 000.00 that were not settled prior the end of the financial year thus resulting in the Department incurring such accruals for the coming financial year.

Virements/roll over

Virements

Request for Virements was made to Gauteng Provincial Treasury which included shifting between programmes in accordance with section 43 of the Public Finance Management Act. The total value of virements was within the limit imposed by Public Finance Management Act with total net effect of R37millions.

Roll overs

Roll overs request to the value of R26,8 million was submitted to and granted by the Provincial Treasury for procurement of a building for Provincial Disaster Management Centre. The procurement process commenced during the reporting year.

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

With the Coordination and IGR Mandate, the Department of Cooperative Governance and Traditional Affairs will facilitate the realisation of Programmes that fall within the jurisdiction of other Pillars in line with the GCR imperatives. COGTA has a strategic role to play in the implementation of the Ten Pillar and GCR Game Changer Programs, especially as the coordinator of the . CoGTA has the responsibility to deliver on the following three Pillars:

- Transformation of the State and Governance
- Decisive Spatial Transformation; and
- Modernisation of the Public Service.

The latter pillars are further elaborated to fully support the Ten Pillar Programme in Gauteng.

Transformation of the state and governance

The Department will develop plans and programmes to enhance the functionality of ward committees across the province. Individual and community service delivery cases will continue to be attended to and/or referred to the War Room, municipalities, provincial and national departments. As part of its mandate, the Department will assist in the preparation and facilitation of a free and fair local government elections, and continue to promote and establish organs of people's power (ward committees, street committees and block committees). The Department will further conduct induction and training for all new ward committee members after the 2016 elections.

The Community Development Workers (CDWs) will continue to support implementation of Public Participations Framework through the advocacy initiatives and participatory democracy process, in particular the IDP process, ward committees, izimbizo's. Service delivery cases will still be managed for the War Room, municipalities, provincial and national departments and referred accordingly. In the coming financial year, the Department will need reconfigure the Community Development Workers Programme with a view to provide more capacity particularly in each ward so that engagements with communities is intensified as part of Back to Basics program.

Furthermore, the Department will scrutinise and revitalise the IDP processes in order to strengthen participation and training will be given to municipal officials to ensure that capacity building is imparted in the development of IDPs. Engagements with sector departments will continue to strengthen and validate the quality of IDP to ensure that the needs of communities are met. An analysis will be conducted on the state of IDPs to strengthen participatory governance and expand people's democracy that will include review of structures and processes of popular participation.

Modernization of the public service

To ensure the achievement of Financial Management and viability across municipalities, the Department will continue to monitor all twelve (12) municipalities on their implementation of Audit Response Plan based on the 2015/16 and latest audit outcomes. The Department will provide financial support to update and maintain infrastructure asset registers in line with the GRAP 17 requirements to identified Municipalities, based on audit outcomes. The target for reduction of total government debt paid to municipalities is 80% for the 2016/17 FY, however, 2015/16 has seen great improvement in the reduction of outstanding government debt. By the 3 quarter a total of 95% debt was reduced. The collection rate for the top 500 business debtors is at 80%, it is anticipated that by 2018/19 municipalities will be able to collect at 90% or more.

Improving and sustaining sound financial management will require the department to provide support to newly merged municipalities, and this will include provision of hands-on support in terms of cascading Automated PMS to levels 3-5. These municipalities will also be provided with support to review their medium to long term HR Plans and their Scarce and Critical Skills Strategy based on new municipal IDPs after the elections. In addition, the municipalities will be supported with the development and design of a functional organizational structure to quickly bring municipalities to normality in order to carry out their service delivery mandate

During the coming financial year the establishment of the Provincial Disaster Management Centre will reach a final stage of completion since the building has already been identified and the appointment process undertaken.

Decisive Spatial Transformation

Regarding the province-wide infrastructure planning and performance, the Department will organise and manage the infrastructure development and service delivery coordinating structures, with a view to facilitate implementation of infrastructure projects that will influence the spatial planning of the province. The Department will also coordinate the allocation of MIG funds to further implementation of capital projects.

As part of its legislative duty, the Department will continue with the assessment of IDP's on an annual basis, in pursuit of compliance to relevant legislations to foster horizontal and vertical alignment as well as sustaining the credibility of the IDP's. In collaboration with sector departments, CoGTA will review the Gauteng IDP Analysis Framework to foster integration of the TMR and SDG's in municipal IDP's.

The Nthabisano programme also offers the Department an opportunity to identify pertinent community needs and concerns that will start transforming spatial planning in the province. The Department will on regular basis analyse information collected including the one from agencies such as Auditor-General, STATSSA and GCRO to ensure that information is used to cross check and authenticate the municipal reports as part of going Back to Basics and thus targeting improvement in AT RISK municipalities. The Department will continue to oversee all appointments and participate in the recruitment of senior managers in the municipalities.

Public Private Partnerships

The Department does not plan to implement any Public Private Partnership in the next twelve months.

Discontinued activities / activities to be discontinued

The Department does not plan to discontinue any of its existing activities in the next twelve months.

New or proposed activities

The Department does not have any new proposed activity in the 12 months.

Supply chain management

During the reporting period, all bid committees operated in the manner they were established for. The Department had an ad hoc Bid Specification Committee and also had a Bid Evaluation Committee and Bid Adjudication Committee. All these committees operated in accordance with the approved charters and the supply chain management policy.

Gifts and Donations received in kind from non-related parties

No gifts were received by the Department from non-related party. Based on the declaration registers, no gifts were received by any staff member from non-related party.

Exemptions and deviations received from the National Treasury

No exemptions and deviations granted were received from National Treasury.

Events after the reporting date

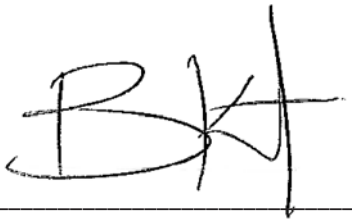
There were no major events affecting the Department after the reporting, neither there were adjusting and non-adjusting events.

Acknowledgement/s or Appreciation

I wish to extend my word of gratitude to the Executive Management Team of the department for collective leadership demonstrated during the reporting year and to the staff of CoGTA from all levels for diligent and dedicated efforts to ensure that the department delivers on its mandate with ease. The support received from colleagues in the province and associated stakeholder's valuable contribution in our achievement for the year.

It would be amiss of me if I do not express our sincere appreciation to the citizens of Gauteng for giving us an opportunity to serve them in the current administration. Our apology goes out to them for things we could not do during the reporting year.

The leadership of provided by the MEC of CoGTA during the reporting year is much appreciated. Our objectives for the relevant period could not have been realised without his leadership; therefore we remain indebted to him.



Mr. Nhlakanipho Nkontwana

31 August 2016

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 2016.

Yours faithfully



Mr. Nhlakanipho Nkontwana

31 August 2016

6. STRATEGIC OVERVIEW

6.1 Vision

Champion and lead department in the coordination, collaboration, and facilitation of cooperative governance in building a globally competitive and people-driven Gauteng City-Region.

6.2 Mission

In pursuit of our vision of cooperative governance, CoGTA shall:

- (a) Support, facilitate, coordinate and regulate inter-sphere and cross-departmental integrated planning and budgeting implementation
- (b) Monitor, evaluate and report on local government performance in order to achieve an accountable, stable, efficient, effective and resilient, activist and ethical local government and empowered communities

6.3 Values

The operations of the Department are informed by the Batho Pele principles, Public Service Charter, Gauteng Public Servants' Pledge and underlined by the following values:

- 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.
- We employ the highest ethical standards, demonstrating honesty and fairness in every action and service we provide.
- 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.
- 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.
- We enable municipalities to introduce modern and innovative procedures and systems for the delivery of services. We are creative in our thoughts 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 Department derives its mandate from the Constitution of the Republic of South Africa, 1996, (Act No. 108 of 1996) and other related national and provincial legislation. 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)

The Provincial Executive may intervene if a municipality fails to fulfil an executive obligation.

Section 152 (1)

- Provide democratic and accountable government for local communities
- Ensure the provision of services to communities in a sustainable manner
- Promote social and economic development
- Promote a safe and healthy environment
- Encourage the involvement of communities and community organisations in the matters of local government

Section 152 (2)

- 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)

- Support and strengthen the capacity of municipalities to:-
- Manage their own affairs
- Exercise their powers
- Perform their functions

Section 154 (2)

- Draft provincial legislation that affects the status, institutions, powers or functions of local government for approval by the Provincial Legislature
- Publish it for public comment before it is introduced in Parliament or at 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)

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
- Regulate the exercising by municipalities of their executive authority (Section 156 (1))

Section 164

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.

Chapter 12

- Recognition of the institution of traditional leadership

Legislative mandates

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)

- 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 make 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 the Gauteng municipalities

Disaster Management Act (No. 57 of 2002)

- Provides for an integrated and co-ordinated 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, co-ordination and standardisation of fire brigade services

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

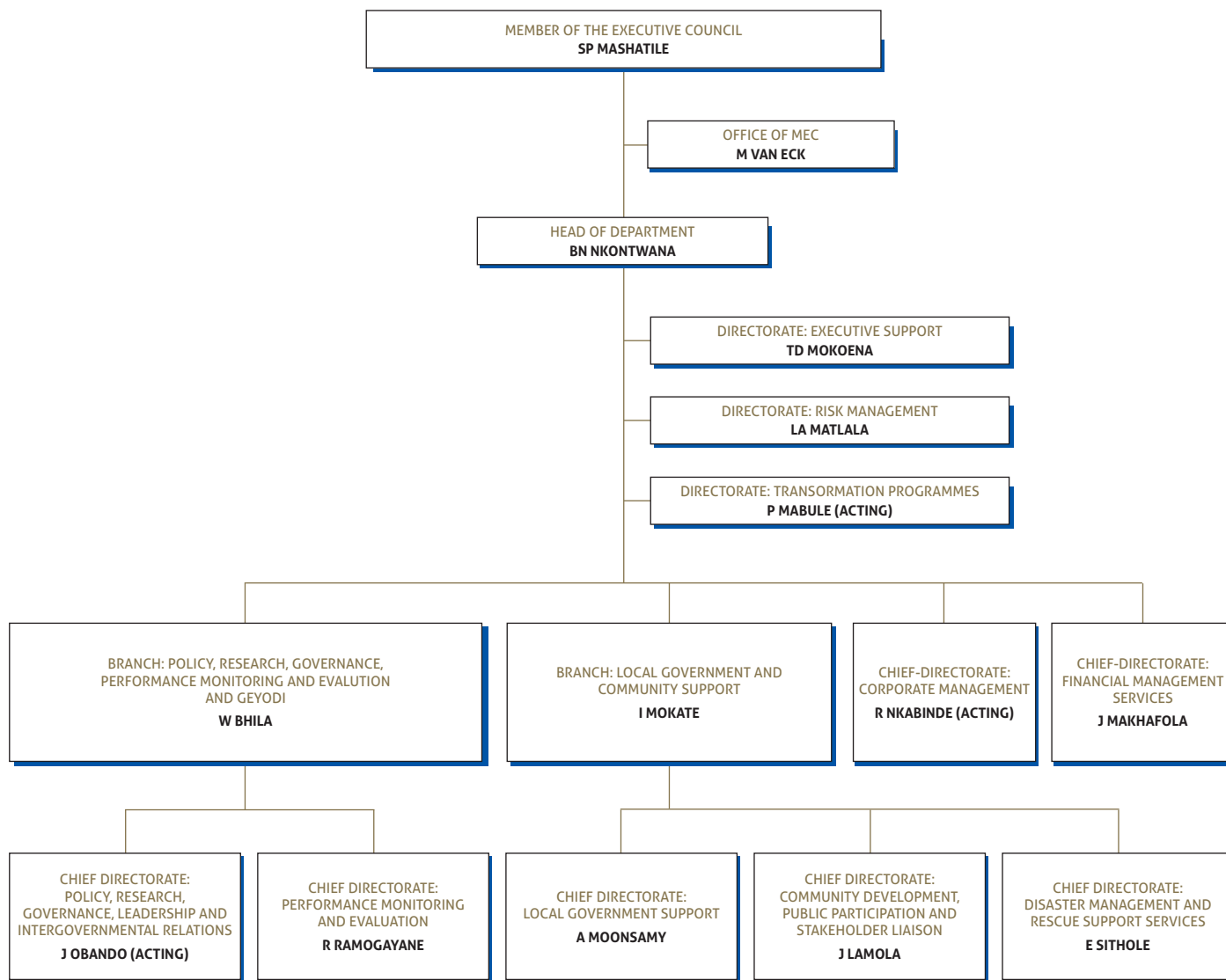
Skills Development Act (No. 97 of 1998)

- 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

- 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 MINISTER/MEC

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



Part

B

Performance Information

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives 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 **111** of the Report of the Auditor-General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

Gauteng is the most populous province in South Africa, housing a population of 12.272 million people (2011 Stats SA census). The estimates in 2015 indicate that the figure has grown to above the 13 million mark and the population growth is due to the influx of migrants from neighbouring countries who settle in Gauteng in pursuit of economic and employment opportunities pressurising infrastructure and service delivery in the province.

The 2011 Census, according to the Gauteng has performed well in terms of the delivery of basic services such as piped water (98.2%), electricity (87.4%), access to flush toilet (85.4%) and refuse removal by local authority (89.9%). The serious challenge to the municipalities in the province is the ongoing population growth rate of both natural growth and migration.

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
Provide capacity building, advocacy and advisory services to municipalities, traditional council and ward committees on public participation	Traditional Councils Ward committees Civil society Gauteng communities	Provincial Public Participation Framework evaluated	Revised Public Participation Framework	The framework has been submitted to EXCO for approval
Establish functional and effective governance structures for three (3) municipal mergers.	Frontline service delivery staff and Gauteng Residents	Number of governance structures for three (3) municipal mergers	Strengthen Political Steering Committees for the three municipal mergers.	Governance structures to support the merger of Randfontein and Westonaria were established

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.	Consultations held and support given to traditional council on their programmes.	Consultations were held and support was given to traditional council on their programmes.
Quarterly Political and Technical Steering Committee meetings for the merger.	One Political and two Technical Steering Committee meetings were held. The Department also participated in the National Municipal Demarcation Transitional Committee held in October and November 2015.	Three technical meetings were held during this period with sub-stream meetings held on a weekly basis.

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Through IGR fora, MMC fora and individual requests	Access to information is done through the PCF, EXCO submissions and meetings held.	Access to information is through PCF, EXCO submissions, reports to MINMEC and meetings held.

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Strengthen governance structures and mechanisms to deal with complaints	No progress to report.	No progress to report

2.3 Organisational environment

The department welcomed a new Member of the Executive Committee (MEC) in the year under review. The department also reviewed its strategic plan as per the recommendation from the Gauteng Planning Division and aligned the Annual Performance Plan (APP) to the new Strategic Plan.

2.4 Key policy developments and legislative changes

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

3. STRATEGIC OUTCOME ORIENTED GOALS

Strategic Goals
Strategic Goal 1: Repositioning the Department to support municipalities to advance the Gauteng City Region
Strategic Goal 2: Drive coordination and collaboration across all spheres of government (Vertical and horizontal alignment) in Gauteng.
Strategic Goal 3: Radically transform, modernise and build sustainable, responsive, viable local and Traditional Councils.
Strategic Goal 4: Build organs of peoples' power and promote participatory democracy and local governance.
Strategic Goal 5: Promote equitable and universal access to basic services.
Strategic Goal 6: Facilitate radical integrated infrastructure planning, and socio-economic opportunities, urban development and the transformation of cities and towns.
Strategic Goal 7: Tackle fraud and corruption, and promote ethical governance.
Strategic Goal 8: Be the centre of knowledge and innovation on local and traditional affairs.

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme 1: Administration

Purpose of the Programme

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

- To strengthen governance, combat fraud and corruption and enhance security and risk management, by conducting internal audits and facilitating external audits, investigating cases of fraud and corruption and ensuring the implementation of and compliance to Minimum Information Security Standards and other security legislation as well as Enterprise Risk Policy and procedures.
- Improved service delivery through the provision of cost effective and efficient ICT solutions and services, facilities, logistics and records management support services aligned to the organisations core objectives.

Sub-programmes

- Strategic Planning, Programme Management and Organisational Performance
- Communications
- Human Capital Management
- Logistical Support & Information Communications Technology (ICT)
- Chief Financial Office
- Enterprise Risk Management

Strategic Objectives

To provide dynamic leadership with good corporate governance to ensure the realization of the department's mission and strategic goals:

- To render strategic communication support to the Department and Gauteng Municipalities in order to streamline and improve communication systems and processes and to profile government plans.
- To strengthen and enhance human resource and performance management and development as a strategic lever within Local government by attracting and retaining skilled and competent personnel responsive to citizens' priorities and capable of delivering quality services.
- To strengthen and enhance Business processes.
- Improved service delivery through the provision of cost effective and efficient ICT solutions and services, facilities, logistics and records management support services aligned to the organisations core objectives.
- To strengthen governance, combat fraud and corruption and enhance security management.
- To strengthen governance, combat fraud and corruption and enhance risk management, by facilitating internal and external audits, strengthening the internal control processes, investigating cases of fraud and corruption and ensuring the implementation of Enterprise Risk Policy and procedures

Key Achievements

Programme 1 targets were achieved as planned, all compliance obligations the department had in relation to strategic planning and reporting as well as governance matters have all been met as expected.

Despite the fact that the Department was reconfiguring and working on the new structure, it must be noted that critical positions were identified and filled within the year under review. Notwithstanding that the process of developing, consulting and meeting all the approval requirements for organisational structures in line with the organisational design principles is tedious in nature, the Department also ensured that critical exited posts were filled immediately to ensure business continuity and stability.

Performance Indicators

Sub-programme: Strategic Planning, Programme Management and Organisational Performance

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2014/15	Annual Target 2015/2016	Actual Target Output	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
To develop dynamic leadership that will promote good corporate governance and ensure the realisation of the Department's mission and strategic goals.	Number of strategic plans developed and implemented.	Annual Performance Plan 2015/16 developed.	Annual Performance Plan 2016/17 developed.	Annual Performance Plan 2016/17 developed.	Not applicable.	Not applicable.
	Number of reports consolidated and submitted to oversight institutions.	4 quarterly reports consolidated and submitted.	4 Consolidated Quarterly performance reports submitted.	4 Consolidated Quarterly performance reports submitted.	Not applicable.	Not applicable.
		Annual report 2013/14 developed.	1 Annual report 2014/15 developed.	1 Annual report 2014/15 developed.	Not applicable.	Not applicable.

Sub-programme: Human Capital Management

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2014/2015	Annual Target 2015/2016	Actual Target Output	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
To attract, develop and retain skilled, professional and competent personnel to the department.	Percentages of vacancies filled.	50% of critical vacant positions filled in line with the functional structure.	60% of critical vacant positions filled in line with the approved structure.	73% of critical vacant positions were filled in line with the approved structure.	13%	This was due to accelerated appointment processes.
To strengthen and enhance human resource management; institutional capacity; performance management and development to be key strategic levers for repositioning the department.	Percentage of Employment Equity targets achieved.	50% of employment equity targets achieved in line with the functional structure	50% of Employment Equity Targets achieved in line with the approved structure.	57% of Employment Equity Targets achieved in line with the approved structure.	7%	This was due to accelerated appointment processes.

Sub-programme: Information Communications Technology (ICT)

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2014/2015	Annual Target 2015/2016	Actual Target Output	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
To develop a service delivery model that strengthens and enhances business processes, systems, decision rights and accountability, quality and innovation	Percentage implemented on ICT Governance.	Annual report on implementation of ICT Strategy roadmap for year 2 not completed	75% implementation of ICT Strategy (Phase 2).	75% implementation of ICT Strategy completed (Phase 2).	Not applicable	Not applicable

Sub-programme: Finance Management

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2014/2015	Annual Target 2015/2016	Actual Target Output	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
To develop a service delivery model that strengthens and enhances business processes, systems, decision rights and accountability, quality and innovation	Number of Financial Statements and interim Financial Statements submitted.	4 Quarterly Interim Financial Statements.	4 Quarterly Interim Financial Statements.	4 Quarterly Interim Financial Statements developed.	Not applicable.	Not applicable.
	% of invoiced paid within thirty days as prescribed by Public Finance Management Act.	95% of invoices paid within thirty days as prescribed by Public Finance Management Act Payment of all service providers within thirty days.	100 % of invoices paid within thirty days as prescribed by Public Finance Management Act Payment of all service providers within thirty days.	99 % of invoices paid within thirty days as prescribed by Public Finance Management Act Payment of all service providers within thirty days	1% of service provider's tax clearance expired before the projects were completed.	SCM is to do regular assessments of service provider's tax clearances and ensure that new ones are requested in time.

