



cogta

Department:
Co-operative Governance and Traditional Affairs
PROVINCE OF KWAZULU-NATAL

2013/2014 ANNUAL REPORT



Together, We Have Made KZN A Better Province To Live In,
Together We Will Move South Africa Forward.





cogta

Department:
Co-operative Governance and Traditional Affairs
PROVINCE OF KWAZULU-NATAL

ANNUAL REPORT 2013/2014 FINANCIAL YEAR

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1. INTRODUCTION

1.1 Contents of the Annual Report

The Annual Report contains four critical sections which outline the operations and performance of the Department.

PART A Contains the general information which outlines the background information on COGTA KZN's operations, the legislative provision which guides the operations of the Department and which forms the basis of our mandate, the organisational structure of the Department, and the Entities which report to the MEC for COGTA.

PART B Contains performance information and the M&E report on the authenticity of the information

PART C Contains the Governance matters which are related to the operations of the Department's Internal Control Business Unit

PART D Contains the information on HR &D performance

PART E Contains Financial information

1.2 Confirmation of accuracy and fair presentation of the financial annual report

I hereby acknowledge that the annual report of the Department of Co-operative Governance and Traditional Affairs KZN has been submitted to the Auditor-General for auditing in terms section 40 (1) (c) of the PFMA

I acknowledge my responsibility for the accuracy of the records and the fair presentation of the annual report and confirm, to the best of my knowledge and belief, the following:

Annual Financial Statement

- The annual financial statement have been prepared in accordance with GRAP/modified cash basis of accounting as prescribed in the National Treasury Framework and relevant guidelines specified/ issued by the National Treasury
- All amounts appearing on the Annual Report and information in the annual report are consistent with the financial statement submitted to the Auditor-General for audit purposes.

Performance Information

- The performance information fairly reflect the operations, the actual outputs against planned targets for performance indicators as per the strategic and annual performance plan of the department for the financial year ended 31 March 2014
- Has been reported on in accordance with the requirements of the guidelines on the annual report as issued by National Treasury
- A system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of performance information

Human Resource Management

- The human resource information contained in the respective tables in Part D of the Annual Report, fairly reflects the information of the department for the financial year ended 31 March 2014.

General

The Annual Report is complete and accurate and is free from any omissions

Yours Faithfully



Ms. D.N Qhobosheane

Date:

PART A: GENERAL INFORMATION



2. DEPARTMENT GENERAL INFORMATION

PHYSICAL ADDRESS:

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PIETERMARITZBURG
3201

POSTAL ADDRESS:

PRIVATE BAG X 9078
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WEBSITE ADDRESS: www.kzncogta.gov.za

3. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor General of South Africa
BBBEE	Broad Based Black Economic Empowerment
CFO	Chief Financial Officer
MEC	Member of Executive Council
HOD	Head of Department
PFMA	Public Finance Management Act
TR	Treasury Regulations
MTEF	Medium Term Expenditure Framework
SMME	Small Medium and Micro Enterprises
SCM	Supply Chain Management
EU	European Union
SITA	State Information Technology Agency
SDIP	Service Delivery Improvement Plan

STRATEGIC OVERVIEW

Vision

“People centred sustainable co-operative governance, which focuses on effective service delivery responsive to the needs of the community”

Mission

To strengthen cooperation amongst all spheres of government, support and build capacity of local governance institutions, facilitate and coordinate stakeholder engagement, in pursuance of people-centered, accelerated service delivery.

Values

Value	Definition
Transparency, integrity, professionalism and objectivity	Allowing service beneficiaries and staff to ask questions and responding to their enquiries honestly, frankly and timeously.
A high standard of fiscal discipline and accountability	All expenditure be accounted for and be aligned to departmental objectives.
Value for money	Adding value to the lives of service beneficiaries.
Open communication and consultation	Listening to, taking account of the views and paying heed to the needs of service beneficiaries, when deciding what services should be provided.
Respect for staff and investment in them as a valued asset	Treating staff with consideration and respect and assigning development programmes in line with the Department's objectives and providing a wellness programme.
Recognition of performance excellence	Rewarding and recognising staff for good performance.
Service excellence through teamwork, sound planning and committed implementation	Support programmes developed by the Department are designed and monitored to impact on service beneficiaries.

STRATEGIC OBJECTIVES

The birth of the Department of Co-operative Governance and Traditional Affairs ushered in a new era, which represents an irreversible shift to an expanded and more deliberate mandate on matters of co-operative governance (National COGTA Strategic Plan, September 2009).

GOAL NUMBER	DEPARTMENT'S GOALS	STRATEGIC OBJECTIVE NUMBER	DEPARTMENT'S STRATEGIC OBJECTIVES
1	Sustained performance of institutions of local governance	1.1	Effective support to Local Government and Traditional Institutions for strengthened governance
		1.2	Effective support to Local Government and Traditional Institutions for Clean Financial Management
		1.3	Effective support to Local Government and Traditional Institutions towards sustained and accelerated service delivery
		1.4	Effective support to Local Government and Traditional Institutions for effective integrated planning
2	Strengthened cooperative governance	2.1	Empowered stakeholder participation in government programmes at local level (stakeholders are communities including business and unions)
		2.2	Improve cooperative governance between Provincial and Local spheres for effective service delivery
		2.3	Improve participation of traditional institutions into the governance system
3	Efficient and effective oversight	3.1	Improved oversight of Local Government and Traditional Institutions in respect of governance and service delivery
		3.2	Effective Departmental monitoring, evaluation and reporting systems in respect of Local Government and Traditional Institutions
		3.3	Improved accountability of Local Government and Traditional Institutions to communities in respect of governance and service delivery
4	Improved organizational capacity and proficiency of the Department and Ministry	4.1	Improved management and accountability of financial, physical and human resources and systems for the Department and Ministry

LEGISLATIVE AND OTHER MANDATES

LEGISLATIVE MANDATES

The legislative mandates of the Department of COGTA are derived from the Constitution of the Republic of South Africa as well as other appropriate legislation. The Constitution defines the functions for Provincial Departments responsible for Local Government as:

- Support (S154 and S155)
- Intervention (S139)
- Monitoring (S155)

These Constitutional Mandates are then taken forward in a number of legislation such as:

- Municipal Systems Act, 2000
- Municipal Structures Act, 1998
- Intergovernmental Relations Act, 2005
- Municipal Financial Management Act, 2003
- Traditional Leadership and Governance Act, 2005
- Disaster Management Act, 2002

Furthermore there are other specific legislation for KZN COGTA such as the new KwaZulu-Natal Planning and Development Act 2008. This Act establishes a statutory framework for the transformation of spatial planning and land use management policies, frameworks and systems throughout the Province.

POLICY MANDATES

Policy mandates have, in the past, created the parameters within which laws have been developed. For example, the White Paper on Developmental Local Government created the policy environment for the development of the Municipal Structures, Systems, Financial Management and Intergovernmental Relations Acts.

More recent policy mandates are associated with policy pronouncements following the election of the new President in April 2009: a new Medium Term Strategic Framework (MTSF) was presented, Provincial Growth and Development Plan (PGDP), the Local Government Turnaround Strategy, KZN Provincial Programme of Action and an enhanced mandate for Co-operative Governance. Each one of these is presented below.

Medium Term Strategic Framework

The MTSF will guide government's programmes over the period 2009 to 2014. It is mindful of the current global economic crisis and the implications that this will have on investment, employment, incomes and government revenue. Taking these into account, the main focus in the current period is "to minimise the impact of the economic downturn on the country's productive capacity as well as jobs and poverty reduction measures, to identify opportunities for new areas of growth and economic participation, and progressively to set the country on a new growth and development path." In addition, there is a strong focus on improving efficiencies to ensure that the resources that we do have are utilised in the most efficient manner possible. The following strategic objectives are identified in the MTSF:

- Halve poverty and unemployment by 2014.
- Improve the safety of citizens by reducing incidents of crime and corruption.
- Build a nation free of all forms of racism, sexism, tribalism and xenophobia.
- Ensure a more equitable distribution of the benefits of economic growth and reduce inequality.
- Improve the nation's health profile and skills base and ensure universal access to basic services.

The ten strategic priority areas to give effect to the above strategic objectives are:

- Massive programme to build economic and social infrastructure.
- Strengthen the skills and human resource base.

- Improve the health profile of all South Africans.
- Build cohesive, caring and sustainable communities.
- Sustainable Resource Management and use.
- Speeding up growth and transforming the economy to create decent work and sustainable livelihoods.
- Comprehensive rural development strategy linked to land and agrarian reform and food security.
- Intensify the fight against crime and corruption.
- Pursuing African advancement and enhanced international cooperation.
- Building a developmental state including improvement of public services and strengthening democracy.

Importantly, the role of planning and monitoring and evaluation has been significantly strengthened through the establishment of the new Ministries of Planning and Monitoring and Evaluation in the Presidency.

Provincial Growth and Development Plan (PGDP)

The Provincial Growth and Development Plan (PGDP) which is aligned to the National Development Plan will provide the overarching framework for the APP targets and projects. The Strategic Goals and Objectives of the PGDP are as follows:

Strategic Goals	Objectives
Job Creation	Enhance Industrial Development through Trade, Investment & Exports Expansion of Government-led Job Creation Programmes Promoting SMME, Entrepreneurial and Youth Development Enhance the Knowledge Economy
Human Resource Development	Improve Early Childhood Development, Primary and Secondary Education Support Skills alignment to Economic Growth Promote enhanced Youth Skills Development & Life-Long Learning
Human And Community Development	Poverty Alleviation & Social Welfare Enhancing Health of Communities and Citizens Safeguard Sustainable Livelihoods & Food Security Sustainable Human Settlements Enhancing Safety & Security Advance Social Cohesion Promote Youth, Gender and Disability Advocacy & the Advancement of Women
Strategic Infrastructure	Development of Ports and Harbours Development of Road & Rail Networks Development of ICT Infrastructure Improve Water Resource Management Develop Energy Production Capacity
Responses to Climate Change	Increase Productive Use of Land Advance Alternative Energy Generation Manage pressures on Biodiversity Disaster Management
Governance and Policy	Strengthen Policy, Strategy Co-ordination and IGR Building Government Capacity Eradicating Fraud & Corruption Promote Participative, Facilitative & Accountable Governance
Spatial Equity	Actively Promoting Spatial Concentration Facilitate Integrated Land Management & Spatial Planning

Local Government Turnaround Strategy

As a result of an assessment of local government in each of the nine provinces, a State of Local Government Report and a Framework for the Local Government Turnaround Strategy was prepared. The purpose of the provincial assessments was to determine the key problems in different thematic areas and to establish the root causes for poor performance and dysfunctionality in municipalities. The findings from the assessments were translated into the actual Local Government Turnaround Strategy (LGTAS) which was approved by Cabinet in December 2009. The LGTAS has five strategic objectives:

- Ensure that municipalities meet the basic service needs of communities.
- Improve performance and professionalism in municipalities.
- Strengthen partnerships between local government, communities, civil society and other Organs of State.
- Build clean, effective, efficient, responsive and accountable local government.
- Improve national policy, oversight and support.

In addressing these objectives, there is a strong emphasis on mobilizing government and society. Key interventions to take these strategic objectives forward are:

- National Government (including state enterprises) will organise itself better in relation to Local Government.
- Municipalities will reflect on their own performance and identify their own tailor-made turnaround strategies.
- Political parties will promote and enhance the institutional integrity of municipalities.
- Provinces will improve their support and oversight responsibilities over Local Government.
- All three spheres of government will improve Inter-Governmental Relations in practice.

Provincial Programme of Action

In line with the MTSF, ten provincial priorities have been identified in the Provincial Programme of Action. Four clusters oversee implementation in these areas: Economic, Social, Governance and Administration and Justice, Crime Prevention and Security.

- Rural development, agrarian reform (creating capacity for food security, income generation and export possibilities).
- Education and skills for all (in support of government priority programmes, building economy, and creating jobs and nation building).
- Creating decent work and ensuring economic growth: first economy interventions, integration of second economy, building small business and cooperative movement etc.
- Social and economic infrastructure.
- International co-operation.
- Fighting crime and creating safer communities.
- Health for all – focusing on primary health care, with the aim of reducing morbidity and mortality.
- Nation building and good governance – creation of inclusive government and compassionate, non-racial and integrated society; efficient administration and elimination of fraud and corruption.
- Cohesive and sustainable communities
- Sustainable resource management.

Mandate of Co-Operative Governance

The mandate of the Department as outlined by Cabinet is as follows:

- To coordinate all organs of state to ensure maximum impact;
- Interventionist approach;
- Improved internal and external cooperation and outcomes based Inter- Governmental Relations Structures;
- Ensure SINGLE window of coordination and regulation of national, provincial and local government.

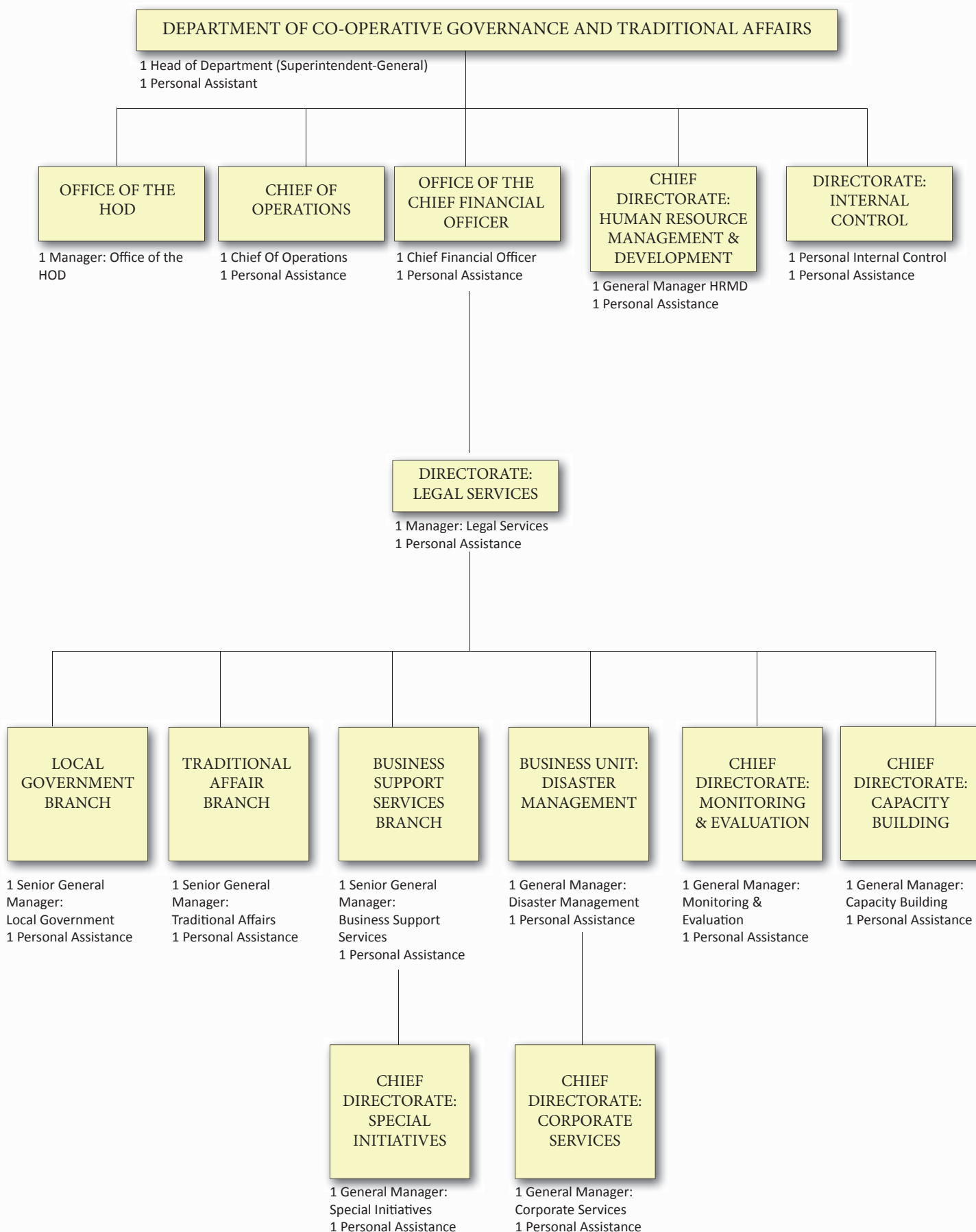
In essence the mandate of the Department has been equated to the COG of the wheel, standing at the centre of integrated development with the Department now having the following functions:

- Coordination both vertically and horizontally, and doing away with silo approach across the province.
- The key area of focus is planning. The Department is repositioned as a critical ally of the Planning Commission to align planning across the three spheres of government, by strengthening the IDPs.
- Ensuring the alignment of priorities of both national and provincial departments implemented in a local space in the municipal IDP's.
- Ensure that IDP encapsulates the provincial priorities and budget in a coordinated manner.
- Enhance the IGR framework support integration (IGR framework to be reviewed and strengthened).
- Ensure seamless service delivery in a coordinated manner supported by emerging legislated processes.
- Put development planning at the centre stage.
- Put people at the centre of development.

The Department will continue to support and ensure that there is alignment between the National, Provincial as well as Local Government priorities. Working together with different stakeholders in the Province and Countrywide the Department is committed to contributing towards realisation and achievement of Government's priorities as spelt out in the MTSF.



**APPROVED ORGANISATION AND POST ESTABLISHMENT OF
THE DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS – KWAZULU-NATAL**



1. ENTITIES REPORTING TO THE MEC

- The information furnished in this section should correlate with information provided in the related party transactions disclosure note to the financial statements and the information on the entities.

The table below indicates the entities that report to the MEC.

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Nil	Nil	Nil	Nil



FOREWORD BY MEC NOMUSA DUBE-NCUBE



The year under review has coincided with the celebrations of twenty years of freedom and this in itself provided the Department of Co-operative Governance and Traditional Affairs with an opportunity to reflect on the path we have travelled in the development of the sphere of local government and the institutions of traditional leadership since 1994.

Over the past two decades, our local government has proven to be an exemplary leader of our democracy's stated objective to create a South Africa characterised by socio-economic advancement, peace and prosperity. Indeed we have seen vast improvements in the administration of our municipalities which have transformed from the structures that only worked for the select few in the past to institutions that now deliver services to every citizen of our country on an equal basis. In addition, our municipalities have become formidable catalysts for economic growth, development, and sustainable service delivery. This is clear from the growing number of people who have received access to basic services such as water, electricity and sanitation.

We are now closer to the universal access than ever before and we are well placed to close the gaps in this regard in the near future. COGTA is working with municipalities on the maintenance of basic services infrastructure and we are also helping municipalities save water and electricity. The remaining backlogs in terms of basic services have called for a more differentiated and strategic response from the provincial government. In this regard, the Municipal Infrastructure Support Agency (MISA) has supported municipalities through the placement of technical experts and artisans and the assignment of Professional Service Providers (PSPs).

We have likewise gone a long way in creating, in the context of our second - economic - phase of transformation, an environment for stable economic growth. On the ground, this has led to sustainable job creation in our municipalities. COGTA's efforts in this regard through the Community Work Programme (CWP) have become an example followed by other provinces as we have created more than 30,000 job opportunities since 2009. In tandem with these achievements, most towns in KwaZulu-Natal have been formalised and many others have been rehabilitated with support given to all small towns through corridor development and dedicated municipal Local Economic Development (LED) initiatives which have also contributed to the government's job creation targets.

We have also maximised our efforts to make our local government work as intended. While a number of KwaZulu-Natal municipalities, including Ilembe, Umzinyathi and Zululand Districts, are now being singled out for praise for consistently good performance in audits, expenditure on municipal infrastructure grants and service delivery, many other municipalities require our continued assistance and support in the areas of clean governance and the delivery of basic services and infrastructure. Operation Clean Audit in this context remains a key programme in ensuring that all our municipalities demonstrate good financial governance, sound financial management and accountability.

As we supported our municipalities to achieve clean audits, we have upped our game in promoting ethical conduct and ensuring accountability in local government as a proactive measure to mitigate against the risks of maladministration, fraud and corruption. We have also come closer to realising our vision of self-reliant municipalities by discouraging over-reliance on consultants, intensifying capacity building for councillors and officials and by ensuring that our municipalities appoint qualified and experienced people to all management positions. On the ground, we have worked hard to ensure healthy working relationships with individual municipal councils.

We have intervened directly to address Administrative and political instability, inter- and intra-party differences and disagreements in Umvoti, Imbabazane, Mtubatuba and AbaQulusi. Through our actions we have prevented a breakdown in service delivery and the trust of the community, we have promoted meaningful participation of communities in municipalities through the provision of hands-on support to municipal administrations and the improved functionality of the ward committee system. We have also supported municipalities in promoting participatory democracy through provision of generic guidelines which have informed the process of planning for public participation.

We have developed a unique way of responding to the very worrying phenomenon of service delivery protests. Each municipality where such protests occurred has been supported with rapid response mechanisms to respond to specific concerns articulated by the disaffected residents.

Many of the protests have been caused by the deep-seated backlogs and rapid urbanisation which requires a comprehensive response from the entire provincial and national governments through their individual departments and agencies and we have done our best to facilitate these interactions with the professional teams we have deployed in all problematic municipalities. As a result, municipalities now work closely with the province to ensure a holistic response to the public demand for services.

We have likewise promoted mutually beneficial partnerships between the municipal and traditional institutions. The foundations for such relationships have been laid through a systematic effort at empowering traditional leaders, municipal officials and elected representatives for the benefit of local communities. The Provincial and Local Houses of traditional Leaders are legitimate governance structures and it is important that they are given the recognition they deserve. The offices of the Chairperson and Deputy Chairperson of the Provincial House of Traditional Leaders are now fully functional and support structures are being extended to all relevant traditional office bearers.

In all this, our work has been guided by the National Development Plan (NDP), which provides a detailed roadmap for development until 2030. This plan requires KwaZulu-Natal as a province to focus on the need to strengthen the ability of local government to fulfil its developmental role in our communities. This we will continue to do into 2014/2015 and beyond by growing the local economies, creating jobs and eradicating the triple challenges of poverty, inequality and unemployment.

Together Moving South Africa Forward!!



Ms Nomusa Dube-Ncube

MEC: Co-operative Governance and Traditional Affairs

KwaZulu-Natal Provincial Government

REPORT OF THE ACCOUNTING OFFICER

Twenty years after the first democratic election, local government in South Africa is no longer characterised by racial fragmentation but is viewed as an active agent of local development within the context of a developmental state. In many ways, local government can only be viewed as developmental, as it is responsible for almost everything that ordinary citizens expect from the state. Achieving the aims of the developmental state is thus highly dependent on this sphere of government operating democratically, effectively and efficiently.

The transformation process has been underpinned by a number of key policy pronouncements as well as pieces of legislation, all of which aim to mobilise local government to realise its developmental vision. Some of the key policy pronouncements are linked to the role and functions of the Department of Co-operative Governance and Traditional Affairs (COGTA) in KwaZulu-Natal in its support to the District and Local Municipalities and Traditional Institutions.

Core to the Department's mandate is to deliver quality services to the citizenry and ensure that public protests are minimised. It is for this reason that the Department has, among other interventions, developed a three-pronged strategy document. The three key premises on which it is based are as follows: (1) An informed community is less likely to protest; (2) Early warning systems must be observed; and (3) Stakeholders must be actively engaged. This strategy document will be rolled through workshopping all 54 Municipal Rapid Response Teams.

In pushing back the frontiers of poverty and dealing with the infrastructural backlogs, to date, R366-million has been utilised on infrastructural projects; with 76.74% of this total allocation being spent as at end June 2014. Since the inception, 95 projects have been funded, ranging from Water Conservation and Demand Management, to the provision of electricity and sanitation. Of these registered projects, 64% have already been completed.

The KZN Leadership Programme for Amakhosi is bearing fruit in ensuring that Amakhosi are properly equipped with the requisite management skills. The total number of Amakhosi who have participated in this programme is broken down as follows:

- 2011 – 22 Enrolled, 21 Graduated
- 2012 – 30 Enrolled, 27 Graduated
- 2013 – 25 Enrolled, 24 Graduated
- 2014 – 24 Amakhosi currently enrolled in the programme

For those Amakhosi wishing to further their studies, there is now an advanced programme which is offered over a two-year period. It is also a recognised qualification offered by the UKZN and 25 Amakhosi are currently enrolled in it. Further to restoring the dignity of Ubukhosi across the province, the Department has a programme which restores and builds imizi yezizwe, depending on the assessments provided. To date, 30 traditional authorities have benefitted from this initiative.

In heeding the government's key developmental priorities, the Department has come up with programmes to give effect to the National Development Plan, New Growth Path, Provincial Growth and Development Plan and the Provincial Spatial Economic Development Strategy as informants for achieving economic development within KZN's local government. In our provincial setting, our Local Economic Development Business Unit has been responsible for job creation and service delivery functions through our Corridor Development Programme, Small Town Rehabilitation Programme, Community Service Centers, Expanded Public Works Programme, Community Work Programme, Food for Waste and Urban Renewal.

The Department has been able to complete various projects around the province which range from tourism, agriculture, agri-processing and infrastructure. Examples of high impact projects include:

- Mandela Sculpture and Capture Site precinct development which as our third most visited site has won an award at the BUSA awards for best environment and heritage development project. The site is currently experiencing a R50-million development to be completed in August 2015. Its sculpture is now being showcased worldwide.
- Ilembe winery and vineyards as a partnership with Amakhosi of the Ilembe District.
- Fresh produce markets in Pietermaritzburg, Makhathini and Uthungulu.
- Tourism facilities upgrades such as KwaBulawayo, Isandlwana, Route 66, and Ntelezi Msane.
- Airport infrastructure upgrades in Margate, Newcastle, Ulundi, and Mkuze.

As outlined in the NDP, the country has set itself a target of creating six million jobs by year 2019 (EPWP Phase 3). Of this target, 2.1 million will come from the province of KZN. During Phase 2 of the programme (ending in 2014), the target is to create 4.5 million jobs by 2014. All 61 Municipalities have been successfully assisted with the signing of incentive grant agreements. In addition to this, Municipalities will be assisted to sign another set of protocol agreements to run for another 5 years (2019).

It is in this spirit of active engagement with our communities and their needs and aspirations that this Department is living up to its reputation as an agent of change in the lives of the people of KZN.

Overview of the financial results of the department:

Departmental receipts

Departmental receipts	2013/2014			2012/2013		
	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		-			-	
Casino taxes		-			-	
Horse racing taxes		-			-	
Liquor licences		-			-	
Motor vehicle licences		-			-	
Sale of goods and services other than capital assets		1 338			1 293	
Transfers received		-			-	
Fines, penalties and forfeits		-			-	
Interest, dividends and rent on land		27			1 549	
Sale of capital assets		2 863			-	
Financial transactions in assets and liabilities		3 242			4 736	
Total		7 470			7 578	

Programme Expenditure

Programme Name	2013/2014			2012/2013		
	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	304 199	303 746	453	298 078	298 049	29
Local Governance	224 739	222 739	2 000	183 050	182 089	961
Development and Planning	431 556	430 891	665	614 639	614 226	413
Traditional Institutional Management	285 848	285 120	728	220 360	220 186	174
Total	1 246 342	1 242 496	3 846	1 316 127	1 314 550	1 577

Reason for the virement was for the increase of:

- R155 000 against Compensation of employees in Programme 1: Administration in respect of backdated acting allowances for officials,
- R4, 343 million against Transfers and subsidies to: Households in Programme 1 for the expansion of the external bursary programme,
- R24, 484 million against Compensation of employees in Programme 2: Local Governance for salaries of the newly appointed 127 CDWs,
- R3 million against Transfers and subsidies to: Provinces and municipalities in Programme 2 in respect of 2011/2012 municipal excellence awards,
- R9, 721 million against Compensation of employees in Programme 3: Development and Planning for the payment of backdated acting allowances for officials, as well as officials being upgraded from levels 9 to 10 and 11 to 12, and back paid,
- R1 million against Transfers and subsidies to: Provinces and municipalities in Programme 3 for the sustainable living exhibition in eThekweni Metro and
- R19, 146 million against Compensation of employees in Programme 4: Traditional Institutional Management for the increase in the salaries of Izinduna and TC secretaries.
- A description of the reasons for unauthorised, **fruitless and wasteful expenditure** and the amounts involved as well as steps taken to address and prevent a recurrence.

Fruitless and wasteful expenditure	2013/14 R'000
Opening balance	1,150
Fruitless and wasteful expenditure – relating to prior year	5
Fruitless and wasteful expenditure – relating to current year	
Less: Amounts condoned	(1,150)
Less: Amounts transferred to receivables for recovery	
Fruitless and wasteful expenditure awaiting condonement	5

Analysis of Current year's fruitless and wasteful expenditure	2013/14 R'000
Incident Disciplinary steps taken/criminal proceedings	5
Total	5

- Gifts and Donations received in kind from non related parties

Name of organisation	Nature of gift, donation or sponsorship	2013/2014 R'000
RECEIVED IN KIND		
Destinations Travel	Accommodation vouchers (Municipal Excellence Awards) (No amount disclosed on the register)	-
Sigma IT	Umbrellas given to delegates at the function - R25 000	25
Isolezwe Newspapers	Advertising and print media campaign for Municipal Excellence Awards – R134 509	135
ESP Consulting	Accommodation vouchers handed to winners in the Voting Process – R25 000	25
Data World	Accommodation vouchers handed to winners in the Voting Process – R3 000	3
		188



MS. DN QHOBOSHEANE

HEAD OF DEPARTMENT FOR KZN COGTA



PART B: PERFORMANCE INFORMATION



1. STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION

GENERAL REVIEW OF THE STATE OF PERFORMANCE AND NON PERFORMANCE INFORMATION

During the year under review, 2013/2014 financial year, the number of performance targets contained in the APP has increased in the 13/14 FY with 66%, with the addition of 59 new or additional performance indicators, bringing it to a total of 175. The table reflects the performance as per the respective Programmes in the Department. The detail of each programme follows later in the report.