Sub-programme: Risk Management

Strategic Objectives	Performance Indicator	Baseline (Actual Output) 2014/2015	Annual Target 2015/2016	Actual Target Output	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
To develop dynamic leadership that will promote good corporate governance and ensure the realisation of the Department's mission and strategic goals.	Number of approved Departmental Strategic Risk Register/ Report and corresponding Strategic Risk Response Action Plan monitored and reported on.	1 Departmental Strategic Risk Register/ Report.	1 Departmental Strategic Risk Register/ Report.	1 Departmental Strategic Risk Register/ Report developed.	Not applicable	Not applicable
		Risk Response Action Plan developed, approved, monitored and reported on.	Risk Response Action Plan developed, approved, monitored and reported on.	Risk Response Action Plan developed, approved, monitored and reported on	Not applicable	Not applicable

Sub-programme: Governance

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2014/2015	Annual Target 2015/2016	Actual Target Output	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
To develop dynamic leadership that will promote good corporate governance and ensure the realisation of the Department's mission and strategic goals.	Percentage of audit reports facilitated.	Facilitation of 7 audits by GAS and 1 By AG.	Facilitation of 7 audits by GAS and 1 by AG	100% facilitation of 7 audits by GAS and 1 by the AG	Not applicable	Not applicable
	Percentage of Response Action Plans (RAP) developed and monitored.	80% of Findings from AG and GAS resolved.	80% of Findings from AG and GAS resolved.	80% of Findings from AG and GAS resolved.	Not applicable	Not applicable

Changes to planned targets

No changes to planned targets.

Linking performance with budgets

During the period under review, the programme spent an amount of R105 million out of the budget allocation of R112 million, which equates to 91% of the total budget allocation. The highest amount of under expenditure on this programme relates to compensation of employees where the programme did not fill some of the positions in the structure. However, such under-expenditure did not have any significant impact on service delivery. 91% of the planned targets under programme 1 were achieved.

Sub-programme expenditure

Administration	2014/2015			2015/2016		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the MEC	3 789	3 563	226	3 975	3 839	136
Corporate Services	111 074	79 256	31 818	108 379	101 692	6 687
Total	114 863	82 819	32 044	112 354	105 531	6 823

4.2 Programme 2: Local Governance

Purpose of the programme

The Programme seeks to strengthen the developmental state by enhancing participatory governance and institutional stability as well building the capacity and capability of local government to achieve its constitutional mandate. The goal of the programme is to promote and facilitate viable and sustainable local governance. The objectives to be achieved under this Programme include the following:

- To provide management and support services to local government within the regulatory framework.
- Monitor and support municipalities to ensure financially viable and sustainable municipalities in accordance with applicable Acts.
- To deepen democracy by promoting community participation through appropriate structures, processes and systems and facilitating access to government services.
- To coordinate, support and monitor capacity building initiatives.
- To improve municipal performance through enhanced monitoring, reporting and evaluation.

Sub-programmes

- Municipal Administration
- IGR
- Policy and Research
- Public Participation and Community Development Workers
- Stakeholder Liaison
- Municipal Finance
- Capacity Development
- Municipal Performance Monitoring, Reporting and Evaluation
- Municipal Performance Monitoring, Reporting and Evaluation (Service Delivery)
- GEYODI

Strategic objectives for the financial year under review.

- To enhance quality of governance arrangements and political leadership.
- To promote and improve public trust in local government through active and deliberative citizen engagement.
- Promote and strengthen stakeholder management and engagement processes.
- To ensure municipalities demonstrate good financial governance.
- To ensure municipalities develop systems and approaches towards becoming financially viable.
- To implement concrete actions that ensure a better fit between responsibility and the variation in capacities within municipalities supported.

- To coordinate, support and monitor municipal and Departmental performance on GEYODI Programmes.
- To improve quality of management and administrative practices within municipalities.
- To enhance quality of governance arrangements and political leadership.
- To coordinate and monitor municipal performance on GEYODI Programmes.
- To capacitate and build capacity within municipality for GEYODI programmes.
- To ensure sectoral support and good governance for vulnerable groups.

Key Achievements

In policy and research unit the department completed a number of research projects during the 2015/16 Financial Year. Although these may not have necessarily been those projects that were listed on the Annual Performance Plan (APP) of the Department for the reporting year, these were certainly research and other project reports that are of significant relevance and importance to the Department's mandate and the local government sector broadly. Among them, the most notable are Evaluation of the Separation of Powers Model in Ekurhuleni Metro, State of Local Government: Back to Basics Perspective; Concept and Position Paper for the Governance and Planning Cluster Seminar: Strengthening Organisational Capability for the GCR, A Joint Business Plan for the Randfontein and Westonaria Local Municipality Merger Project; Reports on the State of Initiation in Gauteng Province: First and Second Seasons of the Year; the Impact of Ensuing Drought Conditions on Water Supply and Agriculture in the Gauteng Province; and the Gauteng Voter Education Strategy (2016 LGE).

These research and project reports played a very important role in focusing the support programmes of the Department and other Departments such as the Provincial Treasury. In particular, the Back to Basics Report was extremely useful in identifying key areas of strength and challenge across the different Gauteng municipalities, thus assisting in ensuring integrated support programmes for municipalities such as Westonaria, Randfontein, Merafong City and Emfuleni, among others. The Premier's Ntirhisano programme, which is a focused GPG-wide citizen engagement programme partly relied on the Back to Basics report to follow-up on, and prioritise areas of urgent intervention.

In relation to Public Participation, the director was appointed in October 2016. The Public Participation Framework was developed and supported by a strategic framework for implementation. The Department focused on strengthening relations with Municipalities and building the necessary capacity to introduce and facilitate innovative approaches in public participation.

By quarter 4 of 2015/2016, ward committee functionality ranged between 65% and 100% as per the functionality criteria applicable in the province. Municipalities experienced challenges with regard to functionality related to the lack of ward committee meetings, deaths, resignations and other reasons. Most municipalities experienced these problems at different points in the life cycle of ward committees. Tshwane is the only municipality that do not have ward committees due to a court challenge disbanding ward committees.

Ward Committees are key to hold municipalities to account. They mobilise the communities for public meetings, identify community issues and concerns, attend government outreach programmes, mobilise communities to participate in the IDP, budget and other local government processes.

Only four local municipalities were targeted for training due to budgetary constraints. Ward Committees were trained in Community Based Planning in Mogale City, Randfontein, Merafong, and Westonaria. Three hundred and forty one (341) ward committee members out of a targeted group of one thousand (1000) were trained. The low turnout is ascribed to the poor mobilisation of members, poor coordination, and the high vacancy rate, high turnover rate of ward committees and the unavailability of members.

The functional responsibility of the CDWP is to promote good governance and develop sustainable communities. The CDW programme further focuses on development work that strengthen the ability of communities to access government services, build their structures and skills so that they are better able to improve on their standard of living and participate in the economic sector. It is against this background that we report on the work and achievements of the CDWP for the financial year 2015/16.

All Gauteng municipalities tabled their draft and approved budgets to their municipal councils timeously as per MFMA requirements. Nine (9) municipalities tabled their 2014/15 annual reports in August 2015 in terms of the MFMA Circular 63 and the metropolitan municipalities followed the MFMA section 121 compliance process. Nine (9) municipalities concluded their 2014/15 oversight reports on time in March 2016.

The MEC for Co-operative Governance and Traditional Affairs issued concurrence letters to all Gauteng municipalities on the implementation of the National Notice on the determination of upper limits of salaries, allowances and benefits for municipal councillors in Gauteng Province.

The Department expanded the scope of the summit from Municipal Disability Summit to Municipal GEYODI Summit to ensure a broader focus on issues of gender, youth and disability rights in municipalities. The municipal GEYODI summit provided an important platform for the department, municipalities and other key stakeholders to review and assess progress made in relation to mainstreaming of gender, youth and disability rights in municipalities during the past five years. Most importantly, the summit provided an opportunity for the department and municipalities to identify key GEYODI priorities to inform GEYODI strategic agenda or programme of action for all Gauteng municipalities for the next term of local government.

Challenges

It is with regret that compliance with timeous submission of municipal budget documents to the department is a challenge. Non-compliance with regards to the preparation, submission and publication of the draft and approved Service Delivery Budget and Implementation Plans (SDBIPs) and the performance agreements of senior managers in municipalities also remains a challenge.

Furthermore, a number of Municipal internal audit units do not conduct reviews on the performance information timeously as required by the Municipal Finance Management Act (MFMA) and the Municipal Systems Act (MSA) partly due to the late submission of the performance assessment reports to the internal audit units. This affects the quality of performance information. In some municipalities, municipal internal audit units are under-staffed due to budgetary constraints while five (5) municipalities still do not have the valuation units/departments within their municipal structures and this poses a challenge in relation to the valuation processes within these municipalities.

Performance Indicators

Sub-programme: Governance and Internal Relations

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2014/2015	Annual Target 2015/2016	Actual Target Output	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
To strengthen cooperative relationships with legislature, municipalities and other key stakeholders.	Number of reports on the implementation of the Section 14(5) Notice (Redetermination of ward boundaries).	3 progress reports on the implementation of the Section 14(5)	4 reports prepared addressing the support to amalgamated municipalities in the West Rand and Sedibeng District municipalities addressing: Development of a single IDP for each merged municipality; Development of a single SDBIP for each merged municipality; Development of a single budget for each of the merged municipality. MDB's ward delimitation process.	3 reports prepared addressing the support to amalgamated municipalities in the West Rand municipalities.	1 report	Out of court settlement reached for Sedibeng District Municipality, therefore no mergers are planned in Sedibeng District Municipalities
To promote transparency, ethical governance and build public trust in local government institutions.	Number of municipalities with anti-corruption strategies and fraud prevention plans.	12 municipalities develop and implement anti-corruption strategies and fraud prevention plans.	None	None	Not applicable	Not applicable
To tackle corruption within local government effectively by enhancing the quality of governance structures, systems, processes and political leadership.	Report on functional provincial Anti-corruption technical working groups developed.	New target.	1 report on functional provincial Anti-corruption technical working groups.	No report on functional provincial Anti-corruption technical working groups.	1 report	The project is dealt with by Premier's Office.
	Number of reports on fraud, corruption and maladministration cases reported and investigated.	50% of cases have been resolved with municipalities. Reports have been prepared for National CoGTA and PSC.	4 reports on fraud, corruption and maladministration cases reported and investigated.	4 reports on fraud, corruption and maladministration cases reported and investigated.	Not applicable	Not applicable

Strategies to overcome areas of under performance

The department will form a partnership with the Premier's office with the intention to gain insight and share information on the functionality of Provincial Anti-corruption technical working groups.

Sub-programme: Policy and Research

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2014/2015	Annual Target 2015/2016	Actual Target Output	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
To coordinate and facilitate local government knowledge management and sharing. To promote effective and efficient decision making and policy development through evidence based.	Number of research reports produced on key local government policy issues.	4 Research Projects completed and reports produced: 1 study on the benefits and challenges of Tshwane-Metsweding Merger 3 research papers produced: Analysis of 2014 Election Outcome in Relation to Service Delivery Performance in Gauteng; Evaluation of Oversight and Accountability Model in Ekurhuleni Metro Desktop review of public participation processes and role of councillors in public participation processes.	4 Research Projects completed and reports produced: Rethinking the form and modalities of community Participation – Study into the existing community initiatives Benefits and Challenges of different methods/ modes of service delivery across Gauteng municipalities Water Conservation and Demand Management, Electricity Saving and Waste Recycling – Attitudes of Gauteng Citizens to Programme Initiatives. Research study into the triggers and reasons for violent community protests.	0 Research Projects completed.	4 Research Projects.	Planned targets could not be delivered by the Department in view of the Cabinet decision to centralize research surveys through the Gauteng City Region Observatory (GCRO). However, the Department delivered on various other research projects that were not on the APP but were of significance to the work of the Department. The research unit has done an assessment and projects that are deemed as still necessary to the work of the department will be included in the research agenda for 2016/17 financial year.

Strategies to overcome areas of underperformance

The Department will plan the research agenda in consultation with the Planning Division and the GCRO in order to avoid clashes with the Provincial research agenda. In addition, for the projects identified for outsourcing, the Department will start with the supply chain process early in the year in order to ensure successful delivery. The Department will further establish a "Body Shop", which will ensure that the Department works collaboratively with institutions such as the Human Sciences Research Council (HSRC), Universities, and other similar organisations which will continuously work with the Department, to augment its capacity, and ensures a continuous imparting of research and policy development/analysis skills.

Sub-Programme: Public Participation

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2014/2015	Annual Target 2015/2016	Actual Target Output	Reasons from deviating from planned target	Comment on deviations
To promote and improve public trust in local government through active and deliberative citizen engagement; the creation of robust engagement spaces and innovative communication platforms. Promotion and establishment of organs of popular power and democratic systems and enhancing the quality of public participation governance structures, systems and practices within Local (street committees/ ward committees/ block committees).	Number of ward committees in Gauteng adhering to National functionality criteria.	Facilitate and support the functionality of 457 (90%) ward committees in Gauteng.	Facilitate and support the functionality of 508 (100%) ward committees in Gauteng.	4 Quarterly reports on ward committees adhering to National functionality criteria	Not applicable	Not applicable

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2014/2015	Annual Target 2015/2016	Actual Target Output	Reasons from deviating from planned target	Comment on deviations
Empower communities and put people first by promoting social development and cohesion.	Number of municipalities in which ward committees are trained.	Train ward committees in 7 local municipalities.	Train ward committees in West Rand District municipalities (CBP training) Review of training over term and develop new plan for capacity building programme.	Ward committees were trained in 4 municipalities on CBP only. Municipalities include: Randfontein: 98, Merafong 113, Westonaria 67, and Mogale 63.	Not applicable	Not applicable

Sub-Programme: Community Development Workers Programme

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2014/2015	Annual Target 2015/2016	Actual Target Output	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Empower communities and put people first by promoting social development and cohesion.	Number of programmes supported through community mobilisation.	12 advocacy initiatives in line with themes (CGIS) supported by CDWs.	12 programmes supported through community mobilisation.	12 advocacy initiatives in line with government themes supported by CDWs.	Not applicable	Not applicable
Promotion and establishment of organs of popular power and democratic systems and enhancing the quality of public participation governance structures, systems and practices within Local Government (street committees/ ward committees/ block committees).	Number of individual and community service delivery cases referred to municipalities, provincial and national departments.	4 Quarterly reports on number of individual and community service delivery cases attended and/or referred to municipalities, provincial and national departments.	Individual and community service delivery cases attended to and/or referred to War Room, municipalities, provincial and national departments.	21296 Individual and community service delivery cases attended to and/or referred to War Room, municipalities, provincial and national departments.	Not applicable	Not applicable

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2014/2015	Annual Target 2015/2016	Actual Target Output	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
To promote and improve public trust in local government through active and deliberative citizen engagement; the creation of robust engagement spaces and innovative communication platforms.	Number of participatory democracy process supported, e.g. through the IDP process and support to ward committees and role played by CDWs.	Quarterly reports on the role played by CDWs in supporting participatory democracy process, e.g. through the IDP and number of ward committee meetings attended.	Support to municipalities and government. Departments with participatory democracy process, in particular the IDP process, ward committees, imbizos.	Support to Integrated Development Plan (IDP)/ Community Based Planning (CBP) by CDWs. IDP = 53, Support to Ward Committees = 266 Izimbizo = 79	Not applicable	Not applicable

Sub-Programme: Stakeholder Liaison

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2014/2015	Annual Target 2015/2016	Actual Target Output	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Ensure effective participation of Local Government in the IGR system.	Number of Stakeholder newsletters produced.	Produce 4 quarterly stakeholder newsletters.	4 newsletters produced in relation to the implementation of B2B and service delivery achievements.	4 newsletters produced in relation to the implementation of B2B and service delivery achievements.	Not applicable	Not applicable

Sub-Programme: Municipal Finance Support

	Performance Indicator	Baseline (Actual Output) 2014/2015	Annual Target 2015/2016	Actual Target Output	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Support and strengthen good governance; financial management and viability; the quality of institutional and administrative capacity and practice of local government institutions.	% compliance with GRAP 13, 16, 21, 25, 26 and 100 and iGRAP 1 Standards in municipalities.	3 municipalities supported to improve audit outcomes with focus on reconciliation, AFS preparation and the IT Governance Framework (Westonaria, Randfontein and Lesedi LMs).	100% compliance with GRAP 13, 16, 21, 25, 26 and 100 and iGRAP 1 Standards in 3 municipalities.	100% compliance with GRAP 13, 16, 21, 25, 26 and 100 and iGRAP 1 Standards in 3 municipalities.	Not applicable	Not applicable
	Number of municipalities monitored on implementation of Audit Response Plan based on the 2014/15 audit outcomes.	3 Quarterly OPCA Provincial Coordinating Committee (OPCA PCC) forums held to monitor the implementation of the AG Management Letter Action Plan.	12 municipalities monitored on implementation of Audit Response Plan based on the 2014/15 audit outcomes.	12 municipalities monitored on implementation of Audit Response Plan based on the 2014/15 audit outcomes.	Not applicable	Not applicable
	Number of Municipalities provided with financial support to update and maintain Infrastructure Asset Registers in line with the GRAP 17 requirements.	4 municipalities supported to update and maintain Infrastructure Asset Registers in line with GRAP 17 requirements (Westonaria; Randfontein; Emfuleni and Lesedi Local Municipalities).	2 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 their infrastructure asset registers in line with GRAP 17 requirements (Emfuleni, Lesedi, Westonaria and Randfontein).	2 Municipalities	Increased demand from municipalities.

	Performance Indicator	Baseline (Actual Output) 2014/2015	Annual Target 2015/2016	Actual Target Output	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Support and strengthen good governance; financial management and viability; the quality of institutional and administrative capacity and practice of local government institutions	Percentage reduction of outstanding government debt.	70% of the total billed outstanding government debt paid off.	75% of the total billed government debt paid.	100% of the total billed government debt was paid.	25%	The department of Infrastructure Development and the Department of Public Works were granted additional funds to pay for Municipal Services
	% of collection on Top 500 Business Debtors.	A Province wide Municipal Debtor management strategy was developed for the collection of the top 100 debtors in each category of residential and business customers.	60% collection of top 500 business debtors.	88% of debt owed by business was collected.	28%	The target was over achieved due to the strengthened Implementation of credit control policies by municipalities.
	Number of Tariff Models developed for Municipalities.	5 Municipalities assisted with the development of Tariff and Funding Models. (Westonaria, Randfontein, Midvaal, Emfuleni and Lesedi)	5 Tariff Models developed for 5 Gauteng Municipalities.	5 Tariff Models developed for 5 Gauteng Municipalities	Not Applicable.	Not Applicable

Sub-Programme: Municipal Institutional Support

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2014/2015	Annual Target 2015/2016	Actual Target Output	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Support and strengthen good governance; financial management and viability; the quality of institutional and administrative capacity and practice of local government institutions.	Number of municipalities supported to institutionalise Performance Management System	2 municipalities (Westonaria and Randfontein) supported with the automation of their PMS.	2 municipalities (Westonaria and Randfontein) provided with financial and hands on support to cascade (level 3-5) of the Automated PMS.	2 municipalities (Westonaria and Randfontein) provided with financial and hands on support to cascade (level 3-5) of the Automated PMS.	Not applicable	Not applicable
	Number of municipalities supported and monitored with the review of their medium to long term HR plans.	5 municipalities supported and monitored with the revision of their medium to long term HR plans (Randfontein, Westonaria, Sedibeng, Midvaal, Emfuleni).	7 Municipalities provided with Hands on support to review medium to long term HR Plans.	7 Municipalities provided with Hands on support to review medium to long term HR Plans.	Not applicable	Not applicable
To facilitate the development of specialist and technical skills in order to transform local government	Number of capacity building interventions conducted in municipalities in respect of financial management, project and contract management, technical skills and governance.	60 officials and councillors trained in 6 modules of a two year municipal finance training programme (National Treasury Competency Framework).	60 officials and councillors trained in 16 modules of a two year municipal finance training programme (National Treasury Competency Framework).	60 officials and councillors trained in 16 modules of a two year municipal finance training programme (National Treasury Competency Framework).	Not applicable	Not applicable
	Number of municipalities supported with implementing and institutionalising the Scarce and Critical Skills Strategy focusing on the areas of Finance; Management; Infrastructure and Oversight (S79, inclusive of MPACs).	A Scarce and Critical Skills Strategy implemented by 12 municipalities.	12 Municipalities monitored and provided hands on support with the Implementation of the Scarce and Critical Skills Strategy.	12 Municipalities monitored and provided hands on support with the Implementation of the Scarce and Critical Skills Strategy	Not applicable	Not applicable

Sub-Programme: Municipal Performance Monitoring, Reporting and Evaluation (Municipal Finance)

	Performance Indicator	Baseline (Actual Output) 2014/2015	Annual Target 2015/2016	Actual Target Output	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
To strengthen cooperative relationships with legislature, municipalities and other key stakeholders.	Number of monitoring reports on municipal compliance in terms of section 16; 71; 131 and 132 of the Municipal Finance Management Act.	1 compliance report compiled on the MFMA.	6 monitoring reports on municipal compliance in terms of section 16; 71; 131 and 132 of the Municipal Finance Management Act	6 monitoring reports on municipal compliance in terms of section 16; 71; 131 and 132 of the Municipal Finance Management Act	Not applicable	Not applicable
	Number of municipalities guided to comply with Municipal Property Rates Act (MPRA).	4 reports on assessment of Municipal Property Rates Policies.	10 municipalities guided to comply with the Municipal Property Rates Act.	10 municipalities guided to comply with the Municipal Property Rates Act.	Not applicable	Not applicable
	Number of monitoring reports on the implementation of the National Gazette on the determination of upper limits for municipal councillors in terms of Remuneration of Public Office Bearers' Act.	2 compliance reports compiled on POBA.	13 monitoring reports on the implementation of the National Gazette on the determination of upper limits for municipal councillors and in terms of Remuneration of Public Office Bearers' Act.	13 monitoring reports on the implementation of the National Gazette on the determination of upper limits for municipal councillors and in terms of Remuneration of Public Office Bearers' Act.	Not applicable	Not applicable
	Number of municipalities with functional performance audit committees	7 reports on municipal annual financial statement, audit reports and functionality of audit committees and internal auditors	12 Municipalities with functional performance audit committees in terms of section 165 and 166 of the Municipal Finance Management Act.	12 Municipalities with functional performance audit committees in terms of section 165 and 166 of the Municipal Finance Management Act.	Not applicable	Not applicable

	Performance Indicator	Baseline (Actual Output) 2014/2015	Annual Target 2015/2016	Actual Target Output	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
To strengthen cooperative relationships with legislature, municipalities and other key stakeholders.	Number of monitoring reports on the state of municipal finances in terms of Section 71 of the MFMA.	4 reports on state of municipal finances.	4 monitoring reports on the state of municipal finances in terms of Section 71 of the MFMA.	4 monitoring reports on the state of municipal finances in terms of Section 71 of the MFMA.	Not applicable	Not applicable

Sub-Programme: Municipal Performance Monitoring, Reporting and Evaluation (Service Delivery)

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2014/2015	Annual Target 2015/2016	Actual Target Output	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
To promote transparency, ethical governance and build trust in Local Government institutions	Number of assessment reports on the state of municipal performance against set SDBIP targets.	4 quarterly reports complying with the approved M&E Framework.	4 assessment reports on the state of municipal performance against set SDBIP targets.	4 assessment reports on the state of municipal performance against set SDBIP targets.	Not applicable	Not applicable

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2014/2015	Annual Target 2015/2016	Actual Target Output	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
To tackle corruption within local government effectively by enhancing the quality of governance structures, systems, processes and political leadership.	Number of reports on municipal compliance with Municipal System Act (MSA) regulations.	4 MSA compliance reports.	4 assessment reports on municipal compliance with the MSA regulations	4 assessment reports on municipal compliance with the MSA regulations	Not applicable	Not applicable
	Number of municipal performance reports compiled as per the requirements of section 47 of the Municipal System Act (MSA).	1 annual municipal performance report for 2012/13.	1 annual municipal performance report for 2014/15 compiled as per the requirements of Section 47 of the Municipal System Act (MSA).	1 annual municipal performance report for 2014/15 compiled as per sections 47 of the Municipal Systems Act.	Not applicable	Not applicable
	Number of reports on the review for end of term of local government.	Mid-review of local government.	1 review report on the end of term of local government.	Draft report on the end of term review of local government complied.	1 report	The stakeholder consultation process was rather long and cumbersome, resulting in delays in finalising the project on time.