The M&E Unit studied the reports and consulted with various business units on the detail captured in reports and the supporting documents submitted. Reports are generally of a good quality and correspond well with the supporting documents received. At the close of the 4th quarter, the Department has achieved 92% (158/175) of its planned targets. The information on the targets achieved by the Department is listed in the performance review.

PROGRAMME 1

HUMAN RESOURCE MANAGEMENT

One Human Resource Plan was reviewed and implemented. Departmental Staff were provided with support through the Employee Assistance Programme as well as a number of training courses.

INFORMATION COMMUNICATION TECHNOLOGY

One Government Wide Enterprise Architect was developed and implemented.

FINANCIAL MANAGEMENT

The Department met its financial statutory reporting requirements. These included the Procurement Plan, In Year Monitoring Schedules and other reports required by the Provincial Treasury. Business units within the Department were supported to ensure that they achieve a 2% variance in their budgets. Two Supply Chain Management Plans i.e. the Procurement Plan and Asset Strategic Plan were reviewed and implemented.

AUXILIARY SERVICES

Four Departmental Programmes were supported with fleet management services. Vehicles were adequately and timeously maintained and GEOTAB was successfully implemented. All Departmental Programmes were supported with office services. Buildings were maintained at acceptable standards. Anomalies were attended to as soon as was practicable. Unfortunately certain buildings have inherent defects which can compromise certain aspects of the Occupational Health and Safety Act. These buildings will be replaced in the future.

CORPORATE COMMUNICATION

One communication Strategy was developed. Social Media (Twitter and Facebook) were updated as per departmental events. The Departmental electronic newsletter, Injobo, was forwarded to officials on a monthly basis during the financial year. All Departmental events were supported and the Departmental brand was managed. The Departmental website was managed through regular uploading of information on all departmental activities.

INTERNAL CONTROL

All audits planned for 2013/2014 Operational Plan was achieved. Four Quarterly Risk Management and Auditor General Action Plan Reports were compiled.

MONITORING AND EVALUATION

The Department produced its 2012/2013 Annual Performance Report. All Auditor General enquiries were attended to by providing them with the relevant evidence as requested. Four Quarterly Performance Reports were produced in line with the M & E Framework. All Business units were provided with support on the web based Monitoring & Evaluation System, Local Government Turn Around Strategy Database and Conditional Grants Register. One Monitoring & Evaluation policy was developed and approved. The 2014/2015 Departmental Annual Performance Plan was prepared in line with Treasury requirements and submitted to the Provincial Legislature by the required due date.

POLICY AND RESEARCH

Three Departmental policies were reviewed (Petty Cash, Asset Management and Cellphone and Wireless data Modems policies). Review sessions were held and all reviewed policies were approved and implemented by the Department. The Department packaged and initiated two research Projects. Research projects that were undertaken were for the Impact of Urbanisation and migration patterns on service delivery and the establishment of the learning Institute for traditional leadership in KwaZulu-Natal. One library survey was conducted and a Library Annual Report for 2013/2014 financial year was produced. The Departmental electronic library service was installed and launched. The system is fully functional and has been continually tested and monitored for functionality and accessibility.

PROGRAMME2

MUNICIPAL GOVERNANCE AND ADMINISTRATION

The Department established Focus Groups and Steering Committees to address issues raised by municipalities that are a part of the Local Government Turn-Around Strategy. Relevant Stakeholders met to discuss progress; challenges as well as support provided and support still to be provided. Twenty three municipalities have been provided support by business units and sector departments. The participation of municipalities with the LGTAS programme remains problematic. A strategy will be devised moving forward on how to deal with this.

Support in respect of By Laws, Council issues and Delegation issues were provided by the Municipal Governance and Administration unit. Site visits to municipalities were conducted to provide support and identify areas for support.

Three programmes were implemented to support the strengthening of local government legislation. The programmes implemented were:- the drafting of a discussion documents on local Government; Promulgation of standard by-laws, which was done in terms of section 14(2)(b)(i); submission of amendments to the National Legislative Framework.

Municipalities (Ethekwini, Umlalazi, Umdoni, Umvoti, Jozini, Maphumulo, Abaqulusi, Hlabisa, Edumbe, Uthungulu, Sisonke, Newcastle, Ntambanana, Mfolozi, Ndwedwe, Endumeni) who requested assistance were supported in terms of legal competency.

One Procedural Policy framework was developed and is being implemented in 5 section 139(1) intervention municipalities (Indaka, Imbabazane, Umvoti, Abaqulusi and Matubatuba).

District Inter-Governmental Relation (IGR) structures and systems (Amajuba, Ugu, Illembe, Uthungulu, Umzinyathi, Uthukela, Ethekwini, Uthunhulu, Umkhanyakude, Umgungundlovu) were supported to ensure functionality. A Diagnostic Assessment Tool was developed and distributed to Districts. Action Plans were developed and hands on support was provided. Support was provided to the respective municipalities through presentations to council, at strategic planning sessions and the formation of a core working group to implement IGR in the District. Eight platforms were established for inter-municipal cooperation. Summits held were as follows: Technical MuniMecs , Women's Dialogue, MuniMec and the Inter-municipal Co-operation Summit.

Sixteen municipalities were provided with support to implement functional Council Oversight structures. A survey which included assessing oversight structures was conducted (circular 9 of 2013). Municipalities supported included Abaqulusi, Dannhauser, Edumbe, Endumeni, Greater Kokstad, Ingwe, Imbabazane, Indaka, uMtubatuba, Uthukela, Umvoti, Ugu, Umhlathuze, Umhlabuyalingana, Umkhanyakude, Uphongolo.

Two formal councillor training programmes were conducted. Training has been conducted in 10 district municipalities.

MUNICIPAL FINANCE

The Department supported twenty municipalities (Indaka, Ukhahlamba, Umgungundlovu, Umshwathi, Illembe, Ndwedwe, Big 5 False Bay, uMtubatuba, Ntambanana, uMhlathuze, Ezinqoleni, Umzumbe, Umvoti, Umsinga, Emadlangeni, Newcastle, Greater Kokstad, Ingwe, Phongola and Abaqulusi) towards achieving unqualified reports. Support provided include: attending Finance Oversight and Operation Clean Audit meetings, tracking resolution of issues raised the Auditor-General, assistance with grant reconciliations, assistance with bank reconciliations, follow up on audit responses, asset verification and review of the Annual Financial Statements, Municipal Public Accounts Committee (MPAC) training, filling of CFO posts. Continuous support was provided through District Advisory Financial Forums, Audit Committee and Municipal Public Account Committee meetings.

Six municipalities, namely Ntambanana; Ugu DC; Edumbe; KwaSani; Abaqulusi and Hlabisa were supported with preparation of Annual Financial Statements and working paper files. All 61 municipalities submitted AFS to Auditor General by statutory deadline.

Umgungundlovu and Umshwathi municipalities were selected to be supported on the achievement of clean audits. Both municipalities have adequate controls in place to manage their affairs. Reconciliations of creditors, grants and bank statements were performed. Treasury support has been placed at Umshwathi municipality. Municipalities were assisted through regular fora whereby any requests for assistance were accommodated.

Simplified revenue plans for 3 pilot municipalities (Big Five False Bay, Mkhambathini, Uthukela) have been handed over to municipalities for implementation.

Ten municipalities (Mfolozi, Harry Gwala, Big Five False Bay, Umzinyathi, Uthukela, Vulamehlo, Impendle, Msinga, Greater Kokstad, Hlabisa) were consultation on expenditure management project. The project was implemented to address the issues raised by the Auditor General. The project was aimed at addressing deficiencies in the expenditure management environment in order to achieve a more sustainable and compliant management and control of expenditure. The project has yielded positive results.

A framework was developed to address unauthorised and fruitless expenditure. Eleven of the twenty targeted municipalities (Umgungundlovu, Big Five False Bay, Umvoti, Umshwathi, Uphongolo, Emadlangeni, Newcastle, Ezingoleni, Umuziwabantu, Ingwe, Ntambanana) responded to the invitation of support regarding the implementation of the framework.

Two reports were compiled and submitted, one on the state of municipal finances in terms of Section (131) of the MFMA and one on state of municipal finances in terms of Section (80) of the Municipal Property Rates Act (MPRA).

The Department supported twenty six municipalities (Umkhanyakude, Mandeni, Ugu District, uMlalazi, Ilembe, Maphumulo, KwaDukuza, Indaka, Endumeni, Mbonambi/Mfolozi, Uthukela, Umzimkhulu, Greater Kokstad, Zululand, uMngeni, Umgungundlovu DM, Nquthu, Newcastle, uMtubatuba, Abaqulusi, Umhlabuyalingana, Umzinyathi, Dannhauser, Sisonke, Nongoma, eMadlangeni) with the implementation of anti-corruption/fraud prevention strategies, Communication and a questionnaire to guide preparation for fraud risk assessment workshops were disseminated to the municipalities.

PUBLIC PARTICIPATION

A Ward Committee functionality assessment was undertaken on submitted functionality assessment tools and comments on the state of functionality provided to municipalities. The Ward Committee functionality tool was also reviewed for future use and all municipalities were workshopped on the new tool. Ward committee intervention strategies have been developed and signed by municipalities. Municipalities were supported with the roll-out of the Ward Committee Functionality Assessment tool and refinement of the Ward Committee Support Plans.

Municipalities were supported with the development of Community Participation Plans through a refresher workshop for internal officials on the customisation of the guidelines. Priority was given to LGTAS Municipalities and hands on support was provided in the form of sample plans, individual visits as well as the Assessment of Community Participation Plans. The war room functionality assessment tool was received and piloted in all war rooms where CDWs are deployed. A ward profiling framework was developed. The Department continuously supported the functionality of war rooms and war room support plans were developed to support functionality of the war rooms.

MUNICIPAL PERFORMANCE, MONITORING, REPORTING AND EVALUATION

The Department has provided support to twenty municipalities (Hlabisa, Indaka, Ingwe, Mandeni, Newcastle, Harry Gwala, Umkhanyakude, Nongoma, Nquthu, Ntambanana, Umzumbe, Uthukela, Uthungulu, KwaDukuza, Abaqulusi, Emadlangeni, Umvoti, Umdoni, Umgeni, Umshwathi) to develop functional Performance Management Systems. Diagnostic assessments were and Action Plans were drafted.

Support was provided as follows: alignment of IDP, Scorecards, and Departmental Scorecards to allow municipalities to address amendments during the mid-year review.

The same twenty municipalities were also supported to develop and submit annual performance reports in terms of Sec 46 of the MSA. Municipalities were supported with the preparation of Annual Performance Reports, reporting on standardised templates and conducting quarterly reviews. District Technical Advisory Committee meetings were held to support all municipalities on various issues. Sixty One Municipal Reports were collected from municipalities and the Consolidated Annual Municipal Performance Reports was prepared. The Municipal Excellence Awards ceremony was held on 31 October 2013. Winning municipalities received grant of R1 million each.

PROGRAMME THREE: DEVELOPMENT AND PLANNING BRANCH

DEVELOPMENT INFORMATION SERVICES

The 2013/2014 Mobile Geographic Information System(GIS) Development Programme was developed and the Mobile GIS Conceptual Framework was established. One Information Communication and Technology (ICT) framework for supporting web enabled Mobile GIS Applications was also established and configured.

One GIS programme was developed and implemented to support spatial analysis of priority capital investment projects for the Department.

The ten districts and one metro were supported with spatial analysis of infrastructure and services backlogs (electricity, water and sanitation). Census data was downloaded at Provincial and District levels and analysed. Spatial and tabular reports were compiled and disseminated to 10 Districts and 1 Metro. Datasets were collected and processed and spatial and tabular reports of backlogs for households, schools and clinics at Municipal level were also completed.

Five Provincial and Departmental initiatives were supported with management of spatial information. These initiatives included Public Participation, Provincial Spatial Economic Development Strategy(PSEDS), Disaster Management and Municipal Plan. A Comprehensive strategy was developed and implemented.

The Department provided support to ten Development Planning Shared Service Centres. Municipal GIS meetings were convened to discuss the 2013/2014 GIS operational plan. Municipal property update is in progress. One Spatial Development Framework (SDF) mapping framework was compiled, cadastral data captured for 45 municipalities and spatial linkage of 4 municipal valuation rolls & cadastral layers was processed.

A system was established to integrate provincial and municipal spatial data. A web GIS integration strategy was developed. Five Municipal web pages was developed and 1 web data access point was been updated.

SPATIAL PLANNING

The Department has supported thirty municipalities to produce legally compliant Spatial Development Frameworks (SDFs). Hibiscus Coast, Ugu and Vulamehlo were supported with developing a Densification Framework. One Draft reports has been produced in respect of Spatial Development Framework compliance [incl SDF alignment with PSEDS]. Six spatial planning initiatives were undertaken. These included the Bergville Urban Design Framework, Okhahlamba Drakensberg Corridor Study, Spatial Planning Training, Partnership with Planning Schools, Identification and allocation of land for learner driver training, Regional Capital Investment Framework. Additional initiatives were: Identification & planning for a suitable site for possible relocation of floods victims in Tugela Ferry and Rural Signage, Hierarchy of provincial nodes and Applied Population and Development Post-Graduate Training Programme.

One Draft report was produced in respect of Provincial scheme compliance framework.

LAND USE MANAGEMENT

In the course of 2013/2014 financial year the Land Use Management Benchmark and Toolkit was finalized. Land Development Applications were monitoring on an ongoing basis. Municipalities were evaluated and supported and an Annual Monitoring Benchmark report was produced. The Municipal Support Programme for 2013/2014 was developed and implemented in ten municipalities. A Norms & Standards Programme was developed.

LOCAL ECONOMIC DEVELOPMENT: SPECIAL INITIATIVES

During the financial year R 70, 7 million was used to support multi-year approved interventions in respect of catalytic projects (aligned to Provincial Growth and Development Plan (PGDP) economic cluster priorities). Funding for the new projects to be supported approved in the 13/14 FY will only be transferred after May 2014.

Priority support in terms of strategic infrastructure projects was identified. Meetings were held with municipalities and critical nodes for urgent support was identified through the Provincial Spatial Economic Development Strategy (PSEDS) and confirmed through the Provincial Growth Development Plan (PGDP) process. Municipalities in the priority nodes were supported to package projects to be considered for support. The Corridor Development Programme budget was cut and therefore there was no funding available to support new interventions.

The Department participates in Strategic Infrastructure Programme (SIP) 2, 11 & 16. A suitable consultant was appointed to develop the plan/study. The second corridor plan (N2 Corridor Study) was driven by uThungulu Municipality.

Three hundred and twenty eight (328) direct employment opportunities were secured through corridor projects implementation. The Department supported three municipalities to implement Urban Renewal Framework Plans (Msunduzi, Umdoni, Hibiscus Coast). Transfers were made to two beneficiary municipalities (Mandeni and uMtshezi) in respect of green initiative projects facilitated in response to climatic change.

Four hundred and seventeen (417) direct employment opportunities secured through small town rehabilitation projects implementation.

Six rural nodes were supported for revitalization to attract investment and regenerate the economy. Ongoing support for multi-year projects was provided to the following municipalities: Umuziwabantu, Impendle, Richmond, Umtshezi, Abaqulusi, Mandeni, Greater Kokstad, Ubuhlebezwe and UMzimkhulu.

Districts were supported to ensure that Local Economic Development (LED) Forums were functional. A framework was put in place to assist the District Municipalities revive the LED Forum. Support was provided by regional managers to the 10 districts namely Ugu, Harry Gwala, iLembe, Umgungundlovu, Umzinyathi, Uthukela, Uthungulu, Umkhanyakude, Amajuba and Zululand. All districts have a platform to discuss LED. These are either stand-alone structures or part of Development and Planning forum.

Two Local Economic Development Capacity Building Programmes were rolled out to municipalities. A Development Agency Workshop and Project Management Training were implemented. All districts were assessed and supported to align Local Economic Development Plans to the PGDP and PSEDs.

Local Economic Development initiatives were facilitated in partnership with the Local Houses of Traditional Leadership. Two projects are under implementation at Uthukela and Msinga, while one additional project for essential oils in Ntambanana was approved via the municipality. One Provincial LED Summit was facilitated in the financial year. Five Local Economic Development Summits were facilitated in partnership with District Houses of Traditional Leadership. Summits were held with Uthungulu, Umkhanyakude, Harry Gwala, Umgungundlovu and Ugu.

LOCAL ECONOMIC DEVELOPMENT: COMMUNITY SERVICE CENTRES

Two municipalities (Abaqulusi and Umfolozi) were supported with Grade 1 level Community Service Centre (CSCS) establishment established in line with CSC Framework. Five projects (Amahlubi, Kwambonambi, Biyela, Xulu & Ngwenya) were supported with Grade 2 level Community Service Centre (CSCS) establishment established in line with CSCS Framework. A total of twenty seven Community Service Centres were refurbished and maintained.

Support was provided to eight municipalities in respect of Community Service Centre operations to enable functionality. Municipalities supported included Umkhanyakude, Umhlabuyalingana, Ethekeeni. Jozini, Hibiscus Coast, Uphongolo, Ubuhlebezwe and Vulamehlo. Ten district Community Service Centre gap analysis reports were developed.

Two hundred employment opportunities were created through the implementation of the Community Service Centre programme.

LOCAL ECONOMIC DEVELOPMENT: COMMUNITY WORKS PROGRAMME (CWP) AND EXPANDED PUBLIC WORKS PROGRAMME (EPWP)

During the financial year twenty nine municipalities (Umhlabuyalingana, Mtubatuba, Jozini, uPhongola, Nongoma, Msunduzi, Mkhambathini, Impendle, Okhahlamba, Ndaka, Mtshezi, Msinga, Nquthu, Emadlangeni, Dannhauser, eDumbe, Abaqulusi, Nkandla, uMlalazi, Ntambanana, Maphumulo, Ndwedwe, Vulamehlo, Muziwabantu, Ezinqoleni, Umzumbe, Ingwe, Ubuhlebezwe, uMzimkhulu) were supported with the implementation of CWP with the inclusion of traditional communities in at least 2 wards per municipality. Reporting structures were established and are functional.

Thirty four thousand eight hundred and twenty nine work opportunities were created through CWP also benefiting traditional communities.

Twenty nine CWP site business plans were developed and signed off by municipalities. These were submitted to Department of Co-operative Governance (DCOG) for approval.

An assessment of CWP reference committees was conducted to determine functionality. Workshops were conducted with non-functional reference committees. Twenty nine reference committees are in place.

The Department conducted an impact assessment regarding the implementation of the Food for Waste Programme (FFWP). Eight Municipalities implemented the Food For Waste programme in the 13/14 financial year, these are eThekweni Phase 1 and Phase 2, Mandeni, Mthonjaneni, Nquthu, Mzimkhulu, Mbabazane, Buhlebezwe and Msinga.

Eight hundred and ninety accumulative work opportunities were created through the Food for Waste (FFW) Programme.

Thirty nine municipalities were supported with the preparation of EPWP policies. The annual target of eleven policies was over-achieved as thirty one Municipalities. The target was over-achieved after the Expanded Public Works Programme unit, Public Works and the Department of Transport formed a provincial task team to fast-track policy development in Municipalities. All 61 Municipalities were provided with support in respect of the signing of EPWP protocol and incentive agreements. All have signed protocol agreements in place. All 61 Municipalities were supported to report on EPWP work opportunities and all now have put systems in place for continued reporting

Forty six projects were registered in the EPWP MIS and the municipalities were workshopped on EPWP expectations. One thousand six hundred and eighty nine work opportunities were created through COGTA funded projects. The work opportunities were created through the following COGTA programmes: Massification, Disaster, Community Service Centres/Traditional Authority Councils, Local Economic Development, Corridor Development and Small Town Rehabilitation.

Fifty Seven Municipalities were supported on reporting and accessing incentive grants. Roadshows were conducted in all districts to establish EPWP district forums or EPWP district steering.

MUNICIPAL INFRASTRUCTURE

Project Steering Committees were established to support the development of Universal Access Plans (UAP). Consultation sessions with Water Service Authorities (WSA) were conducted. Inter-Governmental Relation (IGR) forums were used per district to discuss UAP in further details. A workshop was conducted to share information, lessons learnt and align processes with Department of Water Affairs (DWA), Umgeni Water and CoGTA. The Census 2011 data was analyzed paying specific attention to backlogs in water provision. Ten Universal Access Plans have been produced.

Support was provided to municipalities on an ongoing basis through formal workshops and meetings in respect of the development of infrastructure implementation plans.

Six infrastructure development co-ordinating forums were held. Forums were held in the following districts: iLembe, Ugu, Sisonke, uThukela, uMzinyathi. The forums held were: Water Forum, Energy Forum, Infrastructure Development and a Water, Sanitation and Energy Forum. Forum Stakeholder representatives included Department of Water Affairs, Department of Human Settlements, Department of Education, Municipalities, Eskom & CoGTA. Twenty Eight municipalities were supported on Municipal Infrastructure Grant (MIG) Implementation. Ten District Municipalities and four local municipalities were supported on the implementation of the Massification programme. Support was provided in the management of Massification Projects.

MIG and Municipal Information System (MIS) training programme was developed and training conducted in Umshwathi, Uthungulu, Kwadakuza, Harry Gwala, Ubuhlebewe, Kokstad, Umzimkulu, Dannhauser, Phongolo, Ntambanana, Ugu, Mpofana, Mhlabyalingana, Impendle, Mkhambathini, Ingwe, Uthukela, Kwasani and Richmond.

DISASTER MANAGEMENT

The Department conducted workshops on risk profiling. Data was collected from municipalities and a Provincial Risk profile and Trend analysis report was produced. Provincial Contingency Plans (winter, summer, Events etc.) were developed and implemented. The plans were distributed and workshopped to all stakeholders.

The Cabinet Sub-committee on Disaster Management committee met during their visit to the USA for the discussion regarding the 911 Fund. The focus was on the development of firefighting capacity in the province, and to support municipalities to meet the minimum requirements. Provincial Disaster Management Advisory Forum meetings were held on a quarterly basis for sector co-ordination. Joint Operations Committee meetings were also activated in response to predicated risks and incidents.

Ten Districts and the one Metro Disaster Management Advisory Forums were supported for effective coordination of disaster management at municipal level. The Provincial Disaster Management Centre underwent refurbishment. This is due to be completed in the next financial year. Sector Departments were supported through workshops on Departmental Disaster Risk Management Plans. Preliminary draft disaster management plans were presented and further support was provided for departments to refine and improve their plans.

The Provincial Disaster Management Centre (PDMC) participated at the Integrated Development Plan (IDP) reviews and gaps were identified. Gaps were compiled in a report and circulated to municipalities. The PDMC provided technical support to municipalities to prepare their draft Disaster Management Sector Plans for the next year's IDP review. Two municipalities (Harry Gwala and Ugu) were supported with grant funding for a district Disaster Management Centre.

Technical support was provided to the ten districts and the one metro for operationability of district Disaster Management Centres. Workshops were held in all ten districts and the one metro with various structures as part of mainstreaming Disaster Risk Management.

An assessment was conducted on Disaster Risk Management (DRM) volunteers within the province and the status quo report was prepared. Municipalities were workshoped on the volunteer strategy to ensure that they were capacitated and understood the recruitment process. Training of volunteers took place in all ten districts and the one metro

A Weather Intelligence System Standard Operating Procedure (WIS SOP) and early warning systems was developed. All relevant stakeholders were workshoped on it and additional input was sourced from stakeholders. The final SOP was distributed to all disaster management stakeholders for implementation in their respective institutions, implementation is being monitored on an ongoing basis.

Winter and Summer Season Awareness Campaigns were held. The PDMC conducted district workshops as part of raising awareness especially to municipal councilors and other structures. Workshops were held in all ten districts and the 1 Metro. The overall outcome of these workshops and other awareness campaigns informed the report on the Provincial awareness Campaigns

All municipalities were supported with mobilization of emergency relief measures. Needs analysis were conducted and an action plan on the distribution of stock was developed. Stock was distributed to municipalities and additional stock was procured for storing at the Provincial storeroom.

The 2012/2013 Provincial Annual report was submitted to the National Disaster Management Centre (NDMC). On a monthly basis municipalities were requested to submit input that will form part of the 2013/2014 Annual report.

IDP CO-ORDINATION

The Provincial IDP Management and Support Plan was compiled adopted. The Plan was circulated at the IDP Indaba on 27 September 2013. A Draft IDP assessment done and feedback presented. Grant funding for the segmentation model was transferred to Uphongolo, Umzimkhulu, Imbabazane, Umuziwabantu, Mandeni, Impendle, Big Five False Bay, Nquthu and Umlalazi.

IDP alignment sessions were conducted between Sector stakeholders and Municipalities in the ten Districts and one Metro to encourage Sector Departments to align their programmes and budgets with municipal IDPs. Ten Municipalities were supported (Umthshezi, Umshwathi, Endumeni, Dannhauser, Richmond, Uthukela, Imbabazane, Mpofana, Umzimkhulu and Jozini) with capacity building initiatives.

Twelve Departments were identified for support with IDPs. The following Departments have been trained: Public Works, Water Affairs, Rural Development and Land Reform, Human Settlements, Treasury, Arts and Culture, Economic Development and Tourism, Transport, Eskom, KZN CoGTA units, Umngeni Water, SANRAL and Justice.

The ten Districts and one Metro were supported to maintain planning capacity in the form of District Development Planning Shared Services (DPSS). DPSS Reports were produced on a quarterly basis.

The ten Districts and one Metro was also supported on District Growth and Development Plans and reports produced on a quarterly basis.

Fifty Seven Municipalities were supported on reporting and accessing incentive grants. Roadshows were conducted in all districts to establish EPWP district forums or EPWP district steering.

PROGRAMME FOUR: TRADITIONAL AFFAIRS BRANCH

TRADITIONAL INSTITUTIONAL ADMINISTRATION (GOVERNANCE AND FINANCE)

Two hundred and fifty seven Traditional Administrative Centres movable asset registers were verified and updated. The Annual Consolidated Financial Statements for three hundred Traditional Councils were prepared and submitted to the office of the Auditor General by 31 May 2014. Two hundred and ninety two Traditional Councils were supported to implement the financial management practice notes. Support was provided through workshops, compliance audits, spot checks and compliance assessments

Workshops were conducted in fifty one Traditional Councils as part of the implementation of the Governance Manual. During the 2013/2014 financial year five Amakhosi were installed and nine Amakhosi were recognized. The Dispute Resolution and Conflict Management framework was implemented and reports were produced on a quarterly basis.

TRADITIONAL RESOURCE ADMINISTRATION

Twenty five Amakhosi were identified for the Leadership Programme. Amakhosi on Basic Leadership programme: 2013 completed their 7 block sessions. Amakhosi on Advanced Programme have completed 2013 block sessions and are awaiting the 2014 sessions from UKZN. Twenty Four Amakosi graduated from the Leadership Programme.

Workshops on the Functionality of Houses were conducted with the ten Districts and one Provincial House. The twenty five Amakhosi on the Leadership Programme attended a Computer Training Facilitated by SITA.

The Department of Human Settlements was identified to facilitate workshops for Traditional Councils. The Programme that was identified was the Rural Housing Workshop. The ten Districts and one Provincial house have been trained.

RURAL DEVELOPMENT FACILITATION

The names of AmaKhosi were published as per Gazette No. 49 of April 2013 for 58 municipalities (20 for the previous financial year and 38 for the current financial year totaling 58 out of 61 municipalities). The three excluded municipalities, Kokstad, KwaSani and Endumeni, do not have recognized traditional leaders. Section 81 Steering Committee meetings were held on financial Support to Municipalities as well as to discuss and identify relevant Chapters for the training of Amakhosi. Governance workshops in respect of Code of Conduct and Generic Rules and Orders were conducted. Governance Induction sessions focusing on the Rules and Orders and the Code of Conduct for Councilors were facilitated.

Project Steering Committees were established to support development initiatives in Traditional communities. Projects were identified by the Empangisweni, Abambo & Sokhulu. They were supported to develop business plans. Action plans were prepared for each project as part of the Business Plans. The project statuses are as follows: Empangisweni Project - Fencing of site by ADA is at 20%, laying of pipes for the irrigation system is at 65%, Sokhulu Project- COGTA Land Admin has finalized the site survey layout map. Draft (TOR) to appoint a service provider has been prepared and submitted to all stakeholders.

Twelve Social Cohesion conversations were achieved. Social Cohesion community conversations were held in Pongola (Belgrade), UMzinyathi x2, UThungulu x2, uThukela, Ugu x2, Amajuba, Ethekwini, Ilembe, Umgungundlovu and Zululand. 5 Additional Social Cohesion conversation (Vusisizwe) District roll-out events in partnership with DSD were also held in Ugu, Zululand, Amajuba and Harry Gwala x2.

TRADITIONAL LAND ADMINISTRATION

Capacity Building Programmes were undertaken to support Traditional Councils(TC) with Land Allocation processes. Cluster workshops were conducted in Nzimakwe TC, Umuziwabantu LM and Nxamalala TC. Two hundred and eighty eight Izizwe were supported with alignment of land allocation processes to Municipal Land Use Management systems. One thousand six hundred and fifteen land rights applications were processed. Forty six Izizwe with Izigodi was surveyed. Two hundred and ninety seven Izizwe were covered in the collection of land utilization information towards the development of a database.

Services rendered by the Department

The Department rendered the following services during the year under review:-

- Formulate and administer legislative and policy framework in respect of local government and traditional institutions;
- Monitor and support the finances, governance and broader service delivery by municipalities and traditional institutions;
- Build capacity and provide hands on support to municipalities especially the poor and under capacitated municipalities and institutions of Traditional Leadership
- Provide support to the municipalities, specifically on the implementation of Municipal Property Rates Act.
- Promote informed and structured integrated planning and development;
- Implement legislation applicable to the institution of Traditional Leadership and to land under management of Traditional Leadership; and
- Promote synergy between municipalities and institution of Traditional Leadership on land use and development.
- Implement transformation of Traditional Institutions
- Facilitate development and functionality of Community Services Centres

- Monitor functioning of Community Development Workers (CDWs)
- Manage rural and urban development
- Monitor delivery of basic services to community
- Assist Amakhosi with the implementation of the Rural LED programmes
- Monitor public participation and community empowerment in service delivery,
- Providing support to Municipalities and Traditional Leaders on Disaster Management issues

Free Services

The services rendered by the Department, in terms of its core functions, are mandated by legislation and are related to constitutional obligations and are therefore provided free of charge, to both municipalities and traditional institutions.

Capacity issues within the Department

The Department is left with only 10 SMS members' positions that have not been filled. The Department has been able to reach a target of 1.4% target of disabled people. Capacity within the Department has improved. This is confirmed by the Department having been able to achieve 92% of our APP targets and also being able to spend 99.7% of our budget. To augment our capacity to ensure the provision of integrated service delivery, the services of the Project Management Units, Governance and Financial Experts shared services have been procured. These will assist the Department in ensuring that our Departmental transfers to Municipalities are properly monitored and implemented.

Capacity has been improved in the Financial Management to enhance controls and segregation of duties in order to ensure compliance with Public Finance Management and Treasury Regulations in all transactions that the department gets into. The appointment of Senior Manager: SCM assisted in ensuring that the SCM policies are complied with.

The greatest challenge that municipalities still face, remains the development of infrastructure towards service delivery. The lack of credible information with regards to universal access is still a challenge. Municipalities are also not planning for the implementation of infrastructure projects appropriately. The three year MIG commitment is still a challenge.

1. Utilisation of donor funds

The Department did not get any donor funding during the year under review.

2. Trading entities and public entities

Umsekeli

The passing of the KwaZulu-Natal uMsekeli Municipal Support Services Ordinance Repeal Act No. 3 of 2011, on the 15th of November 2011, has provided for the repeal of the uMsekeli Municipal Support Services Ordinance (1941) and to provide for matters connected therewith. It has to be noted that in terms of Section 3 (3) of the KwaZulu-Natal uMsekeli Municipal Support Services Ordinance Repeal Act No. 3 of 2011, 'The Department (as defined in Paragraph 1 - Definitions) is, in receipt of the assets, liabilities, rights, duties and obligations and funds referred to in subsection (2), of the act for all purposes the successor-in-law of the disestablished uMsekeli, including the Board and the Management Body referred to in subsection (1)' of the act. The resultant effect of the passing of the KwaZulu-Natal uMsekeli Municipal Support Services Ordinance Repeal Act No. 3 of 2011, on the 15th of November 2011 - inter-alia, has been the honouring of uMsekeli's Medical Aid Obligations i.e. the 2/3rd company portion. The department has made a provision for the current year in this regard and shall review its obligation annually to ensure that adequate funding is available for the honouring of this obligation.

KwaZulu-Natal House of Traditional Leaders

The passing of Traditional Leadership Framework Act (2003) as amended, as well as the Traditional Leadership and Governance Act (Act 5 of 2005) resulted in the transformation of the institution of traditional leadership, which saw the establishment of the Provincial House, the Local Houses of Traditional Leaders and Traditional Councils as part of the transformation process that sought to democratize the institution and align it to other democratic structures of government. The KwaZulu-Natal House of Traditional Leaders however is in the process of being de-listed as a Public Entity listed in Schedule 3 of the Public Finance Management Act.

As a result this has placed additional capacity and support requirements on the department to ensure effective transformation and smooth transition to democratic principles. In response, the Department, has established eleven districts offices to support these structures and has further developed partnership with the University of KwaZulu Natal and University of Zululand to develop a dedicated capacity building programme for Traditional Leadership.

The Department continues to promote the synergic relationship between the municipalities and the traditional councils in the planning and development of areas under the jurisdiction of the traditional councils programmes such as LUMS, IDPs and others.

3. Organisations to whom transfer payments have been made

Transfers were made to relevant municipalities in terms of the Division of Revenue Act for the following projects:

- Massification
- Implementation of principle of good governance for municipalities
- Rehabilitation of Small Towns
- Implementation of the Municipal Finance Management Act no 56 of 2003
- Implementation of the KwaZulu Natal Pounds Act
- To promote investment through Corridor Development particularly on the municipalities located along the primary and secondary provincial corridors;
- For capacity building and development planning support; and
- For Disaster Management

4. Public Private Partnerships (PPP)

The department did not pursue any public / private partnerships during the financial year ended 31 March 2014.

5. Corporate governance arrangements

The Sub-directorate: Internal Control makes use of a customised Control and Risk Self Assessment module to conduct risk assessments within this Department. The risk criteria / risk types for these risk assessments were set by management and include financial risks, administrative risks, asset risks, equipment risks and documentation risks.

All Chief Directorates, where potential risk are more likely to occur, were identified and an annual risk assessment plan was recommended and approved for execution.

The department continues to implement an integrated risk management approach and a common risk management methodology which is to be adopted by all members of staff, thereby involving the entire department's staff in the corporate governance issues.

Internal Control Sub-directorate has conducted audits into department administration compliance, traditional councils, grants paid to municipalities, value-for-money on Integrated Development Initiative grants, payments for suppliers and Human Resources activities, where the controls that exist in the department were tested for effectiveness and efficiency.

6. Discontinued activities/activities to be discontinued

The department has no discontinued the activities during the year under review other than the continuation of the winding up processes of the entities as highlighted above.

7. New/proposed activities

The department aims to use the momentum from the previous financial year of municipalities whereby there was significant improvement in the number of unqualified audit opinions achieved by the municipalities topped with the record breaking achievement of five clean audits. This momentum will be used to improve municipal audit outcomes. The Department will continue to provide technical hands-on support to municipalities in developing individual audit response plans to address issues raised by the Auditor-General and Programmatic support to address common audit shorting comings such as debt and asset management. The joint support programme developed with Provincial Treasury will ensure that municipalities are provided with the necessary support to improve the audit outcomes.

The Department will with even more vigour implement the Municipal Turn-Around Strategies (MTAS). The support to the National Department of Co-operative Governance on the roll out programme of the Municipal Infrastructure Support Agency (MISA) will also be intensified in the 23 identified municipalities.

In order to support municipalities and stakeholders and to share best practices the concept of shared services will be pursued in respect of the following: To support municipalities in exercising their legislative authority and with general municipal legal matters, the Department in conjunction with SALGA KZN will continue to support the district shared legal service in the form of a Municipal Legal Forum.

This shared service will support councils in undertaking their legislative competence, which to date has been neglected.

The Department will continue to support municipalities with recruiting staff that meet the minimum competencies for senior managers, senior managers who are not politicians and who are not convicted of criminal activities.

The establishment of the Water and Energy Forums will continue to ensure the implementation of water and energy programmes in an integrated manner promoting the creation of sustainable human settlements. These Forums have been extended to the district municipalities as well. These forums will enhance and ensure coordination of water and energy delivery in KwaZulu-Natal. Closer working relationships with the Department of Water Affairs, Energy and Eskom have assisted in ensuring that the challenges related to service delivery will be addressed in an integrated manner. Some of the joint programmes implemented by ourselves and Department of Water Affairs include the provision of water to UMkhanyakude District Municipality, uThungulu District Municipality and uThukela District municipality. The Department will speed up the phasing out of the retail function for uThukela Water and ensure that the Water Services providers swiftly take over the function. The Department will continue to provide support to the municipalities during this transition period.

The Provincial Disaster Management Centre will continue to provide intervention support to the first line clients, being the municipalities, to deal with the disaster management issues and associated implications. Disaster mitigation and contingency plans to support municipalities to deal with the effects of climate change will be improved. This will include participation in climate change council and implementing the outcomes thereof. Awareness campaigns and interventions will be concentrated in low-lying areas that are in the flood plains. Campaigns on evacuation and re-settlement issues will be implemented to educate people from the various district municipalities. Provincial Disaster Management will actively engage the Departments of Human Settlements, Health, Transport and Education as well as municipalities on the reconstruction of damaged houses, schools, hospitals and infrastructure.

The implementation of Section 81 has been hailed as a success for both the institution of Traditional Leadership and Municipalities to engage in a formalised environment on issues of service delivery enabling traditional leaders to undertake their developmental role effectively and not to be the passive recipients of services. Selected Amakhosi who serve in the various municipalities will be provided capacity building programmes so that they can play a meaningful role through their participation.

Social and economic infrastructure is an integral part of the medium term strategic framework as encapsulated in the State of the Nation and State of the Provinces Addresses (2012-2015). In this context, the Department will facilitate the implementation of the hierarchy of Community Service Centres (CSCs) in line with the province's aligned approach towards service delivery. Infrastructural developments in terms of the CSC concept will inter-alia contribute towards the restoration of the dignity of traditional leadership through the provision of dignified accommodation. The institution of traditional leadership has in the past not received the respect and dignity it deserves therefore the Department will intensify capacity building programmes for the institution of Traditional Leadership.

The Department will provide support to municipalities to ensure proper involvement of communities in decisions that affect their lives as per Chapter 2 and 4 of the Municipal Systems Act. The Department piloted a survey on how municipalities are performing their public participation requirements in the Sisonke District family of municipalities. The results of this survey indicated a need for the provision of more hands on support to municipalities to enable them to carry out these requirements. The department has further finalised the revision of the Community Participation Framework which will now ensure proper implementation of the framework.

Amongst the activities that the Department will undertake to improve municipal engagement of communities, will be supporting municipalities with the development of Ward Based Plans where Community Development Workers (CDWs) are deployed. The department will continue supporting municipalities with development of ward committee support plans and the development and implementation of community participation plans as required by Chapter 2 and 4 of the Municipal Structures Act. Central to the deserving community members of our communities receiving government services are the government cadres, living within the communities. It is for this reason that CDWs have been integrated in the Provincial War on Poverty (Operation Sukuma Sakhe). As part of their work, the CDWs will continue to anchor the war rooms within their wards and ensure their continued functionality.

The Department has initiated a Policy and Research Directorate aimed at providing strategic direction for the Department's Research agenda that will provide empirical evidence to support government's policies that guide service delivery.

The Department will continue to ensure efficient and effective implementation of the Provincial Massification Fund entrusted to the Department, as well as the management of the Municipal Infrastructure Grants will move towards improving service delivery.

The Department will also continue to ensure the creation of decent employment opportunities and the provision of sustainable local economic development opportunities through the Small Town Rehabilitation and Corridor Development Programmes.

8. Asset management

9. Inventories

10. Events after the reporting date

There are no significant events affecting the Annual Financial Statements that took place after the reporting date.

11. Information on predetermined objectives

The department's Monitoring and Evaluation continues to interrogate the performance information. Information submitted has to be supported by credible evidence. The targets can either be achieved or not achieved. Business Units had put in place remedial action to ensure that the targets are met. During the year under review the departments used Monitoring and Evaluation unit with the office of the Chief Financial Officer to interrogate evidence of performance for validity, accuracy and completeness in order to be satisfied that the evidence is a true reflection of the performance claimed. The findings and shortcomings on evidence are discussed with the business unit concerned in order to revise the performance report which is then presented to department's EXCO for endorsement.

The Monitoring and Evaluation unit then collate the performance information based on the recommendation of the EXCO in order to paint a consolidated picture of the department's performance on a quarterly basis. The monthly reports are submitted on the 7th of every month using a monthly monitoring tool that has been developed.

12. SCOPA resolutions

During the year under review all the resolutions that were raised by SCOPA were tabled and debated with satisfactory answers being provided on traditional levies trust account financial statements. These are listed below:

The Accounting Officer has been in constant engagements with Auditor General in finding solutions to improve issues that have been raised. This has resulted in significant improvements on the issues raised by Auditor General over the past three years. Below is the summary of issues reported in audit reports for 2010/11, 2011/12 and 2012/13.

Financial Years	2010/11	2011/12	2012/13
Type of Audit Opinion	Qualified	Qualified	Qualified
Basis for Qualified Opinion	<ul style="list-style-type: none"> • Moveable Assets not Accounted for in AFS • Immovable Assets not accounted for in AFS • Irregular expenditure • Revenue Completeness due to a technical interpretation of GRAP standards • UMzimbhulu Tribal Authorities • Suspense Accounts not cleared 	<ul style="list-style-type: none"> • Immovable Assets not Accounted for in AFS • Revenue Completeness due to a technical interpretation of GRAP standards 	<ul style="list-style-type: none"> • Revenue Completeness due to a technical interpretation of GRAP standards

It is to be noted that on the 2012/13 Audit Report, the basis for qualified opinion was only on the issue of revenue completeness due to a technical interpretation of the reporting framework used i.e. Generally Recognised Accounting Practice (GRAP).

The inappropriateness of GRAP as a reporting framework for Traditional Levies and Trust Account has always been an issue of concern.

The Accounting Officer has further engaged KwaZulu-Natal Provincial Treasury and Office of the Auditor General on the matter wherein Provincial Treasury has agreed in principle to consider granting the Traditional Levies and Trust Account full exemption or revenue based directive on GRAP compliance.

However, it is to be noted that:

- a) This matter should be finalised at a meeting to be held between the Office of the Auditor General, KwaZulu-Natal Provincial Treasury and COGTA, scheduled to take place on the 14th of October 2013.
- b) Had the Traditional Levies and Trust Account been granted exemption from compliance with inappropriate reporting framework (GRAP), the resultant technical qualification on revenue completeness could have been eliminated and the results thereof would have been an unqualified opinion.

13. Prior modifications to audit reports

14. Exemptions and deviations received from the National Treasury

No exemptions nor deviations were received from the National Treasury

15. Other

There are no other matters to report on for the 2012/13 financial year.

16. Approval

The Annual Financial Statements set out on pages 128 - 185 have been approved by the Accounting Officer(s).



Ms DN Qhobosheane

Head of Department

31 May 2014

AUDITOR GENERAL'S REPORT

REPORT OF THE AUDITOR-GENERAL TO THE KWAZULU-NATAL PROVINCIAL LEGISLATURE ON VOTE NO.11: DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Department of Co-operative Governance and Traditional Affairs set out on pages 129 to 186 which comprise the appropriation statement, the statement of financial position as at 31 March 2014, 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 the financial statements in accordance with the Modified Cash Standard as prescribed by National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999)(PFMA) and Division of Revenue Act of South Africa, 2013 (Act No. 2 of 2013) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004)(PAA), the general notice issued in terms thereof and 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 Department of Co-operative Governance and Traditional Affairs as at 31 March 2014 and its financial performance and cash flows for the year then ended, in accordance with the Modified Cash Standard as prescribed by National Treasury and the requirements of the PFMA and DoRA.

Additional matter

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

Unaudited supplementary information

8. The supplementary information set out on pages 179 to 186 do not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

9. In accordance with the PAA and the general notice issued in terms thereof, I report the following findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation as well as 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

10. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2014:

- Programme 2: local governance on pages 46 to 53
- Programme 3: development and planning on pages 54 to 78
- Programme 4: traditional institutional management on pages 79 to 86

11. I evaluated the reported performance information against the overall criteria of usefulness and reliability.

12. 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 (FMPPi).

13. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

14. I did not raise any material findings on the reliability and usefulness of the reported performance information for the selected programmes.

Compliance with legislation

15. I performed procedures to obtain evidence that the department had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Annual financial statements

16. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1)(a) of the PFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Human resource management and compensation

17. Employees were appointed without following a proper process to verify the claims made in their applications, contrary to the requirements of public service regulation (PSR) 1/VII/D.8.

18. Employees received overtime compensation in excess of 30% of their monthly salaries, contrary to the requirements of PSR I/V/D.2(d)

Internal control

19. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the financial statements, findings on the annual performance report and the findings on non-compliance with legislation included in this report.

Leadership

20. The accounting officer did not ensure the accuracy and completeness of the financial statements before submission for audit and there was late response in implementing processes to verify the claims made by employees in their applications for employment.

Financial and performance management

21. The financial statements submitted for audit contained material misstatements that were corrected. This was mainly due to staff members not fully applying the requirements of the financial reporting framework as management did not provide comprehensive training on the new financial reporting framework. In addition there was material non-compliance with laws and regulations that was not prevented or detected by the internal control system of the department due to slow response by management identifying emerging risks.

Investigations

22. The directorate of priority crime performed an investigation, at the request of the department, which covered the period 1 July 2010 to 31 March 2014. The investigation was initiated based on an allegation of possible illegal sale of state properties. The investigation concluded on 30 June 2014 and resulted in criminal proceedings being instituted against one employee. These proceedings are currently in progress.

23. The state prosecutor performed an investigation at the request of the department, which covered the period 1 June 2010 to 31 March 2014. The investigation was initiated based on an allegation of possible manipulation of supply chain management (SCM) documents and forgery of signatories. The investigation was concluded on 31 May 2014 and resulted in criminal proceedings being instituted against one employee. These proceedings are currently in progress.

24. The state prosecutor is performing an investigation at the request of the department, which covers the period January 2010 to current. The investigation was initiated based on an allegation of the possible improper conduct in the appointment of consultants. The investigation is currently in progress.

Auditor-General

Pietermaritzburg

31 July 2014



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

OVERVIEW OF DEPARTMENTAL PERFORMANCE

PROGRAMME ONE: ADMINISTRATION

HUMAN RESOURCE MANAGEMENT

One Human Resource Plan was reviewed and implemented. Departmental Staff were provided with support through the Employee Assistance Programme as well as a number of training courses.

INFORMATION COMMUNICATION TECHNOLOGY

One Government Wide Enterprise Architect was developed and implemented.

FINANCIAL MANAGEMENT

The Department met its financial statutory reporting requirements. These included the Procurement Plan, In Year Monitoring Schedules and other reports required by the Provincial Treasury. Business units within the Department were supported to ensure that they achieve a 2% variance in their budgets. Two Supply Chain Management Plans i.e. the Procurement Plan and Asset Strategic Plan were reviewed and implemented.

AUXILIARY SERVICES

Four Departmental Programmes were supported with fleet management services. Vehicles were adequately and timeliness maintained and GEOTAB was successfully implemented. All Departmental Programmes were supported with office services. Buildings were maintained at acceptable standards. Anomalies were attended to as soon as was practicable. Unfortunately certain buildings have inherent defects which can compromise certain aspects of the Occupational Health and Safety Act. These buildings will be replaced in the future.

CORPORATE COMMUNICATION

One communication Strategy was developed. Social Media (Twitter and Facebook) were updated as per departmental events. The Departmental electronic newsletter, Injobo, was forwarded to officials on a monthly basis during the financial year. All Departmental events were supported and the Departmental brand was managed. The Departmental website was managed through regular uploading of information on all departmental activities.

INTERNAL CONTROL

All audits planned for 2013/2014 Operational Plan was achieved. Four Quarterly Risk Management and Auditor General Action Plan Reports were compiled.

MONITORING AND EVALUATION

The Department produced its 2012/2013 Annual Performance Report. All Auditor General enquiries were attended to by providing them with the relevant evidence as requested. Four Quarterly Performance Reports were produced in line with the M & E Framework. All Business units were provided with support on the web based Monitoring & Evaluation System, Local Government Turn Around Strategy Database and Conditional Grants Register. One Monitoring & Evaluation policy was developed and approved. The 2014/2015 Departmental Annual Performance Plan was prepared in line with Treasury requirements and submitted to the Provincial Legislature by the required due date.

POLICY AND RESEARCH

Three Departmental policies were reviewed (Petty Cash, Asset Management and Cellphone and Wireless data Modems policies). Review sessions were held and all reviewed policies were approved and implemented by the Department. The Department packaged and initiated two research Projects. Research projects that were undertaken were for the Impact of Urbanisation and migration patterns on service delivery and the establishment of the learning Institute for traditional leadership in KwaZulu-Natal. One library survey was conducted and a Library Annual Report for 2013/2014 financial year was produced. The Departmental electronic library service was installed and launched. The system is fully functional and has been continually tested and monitored for functionality and accessibility.

SUB PROGRAMME	DEPARTMENTAL STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ANNUAL TARGET	PLANNED	ACTUAL	VARIANCE	REASON FOR VARIANCE
Operation Sukuma Sakhe	4.1. Improved management and accountability of financial, physical and human resources and systems for the Department and Ministry.	Number of Districts and Metros supported on OSS	10 Districts and 1 Metro	10 Districts and 1 Metro	10 Districts and 1 Metro	0	
1.1. Corporate Services Human Resource Management	4.1. Improved management and accountability of financial, physical and human resources and systems for the Department and Ministry.	Number of Human Resource Plans reviewed	1	1	1	0	
1.1. Corporate Services IT	4.1. Improved management and accountability of financial, physical and human resources and systems for the Department and Ministry.	Number of Government-Wide Enterprise Architect developed	1	1	1	0	

1.2. Financial Management	4.1. Improved management and accountability of financial, physical and human resources and systems for the Department and Ministry.	Number of programmes provided with financial services support	4	4	4	0	
		% compliance of AFS submissions by 31 May in terms of Section 40(1) (b) and (c) of the PFMA	100%	100%	100%	0	
		Number of Budget Submissions Compiled in terms of the EPRE	1	1	1	0	
		Number of Legislative Financial Reports compiled	24	24	24	0	
		Number of SCM Plans reviewed	2	2	2	0	
		Number of SCM compliance reports compiled	24	24	24	0	
1.3. Auxiliary Services	4.1. Improved management and accountability of financial, physical and human resources and systems for the Department and Ministry.	Number of Programmes supported with fleet management services	4	4	4	0	
1.4. Communication	4.1. Improved management and accountability of financial, physical and human resources and systems for the Department and Ministry.	Number of Communication Strategies developed	4	4	4	0	

1.5. Internal Control	4.1. Improved management and accountability of financial, physical and human resources and systems for the Department and Ministry.	Number of audits implemented per Operational Plan	1	1	1	0	
		Number of Quarterly Risk Management Reports	8	8	8	0	
		Number of Quarterly AG Action Plan Reports	4	4	4	0	
1.6. Monitoring and Evaluation	4.1. Improved management and accountability of financial, physical and human resources and systems for the Department and Ministry.	Number of Annual Performance Reports developed and approved	4	4	4	0	
		Number of Quarterly Performance Reports produced in line with the M & E Framework	4	4	4	0	
		Number of M & E policies approved	4	4	4	0	
		Number of Departmental Annual Performance Plans prepared in line with Treasury requirements.	1	1	1	0	
1.7. Policy and Research	Improved organizational capacity and proficiency of the Department and Ministry.	Number of policies reviewed	3	3	3	0	
		Number of Research Projects packaged and initiated	2	2	2	0	
		Number of Library surveys conducted	1	1	1	0	
		Number of electronic Library services maintained	1	1	1	0	

PROGRAMME TWO: LOCAL GOVERNMENT BRANCH

MUNICIPAL GOVERNANCE AND ADMINISTRATION

The Department established Focus Groups and Steering Committees to address issues raised by municipalities that are a part of the Local Government Turn-Around Strategy.

Relevant Stakeholders met to discuss progress; challenges as well as support provided and support still to be provided. Twenty three municipalities have been provided support by business units and sector departments. The participation of municipalities with the LGTAS programme remains problematic. A strategy will be devised moving forward on how to deal with this.

Support in respect of By Laws, Council issues and Delegation issues were provided by the Municipal Governance and Administration unit. Site visits to municipalities were conducted to provide support and identify areas for support.

Three programmes were implemented to support the strengthening of local government legislation. The programmes implemented were:- the drafting of a discussion documents on local Government; Promulgation of standard by-laws, which was done in terms of section 14(2)(b)(i); submission of amendments to the National Legislative Framework.

Municipalities (Ethekwini, Umlalazi, Umdoni, Umvoti, Jozini, Maphumulo, Abaqulusi, Hlabisa, Edumbe, Uthungulu, Harry Gwala, Newcastle, Ntambanana, Mfolozi, Ndwedwe, Endumeni) who requested assistance were supported in terms of legal competency.

One Procedural Policy framework was developed and is being implemented in 5 section 139(1) intervention municipalities (Indaka, Imbabazane, Umvoti, Abaqulusi and uMtubatuba).

Experts were appointed in five municipalities (Ilembe, Maphumulo, Ndwedwe, Umzinyathi, Uthukela) to provide support to implement appropriate frameworks, policies and guidelines. Project Management Meetings were held to monitor the experts.

Municipalities (Emadlangeni, Imbabazane, Ingwe, Kwasani, Nquthu, Phongolo, Vulamehlo, Uthukela, Okhahlamba, Hlabisa, Big Five False Bay, Richmond, Zululand, Umdoni, Mandeni, Endumeni, Mpofana, Umzinyathi Maphumulo, Mfolozi, Mkhambathini, Ntambanana, Dannhauser, Impendle, Mfolozi, Greater Kokstad, Umkhanyakude, Umgungundlovu, Umuziwabantu, Umzumbe, Amajuba, Ezinqoleni, Ugu, Hibiscus Coast, Newcastle and Nkandla) were supported to implement Municipal Admin policies, plans and frameworks. Support rendered included assistance with shortlisting and interviews in respect of filling vacant section 54/56 posts or assessments of employment contracts or organizational design.

District Inter-Governmental Relation (IGR) structures and systems (Amajuba, Ugu, Ilembe, Uthungulu, Umzinyathi, Uthukela, Ethekwini, Uthungulu, Umkhanyakude, Umgungundlovu) were supported to ensure functionality. A Diagnostic Assessment Tool was developed and distributed to Districts.

Action Plans were developed and hands on support was provided. Support was provided to the respective municipalities through presentations to council, at strategic planning sessions and the formation of a core working group to implement IGR in the District.

Eight platforms were established for Inter-Municipal Co-operation. Summits held were as follows: Technical MuniMecs, Women's Dialogue, MuniMec and the Inter-Municipal Co-operation Summit.

Sixteen municipalities were provided with support to implement functional Council Oversight structures. A survey which included assessing oversight structures was conducted (circular 9 of 2013). Municipalities supported included Abaqulusi, Danhauser, Edumbe, Endumeni, Greater Kokstad, Ingwe, Imbabazane, Indaka, Mtubatuba, Uthukela, Umvoti, Ugu, Umhlathuze, Umhlabuyalingana, Umkhanyakude, Uphongolo.

Two formal councillor training programmes were conducted. Training has been conducted in 10 district municipalities.

MUNICIPAL FINANCE

The Department supported twenty municipalities (Indaka, Ukhahlamba, Umgungundlovu, Umshwathi, Ilembe, Ndwedwe, Big Five False Bay, Mtubatuba, Ntambanana, uMhlathuze, Ezinqoleni, Umzumbe, Umvoti, Umsinga, Emadlangeni, Newcastle, Greater Kokstad, Ingwe, Phongola and Abaqulusi) towards achieving unqualified reports.

Support provided include: attending Finance Oversight and Operation Clean Audit meetings, tracking resolution of issues raised the Auditor-General, assistance with grant reconciliations, assistance with bank reconciliations, follow up on audit responses, asset verification and review of the Annual Financial Statements, Municipal Public Accounts

Committee (MPAC) training, filling of CFO posts. Continuous support was provided through District Advisory Financial Forums, Audit Committee and Municipal Public Account Committee meetings.

Six municipalities, namely Ntambanana; Ugu DC; Edumbe; KwaSani; Abaqulusi and Hlabisa were supported with preparation of Annual Financial Statements and working paper files. All 61 municipalities submitted AFS to Auditor General by statutory deadline.

Umgungundlovu and Umshwathi municipalities were selected to be supported on the achievement of clean audits. Both municipalities have adequate controls in place to manage their affairs. Reconciliations of creditors, grants and bank statements were performed. Treasury support has been placed at Umshwathi municipality. Municipalities were assisted through regular fora meetings whereby any requests for assistance were accommodated.

Simplified revenue plans for 3 pilot municipalities (Big Five False Bay, Mkhambathini, Uthukela) have been handed over to municipalities for implementation.

Ten municipalities (Mfolozi, Harry Gwala, Big Five False Bay, Umzinyathi, Uthukela, Vulamehlo, Impendle, Msinga, Greater Kokstad, Hlabisa) were consultation on expenditure management project. The project was implemented to address the issues raised by the Auditor General. The project was aimed at addressing deficiencies in the expenditure management environment in order to achieve a more sustainable and compliant management and control of expenditure. The project has yielded positive results.

A framework was developed to address unauthorized and fruitless expenditure. Eleven of the twenty targeted municipalities (Umgungundlovu, Big Five False Bay, Umvoti, Umshwathi, Uphongolo, Emadlangeni, Newcastle, Ezingoloni, Umuziwabantu, Ingwe, Ntambanana) responded to the invitation of support regarding the implementation of the framework.

Two CFO forums were convened to support 61 municipalities.

Two reports were compiled and submitted, one on the state of municipal finances in terms of Section 131 of the MFMA and one on state of municipal finances in terms of Section 80 of the MPRA.

The Department supported twenty six municipalities (Umkhanyakude, Mandeni, Ugu District, uMlalazi, Ilembe, Maphumulo, KwaDukuza, Indaka, Endumeni, Mbonambi/Mfolozi, Uthukela, Umzimkhulu, Greater Kokstad, Zululand, uMngeni, Umgungundlovu DM, Nquthu, Newcastle, uMtubatuba, Abaqulusi, Umhlabuyalingana, Umzinyathi, Dannhauser, Sisonke, Nongoma, eMandlangeni) with the implementation of anti-corruption/fraud prevention strategies/plans. Communication and a questionnaire to guide preparation for fraud risk assessment workshops were disseminated to the municipalities.