Strategies to overcome areas of underperformance.

The final report will be finalised in the first quarter of 2016/17 financial year.

Sub-Programme: Gender, Youth, and People Living with Disability (GEYODI)

Strategic Objective	Performance Indicator	Baseline (Actual Output) 2014/2015	Annual Target 2015/2016	Actual Target Output	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
	Number of municipal performance reports on GEYODI.	2 municipal performance reports on GEYODI developed.	2 municipal performance reports on GEYODI.	2 municipal performance reports on GEYODI.	Not applicable.	Not applicable.
	Number of officials trained on GEYODI Mainstreaming.	40 Municipal Senior Executives trained on GEYODI Mainstreaming M & E (demand driven).	50 managers trained on GEYODI Mainstreaming M&E (demand driven).	50 managers trained on GEYODI Mainstreaming M&E (demand driven).	Not applicable.	Not applicable.
	Number of women councillors trained.	50 women councillors trained (demand driven).	50 women councillors trained (demand driven).	50 women councillors trained.	Not applicable.	Not applicable.
	Number of municipal disability summits held.	New target.	1 municipal disability summit held.	1 municipal disability summit held.	Not applicable.	Not applicable.

Changes to planned targets

No changes to planned targets.

Linking performance with budgets

During the reporting period, the programme managed to spend 99% of the total allocated budget or R206 million out of the R208 million allocated budget. This programme has the highest expenditure within the Department as it has the most number of units as compared to the other programmes. The programme under-expenditure of R2 million did not have a significant impact on service delivery with 88% of the targets planned achieved.

Sub-programme expenditure

Local Governance	2014/2015			2015/2016		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Municipal Administration	13 278	11 576	1 702	26 673	27 104	(431)
Municipal Finance	9 869	8 849	1 020	11 123	10 876	247
Public Participation	129 436	121 176	8 260	132 092	130 964	1 128
Capacity Development	13 619	10 064	3 555	27 180	26 452	728
Municipal Performance Monitoring, Reporting and Evaluation.	11 653	11 047	606	11 265	10 891	374
Total	177 855	162 712	15 143	208 333	206 287	2 046

4.3 PROGRAMME 3: DEVELOPMENT AND PLANNING

Purpose of the programme

The programme main objective is 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. It also ensures strategic management of provincial land for economic and social purposes. Coordination and support is provided to Municipalities 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.

Sub-programmes

- IDP Coordination
- Municipal Infrastructure
- Energy Office
- Disaster Management; and
- Fire & Rescue Services

Strategic objectives for the financial year under review

- Exercising oversight and provision of strategic support to Municipalities with regard to the development, review and implementation of credible IDPs to promote integrated planning.
- To ensure households progressively gain access to sustainable and reliable basic (water, sanitation, electricity and refuse removal) services.
- To improve quality of management and administrative practices within municipalities, and
- Coordinate and support the implementation of Disaster Management (including fire and rescue services) legislation and related frameworks for the effective management of disasters at national, provincial and local levels.

Key Achievements

The Department developed an analysis report of the draft Integrated Development Plans (IDPs) of Gauteng municipalities. The draft IDP analysis is conducted annually by a forum constituted by all Gauteng Provincial Government Sector Departments as well as state-owned enterprises. The Department also completed the State of The IDPs report. This report emanated from the final IDP analyses conducted annually, and it illustrates the current state of integrated development planning in the province in the relevant financial year. The report outlines key challenges as well as progress made in how the IDPs were compiled and implemented.

In Gauteng, access to basic services is higher compared to other provinces (Water 96.4%, Sanitation 90.9% & Refuse removal 89,1%). The larger part of the backlog requires a housing solution as most of them are in the informal areas.

On the water conservation and demand management, there were a parallel #Savewater and rainwater harvesting campaign. This was a combined effort to help reduce water losses and manage system demand through rainwater harvesting initiatives. These were carried out in selected communities in all 5 corridors in the province in the form of door-to-door campaigns to households and blitz at Malls and Ntirhisano Community Outreach programmes. The campaigns will be extended to the 2016/17 financial year to broaden awareness on the need to conserve water.

The Department also monitored and supported municipalities that implement several upgrades/rehabilitations on existing wastewater treatment works (wwtw) which are multiyear in nature and some are ongoing. The implementation of these targets contributed to the department's objective of providing infrastructure that enables access to basic services to all communities in municipalities. In this way municipalities are responsive to the need to expand infrastructure to accommodate the growing population that needs better services in an effective and accountable way, contributing to an efficient local government system. Moreover, through the Gauteng Energy Forum, the Department managed to assist the National Department of Energy and Eskom achieve their targets through supporting, coordinating and planning activities in the pursuit of universal access to electricity by 2025.

Notwithstanding the above positive developments, there were challenges of theft or vandalism of infrastructure within municipalities. For instance, theft of cables or illegal connections resulting in loss of revenue for municipalities coupled with hazardous environment for communities.

Performance Indicators

Integrated Development Planning Coordination (IDP)

Strategic Objectives	Performance Indicator	Baseline (Actual Output) 2014/2015	Annual Target 2015/2016	Actual Target Output	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Facilitate and promote the creation of a GCR through the metropolitan system.	Number of municipalities with legally compliant IDPs.	All 12 municipalities submitted IDPs. 12 Municipalities received MEC Comments and Partake in the Provincial IDP Analysis	1 Analysis report on 12 draft IDPs submitted.	12 Analysis reports on draft IDPs produced and reports distributed to municipalities for inclusion into the Final 2015/16 IDPs.	Not applicable	Not applicable
Facilitate and promote the creation of a GCR through the metropolitan system.			12 MEC analysis letters on final IDPs	12 MEC analysis letters on final IDPs were developed.	Not applicable	Not applicable
			State of the IDPs report	State of the IDPs report developed.	Not applicable	Not applicable
To contribute to province-wide local economic development and integrated development planning.		3 Technical Steering Committee engagements with Gauteng Sector Departments.	3 Technical Steering Committee Engagements with Gauteng Sector Departments.	3 Technical Steering Committee Engagements with Gauteng Sector Departments.	Not applicable	Not applicable
		150 Participants to receive IDP training.	100 Participants to receive IDP training (Municipal Councillors)	Target not achieved. Training target group identified and confirmed. Training curriculum customised and approved by SAQA for target group (CDWs).	Training for 100 participants not conducted.	DBSA was the preferred supplier however they were found to be non-compliant to Treasury Regulation 16A6.4.

Strategies to overcome areas of under performance

Terms of Reference for the IDP training have been prepared, procurement process is underway for training to take place in the second quarter of 2016/17 financial year.

Sub-Programme: Infrastructure Technical Support

Strategic Objectives	Performance Indicator	Baseline (Actual Output) 2014/2015	Annual Target 2015/2016	Actual Target Output	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
To ensure households progressively gain access to sustainable and reliable basic (water, sanitation, electricity and refuse removal) services in line with the Back-to-Basics Approach	Number of municipalities assessed against service delivery benchmarks.	New Indicator.	12 Municipalities assessed against service delivery benchmarks.	12 Municipalities assessed against service delivery benchmarks.	Not applicable	Not applicable
	Number of functional coordinating structures for infrastructure development and service delivery.	New Indicator.	4 functional coordinating structures for infrastructure development and service delivery.	3 coordinating structures were convened (3 MIG Three spheres meetings; 1 MIG quarterly infrastructure planning meeting and 2 MISA meetings).	1 coordinating structure not convened.	Rainwater harvesting forum members focused on drought campaigns and Ntirhisano Programme instead.
	% expenditure of allocated Municipal Infrastructure Grant (MIG) Programme for 7 municipalities by the end of the municipal financial year.	95% expenditure of R453,548 million on Grant funded projects by municipalities.	100% expenditure of R 473,420 million on Grant funded projects by municipalities. Total revised allocation is R454,270 for the 15/16 FY.	91% (R414,854 million) of the MIG Allocation was spent	9%	The revised technical report for Emfuleni LM was approved late and Mogale City LM experienced delays in the appointment of a Service provider.
To monitor and support the accelerated delivery of basic services and infrastructure planning.	Reduction of Water losses by 15 % in all municipalities by 2018/2019.	Water Conservation and Water Demand Management Strategy and Implementation Plan Developed.	Facilitate and monitor the implementation of WC/WDM Strategy to reduce water losses by 3.7%.	The implementation of WC/WDM Strategy to reduce water losses by 3.7% were facilitated and monitored.	Not applicable	Not applicable
	Number of municipalities implementing the Gauteng water and sanitation management plan.	New Indicator	10 municipalities monitored to implement the Gauteng Water and Sanitation Plan.	10 municipalities monitored to implement the Gauteng Water and Sanitation Plan	Not applicable	Not applicable

Strategic Objectives	Performance Indicator	Baseline (Actual Output) 2014/2015	Annual Target 2015/2016	Actual Target Output	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
To support municipalities to create an enabling environment for inclusive economic growth and development.	Number of municipalities supported with service delivery programmes.	New Indicator	7 municipalities supported with service delivery programmes- (MIG and MISA).	7 municipalities supported with service delivery programmes	Not applicable	Not applicable
	Number of municipalities supported to implement indigent policies (Sub-outcome 1, Action 6).	New Indicator	10 municipalities supported to implement indigent policies (sub-outcome 1 Action 6).	10 municipalities supported to implement indigent policies (sub-outcome 1 Action 6).	Not applicable	Not applicable

Strategies to overcome areas of under performance

- The convening of all four structures will resume in the next financial year and scheduling of meetings will take into account other critical programmes.
- Regular meetings on scheduled structures will be held to ensure consistency in attendance by stakeholders

Sub-Programme: Energy Office

Strategic Objectives	Performance Indicator	Baseline (Actual Output) 2014/2015	Annual Target 2015/2016	Actual Target Output	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
To monitor and support the accelerated delivery of basic services and infrastructure planning.	% of Households with improved access to basic electricity services.	88% access to households on electricity.	90% access to households on Electricity.	92% access to households on Electricity.	Not applicable	Not applicable
	Number of Municipalities with Electricity Loss Management Plans.	Develop Electricity Loss Management and Intervention Plan for the West Rand Local Municipalities.	Develop Electricity Loss Management and Intervention Plan for the 3 Sedibeng Local Municipalities.	Electricity Loss Management Plan developed for 3 Sedibeng Local municipalities.	Not applicable	Not applicable

Programme: Disaster Management

Strategic Objectives	Performance Indicator	Baseline (Actual Output) 2014/2015	Annual Target 2015/2016	Actual Target Output	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Establishment of an effective, efficient, responsive, accountable and resilient local government	Number of Provincial Disaster Centre.	Disaster Management Coordinating Structures fully Functional. Phase 1 implementation of the Provincial Disaster Management Centre (Business plan and Structure Approved).	Phase 2: Implementation of the Provincial Disaster Management Centre. Establishment of Disaster Centre as service delivery unit.	Phase 2 included acquiring the building, therefore the lease agreement has been signed and furniture procured. Business case have been developed	Not applicable The Service Delivery has not been established.	Not applicable The DPSA services were sourced to finalise the business case.
	Number of functional Municipal Disaster Management Centres.	New Indicator.	5 functional municipal Disaster Management Centres.	5 functional municipal Disaster Management Centres. (which 5)	Not applicable	Not applicable
	Number of municipalities complying with Disaster Management Legislative Requirements	4 Quarterly Reports on monitoring of the minimum levels of disaster management Capacity at a municipal level.	5 municipalities complying with DM framework (KPA 3).	5 municipalities (which municipalities) complying with DM framework (KPA 3).	Not applicable	Not applicable
	Provincial indicative Disaster Risk profile.	New target.	Provincial Disaster Macro Risk Profile in place.	Provincial Disaster Macro Risk Profile completed.	Not applicable	Not applicable

Strategies to overcome areas of under performance

The Department plans to complete the establishment of the service delivery in the next financial year dependant on the approval by the DPSA.

Sub-Programme: Fire Rescue Services

Strategic Objectives	Performance Indicator	Baseline (Actual Output) 2014/2015	Annual Target 2015/2016	Actual Target Output	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
Establishment of an effective, efficient, responsive, accountable and resilient local government	USAR Equipment received from DCOG; USAR Policy updated.	1st Phase of USAR Team Classification Completed.	2nd Phase of USAR Team Classification Completed. 1 USAR Exercise conducted.	1 classification exercise was conducted. 1 USAR Exercise conducted.	Not applicable	Not applicable

Changes to planned targets

No changes to planned targets.

Linking performance with budget

During the reporting period, Development Planning programme spent R50 millions of its allocated budget of R79 million which represent 64%. This under-expenditure was due to an amount of R27 million of capital meant for the outright purchase of the building for the Provincial Disaster Management Centre (PDMC). This project has been deferred to the new financial year to finalize the procurement of the building. The process has already commenced in the period under review, and the Department has submitted an approval request to the Provincial Treasury for this purpose. The under expenditure did not have any significant impact for the rollover.

Development Planning	2014/2015			2015/2016		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Land Use Management	2 817	1 668	1 149	5 611	4 792	819
Idp Coordination	5 584	4 925	659	4 388	3 978	410
Disaster Management	19 531	13 817	5 714	48 682	21 669	27 013
Municipal Infrastructure	12 754	11 013	1 741	19 961	19 829	132
Total	40 686	31 423	9 263	78 642	50 268	28 374

4.4 Programme 4: Traditional Institutional Management

Purpose of the programme

The purpose of this Programme is to promote and facilitate the establishment of a viable and sustainable institution of traditional leadership. The objective of the Programme is achieved through supporting and enhancing the capacity of traditional leadership and local governance institutions.

Sub-programmes

- Traditional Institution Administration
- Traditional Resource Administration
- Rural Development Facilitation
- Traditional Land Administration

Strategic objective for the financial year under review

- To promote and improve public trust in local government through active and deliberative citizen engagement.

Key Achievements

The Department supports the institution of traditional leadership in terms of the Traditional Leadership and Governance Framework Act, Act 41 of 2003, the Remuneration of Public Office Bearers Act, Act 20 of 1998 and the Gauteng Traditional Leadership and Governance Act, Act 4 of 2010. During the year, the Department reviewed and commented on the recommendations published by the Commission for the Remuneration of Public Office Bearers and implemented the determination by the 31st March 2016.

The Department also monitored and provided support, where necessary, to the two traditional councils to ensure compliance with the national legislative prescripts and the following sections of the Gauteng Traditional Leadership and Governance Act, Act 4 of 2010:

- Section 3 (a) which establishes traditional councils
- Section 7 (1) which outlines the responsibilities of traditional councils and states that the Traditional Council must host meetings with their communities at least once a year
- Section 9 (3) which states that Traditional Councils should have monthly meetings
- Section 52 which outlines the responsibilities of the Senior Traditional Leader
- Support provided to the Senior Traditional Leader and the Traditional Council in terms of Section 65; and
- Section 67 (1) (b) provides for financial accountability by the traditional council.

During the relevant year, both traditional communities were found to be compliant with sections of the relevant legislations above. Both traditional councils had 60% selected and 40% elected members with 30% women representation in their councils. Both traditional councils' hosted meetings at least once a month which were recorded and resolutions tabled. Special meetings were called as and when the need arises.

During the current reporting period, both traditional councils held Annual General Meetings with their communities in April 2015. The annual general meeting provides the relevant Senior Traditional Leader with the opportunity to report progress in the community, outline the activities of the traditional council in the previous financial year, present the financial statements and the plans of the traditional council for the next financial year.

Performance indicators

Sub Programme: Traditional Institutional Management

Strategic Objectives	Performance Indicator	Baseline (Actual Output) 2014/2015	Annual Target 2015/2016	Actual Target Output	Deviation from planned target to Actual Achievement for 2015/2016	Comment on deviations
To improve the developmental and governance capacity, quality of management and administrative practices within Traditional Leadership.	Number of reports on implementation of Presidential Proclamations in terms of the Remuneration of Public Office Bearers Act (POBA).	1 Annual Report prepared on the implementation of the Presidential Proclamation in terms of the Remuneration of Public Office Bearers Act.	1 Annual Report prepared on the implementation of the Presidential Proclamation in terms of the Remuneration of Public Office Bearers Act.	Presidential proclamation implemented.	Not Applicable	Not applicable
	Number of Traditional Councils complying with legislative prescripts.	2 Traditional Councils complying with Legislative prescripts.	2 Traditional Councils complying with Legislative prescripts.	2 Traditional Councils complying with Legislative prescripts.	Not Applicable	Not applicable

Changes to planned targets

No changes to planned targets.

Linking performance with budget

This programme Traditional Institutional Management spent 94% or **R6.8 million** of the **R7.2 million** budget allocation. The programme's under-expenditure did not have any significant impact on service delivery.

Traditional Institutional Management	2014/2015			2015/2016		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Trad Inst Admin	4 394	3 888	506	4 051	4 393	(342)
Tradit Resource Admin	1 083	1 059	24	1 377	662	715
Rural Development Facilitation	154	-	154	411	400	11
Traditional Land Admin	1 563	1 560	3	1 409	1 347	62
Total	7 194	6 507	687	7 248	6 802	446

5. TRANSFER PAYMENTS

5.1 Transfer payments to public entities

The department does not have entities that are reporting to it.

5.2 Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2015 to 31 March 2016

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
Westonaria L.M	Municipality	GRAP 17	YES	R1 000	R1 000	
Randfontein L.M	Municipality	GRAP 17	YES	R1 000	R1 000	
Emfuleni L. M	Municipality	GRAP 17	YES	R1 000	R1 000	
Lesedi L.M	Municipality	GRAP 17	YES	R1 000	R1 000	
Westonaria L.M	Municipality	PMS	YES	R750	R750	
Randfontein L.M	Municipality	PMS	YES	R750	R750	
Merafong L.M	Municipality	EPWP	YES	R500	R500	
Lesedi L.M	Municipality	EPWP	YES	R500	R500	
Westonaria L.M	Municipality	EPWP	YES	R500	R500	
Randfontein L.M	Municipality	EPWP	YES	R500	R500	
Randfontein L.M	Municipality	Water, sewer & electricity Infrastructure	YES	R9 000	R9 000	
Emfuleni L.M	Municipality	Water Infrastructure	YES	R4 063	R4 063	
Westonaria L.M	Municipality	Municipal Merger	YES	R15 000	R15 000	
Emfuleni L.M	Municipality	Roads and Storm water	YES	R8 525 000	R8 525 000	
		Water Infrastructure	YES			
Merafong L.M	Municipality	Water Loss DMP	YES	R4 900	R4 900	

6. CONDITIONAL GRANTS

The Gauteng Department of Cooperative Governance and Traditional Affairs did not receive any donor funds during the reporting period.

7. DONOR FUNDS

The Gauteng Department of Cooperative Governance and Traditional Affairs did not receive any donor funds during the reporting period.

8. CAPITAL INVESTMENT

The Gauteng Department of Cooperative Governance and Traditional Affairs does not have capital investment.