PUBLIC PARTICIPATION

A Ward Committee functionality assessment was undertaken on submitted functionality assessment tools and comments on the state of functionality provided to municipalities. The Ward Committee functionality tool was also reviewed for future use and all municipalities were workshopped on the new tool. Ward committee intervention strategies have been developed and signed by municipalities. Municipalities were supported with the roll-out of the Ward Committee Functionality Assessment tool and refinement of the Ward Committee Support Plans.

Municipalities supported include: Abaqulusi, Big 5, Danhauser, Emadlangeni, Endumeni, Ethekewini, Ezingoloni, Greater Kokstad, Imbabazane, Impendle, Indaka, Jozini, Kwadakuza, Kwasani, Mandeni, Maphumulo, Mfolozi, Umhlabuyalingana, Mkhambathini, Mpofana, Msunduzi, Nkandla, Nquthu, Ntambanana, Phongolo, Ubuhlebezwe, Umhlathuze, Umlalazi, Umgeni, Umshwathi, Msinga, Umtshezi, Umuziwabantu, Umvoti, Umzimkhulu, Umzumbe, Vulamehlo, Mthonjaneni, Mtubatuba, Ndwedwe.

Municipalities were supported with the development of Community Participation Plans through a refresher workshop for internal officials on the customization of the guidelines. Priority was given to LGTAS Municipalities and hands on support was provided in the form of sample plans, individual visits as well as the Assessment of Community Participation Plans. Municipalities supported include: Ethekewini, Abaqulusi, Big 5, Edumbe, Endumeni, Hibiscus Coast, Hlabisa, Ilembe, Indaka, Kokstad, Kwadakuza, Kwasani, Maphumulo, Mfolozi, Mthonjaneni, Mtubatuba, Nkandla, Nongoma, Nquthu, Ntambanana, Ubuhlebezwe, Ugu, Umhlathuze, Umlalazi, Umgeni, Msunduzi, Umtshezi, Umvoti, Umzumbe, Uphongolo, Vulamehlo.

The war room functionality assessment tool was received and piloted in all war rooms where CDWs are deployed. A ward profiling framework was developed. The Department continuously supported the functionality of war rooms and war room support plan were developed which contributed towards to their functionality.

A Desktop research and best practice visits to other provinces was conducted. A Framework to accommodate community awareness and dissatisfaction was developed and Government departments were workshopped. The framework was also rolled out through workshopping municipal officials responsible for supporting ward committees and CDW District Support Managers to prepare them for capacitating the ward committees and CDWs. There has been an increase in early warnings received to deter service delivery protests and rapid response is provided.

MUNICIPAL PERFORMANCE, MONITORING, REPORTING AND EVALUATION

The Department has provided support to twenty municipalities (Hlabisa, Indaka, Ingwe, Mandeni, Newcastle, Harry Gwala, Umkhanyakude, Nongoma, Nquthu, Ntambanana, Umzumbe, Uthukela, Uthungulu, KwaDukuza, Abaqulusi, Emadlangeni, Umvoti, Umdoni, Umngeni, Umshwati) to develop functional Performance Management Systems. Diagnostic assessments were and Action Plans were drafted.

Support was provided as follows: alignment of IDP, Scorecards, and Departmental Scorecards to allow municipalities to address amendments during the mid-year review.

The same twenty municipalities were also supported to develop and submit annual performance reports in terms of Sec 46 of the MSA. Municipalities were supported with the preparation of Annual Performance Reports, reporting on standardized templates and conducting quarterly reviews. District Technical Advisory Committee meetings were held to support all municipalities on various issues.

Sixty One Municipal Reports were collected from municipalities and the Consolidated Annual Municipal Performance Reports was prepared

The Municipal Excellence Awards ceremony was held on 31 October 2013. Winning municipalities received grant of R1 million each.



SUB PRO-GRAMME	DEPARTMEN-TAL STRATE-GIC OBJEC-TIVE	PERFOR-MANCE INDICATOR	ANNUAL TARGET	PLANNED	ACTUAL	VARIANCE	REASON FOR VARIANCE
Monitoring of Conditional Grants	4.1. Improved management and accountability of financial, physical and human resources and systems for the Department and Ministry.	Number of reports produced on conditional grants transferred to municipalities	12	12	12	0	
2.1. Municipal Governance and Administration	1.1. Effective support to Local Government Institutions for strengthened governance	Number of programmes to support the establishment of municipalities	1	1	1	0	
		Number of municipalities supported on LGTAS	23	23	23	0	
		Number of district municipalities supported to implement appropriate frameworks, policies and guidelines	10	10	10	0	
		Number of programmes supported on the strengthening of local government legislation	3	3	3	0	
		Number of municipalities supported in terms of legal competency	15	15	16	1	The number of requests received exceeded the original target of 15 by 1 additional municipality
		No of procedural and policy frameworks developed to implement interventions	1	1	1	0	

		Number of municipalities supported to implement Municipal Admin policies, plans and frameworks	10	10	10	0	
		Number of municipalities supported with functional District Inter-Governmental Relation structures and systems	10	10	10	0	
		Number of platforms established for inter-municipal cooperation (LG Summit, MuniMEC Councillor Learning Network, International municipal relations)	5	5	8	3	Target was over achieved as additional platforms were undertaken upon request.
2.1. Municipal Governance and Administration	3.1. Improved oversight of Local Government and Traditional Institutions in respect of governance and service delivery	Number of municipalities supported to implement functional Council Oversight structures	15	15	16	1	An additional municipality was supported upon specific request.
		Number of formal councillor training programmes conducted	2	2	2	0	
2.2. Municipal Finance	1.2. Effective support to Local Government and Traditional Institutions for clean financial management	Number of municipalities that are supported to achieve unqualified reports	20	20	20	0	

		Number of municipalities that are supported to submit their AFS timeously	5	5	6	1	An additional municipality was supported upon specific request.
		Number of identified municipalities supported to fully implement simplified revenue plans	15	15	0	-15	Due to changes to the project plan and the reduction in funding the project was not fully implemented and will the project will run into the next financial year.
		Number of municipalities supported with expenditure management	10	10	10	0	
		Number of frameworks developed to address unauthorised and fruitless expenditure	1	1	1	0	
		Number of municipalities supported to implement legal compliance framework	20	20	11	-9	Consultation with beneficiaries hampered the full implementation of the project
		Number of CFO forums convened to support 61 municipalities	2	2	2	0	
2.2. Municipal Finance		Number of municipalities supported on LGTAS	23	23	23	0	
	Number of reports submitted on state of municipal finances in terms of Section 131 of the MFMA		1	1	1	0	

	3.1. Improved oversight of Local Government and Traditional Institutions in respect of governance and service delivery	Number of reports submitted on state of municipal finances in terms of Section 80 of the MPRA	1	1	1	0	
		Number of municipalities supported with the implementation of anti-corruption/fraud prevention strategies/plans	15	15	26	11	The programme was intensified so as to cover the backlog and to address the growing need for the implementation of the strategy.
2.3. Public Participation	1.1. Effective support to Local Government and Traditional Institutions for strengthened governance	Number of municipalities supported with the maintenance of Functional Ward Committees	25	25	40	15	District Forums were held and in this way the Department was able to provide a blanket approach while still prioritizing the initially targeted municipalities.
		Number of municipalities supported with the development of Community Participation Plans	25	25	31	6	District Forums were held and in this way the Department was able to provide a blanket approach while still prioritizing the initially targeted municipalities.
		Number of municipalities supported with the maintenance of functional war rooms	50	50	50	0	

		Number of procedural frameworks implemented to accommodate community awareness and dissatisfaction	1	1	1	0	
		Number of municipalities supported on LGTAS	20	20	20	0	
2.5. Municipal Performance, Monitoring, Reporting and Evaluation	3.2. Effective Departmental monitoring, evaluation and reporting systems in respect of Local Government and Traditional Institutions	Number of municipalities supported to develop functional PMS systems	20	20	20	0	
		Number of municipalities supported to develop and submit annual performance reports in terms of Sec 46 of the MSA	20	20	20	0	
		Number of Consolidated Annual Municipal Performance Reports prepared	1	1	1	0	
		Number of Municipal Excellence Awards held	1	1	1	0	
		Number of municipalities supported on LGTAS	5	5	5	0	

PROGRAMME THREE: DEVELOPMENT AND PLANNING BRANCH

DEVELOPMENT INFORMATION SERVICES

The 2013/2014 Mobile Geographic Information System(GIS) Development Programme was developed and the Mobile GIS Conceptual Framework was established. One Information Communication and Technology (ICT) framework for supporting web enabled Mobile GIS Applications was also established and configured.

One GIS programme was developed and implemented to support spatial analysis of priority capital investment projects for the Department.

The ten districts and one metro were supported with spatial analysis of infrastructure and services backlogs (electricity, water and sanitation). Census data was downloaded at Provincial and District levels and analysed. Spatial and tabular reports were compiled and disseminated to 10 Districts and 1 Metro. Datasets were collected and processed and spatial and tabular reports of backlogs for households, schools and clinics at Municipal level were also completed.

Five Provincial and Departmental initiatives were supported with management of spatial information. These initiatives included Public Participation, Provincial Spatial Economic Development Strategy(PSEDS), Disaster Management and Municipal Plan. A Comprehensive strategy was developed and implemented.

The Department provided support to ten Development Planning Shared Service Centres. Municipal GIS meetings were convened to discuss the 2013/2014 GIS operational plan. Municipal property update is in progress. One Spatial Development Framework (SDF) mapping framework was compiled, cadastral data captured for 45 municipalities and spatial linkage of 4 municipal valuation rolls & cadastral layers was processed.

A system was established to integrate provincial and municipal spatial data. A web GIS integration strategy was developed. Five Municipal web pages was developed and 1 web data access point was been updated.

SPATIAL PLANNING

The Department has supported thirty municipalities (Amajuba, Big 5, Ethekewini, Ezingoloni, Hlabisa, Indaka, Mandeni, Kwadakuza, Mfolozi, Ndwedwe, Newcastle, Umdoni, Umhlathuze, Umvoti, Umzumbe, Uphongolo, Uthungulu, Zululand, Msinga, Kokstad, Imbrazane, Impendle, Ingwe, Kwasani, Mpofana, Okahlamba, Siskonke, Umgeni, Umgungundlovu, Umzimkhulu) to produce legally compliant Spatial Development Frameworks (SDFs)

Hibiscus Coast, Ugu and Vulamehlo were supported with developing a Densification Framework.

One Draft reports has been produced in respect of Spatial Development Framework compliance. Sixty One SDF's were assessed and findings were included as part of IDP MEC letters to municipalities.

Twenty five municipalities (Edumbe, Hibiscus Coast, Jozini, Indaka, Ingwe, KwaDakuza, Mandeni, Mfolozi, Mkhambathini, Msinga, Mthonjaneni, Newcastle, Nkandla, Nquthu, Ntambanana, Umhlathuze, Umtshezi, Umuziwabantu, Umzumbe, Uphongolo, Vulamehlo, Ethekewini, Kwasani, Nongoma, Dannhauser) were supported to produce legally compliant schemes

Six spatial planning initiatives were undertaken. These included the Bergville Urban Design Framework, Okahlamba Drakensberg Corridor Study, Spatial Planning Training, Partnership with Planning Schools, Identification and allocation of land for learner driver training, Regional Capital Investment Framework. Additional initiatives were: Identification & planning for a suitable site for possible relocation of floods victims in Tugela Ferry and Rural Signage, Hierarchy of provincial nodes and Applied Population and Development Post-Graduate Training Programme.

One Draft report was produced in respect of Provincial scheme compliance framework

LAND USE MANAGEMENT

In the course of 2013/2014 financial year the Land Use Management Benchmark and Toolkit was finalized. Land Development Applications were monitoring on an ongoing basis. Municipalities were evaluated and supported and an Annual Monitoring Benchmark report was produced.

The Municipal Support Programme for 2013/2014 was developed and implemented in ten municipalities (Ethekewini, Greater Kokstad, Hibiscus Coast, KwaDakuza, Okahlamba, Umlalazi, Umtshezi, Emnambithi/Ladysmith, Msunduzi, uMtubatuba).

Twelve municipalities (Indaka, Vulamehlo, Umtshezi, Hlabisa, Umzumbe, Ethekezi, Jozini, Ntambanana, Msinga, Umhlaluyalingana, Newcastle, and Ingwe) were supported with the formalisation of settlements.

A Norms & Standards Programme was developed.

LOCAL ECONOMIC DEVELOPMENT: SPECIAL INITIATIVES

During the financial year R 70, 7 million was used to support multi-year approved interventions in respect of catalytic projects (aligned to Provincial Growth and Development Plan (PGDP) economic cluster priorities). Funding for the new projects to be supported approved in the 13/14 financial year will only be transferred after May 2014.

Priority support in terms of strategic infrastructure projects was identified. Meetings were held with municipalities and critical nodes for urgent support was identified through the Provincial Spatial Economic Development Strategy (PSEDS) and confirmed through the Provincial Growth Development Plan (PGDP) process. Municipalities in the priority nodes were supported to package projects to be considered for support. The Corridor Development Programme budget was cut and therefore there was no funding available to support new interventions.

The Department participates in Strategic Infrastructure Programme (SIP) 2, 11 & 16. A suitable consultant was appointed to develop the plan/study. The second corridor plan (N2 Corridor Study) was driven by uThungulu Municipality.

Three hundred and twenty eight (328) direct employment opportunities were secured through corridor projects implementation.

The Department supported three municipalities to implement Urban Renewal Framework Plans (Msunduzi, Umdoni, Hibiscus Coast).

Transfers were made to two beneficiary municipalities (Mandeni and uMtshezi) in respect of green initiative projects facilitated in response to climatic change.

Four hundred and seventeen (417) direct employment opportunities secured through small town rehabilitation projects implementation.

Six rural nodes were supported for revitalization to attract investment and regenerate the economy. Ongoing support for multi-year projects was provided to the following municipalities: Umuziwabantu, Impendle, Richmond, Umtshezi, Abaqulusi, Mandeni, Greater Kokstad, Ubuhlebezwe and UMzimkhulu.

Districts were supported to ensure that Local Economic Development (LED) Forums were functional. A framework was put in place to assist the District Municipalities revive the LED Forum. Support was provided by regional managers to the 10 districts namely Ugu, Harry Gwala, iLembe, Umgungundlovu, Umzinyathi, Uthukela, Uthungulu, Umkhanyakude, Amajuba and Zululand. All districts have a platform to discuss LED. These are either stand alone structures or part of Development and Planning forum.

Two Local Economic Development Capacity Building Programmes were rolled out to municipalities. A Development Agency Workshop and Project Management Training were implemented.

All districts were assessed and supported to align Local Economic Development Plans to the PGDP and PSEDS.

Local Economic Development initiatives were facilitated in partnership with the Local Houses of Traditional Leadership. Two projects are under implementation at Uthukela and Msinga, while one additional project for essential oils in Ntambanana was approved via the municipality.

One Provincial LED Summit was facilitated in the financial year.

Five Local Economic Development Summits were facilitated in partnership with District Houses of Traditional Leadership. Summits were held with Uthungulu, Umkhanyakude, Harry Gwala, Umgungundlovu and Ugu.

LOCAL ECONOMIC DEVELOPMENT: COMMUNITY SERVICE CENTRES

Two municipalities (Abaqulusi and Umfolozi) were supported with Grade 1 level Community Service Centre (CSC) establishment established in line with CSC Framework.

Five projects (Amahlubi, Kwambonambi, Biyela, Xulu & Ngwenya) were with supported with Grade 2 level Community Service Centre (CSC) establishment established in line with CSC Framework

A total of twenty seven Community Service Centres were refurbished and maintained.

Support was provided to eight municipalities in respect of Community Service Centre operations to enable functionality. Municipalities supported included Umkhanyakude, Umhlabuyalingana, Ethekewini. Jozini, Hibiscus Coast, Uphongolo, Ubuhlebewe and Vulamehlo.

Ten district Community Service Centre gap analysis reports were developed.

Two hundred employment opportunities were created through the implementation of the Community Service Centre programme.

LOCAL ECONOMIC DEVELOPMENT: COMMUNITY WORKS PROGRAMME (CWP) AND EXPANDED PUBLIC WORKS PROGRAMME (EPWP)

During the 2013/2014 financial year twenty nine municipalities namely (Umhlabuyalingana, uMtubatuba, Jozini, uPhongola, Nongoma, Msundusi, Mkhambathini, Impendle, Okhahlamba, Ndaka, Mtshezi, Msinga, Nquthu, Emadlangeni, Dannhauser, eDumbe, Abaqulusi, Nkandla, uMlalazi, Ntambanana, Maphumulo, Ndwedwe, Vulamehlo, Muziwabantu, Ezinqoleni, Umzumbe, Ingwe, Ubuhlebezwe, uMzimkhulu) were supported with the implementation of CWP with the inclusion of traditional communities in at least 2 wards per municipality. Reporting structures were established and are functional.

Thirty four thousand eight hundred and twenty nine (34 829) work opportunities were created through CWP also benefiting traditional communities.

Twenty nine (29) CWP site business plans were developed and signed off by municipalities. These were submitted to Department of Co-operative Governance (DCOG) for approval.

An assessment of CWP reference committees was conducted to determine functionality. Workshops were conducted with non-functional reference committees. Twenty nine reference committees are in place.

The Department conducted an impact assessment regarding the implementation of the Food for Waste Programme (FFWP). Eight Municipalities implemented the Food For Waste programme in the 13/14 financial year, these are eThekweni Phase 1 and Phase 2, Mandeni, Mthonjaneni, Nquthu, Mzimkhulu, Mbabazane, Buhlebezwe and Msinga.

Eight hundred and ninety (890) accumulative work opportunities were created through the Food for Waste (FFW) Programme.

Thirty nine (39) municipalities were supported with the preparation of EPWP policies. The annual target of eleven policies was over-achieved as thirty one Municipalities (Amajuba, Emadlangeni, Endumeni, Hibiscus Coast, Hlabisa, Impendle, Indaka, Ingwe, Jozini, Kwadukuza, Kwasani, Enambithi, Mandeni, Mfolozi, Umkhanyakude, Msunduzi, Mtubatuba, Newcastle, Ntambanana, Okahlamba, Big Five False Bay, Ubuhlebezwe, Ugu, Ulundi, Umgungundlovu, Umngeni, Umuziwabantu, Umzimkhulu, Umzumbe, Uphongolo, Uthukela, Vulamehlo) approved their EPWP policies. The target was over-achieved after the Expanded Public Works Programme unit, Public Works and the Department of Transport formed a provincial task team to fast-track policy development in Municipalities.

All 61 Municipalities were provided with support in respect of the signing of EPWP protocol and incentive agreements. All have signed protocol agreements in place.

All 61 Municipalities were supported to report on EPWP work opportunities and all now have put systems in place for continued reporting

Forty six projects were registered in the EPWP MIS and the municipalities were workshopped on EPWP expectations. One thousand six hundred and eighty nine work opportunities were created through COGTA funded projects. The work opportunities were created through the following COGTA programmes: Massification, Disaster, Community Service Centres/Traditional Authority Councils, Local Economic Development, Corridor Development and Small Town Rehabilitation.

Fifty Seven (57) Municipalities were supported on reporting and accessing incentive grants. Roadshows were conducted in all districts to establish EPWP district forums or EPWP district steering.

MUNICIPAL INFRASTRUCTURE

Project Steering Committees were established to support the development of Universal Access Plans (UAP). Consultation sessions with Water Service Authorities (WSA) were conducted. Inter-Governmental Relation (IGR) forums were used per district to discuss UAP in further details. A workshop was conducted to share information, lessons learnt and align processes with Department of Water Affairs (DWA), Umgeni Water and CoGTA. The Census 2011 data was analyzed paying specific attention to backlogs in water provision. Ten Universal Access Plans have been produced.

Support was provided to municipalities on an ongoing basis through formal workshops and meetings in respect of the development of infrastructure implementation plans. Twenty four priority municipalities (Ugu, Illembe, Umdoni, Ezingoleni, Hibiscus Coast, Umshwathi, Umgeni, Mpofana, Impendle, Msunduzi, Mkhambathini, Enambithi, Indaka, Nquthu, Edumbe, Uphongolo, Abaqulusi, Umhlabyalingana, Hlabisa, Mthonjaneni, Kwadakuza, Ndwedwe, Kwasani, Kokstad) developed and submitted implementation plans.

Twenty Six (26) infrastructure development co-ordinating forums were held. Forums were held in the following districts: iLembe, Ugu, Harry Gwala, uThukela, uMzinyathi. The forums held were: Water Forum, Energy Forum, Infrastructure Development and a Water, Sanitation and Energy Forum. Forum Stakeholder representatives included Department of Water Affairs, Department of Human Settlements, Department of Education, Municipalities, Eskom & CoGTA.

Twenty Eight (28) municipalities were supported on Municipal Infrastructure Grant (MIG) Implementation: Dannhauser, Ilembe, Amajuba, Ingwe, Mfolozi, Ubuhlebezwe, Maphumulo, Ndwedwe, Mtubatuba, Umlalazi, Uthungulu, Msunduzi, Nkandla, Umzimkhulu, Umzumbi, Impendle, Harry Gwala, Emadlangeni, Newcastle, Kokstad, Umkhanyakude, Umzinyathi, KwaSani, Uthungulu, Nquthu, Umhlathuze, Hibiscus Coast, Ezingoleni, Hlabisa, Umhlabyalingana, Uphongolo, Jozini and Big Five False Bay. Support included Monthly analysis of expenditure levels, MIG workshops, project scheduling, appraisal of Project Management Unit (PMU) business plans, project implementation, meetings with underperforming.

Ten District Municipalities and four local municipalities namely Abaqulusi, Umhlathuze, Umsunduzi and Newcastle were supported on the implementation of the Massification programme. Support was provided in the management of Massification Projects.

MIG and Municipal Information System (MIS) training programme was developed and training conducted in Umshwathi, Uthungulu, KwaDukuza, Harry Gwala, Ubuhlebewe, Kokstad, Umzimkhulu, Dannhauser, Phongolo, Ntambanana, Ugu, Mpofana, Mhlabyalingana, Impendle, Mkhambathini, Ingwe, Uthukela, Kwasani and Richmond.

Site visits were conducted throughout the year to monitor infrastructure development and service delivery progress. The Department has launched completed project across KwaZulu-Natal. Grant expenditure as at end of March 2014: MIG-55.32%, Massification - 75.07%

DISASTER MANAGEMENT

The Department conducted workshops on risk profiling. Data was collected from municipalities and a Provincial Risk profile and Trend analysis report was produced.

Provincial Contingency Plans (winter, summer, Events etc.) were developed and implemented. The plans were distributed and workshopped to all stakeholders.

The Cabinet Sub-committee on Disaster Management committee met during their visit to the USA for the discussion regarding the 911 Fund. The focus was on the development of firefighting capacity in the province, and to support municipalities to meet the minimum requirements.

Provincial Disaster Management Advisory Forum meetings were held on a quarterly basis for sector co-ordination. Joint Operations Committee meetings were also activated in response to predicated risks and incidents.

Ten Districts and the one Metro Disaster Management Advisory Forums were supported for effective coordination of disaster management at municipal level .

The Provincial Disaster Management Centre underwent refurbishment. This is due to be completed in the next financial year.

Sector Departments were supported through workshops on Departmental Disaster Risk Management Plans. Preliminary draft disaster management plans were presented and further support was provided for departments to refine and improve their plans.

The Provincial Disaster Management Centre (PDMC) participated at the Integrated Development Plan(IDP) reviews and gaps were identified. Gaps were compiled in a report and circulated to municipalities. The PDMC provided technical support to municipalities to prepare their draft Disaster Management Sector Plans for the next year's IDP review.

Two municipalities (Harry Gwala and Ugu) were supported with grant funding for a district Disaster Management Centre.

Technical support was provided to the ten districts and the one metro for operationability of district Disaster Management Centres.

Workshops were held in all ten districts and the one metro with various structures as part of mainstreaming Disaster Risk Management.

An assessment was conducted on Disaster Risk Management (DRM) volunteers within the province and the status quo report was prepared. Municipalities were work shopped on the volunteer strategy to ensure that they were capacitated and understood the recruitment process. Training of volunteers took place in all ten districts and the one metro

A Weather Intelligence System Standard Operating Procedure (WIS SOP) and early warning systems was developed. All relevant stakeholders were workshoped on it and additional input was sourced from stakeholders. The final SOP was distributed to all disaster management stakeholders for implementation in their respective institutions, implementation is being monitored on an ongoing basis.

Winter and Summer Season Awareness Campaigns were held. The PDMC conducted district workshops as part of raising awareness especially to municipal councilors and other structures. Workshops were held in all ten districts and the 1 Metro . The overall outcome of these workshops and other awareness campaigns informed the report on the Provincial awareness Campaigns

All municipalities were supported with mobilization of emergency relief measures. Needs analysis were conducted and an action plan on the distribution of stock was developed. Stock was distributed to municipalities and additional stock was procured for storing at the Provincial storeroom.

The 2012/2013 Provincial Annual report was submitted to the National Disaster Management Centre(NDMC). On a monthly basis municipalities were requested to submit input that will form part of the 2013/2014 Annual report.

IDP CO-ORDINATION

The Provincial IDP Management and Support Plan was compiled adopted. The Plan was circulated at the IDP Indaba on 27 September 2013.

A Draft IDP assessment done and feedback presented. Grant funding for the segmentation model was transferred to Uphongolo, Umzimkhulu, Imbabazane, Umuziwabantu, Mandeni, Impendle, Big Five False Bay, Nquthu and Umlalazi. IDP alignment sessions were conducted between Sector stakeholders and Municipalities in the ten Districts and one

Metro to encourage Sector Departments to align their programmes and budgets with municipal IDPs. Ten Municipalities were supported (Umthshezi, Umshwathi, Endumeni, Dannhauser, Richmond, Uthukela, Imbabazane, Mpofana, Umzimkhulu and Jozini) with capacity building initiatives.

Twelve Departments were identified for support with IDPs. The following Departments have been trained: Public Works, Water Affairs, Rural Development and Land Reform, Human Settlements, Treasury, Arts and Culture, Economic Development and Tourism, Transport, Eskom, KZN CoGTA units, Umngeni Water, SANRAL and Justice.

The ten Districts and one Metro were supported to maintain planning capacity in the form of District Development Planning Shared Services (DPSS). DPSS Reports were produced on a quarterly basis.

The ten Districts and one Metro was also supported on District Growth and Development Plans and reports produced on a quarterly basis.



SUB PRO-GRAMME	DEPARTMEN-TAL STRATE-GIC OBJEC-TIVE	PERFOR-MANCE INDICATOR	ANNUAL TARGET	PLANNED	ACTUAL	VARIANCE	REASON FOR VARIANCE
Monitoring of Conditional Grants	4.1. Improved management and accountability of financial, physical and human resources and systems for the Department and Ministry.	Number of reports produced on conditional grants transferred to municipalities	12	12	12	0	
3.1. Spatial Planning	1.4. Effective support to Local Government and Traditional Institutions for effective integrated planning	Number of municipalities supported to produce legally compliant Spatial Development Frameworks (SDFs)	30	30	30	0	
		Number of municipalities supported with developing a Densification Framework	2	2	2	0	
		Number of reports produced in respect of Spatial Development Framework compliance [incl SDF alignment with PSEDS]	1	1	1	0	
		Number of municipalities supported to produce legally compliant schemes	25	25	25	0	
		Number of spatial planning initiatives undertaken	6	6	6	0	

		Number of reports produced in respect of Provincial scheme compliance framework [incl implementation of LUMS]	1	1	1	0	
		Number of municipalities supported on LGTAS	9	9	9	0	
3.1. Development Information Services	1.4. Effective support to Local Government and Traditional Institutions for effective integrated planning	Number of mobile GIS systems developed with information dashboards to support COGTA's internal and external functions	1	1	1	0	
		Number of GIS programmes implemented to support spatial analysis of priority capital investment projects for the Department.	1	1	1	0	
		Number of municipalities supported with spatial analysis of infrastructure and services backlogs (electricity, water and sanitation)	10 Districts and 1 Metro	11	11	0	
3.1. Development Information Services	1.4. Effective support to Local Government and Traditional Institutions for effective integrated planning	Number of Provincial and Departmental initiatives supported with management of spatial information	5	5	5	0	

		Number of Development Planning Shared Service Centres supported.	10	10	10	0	
		Number of systems established to integrate provincial and municipal spatial data	1	1	1	0	
3.2. Land Use Management	1.3. Effective support to Local Government and Traditional Institutions towards sustained and accelerated service delivery	Number of municipalities evaluated against with LUM benchmark	51	51	51	0	
		Number of municipalities supported by the LUM Support Programme (MSP)	10	10	10	0	
		Number of municipalities supported with the formalisation of settlements	12	12	12	0	
		Implement programme for the development and roll-out of Provincial Norms and Standards	1	1	1	0	
		Number of municipalities supported on LGTAS	5	5	5	0	

3.3. Local Economic Development	1.3. Effective support to Local Government and Traditional Institutions towards sustained and accelerated service delivery	Number of catalytic projects (aligned to PGDP economic cluster priorities) packaged for implementation	10	10	0	-10	Even though projects were packaged and implementation plans are in place, funds were not transferred to municipalities as a result of the budget being reduced. Funding will only be transferred in the 2014/2015 Financial Year.
		Number of strategic infrastructure projects facilitated for implementation in priority nodes and corridors	2	2	0	-2	Even though projects were packaged and implementation plans are in place, funds were not transferred to municipalities as a result of the budget being reduced. Funding will only be transferred in the 2014/2015 Financial Year.
		Number of corridor sub regional plans aligned to Strategic Infrastructure Programme (SIPS) developed.	1	1	2	1	Due to pressure from the Planning Commission an additional plan was facilitated
		Number of direct employment opportunities secured through corridor projects implementation.	250	250	328	78	More staff members were employed to monitor projects and to ensure that Municipalities fast-track implementation of Corridor projects.