Part

C

Governance

1. INTRODUCTION

As guided by the Public Finance Management Act (1999), Treasury Regulations and Public Sector Risk Management Framework, the Department of Co-operative Governance and Traditional Affairs has taken a deliberate decision that Risk Management should be embedded within the Department by implementing the Risk Management policy, strategy and procedures which sets out Departmental objectives for all key underlying and support processes.

The Department is committed to the highest standard of good governance by ensuring that it maintains the effective, efficient and transparent systems of financial, risk management and internal control.

2. RISK MANAGEMENT

The Department had an approved Risk Management Policy and Strategy that guided how risks should be managed within the Department. Risks were continuously identified, assessed, evaluated, mitigated, monitored, reviewed by all business units within the Department and reported on a 'bottom-up' approach through each Directorate. As each risk was identified it was allocated to a relevant person in the respective Directorate responsible for the day-to-day management thereof and recorded in a risk register that contains the descriptions, causes, control in place, assessments and mitigating actions of all risks identified. The identification was subdivided into operational and strategic levels and regular assessments were performed to determine the effectiveness of the risk management strategy and to identify emerging risks.

The Department had a functional Risk Management Committee that advised management on the overall system of risk management, especially the mitigation of unacceptable risks to an acceptable level. The committee comprises of the external Chairperson, the Accounting Officer, all Deputy Director Generals and all Chief Directors. The Department also appointed an external Risk Management Chairperson to assist in training the Enterprise Risk Management team and assess progress and maturity level on management of risks in the Department.

The Department has an Audit Committee that advised and oversaw the Departmental risk management processes and independently monitored the effectiveness of the system of risk management. Based on the assessment performed in consideration of the comments from the Audit Committee, there are areas that still require improvement and the functioning of the risk management still needs to be strengthened.

3. FRAUD AND CORRUPTION

The fraud risk assessment was conducted within the financial year 2015/2016 but it was not approved within the reporting financial year. The cases were reported through Risk Management directorate and referred to Gauteng Department of Treasury for investigations. Appropriate actions were taken based on the recommendations of the reports.

4. MINIMISING CONFLICT OF INTEREST

The Department implemented a specific request form and a comprehensive schedule to ensure that SCM practitioners declare their interests in a particular company. This was additional to the Standard bidding documentation that required the service providers to declare their interest and knowledge of department officials that are or could be involved in the respective procurement process.

The Bid Evaluation and Bid Adjudication Committee declared their interest prior to any evaluation or Adjudication Committee and SCM practitioners were required to sign the respective code of conduct additional to the Code of Conduct for public servants that further advised on the process of declaring interest.

In March 2000, the Minister for Public Service and Administration (DPSA) approved a Financial Disclosure Framework which requires all members of the Senior Management Service (SMS) in the Public Service to disclose all their registrable interests to prevent conflict of interest. In the 2015/16 financial year, all SMS members of the department (100%) submitted their financial disclosures.

5. CODE OF CONDUCT

The Public Service Code of Conduct forms part of CoGTA's internal induction programme. Every employee receives a copy of the same at acceptance of employment and thereby binds him or her to adhere thereto. All new employees were inducted on the contents of the Code of Conduct.

CoGTA follows the process as outlined in the Disciplinary Code and Procedures as per Resolution 01 of 2003 in cases of any breach of the Code of Conduct. During the relevant year, all reported cases were dealt with in terms of the said Code.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Department of Cooperative Governance does not have its own building and is still sharing a building with three other Departments in three different buildings. The safety issues of the buildings experienced during the reporting year, include poorly maintained lifts, inadequate air conditioning and construction during office hours making the working environment rather unsafe. The condition also poses a threat to persons with a disability as far as their accessibility is concerned.

The delay in implementing corrective action by the owner of the building is a major concern. As a result of sharing the building, there are low hygiene standards in the ablution facilities at Bank of Lisbon and Corner House.

7. PORTFOLIO COMMITTEES

The Portfolio Committee exercises oversight by the service delivery performance of the Department.

Below are the dates of the meetings held with the Portfolio Committee:

- 21 August 2015;
- 22 September 2015;
- November 2015;
- 18 February 2016
- 01 March 2016;
- 16th March 2016;
- 23rd March 2016;
- 28th April 2016.

Matters raised by the Portfolio Committee and how has the Department addressed these matters are indicated hereunder.

Question asked	Response by the Department
What are the contractual challenges and the remedial actions thereof?	The challenge was with relation to the Midvaal vs. MDB and others in which the change of scope for the tender would require a new tender process. The selected bidder and the Department found an agreement in the matter of liability.
What is the delays in the appointment of the Sub-Programme: Stakeholder Liaison and the acquiring service provider for printing the newsletter?	The Director for Stakeholder Liaison was appointed in the fourth quarter and a service provider was appointed to print the newsletter.
Why the Department has no plans for the review of the IDPs and the report. What is the remedial action in place?	In terms of the Legislation, the reviews of IDPs only happens in the second quarter and the State of the IDPs report is only produced in the fourth quarter. Therefore, there can be no remedial action at this stage as the process is entirely guided by the prescripts of the Municipal Systems Act, Act No. 32 of 2000.
Why the Sedibeng and West Rand District Municipalities failed to monitor the implementation of Gauteng Water and Sanitation Plan? What is the remedial action in place?	The two District municipalities are not water services at all. The commitment to monitor 12 municipalities was an error. The Department will not make erroneous targets when developing plans at the beginning of the year.
Why there are no plans for the Electricity Loss Management and Intervention Plan for the three Sedibeng District local municipalities for the quarter under review, the Department reported that there were no plans. Why there were no plans targets? What is the remedial action?	It was erroneously reported that the Department had no planned targets for the quarter under review. The 1st quarter target for this indicator was "a status quo report on current electricity losses and mitigation initiatives analysed". The key findings were presented to the Portfolio Committee.
In terms of implementing Phase 2 of the Provincial Disaster Management Centre and Establishing Disaster Management Centre as a service delivery unit for the 1st quarter of the 2015/16 FY, it is reported that there were no planned targets. Why there were no plans targets? What is the remedial action?	The targets for the project were all operational and therefore not registered in the APP.
Why there were no plans targets for Provincial Disaster Macro Risk Profile during the quarter under review? What is the remedial action?	The targets for the project were all operational and therefore not registered in the APP.
Why there were no planned targets for the quarter under review in relation to implement 1 Annual Report prepared for the Presidential Proclamation in terms of the Remuneration of Public Office Bearers Act for 2015/16 FY? What is the remedial action in place?	The provincial department has no role to play during the first and second of the work of the Commission.
On the Number of Traditional Councils (TCs) complying with the legislative prescripts, the planned target for the 1st quarter of the 2015/16 FY was to produce 1 quarterly monitoring report on the legislative compliance of 2 traditional councils and the target was not achieved. Can the Department account to the Portfolio Committee on the activities initiated during the quarter under review.	<p>The following activities were initiated to ensure legislative compliance for the two traditional councils:</p> <ul style="list-style-type: none"> • Two (2) traditional council's participation in the City of Tshwane Municipal Council was monitored; • The two (2) traditional councils held monthly traditional council meetings. • Financial management in the two traditional councils were strengthened in line with recommendations from the Department. • Two (2) Annual General Meetings in the respective traditional communities were held during the quarter under review. • Monitoring the practice of initiation in the Province. • The Department established two intergovernmental forums on heritage sites for the two traditional communities.

Question asked	Response by the Department
The Department should improve its spending in the forthcoming quarters in all of its four (4) programmes. Report to be submitted.	Management Quarterly Review Reports are produced and circulated to all Programme Managers for assessment, monitoring and intervention regarding spending patterns.
The Department should enhance its planning strategy in order to deliver services and provide technical support to Gauteng Municipalities as informed by its Annual Performance Plan (APP).	<p>The Department will use the Municipal Performance Reports which analyses the monitoring and support performance of municipalities in 5 Key Performance Areas:</p> <ul style="list-style-type: none"> • Municipal Transformation and Organisational Development. • Basic Service Delivery. • Local Economic Development. • Good Governance, Public Participation and Intergovernmental Relations • Municipal Financial Viability and Management.
The Municipality must put measures in place to ensure consistency and accuracy in its Billing System as this is a deterrent on those willing to pay for services, Report be submitted.	Lesedi Municipality appointed a service provider in June 2014 to undertake a data cleansing exercise with a main objective of ensuring that all customers are billed correctly.
The Municipality must constantly profile the Ward Councillor within Communities and raise awareness on their role to manage expectations in the interest of their safety.	The roles and responsibilities of Ward Councilors are clarified through monthly public meetings with the communities.
The Department should strengthen measures that are in place in order to curb under spending occurred on all programmes, especially program 3 which is key in terms of rendering municipal basic services and infrastructure projects. This will assist the Department to meet National targets related to electrification of Households and so forth.	All measures to improve expenditure were improved, where the Department is of the opinion that funds will not be spent, the funds were transferred to other business units where such will be spent.
In order to ensure prudent spending on MIGs, the Department should strengthen its Municipal Infrastructure Support Agency towards municipalities, especially Lesedi municipality.	The Department will together with National COGTA draw up a detailed plan of activities to be performed and will work with Lesedi Local Municipality to ensure that MISA officials are properly utilised.
The Department should tighten its measures and mechanisms in place to assist West Rand Municipalities in terms of addressing poor spending.	There will be close monitoring of MIG fund expenditure monthly through three spheres meetings. The Department also anticipates regular meetings with municipalities to address the challenges resulting in poor expenditures.
The Department should be given a separate building to utilise its resources effectively and efficiently, thereby addressing underspending.	The Department has been duly informed by Department of Infrastructure Development that the Department of Health will be moving out of Bank of Lisbon, where they currently occupy floor 11 to 22. This space is therefore, earmarked for CoGTA however, formal communication is still awaited.

8. SCOPA RESOLUTIONS

The department did not appear before SCOPA.

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

The department received an unqualified audit opinion on the annual financial statement 2014/15, no material findings were noted on predetermined objectives and no material non-compliance findings were noted.

10. INTERNAL CONTROL UNIT

The unit was involved in assisting the Department in developing targets that are Specific, Measurable, Achievable, Relevant and Time-bound (SMART) and also in verifying the existence and validity of the portfolio of evidence against the quarterly performance reported.

Another activity was the monitoring of the implementation of controls in resolving the internal and external audit findings.

Other activities performed by the unit were as follows:

- Reporting quarterly to the Gauteng Provincial Treasury on compliance to the PFMA and Treasury Regulations; and
- Monitoring the progress of implementing the drivers of key internal controls.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

Objective of Internal Audit

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

Key Activities of Internal Audit

Risk based Internal Audit Plans were developed by GAS and approved by the respective Departmental Audit Committees which exercise oversight on the activities of GAS. The Internal Audit activities were as follows:

- Risk and compliance audit;
- Performance Audit; and
- Computer Audit.

Objective of Internal Audit

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

Summary of work done by Internal Audit

The unit managed to perform all (11) audits planned for the financial year 2015/16. The following table shows the summary of the work done:

Name of the Audit	Status	Internal Audit Opinion
Municipal Administration and Support	Report Issued	Inadequate and ineffective
Supply Chain Management - Tenders and Contracts	Report Issued	Adequate but ineffective
1st Follow up on significant GAS findings	Report Issued	Partially adequate and effective
2nd Follow up on significant GAS findings	Report Issued	Partially adequate and effective
Management Performance Assessment Tool (MPAT 1.5)	Report Issued	N/A - Advisory
Financial Controls - Interim Financial Statements Q2	Report Issued	Adequate and effective
Cost Containment Measures - Q2	Report Issued	Partially adequate and effective
Corporate Governance	Report Issued	Adequate and effective
Risk Management	Report Issued	Adequate and effective
1st Follow up on AG findings	Report Issued	Partially adequate and effective
2nd Follow up on AG findings	Report Issued	Partially adequate and effective

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

Name	Qualification	If internal, position in the department	Date appointed	Date resigned	No of meetings attended
Lorraine Francois	B.Com. MBA Certified Internal Auditor Post Graduate Certificate in Accounting	External	01 October 2009	29 April 2016	05
Wayne Poggenpoel	M. Phil (Internal Auditing) National Higher Diploma Internal Auditing; National Diploma Internal Auditing; Certified Internal Auditor Certificate in Control Self-Assessment Certified Equities Trader; Certified Government Audit Professional	External	01 October 2014	15 January 2016	02
Janice Meissner	Chartered Accountant (SA) B.Com. B.Com. Honours	External	01 October 2014	Current	05
Mandla Ncube (seconded)	Certified Internal Auditor (CIA); Quality Assurance Reviewer; Certified Corporate Fraud Manager; Diploma in Accounting; Certificate in Accounting	External	Seconded AC Member from February 2016	Current stand-in Member for Cluster 05	01

12. REPORT OF THE AUDIT COMMITTEE – CLUSTER 05

Department: Gauteng Department of Cooperative Governance & Traditional Affairs (COGTA)

We are pleased to present our report for the financial year ended 31 March 2016.

Audit Committee and Attendance

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

Non-Executive Members

Name of Member	Number of Meetings Attended
Ms. Janice Meissner (Chairperson)	05
Ms. Lorraine Francois (Chairperson)	03 (Resigned 29 April 2016)
Mr. Wayne Poggenpoel	02 (Resigned 01 December 2015)
Mr. Mandla Ncube	03
Mr. Japie du Plessis	01

Executive Members

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

Compulsory Attendees	Number of Meetings Attended
Mr. Nhlakanipho Nkotwana (Accounting Officer)	05
Mr. Japhter Makhafola (Chief Financial Officer)	05
Ms. Lebogang Mokoena (Chief Risk Officer)	03

The Audit Committee noted that the Accounting Officer attended all the five scheduled Audit Committee meetings. The Committee was seconded with additional Members from other clusters to ensure adequate quorum and succession during the period where Member vacancy existed. Therefore, the Audit Committee is satisfied that the Department adhered to the provisions of the GPG Audit Committee Charter.

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

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a) of the PFMA and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has 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 has observed that the control systems, with the exception of the few insignificant issue raised by Internal Audit to Management in the respective audit reports issued save one, has improved drastically in this Department. This is evident by the assurance provided by Internal Audit that, based on the results of the audit work performed in this Department, the overall opinion on the Control Environment is "Partially Adequate and Effective" to ensure that the Department objectives will be achieved. However, Management should focus on the resolution of the previously report findings in order to avoid repeat findings, as evidenced by the results of the follow-up audits conducted during the year.

The Audit Committee also reviewed the progress with respect to the ICT Governance in line with the ICT Framework issued by the Department of Public Services and Administration. The Audit Committee noted the significant progress that was made with the IT governance environment which yielded good audit results. There is still some improvement needed on the IT system environment as well as the effective implementation of the Disaster Recovery Plan and the Business Continuity Plan as this continues to be a medium risk for the Department.

Internal Audit

The Audit Committee is satisfied that the Internal Audit plan represents a clear alignment with the key risks, has adequate information systems coverage, and a good balance across the different categories of audits, i.e. risk-based, mandatory, performance, computer and follow-up audits. Internal audit performed 12 audits during the financial year 2015/16, and raised 63 significant findings, which decreased from the previous financial year figure of 87.

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

The Audit Committee wishes to stress that in order for the Internal Audit Function to operate at optimal level as expected by the Audit Committee, the shortage in human resources and skills is anticipated to be fully addressed, following the appointment of the new Chief Audit Executive.

Risk Management

Progress on the departmental risk management was reported to the Audit Committee on a quarterly basis. The Audit Committee is satisfied that the actual management of risk is receiving attention, although there are areas that still require improvement. Management should take full responsibility for the entire Enterprise Risk Management Process and continue to support the Chief Risk Officer to even further enhance the performance of the Department. Management should also prioritise the activities of the Risk Management Committee and attendance to the Committee is of absolute importance to ensure that the management of risks are tracked.

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

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

Evaluation of Annual Financial Statements

The Audit Committee has:

- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the AGSA and the Accounting Officer;
- Reviewed the Audit Report of the AGSA;
- Reviewed the AGSA's Management Report and Management's response thereto;
- Reviewed the Department's compliance with legal and regulatory provisions; and
- Reviewed significant adjustments resulting from the audit.

The Audit Committee concurs with and accepts the AGSA's conclusions on the Annual Financial Statements, and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the AGSA.

One-on-One Meeting with the Accounting Officer

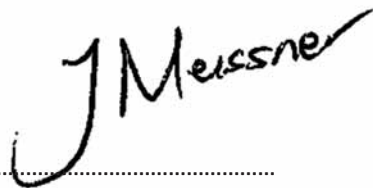
The Audit Committee has met with the Accounting Officer for the Department to address unresolved issues.

One-on-One Meetings with the Executive Authority

The Audit Committee has met with the Executive Authority for the Department to apprise the MEC on the performance of the Department.

Auditor-General of South Africa

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



Ms. Janice Meissner Francois

Chairperson of the Audit Committee

31 August 2016





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. In compliance with the requirement the following information is presented.

2. OVERVIEW OF HUMAN RESOURCES

The department operated on a functional structure pending consultation, approval, concurrence and implementation of the structure. This was as a result of reconfiguration and demerger from the former department of Local Government and Housing. The rationale behind configuration was to ensure a more focused approach to the cooperative governance mandate.

During the reporting period, the department experienced limited human resources to meet the requirements of corporative government mandate; and

Notwithstanding, the demerger presented a new possibility to reposition itself towards regaining its unique identity and pre-eminence in the province as a leader in ensuring co-ordination, collaboration and facilitation of cooperative government. Going forward the department will claim its space by creating a structure that will ensure that it plays a central role as a lead coordinator, facilitator and custodian of local government support programmes.

Despite the challenge of limited human resources presented above, the department managed to stretch its resources and was able to achieve over and above mandatory human resource management programmes and projects. The context as presented above should be noted in the oversight report below.

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 2015 and 31 March 2016

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	105 531	71 754	1 477	1 750	68	485
Local Governance	206 287	143 203	-	6 890	69	324
Development and Planning	50 268	28 007	-	1 428	56	308
Traditional Institutional Development	6 802	4 515	-	1 296	66	452
Total	368 888	247 479	1 477	11 364	67	358

Table 3.1.2 Personnel costs by salary band for the period 1 April 2015 and 31 March 2016

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)	250	0	10	25
Skilled (level 3-5)	7 525	3	38	198
Highly skilled production (levels 6-8)	131 946	53	478	276
Highly skilled supervision (levels 9-12)	73 905	30	129	573
Senior and Top management (levels 13-16)	33 853	14	36	940
Total	247 479	100	691	358

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2015 and 31 March 2016

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	45 767	64	-	-	1 741	2	2 323	3
Local Governance	99 009	69	-	-	5 285	4	10 154	7
Development and Planning	19 820	71	4	-	576	2	1 058	4
Traditional Institutional Development	2 688	60	-	-	66	1	141	3
Total	167 284	68	4	-	7 668	3	13 676	6

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2015 and 31 March 2016

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)	192	77	-	-	23	9	5	2
Skilled (level 3-5)	5 059	67	-	-	462	6	595	8
Highly skilled production (levels 6-8)	89 908	68	4	0	5 540	4	10 648	8
Highly skilled supervision (levels 9-12)	50 651	69	-	-	932	1	2 210	3
Senior management (level 13-16)	21 474	63	-	-	712	2	218	1
Total	167 284	68	4	0	7 669	3	13 676	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; and
- critical occupations (see definition in notes below).

The divisions 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 were not filled.

Table 3.2.1 Employment and vacancies by programme as on 31 March 2016

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration, Permanent	2	1	0	0
Development and planning, Permanent	9	9	0	0
Effective business process, Permanent	1	0	100	0
Gdr: housing development, Permanent	2	0	100	0
Grd: cooperative governance, Permanent	41	36	12.2	0
Grd: human settlements(housing), Permanent	3	1	66.67	0
Integrated devel & serv del, Permanent	31	28	9.7	0
Integrated devel & serv del 0506, Permanent	18	17	5.6	0
Local governance, Permanent	500	442	11.6	0
Pr1 administration, Permanent	225	147	34.7	3
Traditional institution management (pr4), Permanent	10	10	0	0
Total	842	691	17.9	3

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2016

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)	10	10	0	0
Skilled (3-5)	60	36	40	0
Highly skilled production (6-8)	559	476	14.8	0
Highly skilled supervision (9-12)	168	128	23.8	2
Senior management (13-16)	35	31	11.4	1
Contract (Levels 3-5), Permanent	2	2	0	0
Contract (Levels 6-8), Permanent	2	2	0	0
Contract (Levels 9-12), Permanent	1	1	0	0
Contract (Levels 13-16), Permanent	5	5	0	0
Total	842	691	17.9	3

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2016

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related, Permanent	101	76	24.8	2
Architects town and traffic planners, Permanent	5	5	0	0
Artisan project and related superintendents, Permanent	1	0	100	0
Bus and heavy vehicle drivers, Permanent	5	5	0	0
Civil engineering technicians, Permanent	1	1	0	0
Cleaners in offices workshops hospitals etc., Permanent	10	7	30	0
Client inform clerks (switchboard receipt inform clerks), Permanent	2	2	0	0
Communication and information related, Permanent	4	3	25	0
Community development workers, Permanent	43	1	97.7	0
Computer programmers, Permanent	1	0	100	0
Computer system designers and analysts, Permanent	1	1	0	0
Engineering sciences related, Permanent	4	2	50	0
Engineers and related professionals, Permanent	4	4	0	0
Finance and economics related, Permanent	8	4	50	0
Financial and related professionals, Permanent	8	8	0	0
Financial clerks and credit controllers, Permanent	5	1	80	0
General legal administration & rel. professionals, Permanent	1	0	100	0
Head of department/ chief executive officer, Permanent	4	4	0	1

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Household food and laundry services related, Permanent	1	1	0	0
Human resources & organisation development & related prof, Permanent	15	11	26.7	0
Human resources clerks, Permanent	303	299	1.3	0
Human resources related, Permanent	17	15	17.6	0
Information technology related, Permanent	1	0	100	0
Language practitioners interpreters & other commun, Permanent	5	5	0	0
Legal related, Permanent	3	1	66.7	0
Library mail and related clerks, Permanent	9	4	55	0
Light vehicle drivers, Permanent	1	0	100	0
Logistical support personnel, Permanent	14	6	57.1	0
Material-recording and transport clerks, Permanent	8	5	37.5	0
Messengers porters and deliverers, Permanent	7	6	14.3	0
Other administrat & related clerks and organisers, Permanent	19	11	42.1	0
Other administrative policy and related officers, Permanent	28	25	10.7	0
Other information technology personnel., Permanent	1	1	0	0
Other occupations, Permanent	115	113	1.7	0
Photographic lithographic and related workers, Permanent	1	1	0	0
Risk management and security services, Permanent	2	1	50	0
Secretaries & other keyboard operating clerks, Permanent	36	28	22.2	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Security guards, Permanent	3	3	0	0
Security officers, Permanent	5	3	40	0
Senior managers, Permanent	33	28	15.2	0
Social work and related professionals, Permanent	7	0	100	0
Total	842	691	17.9	3

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.

Table 3.3.1 SMS post information as on 31 March 2016

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	8	6	75	2	25
Salary Level 13	23	15	65.2	8	34.8
Total	35	25	71.4	10	28.6

Table 3.3.2 SMS post information as on 30 September 2015

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	8	6	75	2	25
Salary Level 13	23	20	87	3	13
Total	35	30	85.7	5	14.3

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2015 and 31 March 2016

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	0	0	0
Salary Level 13	1	0	1
Total	1	0	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 2015 and 31 March 2016

Reasons for vacancies not advertised within twelve months
The Department was undergoing a reconfiguration process, as a result consultation were undertaken to confirm the criticality of each exited post. (The process was cumbersome)

Reasons for vacancies not filled within twelve months
Due to lack of office space.

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 2015 and 31 March 2016

Reasons for vacancies not advertised within six months
Due to lack of office space.

Reasons for vacancies not filled within six months
Due to lack of office space.

3.4 Job Evaluation

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 2015 and 31 March 2016

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)	10	0	0	0	0	0	0
Skilled (Levels 3-5)	60	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	559	9	1.6	0	0	0	0
Highly skilled supervision (Levels 9-12)	168	18	11	0	0	0	0
Senior Management Service Band A	23	5	22	0	0	0	0
Senior Management Service Band B	6	1	17	0	0	0	0
Senior Management Service Band C	4	0	0	0	0	0	0
Senior Management Service Band D	2	0	0	0	0	0	0
Contract (Levels 3-5)	2	0	0	0	0	0	0
Contract (Levels 6-8)	2	0	0	0	0	0	0
Contract (Levels 9-12)	1	0	0	0	0	0	0
Contract (Band A)	3	0	0	0	0	0	0
Contract (Band C)	1	0	0	0	0	0	0
Contract (Band D)	1	0	0	0	0	0	0
Total	842	33	4	0	0	0	0

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded.

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2015 and 31 March 2016

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
-----------------------------	---

The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation.

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2015 and 31 March 2016

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
	0			
	0			
	0			
	0			
Total number of employees whose salaries exceeded the level determined by job evaluation				0
Percentage of total employed				0

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2015 and 31 March 2016

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
-----------------------------	---	---	---	---	---

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

3.5 Employment Changes

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 2015 and 31 March 2016

Salary band	Number of employees at beginning of period-1 April 2015	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	0	7	0	0
Skilled (Levels3-5)	37	4	5	14
Highly skilled production (Levels 6-8)	479	10	12	3
Highly skilled supervision (Levels 9-12)	123	13	11	8
Senior Management Service Bands A	15	6	0	0
Senior Management Service Bands B	5	1	1	20
Senior Management Service Bands C	3	0	0	0
Senior Management Service Bands D	1	1	1	0
Contracts	10	12	6	60
Total	673	54	36	5

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2015 and 31 March 2016

Critical occupation	Number of employees at beginning of period-April 2015	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related	88	17	7	8
Architects town and traffic planners	0	0	0	0
Bus and heavy vehicle drivers	0	0	0	0
Civil engineering technicians	5	0	0	0
Cleaners in offices workshops hospitals etc.	6	7	2	33
Client inform clerks(switch receipt inform clerks)	2	0	0	0
Communication and information related	3	0	0	0
Community development workers	412	0	0	0
Computer system designers and analysts	1	0	0	0
Engineering sciences related	2	0	0	0

Critical occupation	Number of employees at beginning of period- April 2015	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Engineers and related professionals	4	0	0	0
Finance and economics related	4	0	0	0
Financial and related professionals	7	0	0	0
Financial clerks and credit controllers	1	0	0	0
Food services aids and waiters	1	0	1	100
Head of department/ chief executive officer	0	0	0	0
Household food and laundry services related	0	0	0	0
Human resources & organisat developm & relate prof	7	3	1	14
Human resources clerks	15	1	7	47
Human resources related	17	0	2	12
Language practitioners interpreters & other commun	5	0	0	0
Legal related	1	0	0	0
Library mail and related clerks	5	1	1	20
Light vehicle drivers	5	0	0	0
Logistical support personnel, Permanent	4	0	1	25
Material-recording and transport clerks	1	0	1	100
Messengers porters and deliverers	0	0	0	0
Other administrat & related clerks and organisers	10	1	1	10
Other administrative policy and related officers	13	2	1	8
Other information technology personnel	0	0	0	0
Other occupations	0	9	5	56
Photographic lithographic and related workers	1	0	0	0
Risk management and security services	0	1	0	0
Secretaries & other keyboard operating clerks	21	5	2	10

Critical occupation	Number of employees at beginning of period- April 2015	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Security guards	3	0	0	0
Security officers	3	0	0	0
Senior managers	26	7	3	12
TOTAL	673	54	36	5

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 2015 and 31 March 2016

Termination Type	Number	% of Total Resignations
Death	5	14
Resignation	17	47
Expiry of contract	9	25
Dismissal – operational changes	0	0
Dismissal – misconduct	2	6
Dismissal – inefficiency	0	0
Discharged due to ill-health	1	3
Retirement	2	6
Transfer to other Public Service Departments	0	0
Other	0	0
Total	36	100
Total number of employees who left as a % of total employment	36	5

Table 3.5.4 Promotions by critical occupation for the period 1 April 2015 and 31 March 2016

Occupation	Employees 1 April 2015	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	88	3	3	0	0
Architects town and traffic planners	0	0	0	0	0
Bus and heavy vehicle drivers	0	0	0	0	0
Civil engineering technicians	5	0	0	0	0
Cleaners in offices workshops hospitals etc.	6	0	0	0	0
Client inform clerks (switchboard receipt inform clerks)	2	0	0	0	0
Communication and information related	3	0	0	0	0
Community development workers	412	0	0	0	0
Computer system designers and analysts	1	0	0	0	0
Engineering sciences related	2	0	0	0	0
Engineers and related professionals	4	0	0	0	0
Finance and economics related	4	0	0	0	0
Financial and related professionals	7	0	0	0	0
Financial clerks and credit controllers	1	0	0	0	0
Food services aids and waiters	1	0	0	0	0
Head of department/chief executive officer	0	0	0	0	0
Household food and laundry services related	0	0	0	0	0
Human resources & organisational development & relate prof	7	0	0	0	0
Human resources clerks	15	0	0	0	0

Occupation	Employees 1 April 2015	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
Human resources related	17	0	0	0	0
Language practitioners interpreters & other communication	5	0	0	0	0
Legal related	1	0	0	0	0
Library mail and related clerks	5	1	20	0	0
Light vehicle drivers	5	0	0	0	0
Logistical support personnel, Permanent	4	0	0	0	0
Material-recording and transport clerks	1	0	0	0	0
Messengers porters and deliverers	0	0	0	0	0
Other administrat & related clerks and organisers	10	0	0	0	0
Other administrative policy and related officers	13	0	0	0	0
Other information technology personnel	0	0	0	0	0
Other occupations	0	0	0	0	0
Photographic lithographic and related workers	1	0	0	0	0
Risk management and security services	0	0	0	0	0
Secretaries & other keyboard operating clerks	21	0	0	0	0
Security guards	3	0	0	0	0
Security officers	3	0	0	0	0
Senior managers	26	0	0	0	0
TOTAL	673	4	0.6	0	0

Table 3.5.5 Promotions by salary band for the period 1 April 2015 and 31 March 2016

Salary Band	Employees 1 April 2016	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)	0	0	0	0	0
Skilled (Levels 3-5)	37	0	0	0	0
Highly skilled production (Levels 6-8)	479	1	0.2	0	0
Highly skilled supervision (Levels 9-12)	123	3	2.4	0	0
Senior Management (Level 13-16)	24	0	0	0	0
Total	663	4	0.6	0	0

3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2016

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	17	4	1	0	13	1	0	0	36
Professionals	29	0	1	2	22	2	2	5	61
Technicians and associate professionals	199	2	0	6	310	13	1	4	534
Clerks	20	0	0	0	15	2	0	0	37
Service and sales workers	7	0							7
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	3	0	0	0	4	0	0	0	7
Total	281	6	2	8	364	18	3	9	691
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 2016

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	8	0	1	0	3	1	0	0	13
Senior Management	9	4	0	0	9	1	0	0	23
Professionally qualified and experienced specialists and mid-management	29	0	1	3	22	3	2	5	65
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	199	2	0	5	310	11	1	4	532
Semi-skilled and discretionary decision making	33	0	0	0	16	2	0	0	51
Unskilled and defined decision making	3	0	0	0	4	0	0	0	7
Total	281	6	2	8	364	18	3	9	691

Table 3.6.3 Recruitment for the period 1 April 2015 to 31 March 2016

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	3	1	0	0	2	0	0	0	6
Professionally qualified and experienced specialists and mid-management	5	0	0	0	8	0	1	0	14
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	0	0	0	9	1	0	0	11
Semi-skilled and discretionary decision making	2	0	0	0	2	0	0	0	4
Unskilled and defined decision making	3	0	0	0	4	0	0	0	7
Total	14	1	0	0	25	1	1	0	42
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2015 to 31 March 2016

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	2	0	0	0	1	0	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	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	3	0	0	0	1	0	0	0	4
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.5 Terminations for the period 1 April 2015 to 31 March 2016

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	0	1	0	0	0	3
Senior Management	1	0	0	0	1	0	0	0	2
Professionally qualified and experienced specialists and mid-management	6	0	1	0	2	2	0	1	12
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	7	0	0	0	6	0	0	0	13
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	19	0	1	0	13	2	0	1	36
Employees with Disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.6 Disciplinary action for the period 1 April 2015 to 31 March 2016

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Disciplinary Hearing/ Enquiry	3	0	0	0	0	0	0	0	3

Table 3.6.7 Skills development for the period 1 April 2015 to 31 March 2016

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	0	0	0	0	1	0	0	0	1
Professionals	7	0	0	0	11	4	0	1	23
Technicians and associate professionals	2	0	0	1	5	0	0	0	8
Clerks	4	0	0	3	21	3	1	2	34
Service and sales workers	2	0	0	0	2	0	0	0	4
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	1	0	0	0	1
Plant and machine operators and assemblers	1	0	0	0	0	0	0	0	1
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	16	0	0	4	41	7	1	3	72
Employees with disabilities	1	0	0	0	0	0	0	0	0

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 2015

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				
Salary Level 16	1	1	1	100
Salary Level 15	5	5	4	80
Salary Level 14	6	6	6	100
Salary Level 13	22	22	17	77
Total	34	34	28	82

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2016

Reasons
Members concerned seem to have not fully grasped the requirements to sign within the stipulated timeframe.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2016

Reasons
Members who did not sign were verbally warned for non-compliance.

Notes

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

3.8 Performance Rewards

To encourage good performance, the department has granted the following performance rewards during the year under review

The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2015 to 31 March 2016

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	389	644	61.2	R2 955 000.00	15,149
Male	159	282	58.5	R1 204 000.00	7,715
Female	227	362	63.2	R1 751 000.00	7,434
Asian	2	5	40	R21 000.00	10,661
Male	0	2	0	R0.00	10,661
Female	2	3	66.7	R21 000.00	0
Coloured	14	26	56	R111 000.00	15,038
Male	1	7	16.7	R7 000.00	8,008
Female	14	19	68.4	R104 000.00	7,030
White	8	16	50	R820 00.00	20,210
Male	2	8	25	R61 000.00	10,219
Female	8	8	75	R104 000.00	9,991
Total	413	691	60.5	R3 158 285.87	61,058

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2015 to 31 March 2016

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)	0	7	0	0	0	0
Skilled (Levels 3-5)	18	36	50	R55 173.10	R3 065.17	2,48
Highly skilled production (Level 6-8)	323	487	67.7	R2 114 690.67	R6 547.03	95,21
Highly skilled supervision (Level 9-12)	72	130	55.38	R988 220.11	R13 725.28	44,49
Total	413	660	63.53	R3 158 083.88	23 337.48	1.42

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2015 to 31 March 2016

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Administrative Related	34	74	45.94	R347 000.00	R10 205.88
Architects town and traffic planners	3	5	60	R33 000.00	R11 000.00
Bus and heavy vehicle drivers	2	5	40	R11 000.000	R5 500.00
Civil engineering technicians	0	1	0	R0.000	
Cleaners in offices workshops hospitals etc.	6	7	85.7	R24 000.00	R4 000.00
Client inform clerks (switchboard receipt inform clerks)	1	2	50	R9 000.00	R9 000.00
Communication and information related	3	3	100	R30 000.00	R10 000.00
Community development workers	1	1	100	R12 000.000	R12 000.00
Computer system designers and analysts	0	1	0	R0.000	
Engineering science related	1	2	50	R11 000.00	R11 000.00
Engineers and related professionals	3	4	75	R35 000.00	R11 666.67
Finance and economics related	0	4	0	R0.000	
Financial and related professionals	6	8	87.5	R58 000.00	9666.67
Financial clerks and credit controllers	1	1	10	R6 000.00	R6 000.00
Food services aids and waiters	1	0	0	R4 000.00	R4 000.00
Head of department/chief executive officer	0	4	0	R0.000	R0.000
Household food and laundry services related	0	1	0	R0.000	R0.000
Human resources & organisational development & related	4	11	36.4	R41 000.00	R10 250.00
Human resources clerks	210	299	66.2	R1 483 000.00	R7 061.90
Human resources related	9	15	60	R98 000.00	R10 888.89
Language practitioners interpreters & other communication	4	5	80	R33 000.00	R8 250.00

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Legal related	1	1	100	R11 000.00	R11 000.00
Library mail and related clerks	0	4	0	R0.000	
Logistical support personnel	2	6	33.3	R14 000.00	R7 000.00
Material-recording and transport clerks	5	5	100	R36 000.00	R7 200.00
Messengers porters and deliverers	1	6	16.7	R5 000.00	R5 000.00
Other administrative & related clerks and organisers	7	11	63.6	R51 000.00	R7 285.71
Other administrative policy and related officers	9	25	36	R117 285.87	R13 031.76
Other information technology personnel	0	1	0	R0.00	
Other occupations	76	116	65.51	R534 000.00	R7 026.32
Photographic lithographic and related workers	0	1	0	R0.00	R0.00
Rank: unknown	0	3	0	R0.00	R0.00
Risk management and security services	0	1	0	R0.000	R0.000
Secretaries & other keyboard operating clerks	17	27	63	R129 000.00	R7 588.24
Security guards	3	3	100	R12 000.00	R4 000.00
Security officers	3	3	100	R14 000.00	R4 666.67
Senior managers	0	31	0	R0.00	R0.00
Total	413	691	46.35	R3,158,285.87	R214,288.70

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2015 to 31 March 2016

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	
Band A	0	18	0	0	0	0
Band B	0	6	0	0	0	0
Band C	0	5	0	0	0	0
Band D	0	2	0	0	0	0
Total	0	31	0	0	0	0

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 2015 and 31 March 2016

Salary band	01 April 2015		31 March 2016		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	3	100	3	100	0	0
Contract (Levels 9-12)	0	0	0	0	0	0
Contract (Levels 13-16)	0	0	0	0	0	0
Total	3	100	3	100	0	0

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2015 and 31 March 2016

Major occupation	01 April 2015		31 March 2016		Change	
	Number	% of total	Number	% of total	Number	% Change
Professional and Managers	3	100	3	100	0	0
Total	3	100	3	100	0	0

3.10 Leave utilisation

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 2015 to 31 December 2015

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)	2	100	1	0.4	2	R1 000.00
Skilled (levels 3-5)	166	88	19	7	9	R106 000.00
Highly skilled production (levels 6-8)	1133	92	153	56	7	R112 800.00
Highly skilled supervision (levels 9 -12)	490	86	82	30	6	R972 000.00
Top and Senior management (levels 13-16)	103	86	16	6	6	R414 000.00
Total	1894	91	271	100	30	R1 605 800.00

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2015 to 31 December 2015

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	R0.00
Skilled (Levels 3-5)	6	100	1	7.7	0.06	R4 000.00
Highly skilled production (Levels 6-8)	609	100	10	76.9	6	R538 000.00
Highly skilled supervision (Levels 9-12)	180	100	1	7.7	18	R28 000.00
Senior management (Levels 13-16)	228	100	2	7.7	2	R10 000.00
Total	1023	100	14	100	26.06	R580 000.00

The table below summarises the utilisation of annual leave.

Table 3.10.3 Annual Leave for the period 1 January 2015 to 31 December 2015

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	17	2	9
Skilled Levels 3-5)	849	37	23
Highly skilled production (Levels 6-8)	7 887	454	17
Highly skilled supervision (Levels 9-12)	131	131	1
Senior management (Levels 13-16)	564	33	17
Total	9 448	657	14.3

Table 3.10.4 Capped leave for the period 1 January 2015 to 31 December 2015

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 2016
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)	4	4	1	27
Senior management (Levels 13-16)	0	0	0	0
Total	4	4	1	27

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 2015 and 31 March 2016

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2015/16 due to non-utilisation of leave for the previous cycle	R0.00	0	R0.00
Capped leave payouts on termination of service for 2015/16	R320 000.00	15	R21 333.00
Current leave payout on termination of service for 2015/16	R200 000.00	10	R20 000.00
Total	R520 000.00	25	R41 333.00

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 Workers	HIV Counselling and Testing, Dissemination of information pertaining to HIV, Wellness days, Counselling and support services by ICAS

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	Yes		Director: Human Capital Management: Mr Raymond Nkabinde
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	Yes		The Employee Health and Wellness Programme (EHWP) covers HIV as one pillar of the Programme. The unit consists of 4 employees with a budget of R700 000.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/ services of this Programme.	Yes		The EHWP has 4 pillars governing the programme. 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 which includes counselling and health promotion, 4) Occupational Health and Safety within the workplace.

Question	Yes	No	Details, if yes
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		<p>The Department has established a Wellness Advisory, Peer Educators and OHS Committee. The committees consists of 8 Peer Educators, 25 OHS Committee members and the 4 members of the EHWP team. Some members are represented in more than one committee.</p> <p>The committee consists of the following members: Ms. C Steenkamp (Deputy Director: EHWP), Mr. V. Tonga (Assistant Director: EHWP), Ms. P Tibini (EHWP Administrator), Mr. H Makhuele (OHS Officer), Ms. I Mchalla (Policy & Research), Ms. M Xhasa (Monitoring & Evaluation), Ms. B Mhlanga (CDW), Mr. A Sefoka (CDW), Mr. El Khumalo (CDW), Mr. C Nkuna (HCM), Mr. L Seakamela (CDW), Mr. G Makwatse (CDW) Ms. M Pampadi (CDW), Ms. A Rautenbach (Facilities), Ms. L Mc Dillion (Facilities), Mr. D Mahlangu (Facilities), Ms. C Tlala (Disaster Management), Ms. B Lisa (Disaster Management), Ms. Z Potelwa (Disaster Management), Ms P Phiri (MIS), Ms. M Radebe (MIS), Ms. N Monama (Municipal Finance Support), Ms. I Sehunoe (IT), Mr. S Ngcobo (Risk Management), Ms. C Tlala (Disaster Management), Mr T Kajane (Procurement), Mr. P Komane (Cooperative Governance), Mr. T Maimela (Knowledge & Info. Management), Mr. M Theledi (Integrity Management) Mr. K Manchidi (Security), Mr. J Dingiswayo (Security), Mr B Ntontela (Security), Mr. K Duze (Security), Mr. P Dangisa (Security).</p>
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/ practices so reviewed.	Yes		The Department is 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.	Yes		The Department is guided by the above policies to prevent discrimination. The wellness programme promotes a healthy lifestyle for all employees including those who are HIV positive. Those who have tested positive during a Wellness day event are provided with counselling and referred by the nurse to a clinic or doctor for treatment and care.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	Yes		Voluntary HIV Counselling and Testing (HCT) is conducted quarterly.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		Health reports from the respective service providers e.g. GEMS and ICAS, attendance registers of Wellness Days and events and direct feedback from employees.