		Number of urban renewal framework plans supported for implementation	3	3	3	0	
		Number of green initiative projects facilitated in response to climatic change	2	2	2	0	
3.1. Development Information Services	1.4. Effective support to Local Government and Traditional Institutions for effective integrated planning	Number of mobile GIS systems developed with information dashboards to support COGTA's internal and external functions	1	1	1	0	
		Number of GIS programmes implemented to support spatial analysis of priority capital investment projects for the Department.	1	1	1	0	
		Number of municipalities supported with spatial analysis of infrastructure and services backlogs (electricity, water and sanitation)	10 Districts and 1 Metro	11	11	0	
		Number of Provincial and Departmental initiatives supported with management of spatial information	5	5	5	0	

		Number of Development Planning Shared Service Centres supported.	10	10	10	0	
		Number of systems established to integrate provincial and municipal spatial data	1	1	1	0	
3.2. Land Use Management	1.3. Effective support to Local Government and Traditional Institutions towards sustained and accelerated service delivery	Number of municipalities evaluated against with LUM benchmark	51	51	51	0	
		Number of municipalities supported by the LUM Support Programme (MSP)	10	10	10	0	
		Number of municipalities supported with the formalisation of settlements	12	12	12	0	
		Implement programme for the development and roll-out of Provincial Norms and Standards	1	1	1	0	
		Number of municipalities supported on LGTAS	5	5	5	0	

3.3. Local Economic Development	1.3. Effective support to Local Government and Traditional Institutions towards sustained and accelerated service delivery	Number of catalytic projects (aligned to PGDP economic cluster priorities) packaged for implementation	10	10	0	-10	Even though projects were packaged and implementation plans are in place, funds were not transferred to municipalities as a result of the budget being reduced. Funding will only be transferred in the 2014/2015 Financial Year.
		Number of strategic infrastructure projects facilitated for implementation in priority nodes and corridors	2	2	0	-2	Even though projects were packaged and implementation plans are in place, funds were not transferred to municipalities as a result of the budget being reduced. Funding will only be transferred in the 2014/2015 Financial Year.
		Number of corridor sub regional plans aligned to Strategic Infrastructure Programme (SIPS) developed.	1	1	2	1	Due to pressure from the Planning Commission an additional plan was facilitated
		Number of direct employment opportunities secured through corridor projects implementation.	250	250	328	78	More staff members were employed to monitor projects and to ensure that Municipalities fast-track implementation of Corridor projects.

		Number of urban renewal framework plans supported for implementation	3	3	3	0	
		Number of green initiative projects facilitated in response to climatic change	2	2	2	0	
		Number of macro regeneration plans developed for small town nodes to inform long term future growth	3	3	4	1	
		Number of direct employment opportunities secured through small town rehabilitation projects implementation	200	200	417	217	More staff members were employed to monitor projects and to ensure that Municipalities fast-track implementation of Small town projects.
		Number of rural nodes supported for revitalisation to attract investment and regenerate the economy	6	6	6	0	
3.3. Local Economic Development	1.3. Effective support to Local Government and Traditional Institutions towards sustained and accelerated service delivery	Number of projects facilitated to support further development of industrial and commercial sites	2	2	0	-2	Even though projects were packaged and implementation plans are in place, funds were not transferred to municipalities as a result of the budget being reduced. Funding will only be transferred in the 2014/2015 Financial Year.

		Number of Districts with functional LED Forums	10	10	10	0	
		Number of LED Capacity Building Programmes rolled out	2	2	2	0	
		Number of districts LED Plans aligned to PGDP and PSEDs	10	10	10	0	
		Number of people trained in university endorsed LED Programmes	15	15	24	9	24 Students expressed interest in the LED programme and they were registered to undertake the course.
		Number of LED initiatives facilitated in partnership with the Local Houses of Traditional Leadership	2	2	2	0	
		Number of Provincial LED Summits facilitated	1	1	1	0	
		Number of LED Summits facilitated in partnership with District Houses of Traditional Leadership	4	4	5	1	Due to high demand and popularity of the Amakhosi Programme, the Ugu District was added to the target.
		Number of municipalities supported on LGTAS	20	20	20	0	
3.3. Local Economic Development	1.3 Effective support to Local Government and Traditional Institutions towards sustained and accelerated service delivery	Number of Municipalities supported with Grade 1 level CSC establishment established in line with CSC Framework	2	2	2	0	

		Number of Municipalities supported with Grade 2 level CSC establishment established in line with CSC Framework	5	5	5	0	
		Number of CSCs refurbished and maintained	20	20	27	7	Additional CSCs were included as part of ministerial enquiries at CSCs that required urgent rehabilitation
		Number of Municipalities provided with CSC operational support to enable functionality	4	4	8	4	Additional Operational support was provided as it was required at the 4 additional CSCs.
		Number of district CSC gap analysis reports developed	10	10	10	0	
		Number of employment opportunities created through the implementation of the CSC programme	200	200	200	0	
3.3. Local Economic Development Community Works Programme	1.3. Effective support to Local Government and Traditional Institutions towards sustained and accelerated service delivery	Number of Municipalities supported with implementation of CWP with the inclusion of traditional communities in at least 2 wards per municipality	51	51	29	-22	The targets for the programme are set nationally, and were amended subject to the Departmental APP being finalised and tabled. The amended national targets were achieved by the Department.

3.3. Local Economic Development Community Works Programme	1.3. Effective support to Local Government and Traditional Institutions towards sustained and accelerated service delivery	Number of work opportunities created through CWP also benefiting traditional communities	51 000	51 000	34829	-16171	The targets for the programme are set nationally, and were amended subject to the Departmental APP being finalised and tabled. The amended national targets were achieved by the Department.
		Number of CWP site business plans developed	29	29	29	0	
		Number of CWP reference committees established and functional	29	29	29	0	
3.3. Local Economic Development Expanded Public Works Programme	1.3. Effective support to Local Government and Traditional Institutions towards sustained and accelerated service delivery	Number of work opportunities created through FFW Programme	700	700	890	190	The target was over-achieved due to enhanced mobilization of participants and increased buy in of Programmes after MEC launch
		Number of municipalities with approved EPWP policies	11	11	31	20	The target was over-achieved after the EPWP unit, Public Works and the Department of Transport formed a provincial task team to fast-track policy development in Municipalities.

3.4. Municipal Infrastructure	2.2. Improve cooperative governance between Provincial and Local spheres for effective service delivery	Number of municipalities with signed EPWP protocol and incentive agreements	61	61	61	0	
		Number of municipalities supported with reporting on EPWP work opportunities	51	51	61	10	The Department saw the need to support all municipalities with reporting
		Number of EPWP job opportunities created through implementation of COGTA funded initiatives	1000	1000	1689	689	The target was over-achieved as more staff members were employed to monitor all COGTA funded projects.
		Number of municipalities reporting and accessing incentive grants for EPWP	51	51	57	6	The Department saw the need to support the additional 6 municipalities with reporting and accessing incentive grants.
		Number. of water service authorities supported in the development of UAPs	14 UAPs	14	14	0	
		Number. of water service authorities supported in the quantification of backlogs in water provision	13	13	14	-1	
		Number. of municipalities supported in developing infrastructure implementation plans	24	24	24	0	

		Number of municipalities (WSAs) supported with operation and maintenance plans	3	3	0	-3	Terms Of Reference had to be reviewed as the municipalities had not contributed to the development of the scope of works resulting in the delay with the appointment of the Service Provider.
		Number of infrastructure development co-ordinating forums	5	5	6	1	The Department has recently appointed new resources thus enlarging our capacity and in turn having the ability to support more municipalities than initially targeted
		Number of municipalities supported in implementation of LGTAS	23	23	23	0	
		Number of municipalities supported on MIG implementation	25	25	28	3	The Department has recently appointed new resources thus enlarging our capacity and in turn having the ability to support more municipalities than initially targeted
		Number of municipalities supported on the implementation of the Massification programme	14	14	14	0	

3.4. Municipal Infrastructure	2.2. Improve cooperative governance between Provincial and Local spheres for effective service delivery	Number of shared services for infrastructure development	1 (pilot)	1	1	0	
		Number of capacity building programmes implemented	2	2	2	0	
		Number of reports produced on infrastructure development and service delivery progress	2	2	2	0	
		Number of reports on water quality and waste water in terms of blue and green drop assessments	1	1	1	0	
		Number of municipalities evaluated against infrastructure benchmark	30	30	30	0	
3.5. Disaster Management	2.2. Improve cooperative governance between Provincial and Local spheres for effective service delivery	Number of risk profile and trend analysis reports produced	1	1	1	0	
		Number of Provincial Contingency Plans developed (Winter, Summer, Events etc)	2	2	2	0	

		Number of Cabinet Sub-committee meetings on Disaster Management facilitated for sector alignment	4	4	0	-4	The Provincial Disaster Management Committee did not experience any major incidents or disasters that required a Sub-Committee Meeting.
		Number of Provincial Disaster Management Advisory Forum meetings held for sector co-ordination	4	4	4	0	
		Number of Joint Operations Committee meetings activated in response to predicated risks and incidents occurred (ad hoc)	2	2	2	0	
		Number of District Disaster Management Advisory Forums supported for effective coordination of disaster management at municipal level	11	11	11	0	
	1.1. Effective support to Local Government and Traditional Institutions for strengthened governance	Number of buildings (Mkondeni) refurbished into a suitable Provincial Disaster Management Centre	1	1	1	0	
		Number of sector Departmental Disaster Risk Management plans facilitated	7	7	7	0	

		Number of municipal Disaster Risk Management Plans supported for alignment with IDP's	11	11	11	0	
		Number of stakeholders Disaster Risk Management Plans facilitated for alignment with Provincial Plan	3	3	4	-1	
		Number of municipalities supported with grant funding for the district Disaster Management Centres	3	3	2	-1	Due to slow progress in previous grants , Provincial Treasury only approved two transfers during the current financial year and transfers were done to Sisonke & uGu District Municipalities
		Number of municipalities provided with technical support for operationability of the district Disaster Management Centres (compliance: IGR structures & operations)	11	11	11	0	
		Number of structures activated to mainstream DRM (Trads, OSS, CDWs etc)	3	3	3	0	
		Number of municipalities facilitated to establish and operate DRM volunteers (each district)	11	11	11	0	

3.5. Disaster Management		Number of municipalities facilitated to establish and operate DRM volunteers (each district)	11	11	11	0	
		Number of Standard Operating procedures for weather intelligence and early warning systems developed	1	1	1	0	
		Number of disaster risk management public awareness campaigns conducted	2	2	2	0	
		Number of monthly incidents reports consolidated and processed	12	12	12	0	
		Number of municipalities supported with mobilisation of emergency relief measures	11	11	11	0	
		Number of quarterly disaster rehabilitation reports facilitated	4	4	4	0	
		Number of fire services capacity assessment reports compiled	1	1	1	0	

3.5. Disaster Management		Number of Fire fighters trained from needy municipalities	30	30	0	-30	The target was not achieved Due to unforeseen delays in the process for the appointment of the Service provider. The appointment process concluded at the end of February 2014, the MoA has been signed and the order has been issued to the service provider.
	1.1. Effective support to Local Government and Traditional Institutions for strengthened governance	Number of quarterly National Disaster Management Advisory Forum meetings attended by the PDMC for alignment	4	4	4	0	
		Number of municipalities supported on LGTAS	9	9	9	0	
3.6. IDP Co-ordination	1.4. Effective support to Local Government and Traditional Institutions for effective integrated planning	Number of Provincial IDP Management and Support Plan adopted	1	1	1	0	
		Number of municipal IDPs supported with capacity building initiatives	10	10	10	0	

	2.2. Improve cooperative governance between Provincial and Local spheres for effective service delivery	Number of Sector Departments supported with Integrated Development Planning capacity building initiatives	8	8	8	0	
		Number of reports produced in respect of IDP Credibility Framework	1	1	1	0	
		Number of Districts supported to maintain planning capacity in the form of District Development Planning Shared Services	10	10	10	0	
		Number of District Growth and Development Plans supported	10	10	10	0	
		Number of municipalities supported with LGTAS	14	14	14	0	

PROGRAMME FOUR: TRADITIONAL AFFAIRS BRANCH

TRADITIONAL INSTITUTIONAL ADMINISTRATION (GOVERNANCE AND FINANCE)

Two hundred and fifty seven Traditional Administrative Centres movable asset registers were verified and updated.

The Annual Consolidated Financial Statements for three hundred Traditional Councils were prepared and submitted to the office of the Auditor General by 31 May 2014.

Two hundred and ninety two Traditional Councils were supported to implement the financial management practice notes. Support was provided through workshops, compliance audits, spot checks and compliance assessments

Workshops were conducted in fifty one Traditional Councils as part of the implementation of the Governance Manual.

During the 2013/2014 financial year five Amakhosi were installed and nine Amakhosi were recognized.

The Dispute Resolution and Conflict Management framework was implemented and reports were produced on a quarterly basis.

TRADITIONAL RESOURCE ADMINISTRATION

Twenty five Amakhosi were identified for the Leadership Programme. Amakhosi on Basic Leadership programme: 2013 completed their 7 block sessions. Amakhosi on Advanced Programme have completed 2013 block sessions and are awaiting the 2014 sessions from UKZN. Twenty Four Amakosi graduated from the Leadership Programme.

Workshops on the Functionality of Houses were conducted with the ten Districts and one Provincial House. The twenty five Amakhosi on the Leadership Programme attended a Computer Training Facilitated by SITA.

The Department of Human Settlements was identified to facilitate workshops for Traditional Councils. The Programme that was identified was the Rural Housing Workshop. The ten Districts and one Provincial house have been trained.

RURAL DEVELOPMENT FACILITATION

The names of AmaKhosi were published as per Gazette No. 49 of April 2013 for 58 municipalities (20 for the previous financial year and 38 for the current financial year totaling 58 out of 61 municipalities). The three excluded municipalities, Kokstad, KwaSani and Endumeni, do not have recognized traditional leaders. Section 81 Steering Committee meetings were held on financial Support to Municipalities as well as to discuss and identify relevant Chapters for the training of Amakhosi. Governance workshops in respect of Code of Conduct and Generic Rules and Orders were conducted. Governance Induction sessions focusing on the Rules and Orders and the Code of Conduct for Councilors were facilitated.

Project Steering Committees were established to support development initiatives in Traditional communities. Projects were identified by the Empangisweni TC, Abambo TC & Sokhulu TC. Traditional Councils were supported to develop business plans. Action plans were prepared for each project as part of the Business Plans. The project statuses are as follows: Empangisweni Project - Fencing of site by ADA is at 20%, laying of pipes for the irrigation system is at 65%, Sokhulu Project- COGTA Land Admin has finalized the site survey layout map. Draft (TOR) to appoint a service provider has been prepared and submitted to all stakeholders.

Twelve Social Cohesion conversations were achieved. Social Cohesion community conversations were held in Pongola (Belgrade), UMzinyathi x2, UThungulu x2, uThukela, Ugu x2, Amajuba, Ethekwini, Ilembe, Umgungundlovu and Zululand. 5 Additional Social Cohesion conversation (Vusisizwe) District roll-out events in partnership with DSD were also held in Ugu, Zululand, Amajuba and Harry Gwala x2.

TRADITIONAL LAND ADMINISTRATION

Capacity Building Programmes were undertaken to support Traditional Councils(TC) with Land Allocation processes. Cluster workshops were conducted in Nzimakwe TC, Umuziwabantu LM and Nxamalala TC.

Two hundred and eighty eight Izizwe were supported with alignment of land allocation processes to Municipal Land Use Management systems.

One thousand six hundred and fifteen land rights applications were processed.

Forty six Izizwe with Izigodi was surveyed.

Two hundred and ninety seven Izizwe were covered in the collection of land utilization information towards the development of a database.

SUB PROGRAMME	DEPARTMENTAL STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ANNUAL TARGET	PLANNED	ACTUAL	VARIANCE	REASON FOR VARIANCE
Monitoring of Conditional Grants	4.1. Improved management and accountability of financial, physical and human resources and systems for the Department and Ministry.	Number of reports produced on conditional grants transferred to municipalities	12	12	12	0	
4.1. Traditional Institutional Administration (Governance and Finance)	1.1. Effective support to Local Government and Traditional Institutions for strengthened governance	Number of Traditional Administrative Centres with updated Movable Asset Registers	257	257	257	0	
		Number of consolidated Financial Statement for Traditional Councils	1	1	1	0	
		Number of Traditional Councils supported to implement the financial management practice notes	267	267	292	25	The reason for the overachievement was based on the urgent need to conduct compliance assessments in order to prepare for audit readiness of the identified TCs before audit by Auditor General.
		Number of Governance Manuals implemented	1	1	1	0	

		Number of Amakhosi installed	7	7	5	-2	A delay in the identification of Amakhosi who qualify to perform Ukuthela Amanzi and are ready to be installed. There is also a challenge with securing dates for the installations.
		Number of Amakhosi recognised	10	10	9	-1	Some Memoranda that were prepared for Cabinet were deferred, others were sent back for further consultations with the affected imiNdeni or traditional communities.
		Number of dispute resolution and conflict management frameworks implemented	1	1	1	0	
4.2. Traditional Resource Administration	1.1. Effective support to Local Government and Traditional Institutions for strengthened governance	Number of Capacity Building Programmes implemented for Amakhosi	1	1	1	0	
	1.1. Effective support to Local Government and Traditional Institutions for strengthened governance	Number of Capacity Building programmes implemented for PH and LH	1	1	1	0	
		Number of Capacity Building programmes implemented for TCs	1	1	1	0	

		Number of research initiatives undertaken for the establishment of a traditional learning institution	1	1	0	1	Due to insufficient capacity to undertake the project, there was a delay in the appointment of a service provider.
		Number of Imizi Yezizwe constructed	5	5	0	-5	Carryover projects from 2012/2013 had an impact on the Department achieving the set 2013/2014 targets. The however, did complete construction of the 4 Imizi Yezizwe from 2012/2013.
		Number of Traditional Administrative Centres refurbished and maintained	20	20	27	7	This is a duplicate indicator and has been reported under CSCs.
4.3. Rural Development Facilitation	2.3. Improve participation of traditional institutions in government systems	Number of municipalities in which Amakhosi participate in terms of Section 81 of Municipal Structures Act 1998	41	41	41	0	
		Number of development initiatives supported in traditional communities	3	3	3	0	
		Number of PHs and LHs supported to promote Social Cohesion	12 (1 PH and 11 LH)	12	12	0	

4.4. Traditional Land Administration

1.1. Effective support to Local Government and Traditional Institutions for strengthened governance

Number of Izizwe supported with alignment of land allocation processes to Municipal LUMs	286	286	288	2	To meet with Traditional Councils can be very onerous, thus when meetings have been set up, they need to be held. More meetings are always set up in case some of the meetings cannot be held.
Number of land rights applications processed	2 000	2 000	1615	-385	Due to the New procedure implemented by the Ingonyama Trust Board, applicants submit directly to Ingonyama Trust Board
Number of Amakhosi installed	7	7	5	-2	A delay in the identification of Amakhosi who qualify to perform Ukuthela Amanzi and are ready to be installed. There is also a challenge with securing dates for the installations.
Number of Amakhosi recognised	10	10	9	-1	Some Memoranda that were prepared for Cabinet were deferred, others were sent back for further consultations with the affected imiNdeni or traditional communities.
Number of dispute resolution and conflict management frameworks implemented	1	1	1	0	

4.2. Traditional Resource Administration	1.1. Effective support to Local Government and Traditional Institutions for strengthened governance	Number of Capacity Building Programmes implemented for Amakhosi	1	1	1	0	
		Number of Capacity Building programmes implemented for PH and LH	1	1	1	0	
		Number of Capacity Building programmes implemented for TCs	1	1	1	0	
		Number of research initiatives undertaken for the establishment of a traditional learning institution	1	1	0	1	Due to insufficient capacity to undertake the project, there was a delay in the appointment of a service provider.
		Number of Imizi Yezizwe constructed	5	5	0	-5	Carryover projects from 2012/2013 had an impact on the Department achieving the set 2013/2014 targets. The however, did complete construction of the 4 Imizi Yezizwe from 2012/2013.
		Number of Traditional Administrative Centres refurbished and maintained	20	20	27	7	This is a duplicate indicator and has been reported under CSCs.
4.3. Rural Development Facilitation	2.3. Improve participation of traditional institutions in government systems	Number of municipalities in which Amakhosi participate in terms of Section 81 of Municipal Structures Act 1998	41	41	41	0	

		Number of development initiatives supported in traditional communities	3	3	3	0	
		Number of PHs and LHs supported to promote Social Cohesion	12 (1 PH and 11 LH)	12	12	0	
4.4. Traditional Land Administration	1.1. Effective support to Local Government and Traditional Institutions for strengthened governance	Number of Capacity Building Programmes undertaken to support TCs with Land Allocation processes	1	1	1	0	
		Number of Izizwe supported with alignment of land allocation processes to Municipal LUMs	286	286	288	2	To meet with Traditional Councils can be very onerous, thus when meetings have been set up, they need to be held. More meetings are always set up in case some of the meetings cannot be held.
		Number of land rights applications processed	2 000	2 000	1615	-385	Due to the New procedure implemented by the Ingonyama Trust Board, applicants submit directly to Ingonyama Trust Board

		Number of Izizwe with Izigodi surveyed	40	40	46	6	To arrange field work visits is very onerous, thus when arrangements have been confirmed, field work must be com- pleted. More meetings are always set up in case some of the meet- ings cannot be held.
		Number of Izizwe cov- ered in the collection of land utilisation information towards the development of a database	280	280	297	17	To arrange field work visits is very onerous, thus when arrangements have been confirmed, field work must be com- pleted. More meetings are always set up in case some of the meet- ings cannot be held.

TRANSFER PAYMENTS AND CONDITIONAL GRANTS

Grants to the amount of R233 074 000 were transferred in the 2013/2014 Financial Year.

The majority of payments were made later in the Department's financial year. Projects are still subject to municipal supply chain processes, hence the R0 expenditure in many cases.

There is no intention to reallocate or recover any of these Grants. This will be re-evaluated at the end of 2014/2015. However, based on previous experiences, the Department has advised municipalities that in the cases where conditional grants are mismanaged or not utilized appropriately, the grants will be reallocated to other priority service delivery projects.

Below is a table that indicates the broad transfers made per programme to municipalities during the financial year. The allocations and transfers were made in accordance with the Departments mandate.

CONDITIONAL GRANTS PAID TO MUNICIPALITIES

BUSINESS UNIT	MUNICIPALITY	PORPOSE OF THE GRANT	AMOUNT TRANS-FERRED	TOTAL AMOUNT SPENT	MONITORING MECHANISMS
Programme 2 : Local Governance					
Municipal Performance	uThungulu	Excellence Awards	R 1 000 000	R 0	Regular project meetings, monthly validated progress and expenditure reports
Municipal Performance	Mfolozi	Excellence Awards	R 1 000 000	R 0	Regular project meetings, monthly validated progress and expenditure reports
Municipal Performance	Hibiscus Coast	Excellence Awards	R 1 000 000	R 0	Regular project meetings, monthly validated progress and expenditure reports
Public Participation	Umkhanyakhude	Citizen Satisfaction Survey	R 750 000	R 0	Regular project meetings, monthly validated progress and expenditure reports
Public Participation	uThungulu	Citizen Satisfaction Survey	R 750 000	R 0	Regular project meetings, monthly validated progress and expenditure reports

Programme 3: Development and Planning					
LED	Nquthu	Corridor Development	R 3 000 000	R 2 700 000	Regular project meetings, monthly validated progress and expenditure reports
LED	Msunduzi	Corridor Development	R 12 500 000	R 106 461.80	Regular project meetings, monthly validated progress and expenditure reports
LED	Emnambithi/ Ladysmith	LED	R 3 200 000	R 0	Regular project meetings, monthly validated progress and expenditure reports
LED	uPhongolo	Corridor Development	R 3 000 000	R 351 352.45	Regular project meetings, monthly validated progress and expenditure reports
LED	Ntambanana	Corridor Development	R 2 000 000	R 0	Regular project meetings, monthly validated progress and expenditure reports
LED	uMuziwabantu	Small Town Rehabilitation	R 7 000 000	R 1 720 291.28	Regular project meetings, monthly validated progress and expenditure reports
LED	Abaqulusi	Small Town Rehabilitation	R 11 500 000	R 0	Regular project meetings, monthly validated progress and expenditure reports
LED	Ubuhlebezwe	Small Town Rehabilitation	R 11 143 000	R 0	Regular project meetings, monthly validated progress and expenditure reports
LED	Umzimkulu	Small Town Rehabilitation	R 11 700 000	R 0	Regular project meetings, monthly validated progress and expenditure reports
LED	Newcastle	Small Town Rehabilitation	R 1 000 000	R 0	Regular project meetings, monthly validated progress and expenditure reports
LED	uThungulu District	LED	R 2 000 000	R 0	Regular project meetings, monthly validated progress and expenditure reports
LED	Umkhanyakude District	Municipal Operational Support for TSC/Community Service Centres	R 250 000	R 0	Regular project meetings, monthly validated progress and expenditure reports

Programme 3: Development and Planning

LED	Ilembe District	Corridor Development	R 500 000	R 0	Regular project meetings, monthly validated progress and expenditure reports
LED	Ubuhlebezwe	LED	R 1 500 000	R 0	Regular project meetings, monthly validated progress and expenditure reports
LED	uMngeni	Corridor Development	R 15 000 000	R 0	Regular project meetings, monthly validated progress and expenditure reports
LED	Impendle	Small Town Rehabilitation	R 4 625 000	R 459 634.92	Regular project meetings, monthly validated progress and expenditure reports
LED	Greater Kokstad	Small Town Rehabilitation	R 8 000 000	R 0	Regular project meetings, monthly validated progress and expenditure reports
LED	Richmond	Small Town Rehabilitation	R 9 000 000	R 406 809.49	Regular project meetings, monthly validated progress and expenditure reports
LED	Mandeni	Small Town Rehabilitation	R 10 829 000	R 3 224 451.93	Regular project meetings, monthly validated progress and expenditure reports
LED	Umtshezi	Small Town Rehabilitation	R 6 000 000	R 0	Regular project meetings, monthly validated progress and expenditure reports
LED	Emnambithi/Lady-smith	Small Town Rehabilitation	R 4 000 000	R 0	Regular project meetings, monthly validated progress and expenditure reports
LED	Okhahlamba	Small Town Rehabilitation	R 5 000 000	R 0	Regular project meetings, monthly validated progress and expenditure reports
LED	Ethekwini	LED	R 3 000 000	R 2 377 016	Regular project meetings, monthly validated progress and expenditure reports
LED	Emnambithi/Ladysmith	LED	R 2 000 000	R 0	Regular project meetings, monthly validated progress and expenditure reports

Programme 3: Development and Planning					
LED	uThungulu District	LED	R 18 000 000	R 0	Regular project meetings, monthly validated progress and expenditure reports
LED	Impendle	LED	R 5 000 000	R 0	Regular project meetings, monthly validated progress and expenditure reports
Municipal Infrastructure	Ugu	Massification	R 15 931 000	R 0	Regular project meetings, monthly validated progress and expenditure reports
Municipal Infrastructure	uMgungundlovu	Massification	R 23 896 000	R 0	Regular project meetings, monthly validated progress and expenditure reports
Municipal Infrastructure	Msunduzi	Massification	R 5 000 000	R 0	Regular project meetings, monthly validated progress and expenditure reports
Municipal Infrastructure	uMhlathuze	Massification	R 10 000 000	R 1 229 770.22	Regular project meetings, monthly validated progress and expenditure reports
Disaster Management	Ugu District	Disaster Management	R 5 000 000	R 0	Regular project meetings, monthly validated progress and expenditure reports
Disaster Management	Harry Gwala District	Disaster Management	R 3 000 000	R 0	Regular project meetings, monthly validated progress and expenditure reports
Integrated Development Planning	Ugu District	Development Planning Shared Services	R 1 000 000	R 674 309.97	Regular project meetings, monthly validated progress and expenditure reports
Integrated Development Planning	Umgungundlovu District	Development Planning Shared Services	R 1 000 000	R 0	Regular project meetings, monthly validated progress and expenditure reports
Integrated Development Planning	Umuziwabantu Municipality	Community Participation in IDP's	R 200 000	R 0	Regular project meetings, monthly validated progress and expenditure reports
Integrated Development Planning	Impendle Municipality	Community Participation in IDP's	R 200 000	R 0	Regular project meetings, monthly validated progress and expenditure reports

Programme 3: Development and Planning					
Integrated Development Planning	Imbabazane Municipality	Community Participation in IDP's	R 200 000	R 0	Regular project meetings, monthly validated progress and expenditure reports
Integrated Development Planning	Nquthu Municipality	Community Participation in IDP's	R 200 000	R 0	Regular project meetings, monthly validated progress and expenditure reports
Integrated Development Planning	Emadlangeni Municipality	Community Participation in IDP's	R 200 000	R 0	Regular project meetings, monthly validated progress and expenditure reports
Integrated Development Planning	uPhongolo Municipality	Community Participation in IDP's	R 200 000	R 0	Regular project meetings, monthly validated progress and expenditure reports
Integrated Development Planning	Umlalazi Municipality	Community Participation in IDP's	R 200 000	R 0	Regular project meetings, monthly validated progress and expenditure reports
Integrated Development Planning	Mandeni Municipality	Community Participation in IDP's	R 200 000	R 0	Regular project meetings, monthly validated progress and expenditure reports
Integrated Development Planning	Big Five False Bay Municipality	Community Participation in IDP's	R 200 000	R 14 400	Regular project meetings, monthly validated progress and expenditure reports
Integrated Development Planning	Umzimkhulu Municipality	Community Participation in IDP's	R 200 000	R 75 000	Regular project meetings, monthly validated progress and expenditure reports
Integrated Development Planning	Ethekwini Metro	Sustainable Living Exhibition	R 1 000 000	R 0	Regular project meetings, monthly validated progress and expenditure reports
TOTAL			R 233 074 000	R 13 339 498	



PART C: GOVERNANCE



INTRODUCTION

The Department of Co-operative Governance and Traditional Affairs is committed to maintaining the highest standards of governance. The Accounting Officer has managed to drive the process of Risk Management and Anti-fraud and Anti-Corruption in accordance with Provincial Legislative Frameworks to ensure that business and fraud risks identified are adequately addressed during the year.