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2015 and 31 March 2016

Subject matter	Date
Resolution 1 of 2015: Agreement on the review and impact of existing outsourcing and agentisation practices within the public service and conducting an independent impact study on the principles of decent work	10 February 2015
Resolution 2 of 2015 : Agreement on salary adjustments and improvements on condition of service in the Public Service for the period 2015/ 16 – 2017/2018	20 May 2015
Resolution 3 of 2015: Agreement on the review of the Government Employees Medical Scheme (GEMS)	20 May 2015
Resolution 4 of 2015: Agreement on the review of Annexure A of PSCBC Resolution 1 of 2007: Danger allowance	20 May 2015
Resolution 5 of 2015: Agreement on the new danger dispensation	20 May 2015
Resolution 6 of 2015: Agreement on the review of the post retirement	20 May 2015
Resolution 7 of 2015: Framework agreement for the establishment of a Government Employees Housing Scheme (GEHS)	27 May 2015
Resolution 8 of 2015: Amendment to PSCBC resolution 2 of 2015 for salary adjustments and improvements on conditions of service in the public service for the period 2015/ 16 – 2017/18	26 June 2015

Notes

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

Total number of Collective agreements	None
---------------------------------------	------

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2015 and 31 March 2017

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	1	33
Suspended without pay	1	33
Fine	0	0
Demotion	0	0
Dismissal	1	34
Not guilty	0	0
Case withdrawn	0	0
Total	3	100

Notes

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

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

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2015 and 31 March 2016

Type of misconduct	Number	% of total
Habitual Absenteeism	1	33
Gross Insubordination	1	33
Hacking of the IT system	1	34
Total	3	100

Table 3.12.4 Grievances logged for the period 1 April 2015 and 31 March 2016

Grievances	Number	% of Total
Number of grievances resolved	4	57
Number of grievances not resolved	3	43
Total number of grievances lodged	7	100

Table 3.12.5 Disputes logged with Councils for the period 1 April 2015 and 31 March 2016

Disputes	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	2	40
Number of disputes pending	3	60
Total number of disputes lodged	5	100

Table 3.12.6 Strike actions for the period 1 April 2015 and 31 March 2016

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2015 and 31 March 2016

Number of people suspended	One
Number of people whose suspension exceeded 30 days	One
Average number of days suspended	31 days
Cost of suspension(R'000)	R133 277.50

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 2015 and 31 March 2016

Occupational category	Gender	Number of employees as at 1 April 2015	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	14	0	0	1	0
	Male	22	0	1	6	1
Professionals	Female	31	0	16	0	16
	Male	32	0	7	0	7
Technicians and associate professionals	Female	328	0	5	0	5
	Male	207	0	3	0	3
Clerks	Female	17	0	27	2	27
	Male	20	0	7	0	7
Service and sales workers	Female	0	0	2	4	2
	Male	7	0	2	8	2
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	1	0	1
	Male	1	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	5	0	1	0	1
Elementary occupations	Female	4	0	0	0	0
	Male	3	0	0	0	0
Sub Total	Female	394	0	0	0	0
	Male	297	0	0	0	0
Total		691	0	72	21	72

Table 3.13.2 Training provided for the period 1 April 2015 and 31 March 2016

Occupational category	Gender	Number of employees as at 1 April 2015	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	14	0	0	1	0
	Male	22	0	1	6	1
Professionals	Female	31	0	16	0	16
	Male	32	0	7	0	7
Technicians and associate professionals	Female	328	0	5	0	5
	Male	207	0	3	0	3
Clerks	Female	17	0	27	2	27
	Male	20	0	7	0	7
Service and sales workers	Female	0	0	2	4	2
	Male	7	0	2	8	2
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	1	0	1
	Male	1	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	5	0	1	0	1
Elementary occupations	Female	4	0	0	0	0
	Male	3	0	0	0	0
Sub Total	Female	394	0	0	0	0
	Male	297	0	0	0	0
Total		691	0	72	21	72

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 2015 and 31 March 2016

Nature of injury on duty	Number	% of total
Required basic medical attention only	4	100
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	4	100

3.15 Utilisation of Consultants

The following tables relates information on the utilisation of consultants in the department.

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2015 and 31 March 2016

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
N/A			

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
N/A			

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2015 and 31 March 2016

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

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2015 and 31 March 2016

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
N/A			

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
N/A			

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2015 and 31 March 2016

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

3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2015 and 31 March 2016

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

ANNUAL FINANCIAL STATEMENTS OF GAUTENG DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS FOR THE YEAR ENDED 31 MARCH 2016

Table of Contents

REPORT OF THE AUDITOR-GENERAL	110
APPROPRIATION STATEMENT	112
NOTES TO THE APPROPRIATION STATEMENT	140
STATEMENT OF FINANCIAL PERFORMANCE	142
STATEMENT OF FINANCIAL POSITION	143
STATEMENT OF CHANGES IN NET ASSETS	144
CASH FLOW STATEMENT	145
ACCOUNTING POLICIES	146
NOTES TO THE ANNUAL FINANCIAL STATEMENTS	152
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS	172

REPORT OF THE AUDITOR-GENERAL TO THE GAUTENG PROVINCIAL LEGISLATURE ON VOTE NO 7: DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

Report on the financial statements

Introduction

1. I have audited the financial statements of the Gauteng Department of Co-operative Governance and Traditional Affairs set out on pages **112** to **171**, which comprise the appropriation statement, the statement of financial position as at 31 March 2016, 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, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and 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.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the department's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. 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 2016 and its financial performance and cash flows for the year then ended, in accordance with the MCS prescribed by the National Treasury and the requirements of the PFMA.

Report on other legal and regulatory requirements

7. 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 findings on the reported performance information against predetermined objectives of selected programmes presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

8. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information of the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2016:
- Programme 2: Local governance
 - Programme 3: Development and planning
9. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information.
10. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
11. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following programmes:
- Programme 2: Local governance
 - Programme 3: Development and planning

Compliance with legislation

12. I performed procedures to obtain evidence that the department had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Internal control

13. I considered internal control relevant to my audit of the financial statements, the performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

Auditor-General

Johannesburg

31 July 2016



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2016

Appropriation per programme											
2015/16											2014/15
	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	R'000	R'000
Programme 1: Administration	115 582	-	(3 228)	112 354	105 531	6 823	93.9%	114 863	82 819		
Programme 2: Local Governance	200 631	-	7 702	208 333	206 287	2 046	99.0%	177 855	162 712		
Programme 3: Development Planning	83 116	-	(4 474)	78 642	50 268	28 374	63.9%	40 686	31 423		
Programme 4: Traditional Institutional Management	7 248	-	-	7 248	6 802	446	93.8%	7 194	6 507		
Programme Sub total	406 577	-	-	406 577	368 888	37 689	90.7%	340 598	283 461		
TOTAL	406 577	-	-	406 577	368 888	37 689	90.7%	340 598	283 461		
2015/16											2014/15
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure		Final Appropriation	Actual Expenditure		
TOTAL (brought forward)											
Reconciliation with statement of financial performance											
ADD											
Departmental receipts			358					490			
Actual amounts per statement of financial performance (total revenue)			406 935					341 088			
Actual amounts per statement of financial performance (total expenditure)						368 888					283 461

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2016

Appropriation per economic classification										
2014/15										
Economic classification	2015/16					2014/15				
	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	362 575	(30 284)	(7 702)	324 589	316 556	8 033	97.5%	328 079	274 609	
Compensation of employees	254 419	-	-	254 419	247 479	6 940	97.3%	252 131	222 104	
Salaries and wages	216 181	-	-	216 181	212 017	4 164	98.1%	216 888	191 478	
Social contributions	38 238	-	-	38 238	35 462	2 776	92.7%	35 243	30 626	
Goods and services	108 156	(30 284)	(7 702)	70 170	69 077	1 093	98.4%	75 948	52 505	
Administrative fees	404	-	-	404	328	76	81.2%	337	139	
Advertising	5 730	(95)	-	5 635	7 343	(1 708)	130.3%	3 140	2 086	
Minor assets	827	-	-	827	278	549	33.6%	724	436	
Audit costs: External	3 214	-	-	3 214	2 966	248	92.3%	3 799	3 650	
Bursaries: Employees	529	-	-	529	264	265	49.9%	864	374	
Catering: Departmental activities	2 559	-	-	2 559	3 839	(1 280)	150.0%	1 982	1 447	
Communication	8 386	-	-	8 386	10 419	(2 033)	124.2%	8 821	8 794	
Computer services	3 699	-	(2 874)	825	661	164	80.1%	3 893	3 392	
Consultants: Business and advisory services	929	-	-	929	396	533	42.6%	2 772	386	
Legal services	607	-	-	607	245	362	40.4%	892	681	
Contractors	3 092	-	(343)	2 749	413	2 336	15.0%	1 597	806	
Agency and support / outsourced services	37 164	(21 338)	(4 474)	11 352	10 968	384	96.6%	10 354	4 309	
Entertainment	170	-	-	170	165	5	97.1%	148	2	
Fleet services	5 960	-	-	5 960	6 069	(109)	101.8%	1 939	1 934	
Inventory: Materials and supplies	20	-	-	20	22	(2)	110.0%	5	5	
Consumable supplies	5 098	-	-	5 098	6 175	(1 077)	121.1%	3 231	2 607	
Consumable: Stationery, printing and office supplies	3 908	(93)	(11)	3 804	3 393	411	89.2%	3 290	2 273	

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2016

Appropriation per economic classification											
2015/16						2014/15					
	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		
Operating leases	700	-	-	700	148	552	21.1%	1 691	1 211		
Property payments	795	-	-	795	1 145	(350)	144.0%	1 223	552		
Travel and subsistence	6 597	(733)	-	5 864	5 278	586	90.0%	7 308	5 040		
Training and development	9 128	(6 043)	-	3 085	2 924	161	94.8%	9 897	6 427		
Operating payments	1 394	(75)	-	1 319	653	666	49.5%	1 381	795		
Venues and facilities	7 246	(1 907)	-	5 339	4 985	354	93.4%	6 660	5 159		
Transfers and subsidies	13 730	29 907	7 702	51 339	50 659	680	98.7%	7 380	6 835		
Provinces and municipalities	11 563	30 284	7 702	49 549	48 988	561	98.9%	5 000	5 000		
Municipalities	11 563	30 284	7 702	49 549	48 988	561	98.9%	5 000	5 000		
Municipal bank accounts	11 563	30 284	7 702	49 549	48 988	561	98.9%	5 000	5 000		
Non-profit institutions	-	-	-	-	-	-	-	-	-		
Households	2 167	(377)	-	1 790	1 671	119	93.4%	2 380	1 835		
Social benefits	2 167	(377)	-	1 790	1 671	119	93.4%	2 380	1 835		
Other transfers to households	-	-	-	-	-	-	-	-	-		
Payments for capital assets	30 146	-	-	30 146	1 170	28 976	3.9%	5 000	1 879		
Machinery and equipment	30 146	-	-	30 146	1 170	28 976	3.9%	4 986	1 865		
Transport equipment	1 000	-	-	1 000	-	1 000	-	2 600	-		
Other machinery and equipment	29 146	-	-	29 146	1 170	27 976	4.0%	2 386	1 865		
Intangible assets	-	-	-	-	-	-	-	14	14		
Payments for financial assets	126	377	-	503	503	-	100.0%	139	138		
TOTAL	406 577	-	-	406 577	368 888	37 689	90.7%	340 598	283 461		

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2016

Statutory Appropriation per economic classification									
Economic classification	2015/16					2014/15			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement 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
Current payments	362 575	(30 284)	(7 702)	324 589	316 556	8 033	97.5%	328 079	274 609
Compensation of employees	254 419	-	-	254 419	247 479	6 940	97.3%	252 131	222 104
Goods and services	108 156	(30 284)	(7 702)	70 170	69 077	1 093	98.4%	75 948	52 505
Transfers and subsidies	13 730	29 907	7 702	51 339	50 659	680	98.7%	7 380	6 835
Provinces and municipalities	11 563	30 284	7 702	49 549	48 988	561	98.9%	5 000	5 000
Households	2 167	(377)	-	1 790	1 671	119	93.4%	2 380	1 835
	-	-	-	-	-	-	-	-	-
Payments for capital assets	30 146	-	-	30 146	1 170	28 976	3.9%	5 000	1 879
Machinery and equipment	30 146	-	-	30 146	1 170	28 976	3.9%	4 986	1 865
Intangible assets	-	-	-	-	-	-	-	14	14
Payments for financial assets	126	377	-	503	503	-	100.0%	139	138
TOTAL	406 577	-	-	406 577	368 888	37 689	90.7%	340 598	283 461

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2016

Programme 1: ADMINISTRATION									
	2015/16					2014/15			
	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. Office of the MEC	3 986	-	(11)	3 975	3 839	136	96.6%	3 789	3 563
2. Corporate Services	111 596	-	(3 217)	108 379	101 692	6 687	93.8%	111 074	79 256
Total for sub programmes	115 582	-	(3 228)	112 354	105 531	6 823	93.9%	114 863	82 819
Economic classification									
Current payments	109 943	-	(3 228)	106 715	102 187	4 528	95.8%	107 344	78 967
Compensation of employees	76 156	-	-	76 156	71 754	4 402	94.2%	74 839	53 277
Salaries and wages	66 100	-	-	66 100	63 438	2 662	96.0%	64 829	47 237
Social contributions	10 056	-	-	10 056	8 316	1 740	82.7%	10 010	6 040
Goods and services	33 787	-	(3 228)	30 559	30 433	126	99.6%	32 505	25 690
Administrative fees	84	-	-	84	73	11	86.9%	96	39
Advertising	1 260	-	-	1 260	2 278	(1 018)	180.8%	1 713	1 712
Minor assets	223	-	-	223	143	80	64.1%	475	366
Audit costs: External	3 199	-	-	3 199	2 870	329	89.7%	2 346	2 198
Bursaries: Employees	464	-	-	464	264	200	56.9%	864	374
Catering: Departmental activities	757	-	-	757	587	170	77.5%	635	607
Communication	2 600	-	-	2 600	4 532	(1 932)	174.3%	3 999	3 998
Computer services	3 410	-	(2 874)	536	526	10	98.1%	3 269	3 268
Consultants: Business and advisory services	660	-	-	660	396	264	60.0%	1 166	386
Legal services	570	-	-	570	245	325	43.0%	681	681
Contractors	2 706	-	(343)	2 363	413	1 950	17.5%	1 169	802

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2016

Programme 1: ADMINISTRATION		2015/16						2014/15	
		Adjusted Appropriation	Shifting of Funds	Virements	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Agency and support / outsourced services	1 192	-	-	1 192	1 354	(162)	113.6%	982	883
Entertainment	170	-	-	170	165	5	97.1%	107	-
Fleet services	5 960	-	-	5 960	6 069	(109)	101.8%	1 939	1 934
Inventory: Materials and supplies	20	-	-	20	22	(2)	110.0%	5	5
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Consumable supplies	2 790	-	-	2 790	2 587	203	92.7%	2 284	1 999
Consumable: Stationery, printing and office supplies	1 732	-	(11)	1 721	1 871	(150)	108.7%	1 810	1 654
Operating leases	700	-	-	700	148	552	21.1%	1 691	1 211
Property payments	50	-	-	50	775	(725)	1550.0%	662	71
Travel and subsistence	1 998	-	-	1 998	1 630	368	81.6%	1 925	1 086
Training and development	991	-	-	991	1 477	(486)	149.0%	2 034	612
Operating payments	324	-	-	324	87	237	26.9%	576	91
Venues and facilities	1 927	-	-	1 927	1 921	6	99.7%	2 077	1 713
Transfers and subsidies	2 167	(377)	-	1 790	1 671	119	93.4%	2 380	1 835
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	2 167	(377)	-	1 790	1 671	119	93.4%	2 380	1 835
Social benefits	2 167	(377)	-	1 790	1 671	119	93.4%	2 380	1 835
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	3 346	-	-	3 346	1 170	2 176	35.0%	5 000	1 879
Machinery and equipment	3 346	-	-	3 346	1 170	2 176	35.0%	4 986	1 865
Transport equipment	-	-	-	-	-	-	-	2 600	-

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2016

1.1 Office of the MEC	2015/16							2014/15	
	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	3 986	-	(11)	3 975	3 839	136	96.6%	3 789	3 563
Compensation of employees	1 900	-	-	1 900	1 865	35	98.2%	1 889	1 888
Goods and services	2 086	-	(11)	2 075	1 974	101	95.1%	1 900	1 675
TOTAL	3986	-	(11)	3975	3839	136	96.6%	3789	3563

**DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 7**

**APPROPRIATION STATEMENT
for the year ended 31 March 2016**

1.2 Corporate Services	2015/16							2014/15	
	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	105 957	-	(3 217)	102 740	98 348	4 392	95.7%	103 555	75 404
Compensation of employees	74 256	-	-	74 256	69 889	4 367	94.1%	72 950	51 389
Goods and services	31 701	-	(3 217)	28 484	28 459	25	99.9%	30 605	24 015
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	2 167	(377)	-	1 790	1 671	119	93.4%	2 380	1 835
Households	2 167	(377)	-	1 790	1 671	119	93.4%	2 380	1 835
Payments for capital assets	3 346	-	-	3 346	1 170	2 176	35.0%	5 000	1 879
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	3 346	-	-	3 346	1 170	2 176	35.0%	4 986	1 865
Intangible assets	-	-	-	-	-	-	-	14	14
Payments for financial assets	126	377	-	503	503	-	100.0%	139	138
TOTAL	111 596	-	(3 217)	108 379	101 692	6 687	93.8%	111 074	79 256

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2016

Programme 2: LOCAL GOVERNANCE											
2015/16											2014/15
Sub programme	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		R'000
1. Municipal Administration	17 151	9 522	-	26 673	27 104	(431)	101.6%	13 278	11 576		11 576
2. Municipal Finance	12 352	(1 229)	-	11 123	10 876	247	97.8%	9 869	8 849		8 849
3. Public Participation	140 384	(8 292)	-	132 092	130 964	1 128	99.1%	129 436	121 176		121 176
4. Capacity Development	17 374	2 104	7 702	27 180	26 452	728	97.3%	13 619	10 064		10 064
5. Municipal Performance Monitoring Reporting and Evaluation	13 370	(2 105)	-	11 265	10 891	374	96.7%	11 653	11 047		11 047
Total for sub programmes	200 631	-	7 702	208 333	206 287	2 046	99.0%	177 855	162 712		162 712
Economic classification											
Current payments	191 068	(21 284)	-	169 784	168 299	1 485	99.1%	173 855	158 712		158 712
Compensation of employees	144 444	-	-	144 444	143 203	1 241	99.1%	144 514	137 693		137 693
Salaries and wages	120 633	-	-	120 633	120 160	473	99.6%	123 703	116 946		116 946
Social contributions	23 811	-	-	23 811	23 043	768	96.8%	20 811	20 747		20 747
Goods and services	46 624	(21 284)	-	25 340	25 096	244	99.0%	29 341	21 019		21 019
Administrative fees	202	-	-	202	156	46	77.2%	120	69		69
Advertising	2 933	-	-	2 933	2 735	198	93.2%	385	102		102
Minor assets	345	-	-	345	62	283	18.0%	184	31		31
Audit costs: External	15	-	-	15	96	(81)	640.0%	1 453	1 452		1 452
Bursaries: Employees	65	-	-	65	-	65	-	-	-		-
Catering: Departmental activities	626	-	-	626	2 129	(1 503)	340.1%	428	210		210
Communication	5 786	-	-	5 786	5 887	(101)	101.7%	4 796	4 796		4 796
Computer services	-	-	-	-	-	-	-	-	-		-
Consultants: Business and advisory services	197	-	-	197	-	197	-	270	-		-
Contractors	-	-	-	-	-	-	-	6	4		4

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2016

Programme 2: LOCAL GOVERNANCE		2015/16							2014/15	
		Adjusted Appropriation	Shifting of Funds	Virements	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Agency and support / outsourced services	20 413	(13 490)	-	6 923	6 890	33	99.5%	7 049	2 821	
Entertainment	-	-	-	-	-	-	-	31	2	
Housing	-	-	-	-	-	-	-	-	-	
Consumable supplies	44	-	-	44	19	25	43.2%	25	-	
Consumable: Stationery, printing and office supplies	1 209	(93)	-	1 116	1 414	(298)	126.7%	966	576	
Property Payments	34	-	-	34	-	34	-	-	-	
Travel and subsistence	2 508	(221)	-	2 287	2 146	141	93.8%	3 916	3 134	
Training and development	7 238	(5 810)	-	1 428	981	447	68.7%	6 216	5 483	
Operating payments	757	-	-	757	406	351	53.6%	627	568	
Venues and facilities	4 252	(1 670)	-	2 582	2 175	407	84.2%	2 869	1 771	
Transfers and subsidies	9 563	2 1284	7 702	38 549	37 988	561	98.5%	4 000	4 000	
Provinces and municipalities	9 563	2 1284	7 702	38 549	37 988	561	98.5%	4 000	4 000	
Municipalities	9 563	2 1284	7 702	38 549	37 988	561	98.5%	4 000	4 000	
Municipal bank accounts	9 563	2 1284	7 702	38 549	37 988	561	98.5%	4 000	4 000	
TOTAL	200 631	-	7 702	208 333	206 287	2 046	99.0%	177 855	162 712	