1. RISK MANAGEMENT

The Accounting Officer has committed the Department of Co-operative Governance and Traditional Affairs to a process of risk management that is aligned to the principles of good corporate governance, as supported by the Public Finance Management Act (PFMA), Act 1 of 1999 as amended by Act 29 of 1999.

The Accounting Officer has made sure that the department has and maintains effective, efficient and transparent risk management in terms of Section 38(a) of the PFMA

Risk Management is not only the responsibility of the accounting officer, but is extended to all levels of management.

The Risk Management function falls within the Internal Control business unit, which is the custodian of the Risk Management Strategy and coordinates the risk management activities throughout the department. The Internal Control business unit facilitated an effective, efficient and transparent risk management process in the Department, including developing related policies, procedures and roles and responsibilities. The unit has supported and advised management components in identifying and assessing risks and also monitored and evaluated the implementation of risk management across the organization. The implementation of risk action plans was monitored and discussed at the MANCO and EXCO meetings

The Strategy of the Department comprises the following key focus areas:

- The Departmental Risk Committee is tasked, inter alia, to ensure the implementation of the ERM process on behalf of the Accounting Officer.
- Approval and review of the Risk Management Policy and Methodology by the Risk Committee.
- Review and communicate the Risk Management Policy to ensure that it remains relevant to all Stakeholders
- Conduct Risk assessments annually to ensure that all critical activities of the Department are covered.
- Interventions to manage fundamental risks have been put in place by management to enhance the internal control environment. In addition the effectiveness of the internal controls will be continuously assessed and tested by Provincial Internal Audit and the Auditor General.
- The review of the most significant risks will continue to be a primary management focus.

During the 2013-2014 financial year; the Risk register of the Department was reviewed and the Fraud Risk assessments were conducted with all the branches

The status of the Department's progress in terms of implementing the required risk mitigation plans at year end was forty (40) out of fifty four (54) action plans were completed which is a reasonable progress.

2. FRAUD AND CORRUPTION

The department has the draft Fraud and Corruption Prevention Strategy and has developed the Fraud Prevention Plan. The policy of the Department is Zero Tolerance to fraud and corruption. In addition, all fraud is investigated and followed up by the application of all remedies available within the full extent of the law as well as the application of appropriate prevention and detection controls.

Fraud awareness campaigns were conducted in all the Districts in the form of presentations and formal training for employees with the aim to enhance their understanding of the manifestations of fraud, prevention and detection techniques, whistle blowing mechanisms available to report cases of fraud and corruption and the components of the Fraud Prevention Plan, in general.

The Internal Control Unit of the department is responsible for investigating fraud and corruption and ensuring communicating and promoting a better understanding by managers, of the roles and responsibilities of the Internal Control Unit, including the roles and functions of Risk Management, which are as follows:

- (a) Investigation of fraud and corruption and ensuring appropriate action is taken;
- (b) Conducting fraud and corruption risk assessments and susceptibility assessments of high fraud and corruption risk areas; and
- (c) Promoting integrity of employees within the Department. It is the responsibility of all employees of Department of Co-operative Governance and Traditional Affairs to report all incidents of fraud and corruption to the department's Internal Control Unit as stipulated in the Fraud Prevention Policy.

All information relating to fraud that is received and investigated is treated with confidentiality. The progression of investigations is handled in a confidential manner and not disclosed or discussed with any person(s) other than those who have a legitimate right to such information. The Whistle Blowing Policy is intended to encourage employees to raise concerns relating to specific matters (including fraud), without fear of victimisation. No person will suffer any penalty or retribution for reporting in good faith, any suspected or actual incident of fraud.

3. MINIMISING CONFLICT OF INTEREST

All Senior Management Service (SMS) members completed and submitted the declaration of financial interest in terms of chapter 9 of the SMS Handbook.

The fraud Awareness Campaign was conducted, where employees of Department of Co-operative Governance and Traditional Affairs were educated on conflict of interest. In order to minimise the occurrence of conflict of interest within the department, we have created a culture where all employees and stakeholders continuously behave ethically in their dealings with or on behalf of the Department and encouraged all employees and stakeholders to report alleged fraudulent activity without fear of reprisals or recriminations

4. CODE OF CONDUCT

KZN COGTA adheres to the Public Service Code of Conduct. The integrity of the employees of Department of Co-operative Governance and Traditional Affairs underlies all of the relationships, including those with customers, suppliers and communities, as well as its internal dynamics. The highest standards of ethical business conduct are required of public servants employed by the Department in fulfilling their responsibilities.

All employees are personally responsible for ensuring that their conduct is ethical and should bring any possible contraventions of the Code to the attention of their superior.

5. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Department is approximately 99% compliant with the Occupational Health and Safety Act. In so far as few buildings that have challenges e.g accessibility for the disabled, an action plan is in place to replace such buildings.

6. INTERNAL CONTROL UNIT

The Departmental risk register was reviewed and culminated in the risk register being revised. The quarterly Risk management Reports were compiled and presented to the Cluster Audit and Risk Committee.

Verification Audits of the Risk Action Plan were conducted in order to verify that the actions were implemented.

The following audits and follow-up audits were conducted during the year and reported accordingly:

- Monthly Exit file Audits
- Quarterly Audits of Income, expenditure and Asset Management at the Traditional Councils
- Human Resource Management
- Supply Chain management
- Asset management
- Transfer payments
- Quarterly AG Improvement Strategy

7. AUDIT COMMITTEE REPORT

REPORT OF THE AUDIT & RISK COMMITTEE ON VOTE 11 – DCO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

1. Objective and responsibility of the Audit and Risk Committee

The Provincial Audit and Risk Committee (PARC) has been established to assist the KZN Provincial Government in fulfilling its oversight responsibilities for the integrity of financial reporting processes, system of internal control over financial reporting, audit process for monitoring compliance with laws and regulations and KZN Provincial Government Code of conduct, fraud prevention, the risk management process and any other good governance processes.

The Provincial Audit and Risk Committee reports that it has complied with its responsibilities arising from the Public Finance Management Act, No.1 of 1999 (PFMA), Treasury Regulations 3.1, including all other related prescripts. The Provincial Audit and Risk Committee also reports that it adopted appropriate formal terms of reference as its Provincial Audit and Risk Committee Charter, regulated its affairs in compliance with this charter and discharged all its responsibilities as contained therein.

The Committee is therefore, pleased to present its report for the financial year ended 31 March 2014.

2. Audit Committee Members and Attendance

The KwaZulu Natal Provincial Government has established the PARC as the shared audit committee for its provincial departments. The PARC is further sub-divided into three Cluster Audit and Risk Committees (CARCs) to provide oversight to provincial departments – i.e. with the Department of Cooperative Governance and Traditional Affairs being served by the Governance and Administration CARC. The PARC and the Governance and Administration CARC consist of the members listed below. As per its approved terms of reference, the Governance and Administration CARC and PARC should meet at least 4 times per annum respectively. During the financial year under review, four (4) PARC and four (4) Governance and Administration CARC meetings were held as outlined below.

#	Name of Member	PARC Meetings Attended	Governance and Administration CARC Meetings Attended
1.	Ms T Tsautse (Chairperson)	4	4
2.	Ms M Mothipe	4	4
3.	Mr V Naicker	2	3
4.	Ms N Jaxa	4	N/A
5.	Mr L Mangquku	4	N/A
6.	Mr F Docrat	4	N/A
7.	Mr T Boltman	4	N/A

- N/A = Not a member of the Governance and Administration CARC
- PARC meetings, include 2 special meetings

3. The Effectiveness of Internal Controls

The Committee has reviewed the reports of the Internal Auditors, the Audit report on the Annual Financial Statements and Management Report of the Auditor General of South Africa (AGSA) and has noted with concern, the weaknesses in controls around the following areas:

- Transfer Payments
- Human Resources Management

Risk Management

With regard to risk management, the Committee has noted that the department has not taken full responsibility and ownership for compliance with section 38(1)(a)(i) of the PFMA, which requires the Accounting Officer to ensure the maintenance of an effective system of internal control and risk management. The department was still assisted by the Provincial Internal Audit Service (Risk and Advisory Services) to fulfill its risk management responsibilities

During the period under review, we have noted that the department updated its risk register, and tabled the same during the 3rd Quarter of the 2013/14 financial year Governance CARC meeting.

The Committee has also reviewed the quarterly progress reports on the implementation of risk mitigation during the period under review.

In order to improve the general control environment in relation to risk management, the department had been advised to:

- Ensure that completed risk mitigation plans are validated, measured and the risk register regularly updated;
- Report on emerging risks, if any, on a quarterly basis;
- The Provincial Internal Audit Service capacitates the department and its Risk Management Officer to enable them to execute the risk management activities on their own.
- Establish additional capacity in the department to ensure that each Programme has the risk champion that will be responsible for undertaking the daily risk management responsibilities and report to the Risk Management Officer.

Forensics Investigations

During the period under review, the Committee noted that there were three (3) forensic investigations into the alleged irregular procurement activities that the department has referred to the Provincial Internal Audit Services for investigation. All of these investigations were completed. The department and the Provincial Internal Audit Service are urged to work together to implement recommendations on the finalized investigation.

The Committee is unable to comment on the completeness of the investigations conducted during the year under review as the department failed to respond to the request to furnish the Provincial Internal Audit Services (PIAS) with a list of all in-house or outsourced investigations to other service providers by the Department. As a result, the committee is unable to further comment on the completeness of the department's fraud risk profile.

Quality of in year management and monthly/quarterly reports

Based on the audit reviews conducted by Internal Audit, the Committee was satisfied with the content and quality of quarterly reports in respect of in year management and quarterly performance reports submitted in terms of the PFMA and the Division of Revenue Act prepared and issued by the Accounting Officer of the Department during the year under view.

The Committee further concurs and accepts the Auditor General's opinion regarding the information on predetermined objectives as reported in the annual report and has noted that no material findings were raised around the usefulness and reliability thereof. The Department was encouraged to strive to sustain the current outcome and constantly enhance the effectiveness of internal controls relating to performance information management.

4. Evaluation of Financial Statements

The Committee has:

- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the Auditor General and the Accounting Officer;
- Reviewed the Auditor General's Management Report and Management's response thereto;
- Reviewed the Department's processes for compliance with legal and regulatory provisions and the Committee note with concern the repeat shortcomings around the appointment of employees without proper background checks being done and the repeat internal control weakness with regards to employees receiving overtime payments in excess of their monthly salaries.
- Reviewed material adjustments resulting from the audit of the Department and noted that the Department was able to correct the material misstatements satisfactorily. However, the Committee is generally concerned about the quality of the Annual Financial Statements that are presented for audit. The Accounting Officer has been urged to devise improvement strategies to address the weaknesses around financial reporting.

The Committee concurs and accepts the Auditor General's opinion regarding the Annual Financial Statements, and proposes that the Audited Annual Financial Statements be accepted and read together with the report of the Auditor General.

5. Internal Audit

In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit Function provides the Audit Committee and Management with reasonable assurance that the internal controls are adequate and effective. This is achieved through the implementation of a risk based Internal Audit plan. The Committee has, through the

CARC monitoring processes, considered internal audit reports issued after assessing the adequacy and effectiveness of controls designed to mitigate the risks associated with operational and strategic activities of the department, as well as the appropriateness of the of corrective actions provided by management to improve the control environment.

The Internal Audit function was effective during the period under review and there were no unjustified restrictions or limitations. The Committee will in the forthcoming year, monitor progress to ensure that the Internal Audit Function continues to add value to the department and achieves its optimal performance. The Committee also monitored the implementation of Internal Audit recommendations to the Department.

6. Auditor-General's Report

The Committee has throughout the financial year, constantly monitored the implementation of corrective action plans to address the audit issues raised in the prior year by the Auditor General. The Committee has met with the Auditor General of South Africa to ensure that there were no unresolved issues that emanated from the current regulatory audit.

The Committee will ensure that corrective actions on the detailed findings emanating from the current regulatory audit are monitored on a quarterly basis through the CARC processes.

7. Appreciation

The Committee wishes to express its appreciation to the Management of the Department, the Auditor General of South Africa, and the Provincial Internal Audit Services for the co-operation and information they have provided to enable us to compile this report.



Ms T Tsautse

Chairman: KZN Provincial Audit and Risk Committee

11 August 2014



PART D: HUMAN RESOURCES MANAGEMENT



3.1. Personnel related expenditure

The following tables summarize 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 2013 and 31 March 2014

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	303 746	133 753	0	0	44	89
Local governance	222 739	148 830	0	0	66.8	93
Development & planning	430 891	94 545	0	0	22	59
Traditional institutional manage	285 120	146 445	0	0	51.2	91
Total as on Financial Systems (BAS)	1 242 496	523 273	0	0	42.11	332

Table 3.1.2 Personnel costs by salary band for the period 1 April 2013 and 31 March 2014

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)	5 593	0.9	48	116 521
Skilled (level 3-5)	43 775	7.3	215	203 605
Highly skilled production (levels 6-8)	170 781	28.7	751	227 405
Highly skilled supervision (levels 9-12)	122 208	20.5	235	520 034
Senior and Top management (levels 13-16)	57 390	9.6	59	972 712
Total	399747	0	1308	305617

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2013 and 31 March 2014

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	74842	73.7	1051	1	2031	2	3398	3.3
Administration	24020	79.9	229	0.8	629	2.1	925	3.1
Development & planning	46910	71.6	3	0	741	1.1	1377	2.1
Local governance	141984	72.4	604	0.3	4739	2.4	8388	4.3
System & institutional development	6116	77.4	0	0	90	1.1	177	2.2
Traditional institutional management	119636	61.4	275	0.1	2659	1.4	3920	2
Total	413508	69.4	2162	0.4	10889	1.8	18185	3.1

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2013 and 31 March 2014

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
Skilled (level 1-2)	3 851	68.9	35	0.6	347	6.2	402	7.2
Skilled (level 3-5)	30 827	69.7	485	1.1	1899	4.3	2862	6.5
Highly skilled production (levels 6-8)	119 598	68.1	1018	0.6	6355	3.6	11194	6.4
Highly skilled supervision (levels 9-12)	91 031	69.1	261	0.2	1342	1	2939	2.2
Senior management (level 13-16)	45 767	70.6	0	0	811	1.3	619	1
Total	291 074	69	1799	0.4	10754	2.5	18016	4.3

3.2. Employment and Vacancies

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

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

This information is presented in terms of three key variables:

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

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

Table 3.2.1 Employment and vacancies by programme as on 31 March 2014

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration, Permanent	366	300	18	3
Administration., Permanent	180	165	8.3	65
Development & planning, Permanent	166	129	22.3	0
Development & planning, Temporary	1	1	0	0
Local governance, Permanent	741	674	9	29
System & institut development, Permanent	20	16	20	0
Traditional institut management, Permanent	398	333	16.3	22
Total	1872	1618	13.6	119

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2014

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)	59	48	18.6	1
Skilled(3-5)	265	215	18.9	9
Highly skilled production (6-8)	861	751	12.8	10
Highly skilled supervision (9-12)	302	234	22.5	0
Senior management (13-16)	74	59	20.3	0
Total	1561	1307	16.3	20

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2014

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related, Permanent	476	386	18.9	102
All artisans in the building metal machinery etc., Permanent	8	8	0	0
Architects town and traffic planners, Permanent	23	21	8.7	0
Auxiliary and related workers, Permanent	6	3	50	0
Building and other property caretakers, Permanent	2	2	0	0
Bus and heavy vehicle drivers, Permanent	5	4	20	0
Cartographers and surveyors, Permanent	12	7	41.7	0
Cartographers and surveyors, Temporary	1	1	0	0
Cartographic surveying and related technicians, Permanent	9	5	44.4	0
Cleaners in offices workshops hospitals etc., Permanent	62	60	3.2	1
Client inform clerks (switchboard reception information clerks), Permanent	1	1	0	0
Communication and information related, Permanent	21	16	23.8	0
Community development workers, Permanent	3	3	0	0

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Electrical and electronics engineering technicians, Permanent	1	1	0	0
Engineering sciences related, Permanent	7	5	28.6	0
Engineers and related professionals, Permanent	27	25	7.4	1
Finance and economics related, Permanent	43	29	32.6	0
Financial and related professionals, Permanent	46	37	19.6	0
Financial clerks and credit controllers, Permanent	54	50	7.4	0
Food services aids and waiters, Permanent	6	3	50	0
General legal administration & rel. professionals, Permanent	3	3	0	0
Head of department/chief executive officer, Permanent	3	3	0	0
Human resources & organisat developm & relate prof, Permanent	16	12	25	0
Human resources clerks, Permanent	26	26	0	0
Human resources related, Permanent	36	30	16.7	0
Information technology related, Permanent	7	7	0	0
Language practitioners interpreters & other commun, Permanent	1	1	0	0
Legal related, Permanent	3	2	33.3	0
Library mail and related clerks, Permanent	15	15	0	0
Light vehicle drivers, Permanent	18	16	11.1	1
Material-recording and transport clerks, Permanent	2	1	50	0
Mathematicians and related professionals, Permanent	1	1	0	0
Messengers porters and deliverers, Permanent	40	34	15	0
Mining geology & geophysical & related technicians, Permanent	11	8	27.3	0
Motor vehicle drivers, Permanent	3	3	0	0
Natural sciences related, Permanent	3	3	0	0
Other administrat & related clerks and organisers, Permanent	669	630	5.8	14

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Other administrative policy and related officers, Permanent	40	29	27.5	0
Regulatory inspectors, Permanent	6	5	16.7	0
Road workers, Permanent	3	2	33.3	0
Safety health and quality inspectors, Permanent	2	2	0	0
Secretaries & other keyboard operating clerks, Permanent	69	54	21.7	0
Security guards, Permanent	13	11	15.4	0
Security officers, Permanent	1	0	100	0
Senior managers, Permanent	64	49	23.4	0
Trade labourers, Permanent	2	2	0	0
Trade related, Permanent	1	1	0	0
Youth workers, Permanent	1	1	0	0
Total	1872	1618	13.6	119

Notes

The CORE classification, as prescribed by the DPSA, should be used for completion of this table.

Critical occupations are defined as occupations or sub-categories within an occupation –

- in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
- for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialized instruction;
- where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
- in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

3.3. Filling of SMS Posts

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

Table 3.3.1 SMS post information as on 31 March 2014

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	0	0	0	0	0
Salary Level 15	6	3	50	3	50
Salary Level 14	19	18	94.7	1	5.2
Salary Level 13	48	38	79	10	21
Total	74	60	82.4	14	18.9

Table 3.3.2 SMS post information as on 30 September 2013

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	0	0	0	0	0
Salary Level 15	6	3	50	3	50
Salary Level 14	19	17	94	2	10.5
Salary Level 13	48	38	79	10	21
Total	74	59	78.3	15	20.2

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2013 and 31 March 2014

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
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	1	0	0
Salary Level 14	1	1	0
Salary Level 13	5	0	0
Total	7	1	0

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS posts - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 20YY and 31 March 20ZZ

Reasons for vacancies not advertised within six months
Approval to have the post advertised or filled lies with the Executive Authority and as a result of a high number of posts, the process tends to take longer
Reasons for vacancies not filled within twelve months
Approval to have the posts filled lies with the Executive Authority and as a result of a high number of posts, the process tends to take longer

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

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 2013 and 31 March 2014

Disciplinary steps taken
Nil

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A(1) or (2) of the Public Service Act.

3.4. Job Evaluation

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

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2013 and 31 March 2014

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)	59	0	0	0	0	0	0
Skilled (Levels 3-5)	265	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	861	0	0	0	0	0	0
Highly skilled supervision							
(Levels 9-12)	303	3	0	0	0	0	0
Senior Management Service Band A	46	0	0	0	0	0	0
Senior Management Service Band B	21	0	0	0	0	0	0
Senior Management Service Band C	5	1	20	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	1561	4	0.25	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. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2013 and 31 March 2014

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. Reasons for the deviation are provided in each case.

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2013 and 31 March 2014

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				
Percentage of total employed				

The following table summarizes 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 2013 and 31 March 2014

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

Notes

- If there were no cases where the salary levels were higher than those determined by job evaluation, keep the heading and replace the table with the following:

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

3.5. Employment Changes

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

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2013 and 31 March 2014

Salary band	Number of employees at beginning of period-April 2013	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	53	0	6	11.3
Skilled (Levels3-5)	218	1	11	5
Highly skilled production (Levels 6-8)	647	11	27	4.2
Highly skilled supervision (Levels 9-12)	213	19	8	3.8
Senior Management Service Bands A	37	0	0	0
Senior Management Service Bands B	19	0	0	0
Senior Management Service Bands C	2	1	1	50
Senior Management Service Bands D	1	0	0	0
Contracts				

Salary band	Number of employees at beginning of period-April 2013	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Contract (Levels 1-2), Permanent	35	58	47	134.3
Contract (Levels 3-5), Permanent	141	31	30	21.3
Contract (Levels 6-8), Permanent	49	31	17	34.7
Contract (Levels 9-12), Permanent	13	26	7	53.8
Contract (Band A), Permanent	4	2	0	0
Contract (Band C), Permanent	1	0	0	0
Contract (Band D), Permanent	1	0	0	0
Highly skilled supervision (Levels 9-12), Temporary	7	0	4	57.1
Total	1441	180	158	11

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2013 and 31 March 2014

Critical occupation	Number of employees at beginning of period-April 2013	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Community development workers, Permanent	2	0	0	0
Economists, Permanent	1	0	0	0
Electrical and electronics engineering technicians, Permanent	1	0	0	0
Engineering sciences related, Permanent	6	0	1	16.7
Engineers and related professionals, Permanent	27	0	1	3.7
Finance and economics related, Permanent	27	1	4	14.8
Financial and related professionals, Permanent	41	2	5	12.2
Financial clerks and credit controllers, Permanent	36	6	2	5.6
Food services aids and waiters, Permanent	4	0	1	25
General legal administration & rel. professionals, Permanent	3	0	0	0
Head of department/chief executive officer, Permanent	2	1	0	0
Human resources & organisat developm & relate prof, Permanent	13	0	1	7.7
Human resources clerks, Permanent	20	2	1	5

Critical occupation	Number of employees at beginning of peri- of-April 2013	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Human resources related, Permanent	29	1	2	6.9
Information technology related, Permanent	6	0	0	0
Language practitioners interpreters & other commun, Permanent	1	0	0	0
Legal related, Permanent	3	1	1	33.3
Library mail and related clerks, Permanent	12	6	0	0
Light vehicle drivers, Permanent	14	0	1	7.1
Material-recording and transport clerks, Permanent	3	0	0	0
Mathematicians and related professionals, Permanent	0	1	0	0
Messengers porters and deliverers, Permanent	37	1	2	5.4
Mining geology & geophysical & related technicians, Permanent	5	1	3	60
Motor vehicle drivers, Permanent	3	0	0	0
Natural sciences related, Permanent	2	0	0	0
Other administrat & related clerks and organisers, Permanent	494	24	15	3
Other administrative policy and related officers, Permanent	28	1	4	14.3
Regulatory inspectors, Permanent	4	0	0	0
Road workers, Permanent	3	0	1	33.3
Safety health and quality inspectors, Permanent	1	1	1	100
Secretaries & other keyboard operating clerks, Permanent	56	7	4	7.1
Security guards, Permanent	12	1	1	8.3
Security officers, Permanent	1	0	1	100
Senior managers, Permanent	48	2	1	2.1
Social sciences related, Permanent	1	0	0	0
Trade labourers, Permanent	3	0	1	33.3
Trade related, Permanent	1	0	0	0
Total	1441	180	158	11

Notes

The CORE classification, as prescribed by the DPSA, should be used for completion of this table.

- Critical occupations are defined as occupations or sub-categories within an occupation in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
- for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
- where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and

- (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

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 2013 and 31 March 2014

Termination Type	Number	% of Total Resignations
Death	10	6.3
Resignation	36	22.8
Expiry of contract	83	52.5
Dismissal – operational changes		
Dismissal – misconduct	2	1.3
Dismissal – inefficiency		
Discharged due to ill-health	2	1.3
Retirement	20	12.7
Transfer to other Public Service Departments		
Other	1	0.6
Total		
Total number of employees who left as a % of total employment	154	97.5

Table 3.5.4 Promotions by critical occupation for the period 1 April 2013 and 31 March 2014

Occupation	Employees 1 April 2013	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	360	28	7.8	176	48.9
All artisans in the building metal machinery etc.	9	0	0	1	11.1
Architects town and traffic planners	19	0	0	9	47.4
Auxiliary and related workers	2	0	0	2	100
Building and other property caretakers	3	0	0	0	0
Bus and heavy vehicle drivers	3	0	0	2	66.7
Cartographers and surveyors	13	0	0	8	61.5
Cartographic surveying and related technicians	7	0	0	2	28.6
Cleaners in offices workshops hospitals etc.	62	0	0	32	51.6
Client inform clerks (switchboard reception inform clerks)	2	0	0	2	100
Communication and information related	11	0	0	6	54.5
Community development workers	2	0	0	1	50
Economists	1	0	0	0	0

Occupation	Employees 1 April 2013	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
Electrical and electronics engineering technicians	1	0	0	0	0
Engineering sciences related	6	0	0	7	116.7
Engineers and related professionals	27	4	14.8	22	81.5
Finance and economics related	27	2	7.4	24	88.9
Financial and related professionals	41	1	2.4	34	82.9
Financial clerks and credit controllers	36	2	5.6	18	50
Food services aids and waiters	4	0	0	1	25
General legal administration & rel. professionals	3	0	0	3	100
Head of department/ chief executive officer	2	0	0	0	0
Human resources & organisat developm & relate prof	13	0	0	6	46.2
Human resources clerks	20	1	5	11	55
Human resources related	29	0	0	15	51.7
Information technology related	6	0	0	4	66.7
Language practitioners interpreters & other commun	1	0	0	0	0
Legal related	3	0	0	0	0
Library mail and related clerks	12	1	8.3	1	8.3
Light vehicle drivers	14	0	0	11	78.6
Material-recording and transport clerks	3	0	0	1	33.3
Mathematicians and related professionals	0	0	0	1	0
Messengers porters and deliverers	37	1	2.7	8	21.6
Mining geology & geophysical & related technicians	5	0	0	3	60
Motor vehicle drivers	3	0	0	0	0
Natural sciences related	2	0	0	1	50
Other administrat & related clerks and organisers	494	7	1.4	400	81
Other administrative policy and related officers	28	2	7.1	11	39.3

Occupation	Employees 1 April 2013	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
Other information technology personnel.	0	1	0	0	0
Regulatory inspectors	4	0	0	0	0
Road workers	3	0	0	0	0
Safety health and quality inspectors	1	1	100	1	100
Secretaries & other keyboard operating clerks	56	0	0	28	50
Security guards	12	0	0	6	50
Security officers	1	0	0	0	0
Senior managers	48	0	0	67	139.6
Social sciences related	1	0	0	0	0
Social work and related professionals	0	1	0	0	0
Trade labourers	3	0	0	0	0
Trade related	1	0	0	1	100
Youth workers	0	2	0	0	0
Total	1441	54	3.7	926	64.3

Table 3.5.5 Promotions by salary band for the period 1 April 2013 and 31 March 2014

Salary Band	Employees 1 April 2013	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)	53	0	0	16	30.2
Skilled (Levels3-5)	218	0	0	116	53.2
Highly skilled production (Levels 6-8)	647	8	1.2	523	80.8
Highly skilled supervision (Levels 9-12)	213	21	9.9	121	56.8
Senior Management (Level 13-16)	59	1	1.7	83	140.7
Total	1190	30	2.5	859	72.2

3.6. Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2014

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	20	0	1	10	21	0	2	0	54
Professionals	74	0	14	9	75	3	13	12	200
Technicians and associate professionals	161	1	13	18	190	10	24	20	437
Clerks	275	1	7	3	454	5	13	19	777
Service and sales workers	12	1	0	0	1	0	0	0	14
Skilled agriculture and fishery workers									
Craft and related trades workers	9	0	0	0	0	0	0	0	9
Plant and machine operators and assemblers	23	0	0	0	0	0	0	0	23
Elementary occupations	43	0	0	0	60	0	0	0	103
Total	617	3	35	40	801	18	52	51	1617
Employees with disabilities	7	0	1	3	6	0	0	4	21

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2014

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	0	2	0	0	0	4
Senior Management	16	0	3	9	23	0	4	0	55
Professionally qualified and experienced specialists and mid-management	71	1	17	21	86	8	20	10	234
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	283	1	9	5	390	9	16	38	751
Semi-skilled and discretionary decision making	105	0	3	2	98	0	5	2	215
Unskilled and defined decision making	13	0	0	0	35	0	0	0	48
Total	490	2	32	37	634	17	45	50	1307

Table 3.6.3 Recruitment for the period 1 April 2013 and 31 March 2014

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management									
Professionally qualified and experienced specialists and mid-management	6	0	0		1	11	0	0	19
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3	0	0		0	7	0	0	11
Semi-skilled and discretionary decision making	0	0	1		0	0	0	0	1
Unskilled and defined decision making					1	11	0	0	19
Total	10	0	1		0	7	0	0	32
Employees with disabilities	4	0	0	0	3	0	0	0	7

Table 3.6.4 Promotions for the period 1 April 2013 and 31 March 2014

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	1	0	0	0	2
Senior Management	24	0	5	15	33	0	5	0	82
Professionally qualified and experienced specialists and mid-management	48	0	12	14	48	5	11	4	142
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	194	1	4	6	288	7	11	20	531
Semi-skilled and discretionary decision making	59	0	0	1	50	1	3	2	116
Unskilled and defined decision making	2	0	0	0	14	0	0	0	16
Total	328	1	21	36	434	13	30	26	889
Employees with disabilities	2	0	0	0	2	0	0	2	6

Table 3.6.5 Terminations for the period 1 April 2013 and 31 March 2014

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management									
Professionally qualified and experienced specialists and mid-management	0	0	0	2	4	0	0	2	8
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	9	0	0	3	9	0	0	6	27
Semi-skilled and discretionary decision making	4	0	0	0	4	2	1	0	11
Unskilled and defined decision making	4	0	0	0	2	0	0	0	6
Total	18	0	0	5	19	2	1	8	53
Employees with Disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.6 Disciplinary action for the period 1 April 2013 and 31 March 2014

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	0	0	0	0	0	0	0	0	0

Table 3.6.7 Skills development for the period 1 April 2013 and 31 March 2014

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	19	0	1	10	20	0	2	0	52
Professionals	77	0	14	10	78	4	15	11	209
Technicians and associate professionals	167	1	13	19	206	10	23	20	459
Clerks	277	1	7		456	4	14	21	784
Service and sales workers	12	1	0	0	2	0	0	0	15
Skilled agriculture and fishery workers									
Craft and related trades workers	9	0	0	0	0	0	0	0	9
Plant and machine operators and assemblers	23	0	0	0	0	0	0	0	23
Elementary occupations	43	0	0	0	60	0	0	0	103
Total	627	3	35	43	822	18	54	52	1654
Employees with disabilities	4	0	1	03	2	0	0	4	14

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 2014

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	1
Salary Level 16	0	0	0	0
Salary Level 15	4	3	3	5.09
Salary Level 14	18	16	16	27.12
Salary Level 13	48	39	38	63.34
Total	71	60	59	99

Notes

- In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2013

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2014

Reasons
Senior Manager: Ministerial Projects could not conclude his performance agreements because amendments were required to the Job Description to align it according to the job needs.

Notes

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

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2014

Reasons
N/A

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 2013 and 31 March 2014

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	55	614	9	716	13011
Female	69	808	8.5	962	13 946
Asian					
Male	6	33	18.2	154	25 641
Female	14	53	26.4	395	28 201
Coloured					
Male	1	3	33.3	11	11 042
Female	5	18	27.8	82	16 321
White					
Male	13	39	33.3	406	31 254
Female	23	48	47.9	392	17 064
Total	187	1636	11.4	3 795	17 086

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2013 and 31 March 2014

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)	5	51	9.8	30	6 000	0.56
Skilled (level 3-5)	30	214	14	221	7 367	0.5
Highly skilled production (level 6-8)	86	753	11.4	1 013	11 779	5.76
Highly skilled supervision (level 9-12)	55	233	23.6	1 525	27 727	11.58
Total	176	1251	14	2789	52 873	3.46

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2013 and 31 March 2014

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	52	410	12.7	921	17 712
All artisans in the building metal machinery etc.	1	8	12.5	17	17 000
Architects town and traffic planners	7	18	38.9	178	24 429
Auxiliary and related workers	1	3	33.3	7	7 000
Building and other property caretakers	0	2	0	0	0
Bus and heavy vehicle drivers	1	4	25	4	4 000
Cartographers and surveyors	4	9	44.4	62	15 500
Cartographic surveying and related technicians	2	5	40	24	12 000
Cleaners in offices workshops hospitals etc.	4	55	7.3	24	6 000
Client inform clerks(switchboard reception information clerks)	0	1	0	0	0
Communication and information related	0	15	0	0	0
Community development workers	0	2	0	0	0
Electrical and electronics engineering technicians	0	1	0	0	0
Engineering sciences related	4	5	80	154	38 500
Finance and economics related	6	24	25	227	37 833
Financial and related professionals	6	38	15.8	110	18 333
Financial clerks and credit controllers	4	49	8.2	46	11 500
Food services aids and waiters	0	4	0	0	0
General legal administration & rel. professionals	1	3	33.3	32	32 000
Head of department/chief executive officer	0	3	0	0	0

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Human resources clerks	3	27	11.1	25	8333
Human resources related	5	30	16.7	86	17 200
Information technology related	1	7	14.3	33	33 000
Language practitioners interpreters & other commun	0	1	0	0	0
Legal related	2	2	100	101	50 500
Library mail and related clerks	0	15	0	0	0
Light vehicle drivers	5	16	31.3	43	8 600
Material-recording and transport clerks	0	1	0	0	0
Mathematicians and related professionals	0	1	0	0	0
Messengers porters and deliverers	1	35	2.9	7	7 000
Mining geology & geophysical & related technicians	2	7	28.6	39	19 500
Motor vehicle drivers	0	3	0	0	0
Natural sciences related	0	3	0	0	0
Other administrat & related clerks and organisers	37	627	5.2	350	9 459
Regulatory inspectors	0	5	0	0	0
Road workers	0	3	0	0	0
Safety health and quality inspectors	0	1	0	0	0
Secretaries & other keyboard operating clerks	14	58	24.1	130	9 286
Security guards	0	12	0	0	0
Security officers	0	1	0	0	0
Senior managers	5	51	9.8	279	55 800
Trade labourers	0	2	0	0	0
Trade related	0	1	0	0	0
Youth workers	0	1	0	0	0
Total	187	1636	11.4	3197	17096

Notes

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

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2013 and 31 March 2014

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	3	41	7.3	211	70 333	
Band B	2	19	10.5	152	76 000	
Band C	0	4	0	0	0	
Band D	0	2	0	0	0	
Total	5	66	7.57	363		

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 2013 and 31 March 2014

Salary band	01 April 2013		31 March 2014		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled						
Highly skilled production (Lev. 6-8)	3	60	1	16.7	-2	-200
Highly skilled supervision (Lev. 9-12)	1	20	1	16.7	0	0
Contract (level 9-12)	0	0	2	33.3	2	200
Contract (level 13-16)	1	20	1	16.7	0	0
Total	0	0	1	16.7	1	100

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2013 and 31 March 2014

Major occupation	01 April 2013		31 March 2014		Change	
	Number	% of total	Number	% of total	Number	% Change
Other occupations	0	0	1	16.7	1	100
Professionals and managers	4	80	4	66.7	0	0
Technicians and associated professionals	1	20	1	16.7	0	0
TOTAL	5	100	6	100	1	100

3.10. Leave utilization

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

Table 3.10.1 Sick leave for the period 1 April 2013 and 31 March 2014

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)	146	81.5	20	2.6	7	43
Skilled (levels 3-5)	1140	85.3	142	18.5	8	460
Highly skilled production (levels 6-8)	2344	88.1	264	34.4	9	1 588
Highly skilled supervision (levels 9 -12)	1029	82	164	21.4	6	1 602
Top and Senior management (levels 13-16)	196	83.7	37	4.8	5	600
Total	4855	85.8	627	0	8	4293

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 April 2013 and 31 March 2014

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)						
Skilled (Levels 3-5)						
Highly skilled production (Levels 6-8)	408	100	4	100	102	319
Highly skilled supervision (Levels 9-12)						
Senior management (Levels 13-16)						
Total	408	100	4	100	102	319

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

Table 3.10.3 Annual Leave for the period 1 April 2013 and 31 March 2014

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	870	16	53
Skilled Levels 3-5)	4048	20	199
Highly skilled production (Levels 6-8)	8931	16	548
Highly skilled supervision (Levels 9-12)	4767	21	226
Senior management (Levels 13-16)	1096	19	58
Total	19712	18	1084

Table 3.10.4 Capped leave for the period 1 April 2013 and 31 March 2014

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 at 31 March 2014
Lower skilled (Levels 1-2)				
Skilled Levels 3-5)	1	1	84	
Highly skilled production (Levels 6-8)				
Highly skilled supervision (Levels 9-12)				
Senior management (Levels 13-16)				
Total	1	1	84	

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 2013 and 31 March 2014

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2013/14 due to non-utilisation of leave for the previous cycle			
Capped leave payouts on termination of service for 2013/14			
Current leave payout on termination of service for 2013/14			
Total			

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
Elementary Occupations	<ul style="list-style-type: none"> • Compulsory Protective wear and uniforms • Trained first-aiders per Cogta site to handle minor injuries. • Fully stocked first-aid kits per COGTA Site.

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		Senior Manager: Human Capital Development
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		<ul style="list-style-type: none"> • Number of Employee Health and Wellness Staff : 2 Permanent staff and 1 Intern • Annual Budget: R2,373 million (includes salaries)
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		As per EHW Strategic Framework <ul style="list-style-type: none"> • HIV, AIDS, STI's and TB Management • Wellness Management • Health and Productivity Management

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>Approved Wellness Committee</p> <ul style="list-style-type: none"> • Legal Services • Human Capital Development • Employee Health and Wellness • Unions • Human Resource Administration • Auxiliary Services • Traditional Houses • Peer Educators • Peer Educators • Training and Development
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		<ul style="list-style-type: none"> • HIV, AIDS, STI's and TB Policy • Wellness management Policy • Health and Productivity Management 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		<ul style="list-style-type: none"> • Confidential referral and counselling • Staff Induction and Orientation Programmes • HIV and AIDS, STI and TB Training for Interns • Confidential HIV Testing and Post Management by Service provider • Information via email and publication "Ripple Effect"
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	Yes		<ul style="list-style-type: none"> • Employees are encouraged to screen 4 times a year • Employees referred to test during one on one confidential counselling. • 105 employees who have disclosed their status are on Immune boosting supplements to strengthen their immune system
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		<ul style="list-style-type: none"> • Quarterly Wellness Report from External Service Provider • Monthly and quarterly Unit Reporting to departmental M&E system • Office of the Premier Quarterly reporting • Specific HIV, AIDS, STI and TB Operational Plans for the Office of the Premier and DPSA • SMT tool populated for the Office of the Premier and DPSA • MPAT Reporting

3.12. Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2013 and 31 March 2014

- 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 2013 and 31 March 2014

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	8	26.66
Verbal warning	7	23.33
Written warning	4	13.33
Final written warning	6	20.00
Suspended without pay	3	10.00
Fine	0	0.00
Demotion	0	0.00
Dismissal	2	6.66
Not guilty	0	0.00
Case withdrawn	0	0.00
Total	30	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 2013 and 31 March 2014

Type of misconduct	Number	% of total
Abscondment	2	6.25
Breach Code of Conduct	9	28.12
Circumvent SCM Process	1	3.12
Falsify Documents	2	6.25
Misrepresentation	2	6.25
Negligence	2	6.25
Poor Performance	3	9.37
Rape	1	3.12
Unauthorised Absences	5	15.62
Unbecoming Behavior	1	3.125
Vehicle Abuse	4	12.50
Total	32	100%

Table 3.12.4 Grievances logged for the period 1 April 2013 and 31 March 2014

Grievances	Number	% of Total
Number of grievances resolved	1	33.33
Number of grievances not resolved	2	66.67
Total number of grievances lodged	3	100%

Table 3.12.5 Disputes logged with Councils for the period 1 April 2013 and 31 March 2014

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

Table 3.12.6 Strike actions for the period 1 April 2013 and 31 March 2014

Total number of persons working days lost	Nil
---	-----

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2013 and 31 March 2014

Number of people suspended	3
Number of people who's suspension exceeded 30 days	3
Average number of days suspended	159.33
Cost of suspension (R'000)	299,779

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 2013 and 31 March 2014

Occupational category	Gender	Number of employees as at 1 April 2013	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	22	0	13	2	15
	Male	30	0	12	1	13
Professionals	Female	108	0	15	3	18
	Male	101	0	14	3	17
Technicians and associate professionals	Female	259	0	20	3	23
	Male					
	200	0	21	3	24	
Clerks	Female	495	0	15	3	18
	Male	289	0	15	3	18
Service and sales workers	Female	2	0	5	1	6
	Male	13	0	11	1	12
Skilled agriculture and fishery workers	Female	N/A	N/A	N/A	N/A	N/A
	Male	N/A	N/A	N/A	N/A	N/A
Craft and related trades workers	Female	0	0	0	0	0
	Male	9	0	1	0	1
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	23	0	10	2	12
Elementary occupations	Female	60	0	4	2	6
	Male	43	0	3	1	4
Sub Total	Female	946	0	0	0	0
	Male	708	0	0	0	0
Total		1654	0	159	28	187

Table 3.13.2 Training provided for the period 1 April 2013 and 31 March 2014

Occupational category	Gender	Number of employees as at 1 April 2013	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	22	0	31	2	33
	Male					
	30	0	28	2	30	
Professionals	Female	108	0	22	0	22
	Male	101	0	20	1	21
Technicians and associate professionals	Female	259	0	27	1	28
	Male					
	200	0	14	0	14	
Clerks	Female	495	0	14	0	14
	Male					
	289	0	13	0	13	
Service and sales workers	Female	2	0	1	0	1
	Male	13	0	2	0	2
Skilled agriculture and fishery workers	Female	N/A	N/A	N/A	N/A	N/A
	Male	N/A	N/A	N/A	N/A	N/A
Craft and related trades workers	Female	0	0	0	0	0
	Male	9	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	23	0	8	0	8
Elementary occupations	Female	60	0	7	0	7
	Male	43	0	21	0	21
Sub Total	Female	946	0	0	0	0
	Male	708	0	0	0	0
Total		1654	0	172	6	178

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 2013 and 31 March 2014

Nature of injury on duty	Number	% of total
Required basic medical attention only	14	
Temporary Total Disablement		
Permanent Disablement		
Fatal		
Total	14	



PART E

FINANCIAL INFORMATION



DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 11

APPROPRIATION STATEMENT

For the year ended 31 March 2014

Appropriation per programme									
	2013/14					2012/13			
	Adjusted Ap-pro-pria-tion	Shift-ing of Funds	Virement	Final Appro-pria-tion	Actual Ex-pendi-ture	Variance	Expen-di-ture as % of final appro-pria-tion	Final Ap-pro-pria-tion	Actual Expen-di-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payment	288,883	-	(8,522)	280,361	280,361	-	100.0%	271,206	271,187
Transfers and subsidies	8,984	-	3,281	12,265	11,812	453	96.3%	8,839	8,839
Payments for capital assets	7,214	-	4,349	11,563	11,563	-	100.0%	18,000	17,991
Payments for financial assets	-	-	10	10	10	-	100.0%	33	32
	305,081	-	(882)	304,199	303,746	453		298,078	298,049
2. Local Governance									
Current payment	224,285	-	(6,147)	218,138	217,138	1000	99.5%	165,442	165,392
Transfers and subsidies	3,690	-	1,617	5,307	4,306	1,001	81.1%	16,087	15,400
Payments for capital assets	1,669	-	(387)	1,282	1,283	(1)	100.1%	1,464	1,240
Payments for financial assets	-	-	12	12	12	-	100.0%	57	57
	229,644	-	(4,905)	224,739	222,739	2,000		183,050	182,089
3. Development and Planning									
Current payment	390,559	(198,162)	(8,708)	183,689	183,689	-	100.0%	159,909	159,896
Transfers and subsidies	12,373	195,574	21,478	229,425	229,426	(1)	100.0%	432,107	431,707
Payments for capital assets	17,787	2,588	(1,936)	18,439	17,773	666	96.4%	22,616	22,616
Payments for financial assets	-	-	3	3	3	-	100.0%	7	7
	420,719	-	10,837	431,556	430,891	665		614,639	614,226
4. Traditional Institutional Management									
Current payment	261,227	-	(10,366)	250,861	250,133	728	99.7%	203,189	203,190
Transfers and subsidies	1,294	-	35	1,329	1,329	-	100.0%	1,039	1,039
Payments for capital assets	28,377	-	5,280	33,657	33,657	-	100.0%	16,084	15,909
Payments for financial assets	-	-	1	1	1	-	100.0%	48	48
	290,898	-	(5,050)	285,848	285,120	728		220,360	220,186
TOTAL	1,246,342	-	-	1,246,342	1,242,496	3,846	99.7%	1,316,127	1,314,550

**Reconciliation with
statement of finan-
cial performance**

ADD

Departmental receipts	7,470	7,578
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**Actual amounts
per statement of
financial per-
formance (total
revenue)**

1,253,812

1,323,705

ADD

Aid assistance	827	1, 721
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**Actual amounts per
statement of finan-
cial performance
(total expenditure)**

1,243,323

1,316,271

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 11

APPROPRIATION STATEMENT

For the year ended 31 March 2014

Appropriation per economic classification									
2013/14								2012/13	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	531,485	-	(8,213)	523,272	523,273	(1)	100.0%	411,812	411,741
Goods and services	633,469	(198,162)	(25,530)	409,777	408,048	1,729	99.6%	387,934	387,922
Transfers and subsidies									
Provinces and municipalities	15,251	195,574	22,403	233,228	232,228	1,000	99.6%	444,987	444,587
Departmental agencies and accounts	-	-	1,278	1,278	1,278	-	100.0%	1,000	1,000
Households	11,090	-	2,730	13,820	13,367	453	96.7%	11,427	10,741
Public corporations & private enterprise	-	-	-	-	-	-	-	558	558
Non-profit institutions	-	-	-	-	-	-	-	100	100
Payments for capital assets									
Buildings & other fixed structures	33,900	2,588	3,246	39,734	39,069	665	98.3%	24,089	24,225
Machinery & equipment	17,063	-	4,041	21,104	21,104	-	100.0%	29,659	29,188
Software & other intangible assets	4,084	-	19	4,103	4,103	-	100.0%	4,416	4,344
Payment for financial assets									
	-	-	26	26	26	-	100.0%	145	144
Total	1,246,342	-	-	1,246,342	1,242,496	3,846	99.7%	1,316,127	1,314,550

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 11

APPROPRIATION STATEMENT

For the year ended 31 March 2014

Detail per programme 1 – Administration

Detail per sub-programme	2013/14							2012/13	
	Adjusted Apro- p-riation	Shift-ing of Funds	Virement	Final Apro- p-riation	Actual Expendi- ture	Variance	Expen- di-ture as % of final ap- pro-pria- tion	Final Ap- pro-pria- tion	Actual expen- di-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Office of the MEC									
Current payment	21,776	-	(1,986)	19,790	19,790	-	100.0%	17,782	17,809
Transfers and subsidies	-	-	-	-	-	-	-	48	48
Payments for capital assets	249	-	(151)	98	98	-	100.0%	179	144
1.2 Corporate Services									
Current payment	267,107	-	(6,536)	260,571	260,571	-	100.0%	253,424	253,378
Transfers and subsidies	8,984	-	3,281	12,265	11,812	453	96.3%	8,791	8,791
Payments for capital assets	6,965	-	4,500	11,465	11,465	-	100.0%	17,821	17,847
Payments for finan- cial assets	-	-	10	10	10	-	100.0%	33	32
Total	305,081	-	(882)	304,199	303,746	453	99.9%	298,078	298,049

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 11

APPROPRIATION STATEMENT

For the year ended 31 March 2014

2013/14								2012/13	
Programme 1 Per Economic classification	Adjusted Ap-pro-pria-tion	Shift-ing of Funds	Virement	Final Ap-pro-pria-tion	Actual Expen-di-ture	Variance	Expen-di-ture as % of final ap-pro-pria-tion	Final Ap-pro-pria-tion	Actual expen-di-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	135,966	-	(2,213)	133,753	133,753	-	100.0%	117,655	117,636
Goods and services	152,917	-	(6,309)	146,608	146,608	-	100.0%	153,551	153,551
Transfers and sub-sidies									
Provinces & municipalities	251	-	(97)	154	154	-	100.0%	143	143
Departmental agencies and accounts	-	-	1,278	1,278	1,278	-	100.0%	-	-
Households	8,733	-	2,100	10,833	10,380	453	95.8%	8,696	8,696
Payments for capital assets									
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	6,719	-	4,312	11,031	11,031	-	100.0%	17,703	17,695
Software and other intangible assets	495	-	37	532	532	-	100.0%	297	296
Payments for financial assets									
	-	-	10	10	10	-	100.0%	33	32
Total	305,081	-	(882)	304,199	303,746	453	99.9%	298,078	298,049

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 11

APPROPRIATION STATEMENT

For the year ended 31 March 2014

Detail per programme 2 – Local Governance

2013/14								2012/13	
Detail per sub-programme	Adjusted Ap-pro-pria-tion	Shift-ing of Funds	Virement	Final Ap-pro-pria-tion	Actual Expen-di-ture	Variance	Expen-di-ture as % of final ap-pro-pria-tion	Final Ap-pro-pria-tion	Actual expen-di-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 Municipal Administration									
Current payment	33,802	-	(3,767)	30,035	30,035	-	100.0%	25,711	25,536
Transfers and subsi-dies	535	-	-	535	535	-	100.0%	3,229	2,758
Payments for capital assets	201	-	52	253	253	-	100.0%	200	225
Payments for financial assets	-	-	-	-	-	-	-	32	32
2.2 Municipal Finance									
Current payment	39,611	-	(3,903)	35,708	35,710	(2)	100.0%	18,464	18,256
Transfers and subsidies	-	-	120	120	119	1	99.2%	4,300	4,300
Payments for capital assets	813	-	(197)	616	615	1	99.8%	131	215
2.3 Public Participation									
Current payment	138,265	-	773	139,038	138,037	1,001	99.3%	110,785	111,183
Transfers and subsidies	118	-	1,497	1,615	1,615	-	100.0%	3,103	2,887
Payments for capital assets	174	-	31	205	206	(1)	100.5%	873	690
Payments for financial assets	-	-	12	12	12	-	100.0%	25	25
2.4 Capacity Management									
Current payment	4,295	-	65	4,360	4,359	1	100.0%	1,930	1,912
Transfers and subsidies	37	-	-	37	37	-	100.0%	2,455	2,455
Payments for capital assets	420	-	(273)	147	148	(1)	100.7%	160	55
2.5 Municipal Performance Monitoring, Reporting and Evaluation									
Current payment	8,312	-	685	8,997	8,997	-	100.0%	8,552	8,505
Transfers and subsidies	3,000	-	-	3,000	2,000	1,000	66.7%	3,000	3,000
Payments for capital assets	61	-	-	61	61	-	100.0%	100	55
Total	229,644	-	(4,905)	224,739	222,739	2,000	99.1%	183,050	182,089

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 11

APPROPRIATION STATEMENT

For the year ended 31 March 2014

2013/14								2012/13	
Programme 2 Per Eco- nomic classi- fication	Adjusted Appro-pri- ation	Shift-ing of Funds	Virement	Final Appro-pri- ation	Actual Expen- di-ture	Variance	Expen- di-ture as % of final appro-pri- ation	Final Appro-pri- ation	Actual expen- di-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compen- sation of employees	148,737	-	93	148,830	148,830	-	100.0%	111,745	111,694
Goods and services	75,548	-	(6,240)	69,308	68,308	1,000	98.6%	53,697	53,697
Transfers and subsi- dies									
Provinces and munic- ipalities	3,000	-	1,500	4,500	3,500	1,000	77.8%	14,160	14,160
Households	690	-	117	807	807	-	100.0%	1,769	1,083
Public corporation and private enterprise								158	158
Payments for capital assets									
Buildings & other fixed structures	-	-	-	-	-	-	-	-	-
Machinery & equipment	1,669	-	(387)	1,282	1,282	-	100.0%	1,464	1,240
Payments for financial assets	-	-	12	12	12	-	100.0%	57	57
Total	229,644	-	(4,905)	224,739	222,739	2,000	99.1%	183,050	182,089

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 11

APPROPRIATION STATEMENT

For the year ended 31 March 2014

Detail per programme 3 – Development and Planning

2013/14								2012/13	
Detail per sub-programme	Adjusted Appropriation	Shifting of Funds	Virement	Actual Appropriation	Final Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Spatial Planning									
Current payment	35,330	-	(3,395)	31,935	31,916	19	99.9%	21,149	21,641
Transfers and subsidies	29	-	336	365	366	(1)	100.3%	474	474
Payments for capital assets	1,219	-	-	1,219	1,237	(18)	101.5%	1,002	509
Payments for financial assets	-	-	-	-	-	-	-	1	1
3.2 Land Use Management									
Current payment	18,815	-	(1,856)	16,959	17,083	(124)	100.7%	13,410	13,529
Transfers and subsidies	73	-	-	73	73	-	100.0%	1,200	1,200
Payments for capital assets	321	-	-	321	197	124	61.4%	246	126
3.3 Local Economic Development									
Current payment	194,475	(155,047)	12,690	52,118	52,415	(297)	100.6%	42,535	42,409
Transfers and subsidies	(300)	155,047	6,000	160,747	160,747	-	100.0%	253,952	253,552
Payments for capital assets	7,281	-	(1,935)	5,346	8,309	(2,963)	155.4%	15,586	15,728
Payments for financial assets	-	-	2	2	2	-	100.0%	-	-
3.4 Municipal Infrastructure									
Current payment	76,737	(39,827)	(15,917)	20,993	20,490	503	97.6%	12,383	12,243
Transfers of subsidies	-	39,827	15,142	54,969	54,968	1	100.0%	150,725	150,725
Payment of capital assets	109	-	-	109	613	(504)	562.4%	140	270
3.5 Disaster Management									
Current payment	49,885	(2,588)	1,512	48,809	48,891	(82)	100.2%	60,051	59,693
Transfers and subsidies	8,271	-	-	8,271	8,272	(1)	100.0%	17,756	17,756
Payments for capital assets	8,787	2,588	(1)	11,374	7,366	4,008	64.8%	5,524	5,865
Payments for financial assets	-	-	1	1	1	-	100.0%	1	1

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 11

APPROPRIATION STATEMENT

For the year ended 31 March 2014

3.6 IDP

Coordination

Current payment	15,317	(700)	(1,742)	12,875	12,894	(19)	100.1%	10,381	10,381
Transfers and subsidies	4,300	700	-	5,000	5,000	-	100.0%	8,000	8,000
Payments for capital assets	70	-	-	70	51	19	72.9%	118	118
Payments for financial assets	-	-	-	-	-	-	-	5	5
Total	420,719	-	10,837	431,556	430,891	665	99.8%	614,639	614,226

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE11

APPROPRIATION STATEMENT

For the year ended 31 March 2014

2013/14								2012/13	
Pro-gramme 3 Per Economic classifica- tion	Adjusted Appropri- ation	Shifting of Funds	Virement	Final Appropri- ation	Actual Expendi- ture	Variance	Expendi- ture as % of final appropria- tion	Final Appropri- ation	Actual expendi- ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compen- sation of employees	97,282	-	(2,738)	94,544	94,545	(1)	100.0%	57,961	57,960
Goods and services	293,277	(198,162)	(5,970)	89,145	89,144	1	100.0%	101,948	101,936
Transfers and subsi- dies									
Provinces and mu- nicipalities	12,000	195,574	21,000	228,574	228,574	-	100.0%	430,684	430,284
Depart- mental agencies and ac- counts	-	-	-	-	-	-	-	1,000	1,000
Public cor- poration & private enterprise	-	-	-	-	-	-	-	400	400
House- holds	373	-	478	851	851	-	100.0%	23	23
Payments for capital assets									
Buildings & other fixed structures	14,900	2,588	(3,924)	13,564	12,899	665	95.1%	15,230	15,230
Machinery and equip- ment	2,719	-	2,003	4,722	4,722	-	100.0%	7,386	7,386
Intangible assets	168	-	(15)	153	153	-	100.0%		
Payments for finan- cial assets									
			3	3	3	-		7	7
Total	420,719	-	10,837	431,556	430,891	665	99.8%	614,639	614,226

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 11

APPROPRIATION STATEMENT

For the year ended 31 March 2014

Detail per programme 4 – Traditional Institutional Management

2013/14								2012/13	
Detail per sub-programme	Adjusted Ap-pro-pria-tion	Shift-ing of Funds	Virement	Final Ap-pro-pria-tion	Actual Expen-di-ture	Variance	Expen-di-ture as % of final ap-pro-pria-tion	Final Ap-pro-pria-tion	Actual expen-di-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1 Traditional Institutional Administration									
Current payment	148,737	-	(8,068)	140,669	139,940	729	99.5%	115,234	115,497
Transfers and subsidies	205	-	(164)	41	41	-	100.0%	100	100
Payments for capital assets	4,344	-	(206)	4,138	4,138	-	100.0%	4,823	4,530
Payments for financial assets	-	-	-	-	-	-	-	47	47
4.2 Traditional Resource Administration									
Current payment	76,777	-	415	77,192	77,188	4	100.0%	59,225	58,002
Transfers and subsidies	-	-	202	202	203	(1)	100.5%	196	197
Payments for capital assets	23,285	-	5,920	29,205	29,208	(3)	100.0%	7,087	8,303
Payments for financial assets	-	-	1	1	1	-	100.0%	-	-
4.3 Rural Development Facilitation									
Current payment	17,743	-	(2,179)	15,564	15,567	(3)	100.0%	13,670	14,633
Transfers and subsidies	16	-	-	16	16	-	100.0%	-	-
Payments for capital assets	598	-	(298)	300	297	3	99.0%	3,819	2,785
4.4 Traditional Land Administration									
Current payment	17,970	-	(534)	17,436	17,438	(2)	100.0%	15,060	15,058
Transfers and subsidies	1,073	-	(3)	1,070	1,069	1	99.9%	743	742
Payments for capital assets	150	-	(136)	14	14	-	100.0%	355	291
Payments for financial assets	-	-	-	-	-	-	-	1	1
Total	290,898	-	(5,050)	285,848	285,120	728	99.7%	220,360	220,186

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 11

APPROPRIATION STATEMENT

For the year ended 31 March 2014

2013/14								2012/13	
Pro-gramme 4 per Economic classifica- tion	Adjusted Appro-pri- ation	Shift-ing of Funds	Virement	Final Appro-pri- ation	Actual Expen- di-ture	Variance	Expen- di-ture as % of final appro-pri- ation	Final Appro-pri- ation	Actual expen- di-ture
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compen- sation of employees	149,500	-	(3,355)	146,145	146,145	-	100.0%	124,451	124,451
Goods and services	111,727	-	(7,011)	104,716	103,988	728	99.3%	78,738	78,738
Transfers and subsidies									
Provinces & munici- palities								-	-
Non-profit institu- tions								100	100
House- holds	1,294	-	35	1,329	1,329	-	100.0%	939	939
Payments for capital assets									
Build- ings and other fixed structures	19,000	-	7,170	26,170	26,170	-	100.0%	8,859	8,995
Machinery and equip- ment	5,956	-	(1,887)	4,069	4,069	-	100.0%	3,106	2,867
Software & other intangible assets	3,421	-	(3)	3,418	3,418	-	100.0%	4,119	4,048
Payments for finan- cial assets	-	-	1	1	1	-	100.0%	48	48
Total	290,898	-	(5,050)	285,848	285,120	728	99.7%	220,360	220,186

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 11

NOTES TO THE APPROPRIATION STATEMENT

For the year ended 31 March 2014

Notes to the appropriation statement for the year ended 31 March 2014

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

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

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

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

3. Detail on payments for financial assets

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

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

4.1 Per Programme

Administration	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
	304,199	303,746	453	0%

Explanation of variance: The variances were within the 2% variance limits.