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2016

2.1 Municipal Administration	2015/16							2014/15	
	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	13 088	(5 478)	-	7 610	8 041	(431)	105.7%	13 278	11 576
Compensation of employees	5 216	-	-	5 216	5 036	180	96.5%	8 278	8 277
Goods and services	7 872	(5 478)	-	2 394	3 005	(611)	125.5%	5 000	3 299
Transfers and subsidies	4 063	15 000	-	19 063	19 063	-	100.0%	-	-
Provinces and municipalities	4 063	15 000	-	19 063	19 063	-	100.0%	-	-
TOTAL	17 151	9 522	-	26 673	27 104	(431)	101.6%	13 278	11 576

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2016

2.2 Municipal Finance	2015/16							2014/15	
	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	8 352	(1 229)	-	7 123	6 876	247	96.5%	8 869	7 849
Compensation of employees	5 303	-	-	5 303	5 193	110	97.9%	4 691	4 173
Goods and services	3 049	(1 229)	-	1 820	1 683	137	92.5%	4 178	3 676
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	4 000	-	-	4 000	4 000	-	100.0%	1 000	1 000
Provinces and municipalities	4 000	-	-	4 000	4 000	-	100.0%	1 000	1 000
TOTAL	12 352	(1 229)	-	11 123	10 876	247	97.8%	9 869	8 849

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2016

2.3 Public Participation	2015/16							2014/15	
	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	140 384	(8 292)	-	132 092	130 964	1 128	99.1%	128 436	120 176
Compensation of employees	116 687	-	-	116 687	116 201	486	99.6%	115 773	109 569
Goods and services	23 697	(8 292)	-	15 405	14 763	642	95.8%	12 663	10 607
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	1 000	1 000
Provinces and municipalities	-	-	-	-	-	-	-	1 000	1 000
TOTAL	140 384	(8 292)	-	132 092	130 964	1 128	99.1%	129 436	121 176

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2016

2.4 Capacity Development	2015/16							2014/15		
	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	15 874	(4 180)	-	11 694	11 527	167	98.6%	11 619	8 064	
Compensation of employees	6 695	-	-	6 695	6 607	88	98.7%	6 119	6 061	
Goods and services	9 179	(4 180)	-	4 999	4 920	79	98.4%	5 500	2 003	
Interest and rent on land	-	-	-	-	-	-	-	-	-	
Transfers and subsidies	1 500	6 284	7 702	15 486	14 925	561	96.4%	2 000	2 000	
Provinces and municipalities	1 500	6 284	7 702	15 486	14 925	561	96.4%	2 000	2 000	
TOTAL	17 374	2 104	7 702	27 180	26 452	728	97.3%	13 619	10 064	

2.5 Municipal Performance Monitoring Reporting and Evaluation	2015/16							2014/15		
	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	13 370	(2 105)	-	11 265	10 891	374	96.7%	11 653	11 047	
Compensation of employees	10 543	-	-	10 543	10 166	377	96.4%	9 653	9 613	
Goods and services	2 827	(2 105)	-	722	725	(3)	100.4%	2 000	1 434	
TOTAL	13 370	(2 105)	-	11 265	10 891	374	96.7%	11 653	11 047	

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2016

Programme 3 DEVELOPMENT PLANNING											
	2015/16						2014/15				
	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		R'000
Sub programme											
1. Land Use Management	5 611	-	-	5 611	4 792	819	85.4%	2 817	1 668		1 668
2. IDP Coordination	4 388	-	-	4 388	3 978	410	90.7%	5 584	4 925		4 925
3. Disaster Management	53 156	-	(4 474)	48 682	21 669	27 013	44.5%	19 531	13 817		13 817
4. Municipal Infrastructure	19 961	-	-	19 961	19 829	132	99.3%	12 754	11 013		11 013
Total for sub programmes	83 116	-	(4 474)	78 642	50 268	28 374	63.9%	40 686	31 423		31 423
Economic classification											
Current payments	54 316	(9 000)	(4 474)	40 842	39 268	1 574	96.1%	39 686	30 423		30 423
Compensation of employees	28 871	-	-	28 871	28 007	864	97.0%	27 849	26 249		26 249
Salaries and wages	25 216	-	-	25 216	24 485	731	97.1%	23 994	22 965		22 965
Social contributions	3 655	-	-	3 655	3 522	133	96.4%	3 855	3 284		3 284
Goods and services	25 445	(9 000)	(4 474)	11 971	11 261	710	94.1%	11 837	4 174		4 174
Administrative fees	78	-	-	78	99	(21)	126.9%	81	17		17
Advertising	1 537	(95)	-	1 442	2 258	(816)	156.6%	1 042	272		272
Minor assets	229	-	-	229	71	158	31.0%	45	30		30
Catering: Departmental activities	1 026	-	-	1 026	1 017	9	99.1%	808	624		624
Communication	-	-	-	-	-	-	-	26	-		-
Computer services	289	-	-	289	135	154	46.7%	624	124		124
Consultants: Business and advisory services	72	-	-	72	-	72	-	1 336	-		-
Legal services	37	-	-	37	-	37	-	211	-		-
Contractors	386	-	-	386	-	386	-	422	-		-
Agency and support / outsourced services	14 815	(7 848)	(4 474)	2 493	1 428	1 065	57.3%	1 562	-		-

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2016

Programme 3 DEVELOPMENT PLANNING									
	2015/16					2014/15			
	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
Entertainment	-	-	-	-	-	-	-	10	-
Consumable supplies	2 263	-	-	2 263	3 569	(1 306)	157.7%	881	587
Consumable: Stationery, printing and office supplies	602	-	-	602	102	500	16.9%	454	1
Property payments	711	-	-	711	370	341	52.0%	561	481
Travel and subsistence	1 621	(512)	-	1 109	1 302	(193)	117.4%	1 028	686
Training and development	699	(233)	-	466	466	-	100.0%	1 568	254
Operating payments	313	(75)	-	238	160	78	67.2%	178	136
Venues and facilities	767	(237)	-	530	284	246	53.6%	1 000	962
Transfers and subsidies	2 000	9 000	-	11 000	11 000	-	100.0%	1 000	1 000
Provinces and municipalities	2 000	9 000	-	11 000	11 000	-	100.0%	1 000	1 000
Municipalities	2 000	9 000	-	11 000	11 000	-	100.0%	1 000	1 000
Municipal bank accounts	2 000	9 000	-	11 000	11 000	-	100.0%	1 000	1 000
Payments for capital assets	26 800	-	-	26 800	-	26 800	-	-	-
Machinery and equipment	26 800	-	-	26 800	-	26 800	-	-	-
Transport equipment	1 000	-	-	1 000	-	1 000	-	-	-
Other machinery and equipment	25 800	-	-	25 800	-	25 800	-	-	-
Total	83 116	-	(4 474)	78 642	50 268	28 374	63.9%	40 686	31 423

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2016

3.1 Land Use Management		2015/16							2014/15	
		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	R'000
Current payments	5 611	-	-	5 611	4 792	819	85.4%	2 817	1 668	
Compensation of employees	5 369	-	-	5 369	4 755	614	88.6%	2 272	1 663	
Goods and services	242	-	-	242	37	205	15.3%	545	5	
Payments for financial assets	-	-	-	-	-	-	-	-	-	
TOTAL	5 611	-	-	5 611	4 792	819	85.4%	2 817	1 668	

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2016

3.2 IDP Coordination	2015/16							2014/15	
	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	4 388	-	-	4 388	3 978	410	90.7%	5 584	4 925
Compensation of employees	3 857	-	-	3 857	3 776	81	97.9%	4 384	4 097
Goods and services	531	-	-	531	202	329	38.0%	1 200	828
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	4 388	-	-	4 388	3 978	410	90.7%	5 584	4 925

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2016

3.3 Disaster Management	2015/16							2014/15	
	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	26 356	-	(4 474)	21 882	21 669	213	99.0%	19 531	13 817
Compensation of employees	11 474	-	-	11 474	11 355	119	99.0%	11 552	10 850
Goods and services	14 882	-	(4 474)	10 408	10 314	94	99.1%	7 979	2 967
Payments for capital assets	26 800	-	-	26 800	-	26 800	-	-	-
Machinery and equipment	26 800	-	-	26 800	-	26 800	-	-	-
TOTAL	53 156	-	(4 474)	48 682	21 669	27 013	44.5%	19 531	13 817

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2016

3.4 Municipal Infrastructure	2015/16							2014/15	
	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	17 961	(9 000)	-	8 961	8 829	132	98.5%	11 754	10 013
Compensation of employees	8 171	-	-	8 171	8 121	50	99.4%	9 641	9 639
Goods and services	9 790	(9 000)	-	790	708	82	89.6%	2 113	374
Transfers and subsidies	2 000	9 000	-	11 000	11 000	-	100.0%	1 000	1 000
Provinces and municipalities	2 000	9 000	-	11 000	11 000	-	100.0%	1 000	1 000
TOTAL	19 961	-	-	19 961	19 829	132	99.3%	12 754	11 013

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2016

Programme 4: TRADITIONAL INSTITUTIONAL MANAGEMENT											
2015/16											2014/15
	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	R'000	R'000
Sub programme											
1. Traditional Institutional Administration	4 051	-	-	4 051	4 393	(342)	108.4%	4 394	3 888		
2. Traditional Resource Administration	1 377	-	-	1 377	662	715	48.1%	1 083	1 059		
3. Rural Development Facilitation	411	-	-	411	400	11	97.3%	154	-		
4. Traditional Land Administration	1 409	-	-	1 409	1 347	62	95.6%	1 563	1 560		
Total for sub programmes	7 248	-	-	7 248	6 802	446	93.8%	7 194	6 507		
Economic classification											
Current payments	7 248	-	-	7 248	6 802	446	93.8%	7 194	6 507		
Compensation of employees	4 948	-	-	4 948	4 515	433	91.2%	4 929	4 885		
Salaries and wages	4 232	-	-	4 232	3 934	298	93.0%	4 362	4 330		
Social contributions	716	-	-	716	581	135	81.1%	567	555		
Goods and services	2 300	-	-	2 300	2 287	13	99.4%	2 265	1 622		
Administrative fees	40	-	-	40	-	40	-	40	14		
Advertising	-	-	-	-	72	(72)	-	-	-		
Minor assets	30	-	-	30	2	28	6.7%	20	9		
Catering: Departmental activities	150	-	-	150	106	44	70.7%	111	6		
Legal services	-	-	-	-	-	-	-	-	-		
Contractors	-	-	-	-	-	-	-	-	-		
Agency and support / outsourced services	744	-	-	744	1 296	(552)	174.2%	761	605		
Consumable supplies	1	-	-	1	-	1	-	41	21		

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2016

4.1 Traditional Institutional Administration	2015/16						2014/15		
	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	4 051	-	-	4 051	4 393	(342)	108.4%	4 394	3 888
Compensation of employees	2 212	-	-	2 212	2 552	(340)	115.4%	2 327	2 320
Goods and services	1 839	-	-	1 839	1 841	(2)	100.1%	2 067	1 568
TOTAL	4 051	-	-	4 051	4 393	(342)	108.4%	4 394	3 888

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2016

4.2 Traditional Resource Administration		2015/16							2014/15	
		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	R'000
Current payments	1 377	-	-	1 377	662	715	48.1%	1 083	1 059	
Compensation of employees	1 347	-	-	1 347	634	713	47.1%	1 044	1 021	
Goods and services	30	-	-	30	28	2	93.3%	39	38	
TOTAL	1 377	-	-	1 377	662	715	48.1%	1 083	1 059	

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2016

4.3 Rural Development Facilitation		2015/16							2014/15	
		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	R'000
Current payments	411	-	-	411	400	11	97.3%	154	-	-
Compensation of employees	-	-	-	-	-	-	-	13	-	-
Goods and services	411	-	-	411	400	11	97.3%	141	-	-
TOTAL	411	-	-	411	400	11	97.3%	154	-	-

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 7

APPROPRIATION STATEMENT
for the year ended 31 March 2016

4.4 Traditional Land Administration		2015/16							2014/15	
		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	1 409	-	-	1 409	1 347	62	95.6%	1 563	1 560	
Compensation of employees	1 389	-	-	1 389	1 329	60	95.7%	1 545	1 544	
Goods and services	20	-	-	20	18	2	90.0%	18	16	
TOTAL	1 409	-	-	1 409	1 347	62	95.6%	1 563	1 560	

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 7

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2016

1. **Detail of transfers and subsidies as per Appropriation Act (after Virement):**
Detail of these transactions can be viewed on the note on Transfers and subsidies, disclosure notes and Annexure1(A-H) to the Annual Financial Statements.
2. **Detail of specifically and exclusively appropriated amounts voted (after Virement):**
Detail of these transactions can be viewed on 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 on the note on Payments for financial assets to the Annual Financial Statements.
4. **Explanations of material variances from Amounts Voted (after Virement):**

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Administration	112 354	105 531	6 823	94%
Local Governance	208 333	206 287	2 046	99%
Development Planning	78 642	50 268	28 374	64%
Traditional Institutional Administration	7 248	6 802	446	94%
TOTAL	406 577	368 888	37 689	91%

**DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 7**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2016**

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				
Compensation of employees	254 419	247 479	6 940	97%
Goods and services	70 170	69 077	1 093	98%
Interest and rent on land	-	-	-	-
Transfers and subsidies				
Provinces and municipalities	49 549	48 988	561	99%
Households	1 790	1 671	119	93%
Payments for capital assets				
Buildings and other fixed structures	-	-	-	-
Machinery and equipment	30 146	1 170	28 976	4%
Payments for financial assets	503	503	-	100%
TOTAL	406 577	368 888	37 689	91%

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 7

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2016

	Note	2015/16	2014/15
		R'000	R'000
REVENUE			
Annual appropriation	1	406 577	340 598
Departmental revenue	2	358	490
TOTAL REVENUE		406 935	341 088
EXPENDITURE			
Current expenditure			
Compensation of employees	3	247 479	222 104
Goods and services	4	69 077	52 505
Total current expenditure		316 556	274 609
Transfers and subsidies			
Transfers and subsidies	7	50 659	6 835
Total transfers and subsidies		50 659	6 835
Expenditure for capital assets			
Tangible assets	8	1 170	1 865
Intangible assets	8	-	14
Total expenditure for capital assets		1 170	1 879
Payments for financial assets	5/6	503	138
TOTAL EXPENDITURE		368 888	283 461
SURPLUS/(DEFICIT) FOR THE YEAR		38 047	57 627
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		37 689	57 137
Annual appropriation		406 577	338 598
Conditional grants		-	2 000
Departmental revenue and NRF Receipts	2	358	490
SURPLUS/(DEFICIT) FOR THE YEAR		38 047	57 627

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 7

STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2016

	Note	2015/16	2014/15
ASSETS		R'000	R'000
Statement of Financial Position			
Current assets		37 810	77 146
Cash and cash equivalents	10	37 689	56 726
Prepayments and advances	11	-	9
Receivables	12	121	20 411
TOTAL ASSETS		37 810	77 146
LIABILITIES			
Current liabilities		37 770	77 136
Voted funds to be surrendered to the Revenue Fund	13	37 690	57 137
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	14	29	31
Payables	15	51	19 968
Non-current liabilities			
TOTAL LIABILITIES		37 770	77 136
NET ASSETS		40	10
		2015/16	2014/15
		R'000	R'000
Represented by:			
Recoverable Revenue		40	10
TOTAL		40	10

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 7

STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2016

NET ASSETS	Note	2015/16 R'000	2014/15 R'000
Recoverable revenue		-	-
Opening balance		10	-
Transfers:		30	10
Debts recovered (included in departmental receipts)		30	10
Closing balance		<u>40</u>	<u>10</u>
TOTAL		<u>40</u>	<u>10</u>

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 7

CASH FLOW STATEMENT
for the year ended 31 March 2016

	Note	2015/16	2014/15
CASH FLOWS FROM OPERATING ACTIVITIES		R'000	R'000
Receipts		406 935	341 088
Annual appropriated funds received	1	406 577	340 598
Departmental revenue received	2	358	490
Net (increase)/decrease in working capital		382	3 884
Surrendered to Revenue Fund		(57 496)	(39 541)
Current payments		(316 556)	(274 609)
Payments for financial assets		(503)	(138)
Transfers and subsidies paid		(50 659)	(6 835)
Net cash flow available from operating activities	17	(17 897)	23 849
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(1 170)	(1 879)
Net cash flows from investing activities		(1 170)	(1 879)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		30	-
Net cash flows from financing activities		30	-
Net increase/(decrease) in cash and cash equivalents		(19 037)	21 970
Cash and cash equivalents at beginning of period		56 726	34 756
Cash and cash equivalents at end of period	10	37 689	56 726

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

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

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

7.2 Departmental revenue

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.

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 **Accrued expenditure payable**

Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department.

Accrued expenditure payable is measured at cost.

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.

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.

<Indicate when prepayments are expensed and under what circumstances.>

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.

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

Loans and payables are recognised in the statement of financial position at cost.

16 Capital Assets

16.1 Immovable capital assets

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

Where the cost of immovable capital assets cannot be determined accurately, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used.

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

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

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.

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 accurately, 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.

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

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 accurately, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.

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

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

Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.

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 Commitments

Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

18 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 for recovery.

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

20 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 or not condoned and is not recoverable.

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

21 Changes in accounting policies, accounting estimates and errors

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

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 Principal-Agent arrangements

The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal / agent] and is responsible for [include details here]. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.

24 Departures from the MCS requirements

Management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation; and the requirement from which the department has departed, the nature of the departure and the reason for departure.

25 Capitalisation reserve

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

26 Recoverable revenue

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

27 Related party transactions

A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions are recorded in the notes to the financial statements when the transaction is not at arm's length.

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.

28 Inventories (Effective from 1 April 2016)

At the date of acquisition, inventories are recorded at cost price in the notes to the financial statements

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

Inventories are subsequently measured at the lower of cost and net realisable value or the lower of cost and replacement value.

29 Public-Private Partnerships

Public Private Partnerships are accounted for based on the substance of the partnership. The transaction is accounted for as either capital assets, finance or operating leases 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.

1. Annual Appropriation

1.1 Annual Appropriation

Included are funds appropriated in terms of the Appropriation Act (and the Adjustments Appropriation Act) for National Departments (Voted funds) and Provincial Departments:

	2015/16			2014/15	
	Final Appropriation	Actual Funds Received	Funds not requested/not received	Final Appropriation	Appropriation received
Programmes	R'000	R'000	R'000	R'000	R'000
Administration	112 354	112 354	-	114 863	114 863
Local Governance	208 333	208 333	-	177 855	177 855
Development Planning	78 642	78 642	-	40 686	40 686
Traditional Institutional Management	7 248	7 248	-	7 194	7 194
Total	406 577	406 577		340 598	340 598

1.2 Conditional grants

	2015/16	2014/15
	R'000	R'000
Total grants received	-	2 000
Provincial grants included in Total Grants received	-	2 000

2. Departmental revenue

	2015/16	2014/15
	R'000	R'000
Sales of goods and services other than capital assets	292	317
Transactions in financial assets and liabilities	66	173
Total revenue collected	358	490
Departmental revenue collected	358	490

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

2.1 Sales of goods and services other than capital assets

	2015/16	2014/15
	R'000	R'000
Sales of goods and services produced by the department	292	317
Sales by market establishment	292	317
Sales of scrap, waste and other used current goods		
Total	292	317

Revenue includes parking fees for staff members, commission received from various financial institutions for collection of their premiums and tender documents sold during the same period.

2.2 Transactions in financial assets and liabilities

	2015/16	2014/15
	R'000	R'000
Receivables	66	173
Total	66	173

Transaction in financial assets and liabilities include previous year's expenditure on salary reversals and interest earned on staff debts.

3. Compensation of employees

3.1 Salaries and Wages

	2015/16	2014/15
	R'000	R'000
Basic salary	167 284	152 961
Performance award	3 212	3 781
Service Based	376	601
Compensative/circumstantial	7 065	4 349
Periodic payments	95	22
Other non-pensionable allowances	33 984	29 765
Total	212 016	191 479

Compensation of employees includes all payments and benefits paid to employees in remuneration of their labour and skills

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

3.2 Social contributions

	2015/16	2014/15
	R'000	R'000
Employer contributions		
Pension	21 740	19 918
Medical	13 675	10 662
Bargaining council	48	45
Total	35 463	30 625
Total compensation of employees	<u>247 479</u>	<u>222 104</u>
Average number of employees	<u>710</u>	<u>688</u>

4. Goods and services

	2015/16	2014/15
	R'000	R'000
Administrative fees	329	138
Advertising	7 343	2 086
Minor assets	278	436
Bursaries (employees)	264	374
Catering	3 837	1 448
Communication	10 419	8 793
Computer services	660	3 392
Consultants: Business and advisory services	396	385
Legal services	245	681
Contractors	413	807
Agency and support / outsourced services	10 968	4 310
Entertainment	165	2
Audit cost – external	2 966	3 650
Fleet services	6 069	1 934
Consumables	9 591	4 885
Operating leases	148	1 211
Property payments	1 146	552
Travel and subsistence	5 281	5 041
Venues and facilities	4 983	5 157
Training and development	2 923	6 428
Other operating expenditure	653	795
Total	69 077	52 505

During the reporting period the Department did not pay for any services in advance, only services received or goods delivered were paid for.

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 7

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

4.1 Minor assets

	2015/16	2014/15
	R'000	R'000
Tangible assets	278	436
Machinery and equipment	278	436
Total	278	436

4.2 Computer services

	2015/16	2014/15
	R'000	R'000
External computer service providers	660	3 392
Total	660	3 392

4.3 Audit cost – External

	2015/16	2014/15
	R'000	R'000
Performance and Regularity audits	2 865	3 650
Investigations	101	-
Total	2 966	3 650

4.4 Consumables

	2015/16	2014/15
	R'000	R'000
Consumable supplies	6 198	2 613
Uniform and clothing	1 079	240
Household supplies	907	1 026
IT consumables	1 963	1 255
Other consumables	2 249	92
Stationery, printing and office supplies	3 393	2 272
Total	9 591	4 885

Other consumables include emergency mattresses and tents procured for the victims of shack fires in Cleveland informal Settlement.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

4.5 Property payments

	2015/16	2014/15
	R'000	R'000
Property management fees	189	552
Property maintenance and repairs	957	-
Total	1 146	552

4.6 Travel and subsistence

	2015/16	2014/15
	R'000	R'000
Local	4 543	4 044
Foreign	738	997
Total	5 281	5 041

4.7 Other operating expenditure

	2015/16	2014/15
	R'000	R'000
Professional bodies, membership and subscription fees	6	270
Resettlement costs	31	54
Other	616	471
Total	653	795

Other expenditure includes insurance premiums for subsidised vehicles.

5. Payments for financial assets

	2015/16	2014/15
	R'000	R'000
Debtors written off	503	138
Total	503	138

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

6. Debts written off

	2015/16	2014/15
	R'000	R'000
Staff Debt deceased	150	138
SARS	353	-
Total	503	138
Total debt written off	503	138

Numerous debts of former and late staff members were written-off during the reporting period due to death and/or non-recoverability, during the same period an amount of R353 134 for interest charged by South African Revenue Services(SARS) was also written off.

7. Transfers and subsidies

	2015/16	2014/15
	R'000	R'000
Provinces and municipalities	48 988	5 000
Households	1 671	1 835
Total	50 659	6 835

During the reporting period the department made the following transfers:

- R4 million the below municipalities for support to comply with GRAP 17:
 - Westonaria Local Municipality: R1 million
 - Lesedi Local Municipality: R1 million
 - Randfontein Local Municipality: R1 million
 - Emfuleni Local Municipality: R1 million
- R3.5 million to the below municipalities for automation of Performance Management System and Extended Public Works Programme:
 - Westonaria Local Municipality: R1.25 million
 - Randfontein Local Municipality: R1.25 million
 - Lesedi Local Municipality: R500 000
 - Merafong Local Municipality: R500 000
- R4 million to Emfuleni Local Municipality for the installation of water pipes in Boiketlong Informal Settlement.
- R15 million to the West Rand District Municipality for merger of the two local municipalities. (Randfontein and Westonaria).
- R9 million to Randfontein Local Municipality for the installation of water, sewer and electricity distribution at Mhlahkeng Ext 5.
- Emfuleni Local Municipality further received an amount of R8.5 million for installation of roads storm water, procurement of wheeled bins and replacement of water meters.
- R4.9 million to Merafong Local Municipality for water loss and demand management programme.

8. Expenditure for capital assets

	2015/16	2014/15
	R'000	R'000
Tangible assets	1 170	1 865
Machinery and equipment	1 170	1 865
Intangible assets		14
Software		14
Total	1 170	1 879

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

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	1 170		1 170
Machinery and equipment	1 170		1 170
Total	1 170		1 170

9.1 Analysis of funds utilised to acquire capital assets – 2014/15

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	1 865		1 865
Machinery and equipment	1 865		1 865
Intangible assets	14		14
Software	14		14
Total	1 879		1 879

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

10. Cash and cash equivalents

	2015/16	2014/15
	R'000	R'000
Consolidated Paymaster General Account	37 689	56 726
Total	37 689	56 726

11. Prepayments and advances

	2015/16	2014/15
	R'000	R'000
Travel and subsistence	-	9
Total	-	9

12. Receivables

	2015/16			2014/15		
	Current	Non-current	Total	Current	Non-current	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Recoverable expenditure	17	-	17	32	-	32
Staff debt	104	-	104	116	-	116
Other debtors	-	-	-	20 263	-	20 263
Total	121	-	121	20 411	-	20 411

12.1 Recoverable expenditure (disallowance accounts)

	2015/16	2014/15
	R'000	R'000
Sal Deduction All Acc CA	-	32
Sal Reversal Control CA	9	-
Sal Tax Debt CA	8	-
Total	17	32

12.2 Staff debt

	2015/16	2014/15
	R'000	R'000
Debt account	104	116
Total	104	116

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

12.3 Other debtors

	2015/16	2014/15
	R'000	R'000
Sal income tax CL	-	323
Pay over payable for the sale of land	-	19 940
Total	-	20 263

13. Voted funds to be surrendered to the Revenue Fund

	2015/16	2014/15
	R'000	R'000
Opening balance	57 137	39 046
As restated	57 137	39 046
Transfer from statement of financial performance (as restated)	37 689	57 137
Paid during the year	(57 136)	(39 046)
Closing balance	37 690	57 137

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

Compensation of employees	R 6 940
Goods and Services:	R 1 093
Capital Payments:	R28 976
Other:	R 680

Capital payment includes R28million which was allocated for acquisition for the Provincial Disaster Management Centre building. An appointment letter was issued but was never signed by the seller as at the end of the reporting period.

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

	2015/16	2014/15
	R'000	R'000
Opening balance	31	36
As restated	31	36
Transfer from Statement of Financial Performance (as restated)	358	490
Paid during the year	(360)	(495)
Closing balance	29	31

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

15. Payables – current

	2015/16	2014/15
	R'000	R'000
Other payables	51	19 968
Total	51	19 968

15.1 Other payables

	2015/16	2014/15
	R'000	R'000
Sal ABC recalls	28	15
Sal Pension Fund	3	13
Sale of Land	-	19 940
Sal: Income Tax CL	20	-
Total	51	19 968

16. Net cash flow available from operating activities

	2015/16	2014/15
	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance	38 047	57 627
Add back non cash/cash movements not deemed operating activities	(55 944)	(33 778)
(Increase)/decrease in receivables – current	20 290	(15 948)
Increase in prepayments and advances	9	16
(Increase)/decrease in other current assets	-	-
Increase/(decrease) in payables – current	(19 917)	19 816
Proceeds from sale of capital assets	-	-
Proceeds from sale of investments	-	-
(Increase)/decrease in other financial assets	-	-
Expenditure on capital assets	1 170	1 879
Surrenders to Revenue Fund	(57 496)	(39 541)
Surrenders to RDP Fund/Donor	-	-
Voted funds not requested/not received	-	-
Own revenue included in appropriation	-	-
Other non-cash items	-	-
Net cash flow generated by operating activities	(17 897)	23 849

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

	2015/16	2014/15
	R'000	R'000
Consolidated Paymaster General account	37 689	56 726
Total	37 689	56 726

18. Contingent liabilities and contingent assets

Contingent liabilities

	2015/16	2014/15
	R'000	R'000
Housing loan guarantees Employees	21	122
Claims against the department	1 150	1 150
Total	1 171	1 272

19. Commitments

	2015/16	2014/15
	R'000	R'000
Current expenditure		
Approved and contracted	3 570	9 412
Approved but not yet contracted	1 374	-
	4 944	9 412
Total Commitments	4 944	9 412

Commitments include orders issued and contracts entered into which were not fully executed at the end of the reporting period.

20. Accruals and payables not recognised

Accruals

				2015/16	2014/15
				R'000	R'000
		30 Days	30+ Days	Total	Total
Listed by economic classification					
Goods and services		3 680	-	3 680	2 469
Capital assets		216	-	216	-
Total		3 896	-	3 896	2 469

				2015/16	2014/15
				R'000	R'000
Listed by programme level					
Program 1:Administration				2 962	1 583
Program 2: Local Governance				363	426
Program 3: Development Planning				213	42
Program 4: Traditional Institutional Management				358	418
Total				3 896	2 469

Included in programme 1 accruals is an invoice received for the payment of software licences and GG vehicles to e-Government and G-Fleet respectively.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

20.1 Payables not recognised

				2015/16	2014/15
				R'000	R'000
		30 Days	30+ Days	Total	Total
Listed by economic classification					
Goods and services		493	14	507	-
Total		493	14	507	-

				2015/16	2014/15
				R'000	R'000
Listed by programme level					
Program 1: Administration				507	-
Total				507	-

				2015/16	2014/15
				R'000	R'000
<i>Included in the above totals are the following:</i>					
Confirmed balances with other departments				679	-
Total				679	-

21. Employee benefits

				2015/16	2014/15
				R'000	R'000
Leave entitlement				13 150	12 805
Service bonus (Thirteenth cheque)				7 027	6 533
Performance awards				3 212	3 781
Capped leave commitments				2 388	2 666
Other				400	41
Total				26 177	25 826

In 2014/15 Financial year an amount of R41 000 for other employee benefits was erroneously omitted. The error resulted in an increase of R41 000 and prior year's closing was subsequently restated.

An amount of R203 000 negative is included in the entitlement leave calculation. The amount of R400 000 relates to long service bonus liability.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

22. Lease commitments

22.1 Operating leases expenditure

2015/16	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	2 586	2 586
Later than 1 year and not later than 5 years	-	-	-	2 941	2 941
Total lease commitments	-	-	-	5 527	5 527

2014/15	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	2 423	2 423
Later than 1 year and not later than 5 years	-	-	-	1 818	1 818
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	4 241	4 241

The operating lease relates G-Fleet that is rented on daily and monthly basis.

22.2 Finance leases expenditure**

2015/16	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	3 957	3 957
Later than 1 year and not later than 5 years	-	-	-	3 268	3 268
Total lease commitments	-	-	-	7 225	7 225

2014/15	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	5 735	5 735
Later than 1 year and not later than 5 years	-	-	-	305	305
Total lease commitments	-	-	-	6 040	6 040

Included in the finance lease are cell phone contracts which at various stages ranging from 1 to 2 years as well as tablet procured for Community Development Workers over a three years period.

23. Irregular expenditure

Reconciliation of irregular expenditure

	2015/16	2014/15
	R'000	R'000
Opening balance	3 401	1 651
Prior period error	-	-
As restated	3 401	1 651
Add: Irregular expenditure – relating to current year	84	1 750
Closing balance	3 485	3 401

Analysis of awaiting condonation per age classification

Current year	84	1 750
Prior years	3 401	1 651

Total	3 485	3 401
--------------	--------------	--------------

23.1 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2015/16 R'000
Letho Distributions & Projects	Risk management to report transaction to GAS for further investigation	84
Total		84

Irregular expenditure for the current year has increased with only R84 000 as a result of non-compliance with normal procurement processes. Investigations are still on to determine the circumstances.

24. Fruitless and wasteful expenditure

24.1 Reconciliation of fruitless and wasteful expenditure

	2015/16	2014/15
	R'000	R'000
Opening balance	154	129
Prior period error	-	-
As restated	154	129
Fruitless and wasteful expenditure – relating to prior year	-	-
Fruitless and wasteful expenditure – relating to current year	-	25
Fruitless and wasteful expenditure awaiting resolution	154	154

24.2 Analysis of awaiting resolution per economic classification

	2015/16	2014/15
	R'000	R'000
Current	154	154
Total	154	154

25. Related party transactions

Revenue received

	2015/16	2014/15
	R'000	R'000
Salaries paid on behalf of related party	-	4 351
Total	-	4 351

	2015/16	2014/15
	R'000	R'000
Receivables from related parties	-	6 444
Payables to related parties	-	24 291
Total	-	30 735

During the reporting period the Department reimbursed the Department of Human Settlement a certain amount of money for cost related to telephones at the Bank of Lisbon Building.

The Department occupies the building owned by the Department of Infrastructure Development at no cost. During the same period the Department shared a building with Health and Human Settlement, both cared for cleaning and security services at no cost to the Department.

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

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

26. Key management personnel

	No. of Individuals	2015/16	2014/15
		R'000	R'000
Political office bearers (provide detail below)			
Officials:	2	2 135	1 888
Level 15 to 16	6	7 972	5 338
Level 14 (incl. CFO if at a lower level)	6	7 708	6 513
Total		17 815	13 739

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

27. Movable Tangible Capital Assets

Movement in Movable Tangible Capital Assets Per Asset Register for the year ended 31 March 2016

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Machinery and Equipment	6 740	-	1 407	48	8 099
Transport assets	-	-	-	-	-
Computer equipment	3 457	-	819	5	4 271
Furniture and office equipment	2 173	-	494	34	2 633
Other machinery and equipment	1 110	-	94	9	1 195
Total Movable Tangible Capital Assets	6 740	-	1 407	48	8 099

27.1 Additions

Additions to Movable Tangible Capital Assets per Asset Register for the year ended 31 March 2016

	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	1 170	-	-	237	1 407
Computer equipment	582	-	-	237	819
Furniture and office equipment	494	-	-	-	494
Other machinery and equipment	94	-	-	-	94
Total Additions to Movable Tangible Capital Assets	1 170	-	-	237	1 407

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

27.2 Disposal

Disposals of Movable Tangible Capital Assets per Asset Register for the year ended 31 March 2016

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
Heritage Assets				
Heritage assets	-	-	-	-
Machinery and Equipment				
Transport assets	-	-	-	-
Computer equipment	-	5	-	5
Furniture and office equipment	-	34	-	34
Other machinery and equipment	-	9	-	9
Total Disposal of Movable Tangible Capital Assets		48		48

27.3 Movement for 2014/15

Movement in Tangible Capital Assets per Asset Register for the year ended 31 March 2015

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Machinery and Equipment					
Transport assets	-	-	-	-	-
Computer equipment	2 677	(245)	1 078	53	3 457
Furniture and office equipment	1 491	-	682	-	2 173
Other machinery and equipment	690	-	420	-	1 110
Total Movable Tangible Capital Assets	4 858	(245)	2 180	53	6 740

27.4 Minor assets

Movement in Minor Assets per the Asset Register for the year ended as at 31 March 2016

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	1 743	-	1 743
Additions	-	-	-	278	-	278
Disposals	-	-	-	(40)	-	(40)
Total Minor Assets	-	-	-	1 981	-	1 981

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

Movement in Minor Assets per the Asset Register for the year ended as at 31 March 2015

	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	-	-	-	1 285	-	1 285
Additions	-	-	-	560	-	560
Disposals	-	-	-	23	-	23
Prior Period Error	-	-	-	(79)	-	(79)
Total Minor Assets	-	-	-	1 743	-	1 743

28. Prior Year Error

28.1 Long service bonus liability

In 2014/15 Financial year an amount of R41 000 for other employee benefits was erroneously omitted. The error resulted in an increase of R41 000 and prior year's closing was subsequently restated.

	2014/15
	R'000
	41
Nett effect	41

28.2 Assets

In the prior year an amount of R10000 was erroneously included in the debtors receivable whereas the same was written off.

28.3 Assets which were erroneously included in the financial statements:

Assets to the value of R306k i.e. R245k major assets and R79k minor assets, which do not belong to the department were erroneously included in prior year closing balance. The error resulted in a decrease of the said amounts and the opening balance was subsequently restated.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

28.4 Consumables incorrectly disclosed as inventory

In the prior year an amount of R713 000 for consumables was erroneously disclosed as inventory and does not meet the definition of inventory, as defined in the modified cash standards. The error resulted in a decrease in inventory and the opening balance was subsequently restated.

Statement of Conditional Grants and Other Transfers Paid to Municipalities – Unaudited

NAME OF MUNICIPALITY	Grant Allocation				Transfer		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000		R'000	R'000	%
Emfuleni (Water supply improvement Bioketlong Settlements)	-	-	-	-	4 063	-	-
Lesedi Local Municipality (GRAP 17)	-	-	-	-	1 000	-	-
Westonaria Local Municipality (GRAP 17)	-	-	-	-	1 000	-	-
Randfontein Local Municipality (GRAP 17)	-	-	-	-	1 000	-	-
Emfuleni Local Municipality (GRAP 17)	-	-	-	-	1 000	-	-
Westonaria Local Municipality (PERF MAN SYST)	-	-	-	-	750	-	-
Randfontein Local Municipality (PERF MAN SYST)	-	-	-	-	750	-	-
Westonaria Local Municipality (EPWP Prog)	-	-	-	-	500	-	-
Randfontein Local Municipality (EPWP Prog)	-	-	-	-	500	-	-
Lesedi Local Municipality (EPWP Prog)	-	-	-	-	500	-	-
Merafong Local Municipality (EPWP Prog)	-	-	-	-	500	-	-
Emfuleni Local Municipality (INFRASTR SERV)	-	-	-	-	8 525	-	-
Merafong Local Municipality (Water loss)	-	-	-	-	4 900	-	-
Randfontein Local Municipality (Electricity distribution)	-	-	-	-	9 000	-	-
West Rand District Local Municipality (Mergers)	-	-	-	-	15 000	-	-
	-	-	-	-	48 988	-	-

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

ANNEXURE 1A

Unaudited Statement of Conditional Grants and other Transfers Paid to Municipalities

Name of Municipality	Grant Allocation				Transfer			Spent			2014/15
	Division of Revenue Act	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	% of available funds spent by municipality	Division of Revenue Act
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%	R'000
Lesedi Municipality (EPWP)	-	-	-	-	-	-	-	-	-	-	500
Westonaria Municipality (EPWP)	-	-	-	-	-	-	-	-	-	-	300
Randfontein Municipality (EPWP)	-	-	-	-	-	-	-	-	-	-	500
Westonaria Municipality (EPWP)	-	-	-	-	-	-	-	-	-	-	200
Emfuleni Municipality EPWP Grant	-	-	-	-	-	-	-	-	-	-	500
Emfuleni Municipality (GRAP 17)	-	-	-	-	-	-	-	-	-	-	1 000
Merafong PMS	-	-	-	-	-	-	-	-	-	-	500
Randfontein PMS	-	-	-	-	-	-	-	-	-	-	1 000
Westonaria PMS	-	-	-	-	-	-	-	-	-	-	500
	-	-	-	-	-	-	-	-	-	-	5 000

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

ANNEXURE 1G

Unaudited Statement of Transfers to Households

Households	Transfer Allocation				Expenditure		2014/15
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers						-	
Keyhealth Medical Scheme	-	-	-	-	472	-	454
Germiston Mun Retirement Fund	-	-	-	-	20	-	56
National Treasury	-	-	-	-	771	-	988
Tshwane Mun Pens fund	-	-	-	-	2	-	3
Alexander Forbes Group	-	-	-	-	339	-	322
Clinics,drs,compensation Commissioner(injuries on duty)	-	-	-	-	67	-	12
	-	-	-	-	1 671	-	1 835

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

ANNEXURES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

ANNEXURE 3A

Unaudited Statement of Financial Guarantees Issued as at 31 March 2016

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2015	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2016	Guaranteed interest for year ended 31 March 2016	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Motor vehicles								
	Subtotal								
	Housing								
	Absa		21		(21)		-		
	Nedbank		64		(44)		21		
	Peoples Bank		21		(21)		-		
	Standard Bank		16		(16)		-		
	Subtotal								
	Other								
	Subtotal								
	Total		122		(102)		21		

ANNEXURE 3B

Unaudited Statement of Contingent Liabilities as at 31 March 2016

Nature of Liability	Opening Balance 1 April 2015	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2016
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Lleka Kekana v MEC and Others, North Gauteng HC 7360/ 14	100				100
Kekana Royal Executive Council v MEC and Others, North Gauteng HC 65343/ 13.	100				100
Mavis Kekana v MEC and Orse, North Gauteng HC 47170/ 13	100				100
Mahlangu, v MEC for Local Government and Others	100				100
Lanseria Airport v MEC and Others 07725/ South Gauteng HC	100				100
Tshabangu v MEC, JR74/ 13	100				100
Midvaal Mun	250				250
MEC V Makwela GPSBC	100				100
Tsongo Sun V MEC	200				200
Subtotal	1 150				1 150
Total	1 150				1 150

ANNEXURE 4

Unaudited Inter-Government Payables

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2015/16 *	
	31/03/2016	31/03/2015	31/03/2016	31/03/2015	31/03/2016	31/03/2015	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								
Human Settlements	152	-	-	-	152	-	-	-
G-Fleet	527	593	-	-	527	593	-	-
Department Of Education	-	-	-	19 940	-	19 940	-	-
Total	679	593	-	19 940	679	20 533	-	-
Total Intergovernmental	679	593	-	19 940	679	20 533	-	-

ANNEXURE 5

Unaudited Inventories

Inventory	Note	Quantity	2015/16	Quantity	2014/15
			R'000		R'000
Opening balance		23 208	713		
Add/(Less): Adjustments to prior year balance(prior period error)		(23 208)	(713)	12 362	461
Add: Additions/Purchases - Cash		-	-	17 622	531
(Less): Issues		-	-	(6 776)	(279)
Closing balance		-	-	23 208	713

In the prior year an amount of R713 000 for consumables was erroneously disclosed as inventory and does not meet the definition of inventory, as defined in the modified cash standards. The error resulted in a decrease in inventory and the opening balance was subsequently restated