Local Governance

224,739	222,739	2,000	1%
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Explanation of variance: The variances were within the 2% variance limits.

Development and Planning

431,556	430,891	665	0%
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Explanation of variance: The variances were within the 2% variance limits.

Traditional Institutional Management

285,848	285,120	728	0%
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Explanation of variance: The variances were within the 2% variance limits.

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 11

NOTES TO THE APPROPRIATION STATEMENT

For the year ended 31 March 2014

4.2 Per Economic classification

	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation %
Current payments				
Compensation of employees	523,272	523,273	(1)	0%
Goods and services	409,777	408,048	1,729	0%
Transfers and subsidies				
Provinces and municipalities	233,228	232,228	1,000	0%
Departmental agencies & accounts	1,278	1,278	-	0%
Public corporations & private enterprise	-	-	-	0%
Non-profit institutions	-	-	-	0%
Households	13,820	13,367	453	3%
Gifts and donations	-	-	-	-
Payments for capital assets				
Buildings and other fixed structures	39,734	39,069	665	2%
Machinery and equipment	21,104	21,104	-	0%
Software and other intangible assets	4,103	4,103	-	0%
Payments for financial assets	26	26	-	0%

Explanation of variance: The variances were within the 2% variance limits. The Department spent 99.7% of the allocated budget of R1, 246,342,000. This equates to an under – expenditure of R3,846 million or 0.30%. A request has been submitted for the roll-over of the savings to the 2014/15 financial year for the completion of the PDMC, construction of various Community Service Centres and the Municipal Excellence Award for the Hibiscus Coast Municipality. The virement of funds to address shortfalls and surpluses was approved by Provincial Treasury.

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 11

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 31 March 2014

	Note	2013/14 R'000	2012/13 R'000
REVENUE			
Annual appropriation	1	1,246,342	1,316,127
Departmental revenue	2	7,470	7,578
TOTAL REVENUE		1,253,812	1,323,705
EXPENDITURE			
Current expenditure			
Compensation of employees	4	523,273	411,741
Goods and services	5	408,048	387,922
Aid assistance	3	827	1,721
Total current expenditure		932,148	801,384
Transfers and subsidies			
Transfers and subsidies	7	246,873	456,986
Total transfers and subsidies		246,873	456,986
Expenditure for capital assets			
Tangible capital assets	8	60,173	53,412
Software and other intangible assets	8	4,103	4,345
Total expenditure for capital assets		64,276	57,757
Payments for financial assets	6	26	144
TOTAL EXPENDITURE		1,243,323	1,316,271
SURPLUS/(DEFICIT) FOR THE YEAR		10,489	7,434
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		3,846	1,577
Annual appropriation		3,846	1,577
Departmental revenue and NRF Receipts	13	7,470	7,578
Aid assistance	3	(827)	(1,721)
SURPLUS/(DEFICIT) FOR THE YEAR		10,489	7,434

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11 NOTES TO THE
STATEMENT OF FINANCIAL POSITION
For the year ended 31 March 2014

	Note	2013/14 R'000	2012/13 R'000
ASSETS			
Current assets		12,793	39,272
Cash and cash equivalents	9	3	68
Prepayments and advances	10	728	31,145
Receivables	11	12,062	8,059
TOTAL ASSETS		12,793	39,272
LIABILITIES			
Current liabilities		12,278	38,953
Voted funds to be surrendered to the Revenue Fund	12	3,846	1,577
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	54	1,556
Bank overdraft	14	4,911	31,965
Payables	15	1,351	912
Aid assistance unutilised	3	2,116	2,943
TOTAL LIABILITIES		12,278	38,953
NET ASSETS		515	319
Represented by:			
Recoverable revenue		515	319
TOTAL		515	319

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 11

STATEMENT OF CHANGES IN NET ASSETS

For the year ended 31 March 2014

NET ASSETS

	Note	2013/14 R'000	2012/13 R'000
Recoverable revenue			
Opening balance		319	303
Transfers:		196	16
Debts revised		-	-
Debts raised		196	16
Closing balance		515	319
TOTAL		515	319

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 11

CASH FLOW STATEMENT

For the year ended 31 March 2014

	Note	2013/14 R'000	2012/13 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		1,250,949	1,323,705
Annual appropriated funds received	1.1	1,246,342	1,316,127
Departmental revenue received	2	4,607	7,578
Net (increase)/decrease in working capital		26,853	16,458
Surrendered to Revenue Fund		(10,549)	(58,009)
Current payments		(932,148)	(801,384)
Payments for financial assets		(26)	(144)
Transfers and subsidies paid		(246,873)	(456,986)
Net cash flow available from operating activities	16	88,206	23,640
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(64,276)	(57,757)
Proceeds from sale of capital assets	2.3	2,863	-
Net cash flows from investing activities		(61,413)	(57,757)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		196	16
Net cash flows from financing activities		196	16
Net increase/(decrease) in cash and cash equivalents		26,989	(34,101)
Cash and cash equivalents at the beginning of the period		(31,897)	2,204
Cash and cash equivalents at end of period	16.1	(4,908)	(31,897)

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, 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, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 6 of 2012.

1. Presentation of the Financial Statements

1.1 Basis of preparation

The financial statements have been prepared on a modified cash basis of accounting.

Under this basis, the effects of transactions and other events are recognised in the financial records when the resulting cash is received or paid. The "modification" results from the recognition off certain near-cash balances in the financial statements as well as the revaluation of foreign investments and loans and the recognition of resulting revaluation gains and losses.

In addition supplementary information is provided in the disclosure notes to the financial statements where it is deemed to be useful to the users of the financial statements.

1.2 Presentation currency

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

1.3 Rounding

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

1.4 Comparative figures

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.

1.5 Comparative figures - Appropriation Statement

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the Appropriation Statement.

2. Revenue

2.1 Appropriated funds

Appropriated funds comprises of departmental allocations.

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

Unexpended appropriated funds are surrendered to the Provincial Revenue Fund. Any amounts owing to the Provincial Revenue Fund at the end of the financial year are recognised as payable in the statement of financial position.

Any amount due from the Provincial Revenue Fund at the end of the financial year is recognised as a receivable in the statement of financial position.

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 11

STATEMENT OF ACCOUNTING POLICIES & RELATED MATTERS

For the year ended 31 March 2014

2.2 Departmental revenue

All departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the Provincial Revenue Fund is recognised as a payable in the statement of financial position.

No accrual is made for amounts receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure note to the annual financial statements.

2.3 Aid assistance

Aids assistance is recognised as revenue when received and any unutilised amounts are recognised as payables in the statements of financial position.

The cash payments made during the year relating to aid assistance projects are recognised as expenditure in the statement of financial performance when final authorisation for payments is effected on the system (by no later than 31 March of each year)

Unutilised amounts are recognised as payables in the statement of financial position

3. Expenditure

3.1 Compensation of employees

3.1.1 Salaries and wages

Salaries and wages are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

Other employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements at its face value and are not recognised in the statement of financial performance or position.

Employee costs are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time on the project. These payments form part of expenditure for capital assets in the statement of financial performance.

3.1.2 Social contributions

Employer contributions to post employment benefit plans in respect of current employees are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of the employer department.

Employer contributions made by the department for certain of its ex-employees (such as medical benefits) are classified as transfers to households in the statement of financial performance.

3.2 Goods and services

Payments made during the year for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

The expense is classified as capital if the goods and/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5, 000). All other expenditures are classified as current.

Rental paid for the use of buildings or other fixed structures is classified as goods and services and not as rent on land.

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11
STATEMENT OF ACCOUNTING POLICIES & RELATED MATTERS
For the year ended 31 March 2014
31 March 2014

3.3 Payments for financial assets

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or under spending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but an estimate is included in the disclosure notes to the financial statements amounts.

All other losses are recognised when authorisation has been granted for the recognition thereof.

3.4 Transfers and subsidies

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.5 Unauthorised expenditure

When confirmed unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

Unauthorised expenditure approved with funding is derecognised from the statement of financial position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding it is recognised as expenditure in the statement of financial performance on the date of approval.

3.6 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.7 Irregular expenditure

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

4. Assets

4.1 Cash and cash equivalents

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

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.

4.2 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made and are derecognised as and when the goods/services are received or the funds are utilised.

Prepayments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

4.3 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party (including departmental employees) and are derecognised upon recovery or write-off.

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11
STATEMENT OF ACCOUNTING POLICIES & RELATED MATTERS
For the year ended 31 March 2014
31 March 2014

Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest. Amounts that are potentially irrecoverable are included in the disclosure notes.

4.4 Inventory

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using the weighted average cost formula.

4.5 Capital assets

4.5.1 Movable assets

Initial recognition

A capital asset is recorded in the asset register on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

All assets acquired prior to 1 April 2004 are included in the register R1.

Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as “expenditure for capital assets” and is capitalized in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current “goods and services” in the statement of financial performance.

4.5.2 Immovable assets

Initial recognition

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the immovable capital asset is stated at R1 unless the fair value for the asset has been reliably estimated.

Subsequent recognition

Work-in-progress of a capital nature is recorded in the statement of financial performance as “expenditure for capital assets”. On completion, the total cost of the project is included in the asset register of the department that is accountable for the asset.

Repairs and maintenance is expensed as current “goods and services” in the statement of financial performance.

5. Liabilities

5.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are carried at cost in the statement of financial position.

5.2 Contingent liabilities

Contingent liabilities are included in the disclosure notes to the financial statements when it is possible that economic benefits will flow from the department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

5.3 Commitments

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.4 Accruals and payables not recognised

Accruals are not recognized in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.5 Employee benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the statement of financial performance or the statement of financial position.

5.6 Lease commitments

Finance lease

Finance leases are not recognised as assets and liabilities in the statement of financial position. Finance lease payments are recognised as an expense in the statement of financial performance and are apportioned between the capital and interest portions. The total finance lease payment is disclosed in the disclosure notes to the financial statements.

Operating lease

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the disclosure notes to the financial statement.

5.7 Impairment and other provisions

The department tests for impairment where there is an indication that a receivable may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end.

Provisions are disclosed 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 will be required to settle the obligation and a reliable estimate of the obligation can be made.

6. Net Assets

6.1 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 Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

7. Related party transactions

Specific information with regards to related party transactions is included in the disclosure notes.

8. Key management personnel

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 11

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2014

1. Annual Appropriation

1.1 Annual Appropriation

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

	2013/14		2012/13	
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation Received
Programmes	R'000	R'000	R'000	R'000
Administration	304,199	303,736	463	298,078
Local Governance	224,739	224,727	12	183,050
Development and Planning	431,556	432,032	(476)	614,639
Traditional Institutional Management	285,848	285,847	1	220,360
Total	1,246,342	1,246,342	-	1,316,127

2. Departmental revenue

	Note	2013/14 R'000	2012/13 R'000
Sales of goods and services other than capital assets	2.1	1,338	1,293
Interest, dividends and rent on land	2.2	27	1,549
Sales of capital assets	2.3	2,863	-
Transactions in financial assets and liabilities	2.4	3,242	4,736
Departmental revenue collected		7,470	7,578

2.1 Sales of goods and services other than capital assets

	2		
Sales of goods and services produced by the department		1,330	1,290
Sales by market establishment		937	968
Other sales		393	322
Sales of scrap, waste and other used current goods		8	3
Total		1,338	1,293

2.2 Interest, dividends and rent on land

	2		
Interest		27	1,549
Total		27	1,549

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 11

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2014

2.3 Sales of capital assets

	Note	2013/14	2012/13
		R'000	R'000
	2		
Tangible capital assets		2,863	-
Machinery and equipment		2,863	-
		2,863	-
Total		2,863	-

2.4 Transactions in financial assets and liabilities

	2		
Receivables		178	182
Other Receipts including Recoverable Revenue		3,064	4,554
Total		3,242	4,736

3. Aid assistance

3.1 Aid assistance received in cash from other sources

Local			
Opening Balance		2,943	4,664
Expenditure		(827)	(1,721)
Current		(827)	(1,721)
Closing Balance		2,116	2,943

3.2 Total assistance

Opening Balance		2,943	4,664
Expenditure		(827)	(1,721)
Current		(827)	(1,721)
Closing Balance		2,116	2,943

3.3 Analysis of balance

Aid assistance unutilised		2,116	2,943
Other sources		2,116	2,943
Closing balance		2,116	2,943

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 11

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2014

4. Compensation of employees

4.1 Salaries and Wages

	Note	2013/14	2012/13
		R'000	R'000
Basic salary		324,169	253,750
Performance award		3,243	1,899
Service Based		667	612
Compensative/circumstantial		15,983	10,582
Periodic payments		-	-
Other non-pensionable allowances		123,223	98,785
Total		467,285	365,628

4.2 Social contributions

Employer contributions

	Note	2013/14	2012/13
		R'000	R'000
Pension		37,623	29,462
Medical		18,265	16,578
UIF		4	-
Bargaining council		96	73
Total		55,988	46,113

Total compensation of employees	523,273	411,741
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Average number of employees	1 659	1 451
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

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5. Goods and Services

	Note	2013/14	2012/13
		R'000	R'000
Administrative fees		299	475
Advertising		12,637	9,997
Assets less than R5,000	5.1	12,269	15,293
Bursaries (employees)		701	828
Catering		6,390	17,430
Communication		14,105	10,205
Computer services	5.2	21,718	19,594
Consultants, contractors and agency/outsourced services	5.3	154,130	141,509
Entertainment		-	23
Audit cost – external	5.4	5,248	5,270
Fleet services		10,920	9,433
Inventory	5.5	171	15,145
Consumables		10,099	-
Operating leases		23,766	25,919
Property payments	5.6	27,688	27,322
Rental and hiring		293	194
Transport provided as part of the departmental activities		36	108
Travel and subsistence	5.7	62,682	48,310
Venues and facilities		3,333	5,451
Training and staff development		1,300	1,783
Other operating expenditure	5.8	40,263	33,633
Total		408,048	387,922

Explanation of variances: 1.Consultants - The increase occurred in Programme 4 and relates to the various projects that were undertaken. 2.Travel and subsistence-The increase occurred within Public Participation and relates to various events that were undertaken. The other increase was due to S&T Claims paid to an additional 143 officials and also the escalating fuel costs contributed to this. 3. Advertising - The increase in expenditure is directly related to the number of launches for completed projects undertaken by the department. 4. Communication - The approval of tools of trade allowance (Laptop & Cellphone) for CDW's has contributed to this increase. This item also includes costs relating to the advertisement of vacant posts. This expenditure was previously covered under consultant fees (appointment of recruitment agencies).

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5.1 Assets less than R5,000

	Note	2013/14	2012/13
		R'000	R'000
	5		
Tangible assets		12,161	15,293
Machinery and equipment		12,161	15,293
		12,161	15,293
Intangible assets		108	
Total		12,269	15,293

5.2 Computer services

	5		
SITA computer services		15,621	18,475
External computer service providers		6,097	1,119
Total		21,718	19,594

5.3 Consultants, contractors and agency/outsourced services

	5		
Business and advisory services		109,838	99,273
Infrastructure and planning		-	-
Legal costs		7,335	5,732
Contractors		33,549	29,896
Agency and support/outsourced services		3,408	6,608
Total		154,130	141,509

5.4 Audit cost – External

	5		
Regularity audits		5,248	5,270
Total		5,248	5,270

5.5 Inventory

	5		
Clothing material and accessories		171	-
Learning and teaching support material		-	1
Food and food supplies		-	340
Fuel, oil and gas		-	2
Other consumable materials		-	5,529
Materials and supplies		-	165
Stationery and printing		-	8,835
Medicine		-	273
Total		171	15,145

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For the year ended 31 March 2014

5.6 Property payments

	Note	2013/14	2012/13
		R'000	R'000
	5		
Municipal services		-	5,420
Property maintenance and repairs		13,517	16,323
Other		14,171	5,579
Total		27,688	27,322

5.7 Travel and subsistence

	5		
Local		58,890	44,705
Foreign		3,792	3,605
Total		62,682	48,310

5.8 Other operating expenditure

	5		
Learner ships		-	150
Professional bodies, membership and subscription fees		7	21
Resettlement costs		814	1,682
Other		39,442	31,780
Total		40,263	33,633

6. Payments for financial assets

Other material losses written off	6.1	-	-
Debts written off	6.2	26	144
Total		26	144

6.1 Other material losses written off

Nature of losses	6	-	-
Medical aid recoveries		-	-
Total		-	-

6.2 Debts written off

Nature of debts written off	6	-	-
Ex-employee		26	139
Breach of contract		-	-
External debts		-	12
Ex-employee(Reversal from revenue, after pension recovery)		-	(7)
Total		26	144

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6.3 Assets written off

Nature of write-off

Furniture and office equipment	-	-
Computer equipment	-	-
Other machinery and equipment	-	-
Total	-	-

7. Transfers and subsidies

Provinces and municipalities	Note 30/Annexure 1B	232,228	444,587
Departmental agencies and accounts	Annexure 1C	1,278	1,000
Public corporations and private enterprise	Annexure 1E	-	558
Non-profit institutions	Annexure 1G	-	100
Households	Annexure 1H	13,367	10,741
Total		246,873	456,986

Unspent funds transferred to the above beneficiaries	218,735	368,896
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8. Expenditure for capital assets

	Note	2013/14 R'000	2012/13 R'000
Tangible assets		60,173	53,412
Buildings and other fixed structures	29	39,069	24,225
Non-profit institutions	27	21,104	29,187
Software and other intangible assets		4,103	4,345
Computer software	28	4,103	4,345
Total		64,276	57,757

8.1 Analysis of funds utilised to acquire capital assets – 2013/14

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	60,173	-	60,173
Buildings and other fixed structures	39,069	-	39,069
Machinery and equipment	21,104	-	21,104
Software and other intangible assets	4,103	4,103	4,103
Computer software	4,103	-	4,103
Total	64,276	-	64,276

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8.2 Analysis of funds utilised to acquire capital assets – 2012/13

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	53,412	-	53,412
Buildings and other fixed structures	24,225	-	24,225
Machinery and equipment	29,187	-	29,187
Software and other intangible assets	4,345	-	4,345
Computer software	4,345	-	4,345
Total	57,757	-	57,757

8.2 Analysis of funds utilised to acquire capital assets – 2012/13

	Note	2013/14 R'000	2012/13 R'000
9. Cash and cash equivalents			
Consolidated Paymaster General Account			(2)
Disbursements		3	-
Cash on hand		-	70
Total		3	68

10. Prepayments and advances

Travel and subsistence	-	21
Prepayments	728	31,124
Total	728	31,145

11. Receivables

2013/14				2012/13		
		R'000	R'000	R'000	R'000	R'000
		Less than one year	One to three years	Older than three years	Total	Total
	Note					
Claims recoverable	11.1 Annex 4	4,849	15	4,248	9,112	5,263
Recoverable expenditure	11.2	1,373	-	-	1,373	1,309
Staff debt	11.3	31	13	22	66	248
Other debtors	11.4	545	602	364	1,511	1,239
Total		6,798	630	4,634	12,062	8,059

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For the year ended 31 March 2014

	Note	2013/14 R'000	2012/13 R'000
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11.1. Claims recoverable

	11		
National departments			-
Provincial departments		5,297	1,663
Public entities		-	-
Local governments		3,815	3,600
Total		9,112	5,263

11.2. Recoverable expenditure (disallowance accounts)

	11		
Payment Fraud		616	616
Salary Reversal		490	587
Income Tax		-	71
Medical Aid		3	-
Deduction Disallowance		15	14
Tax Debt		16	18
ACB Recalls		128	3
Pension fund		7	-
Disallowance miscellaneous		98	-
Total		1,373	1,309

11.3. Staff debt

	11		
Leave without pay		-	-
Breach of contract		-	-
Fruitless expenditure		-	-
Overpaid salaries		16	77
S&T		-	83
Telephone		4	4
Vehicle damage		31	73
Tax debt		2	11
Other		13	-
Total		66	248

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For the year ended 31 March 2014

	Note	2013/14 R'000	2012/13 R'000
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11.4 Other debtor's

	11		
Ex-employees		1,340	941
External debtors		171	298
Suppliers		-	-
Appeal Board		-	-
Total		1,511	1,239

12. Voted funds to be surrendered to the Revenue Fund

Opening balance		1,577	49,646
Transfer from Statement of Financial Performance		3,846	1,577
Paid during the year		(1,577)	(49,646)
Total		3,846	1,577

13. Departmental revenue to be surrendered to the Revenue Fund

Opening balance		1,556	2,341
Transfer from Statement of Financial Performance		7,470	7,578
Paid during the year		(8,972)	(8,363)
Total		54	1,556

14. Bank Overdraft

Consolidated Paymaster General Account		-	-
Fund requisitions account		-	-
Overdraft with commercial banks(Local)		4,911	31,965
Overdraft with commercial banks(Foreign)		-	-
Total		4,911	31,965

15. Payables – current

Description			
Advances received	15.1	132	132
Clearing accounts	15.2	1,219	780
Total		1,351	912

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15.1 Advances received

Provincial department (Identify major categories, but list material amounts)	15	132	132
Total		132	132

15.2 Clearing accounts

Description	15		
ACB Recalls		180	514
UIF		1	-
Appeal Board		45	40
Salary Reversal		127	102
Tax Recoveries		4	2
Income Tax		859	121
Deduction Disallowance		-	1
Pension		1	-
Medical Aid		2	-
Total		1,219	780

	Note	2013/14 R'000	2012/13 R'000
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16. Net cash flow available from operating activities

Net surplus/(deficit) as per Statement of Financial Performance	10,489	7,434
Add back non cash/cash movements not deemed operating activities	77,717	16,206
(Increase)/decrease in receivables – current	(4,003)	(75)
(Increase)/decrease in prepayments and advances	30,417	16,363
Increase/(decrease) in payables – current	439	170
Proceeds from sale of capital assets	(2,863)	-
Expenditure on capital assets	64,276	57,757
Surrenders to Revenue Fund	(10,549)	(58,009)
Net cash flow generated by operating activities	88,206	23,640

16.1 Reconciliation of cash and cash equivalents for cash flow purposes

Consolidated Paymaster General account	-	(2)
Disbursements	3	-
Cash on hand	-	70
Cash with commercial banks (local)	(4,911)	(31,965)
Total	(4,908)	(31,897)

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These amounts are not recognised in the Annual Financial Statements and are disclosed to enhance the usefulness of the Annual Financial Statements.

17. Contingent liabilities

	Note	2013/14 R'000	2012/13 R'000
Liable to Nature			
Housing loan guarantees Employees	Annex 3A	142	112
Claims against the department	Annex 3B	6,346	3,085
Other departments (interdepartmental unconfirmed balances)	Annex 5	6,937	4,869
Other	Annex 3B	-	-
Total		13,425	7,954

18. Commitments

Current expenditure

Approved and contracted

Approved but not yet contracted	59,757	41,610
	14,296	-
	74,053	41,610

Capital expenditure

Approved and contracted

Approved but not yet contracted	36,310	22,671
	468	-
	36,778	22,671

Total Commitments	110,831	64,281
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Indicate whether a commitment is for longer than a year

Included in the commitments are Department of Public Works commitments for Cogta, totalling R50, 465, 654

19. Accruals and payable not recognised

Listed by economic classification	30 Days	30+ Days	Total	Total
Goods and services	23,405	2,129	25,534	25,178
Transfers and subsidies	11,813	2,029	13,842	-
Capital assets	1,339	30	1,369	549
Total	36,557	4,188	40,745	25,727

Listed by programme level

Administration	11,170	11,086
Local Governance	3,956	4,743
Development and Planning	20,207	2,047
Traditional Institutional Management	5,412	7,851
Total	40,745	25,727

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Confirmed balances with other departments	Annex 5	1,714	65
Confirmed balances with other government entities	Annex 5	-	-
Total		1,714	65

20. Employee benefits

Leave entitlement	30,920	23,410
Service bonus (Thirteenth cheque)	11,630	9,388
Capped leave commitments	37,077	36,041
Other	-	-
Total	79,627	68,839

The leave entitlement balance as disclosed above is the net amount of negative leave balances. The rand value of negative leave balances as at 31 March 2014 was R115 889, 58 and relates to pro-rata leave balances.

21. Lease commitments

21.1 Operating leases expenditure

2013/14	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	11,682	3,286	14,968
Later than 1 year and not	-	-	3,806	2,379	6,185
Later than 5 years					
Total lease commitments	-	-	15,488	5,665	21,153

2012/13	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	14,264	3,455	17,719
Later than 1 year and not	-	-	15,956	4,455	20,411
Later than 5 years			-	-	-
Total present value of lease liabilities	-	-	30,220	7,910	38,130

21.2 Finance leases expenditure

2013/14	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	1,542	1,542
Later than 1 year and not	-	-	-	469	469
Later than 5 years			-	-	-
Total present value of lease liabilities	-	-	-	2,011	2,011

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2012/13	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	768	768
Later than 1 year and not	-	-	-	378	378
Later than 5 years					
Total present value of lease liabilities	-	-	-	1,146	1,146

	Note	2013/14 R'000	2012/13 R'000
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22. Irregular expenditure

22.1 Reconciliation of irregular expenditure

Opening balance	26,164	69,876
Add: Irregular expenditure – relating to current year	1,299	4,592
Less: Prior year amounts condoned	(20,330)	(43,712)
Less: Current year amounts condoned	(1,299)	(4,592)
Less: Amount recoverable (not condoned)	-	-
Less: Amounts not recovered (not condoned)	-	-
Irregular expenditure awaiting condonation	5,834	26,164

Analysis of awaiting condonation per age classification

Current year	-	26,164
Prior years	5,834	-
Total	5,834	26,164

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DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2014

Provincial Treasury embark on an exercise to reconcile the disclosures with the departmental registers and to investigate each case with the responsible departments.

Provincial Treasury consulted and assisted departments in verifying the amounts involved and the circumstances prevailing at the time of the transgression. The payments were individually evaluated and recommended for condonement by a committee consisting of the Acting Accountant General and representatives of the Supply Chain Management and the Internal Audit units at Provincial Treasury. Where the information was insufficient to make recommendation the case was referred back to the departments for further investigation. Cases that are under forensic or other investigations were not considered at this stage pending the outcome of such investigations.

In evaluating each case the Provincial Treasury considered the following:

- (a) The circumstances of the transgression;
- (b) The extent of the expenditure involved;
- (c) The nature and seriousness of the transgression;
- (d) Outstanding investigations or court proceedings;
- (e) The effect of compliance on service delivery;
- (f) Whether the service was provided and a check on value for money;
- (g) The potential cost involved in further investigations into old cases;
- (h) Steps taken by departments to rectify the matters;
- (i) The extent of possible misinterpretation of the prescript; and
- (j) The practical challenges to adhere to all the prescripts

For all transactions which were declared as irregular as a result of insufficient quotations obtained, in line with the National Treasury Guide on Irregular Expenditure, the department appointed an independent service provider to review each transaction that was declared as irregular. In evaluating the cases the following steps were taken:-

- (a) Review of the files to ascertain whether the transaction was correctly classified as irregular.
- (b) Ascertaining circumstances that led to 3 quotations not being obtained.
- (c) Ascertaining if there was a genuine attempt based on the evidence on file to obtain 3 quotations.
- (d) Where there was genuine evidence of an attempt to obtain 3 quotations, recommendation for condonation was made without disciplinary steps being taken.
- (e) Where there was no genuine evidence to obtain 3 quotations, recommendation for condonation with disciplinary steps was made.
- (f) The department then introduced a checklist to be signed off before an order is made to prevent further occurrence of the irregular expenditure of this nature.

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22.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/ criminal proceedings	2013/14 R'000
Insufficient quotations obtained	None	1,299
Total		1,299

22.3 Details of irregular expenditure condoned

Incident		2013/14 R'000
3 quotes obtained (Accounting Officer)		238
3 quotes obtained (Accounting Officer)		139
3 quotes obtained (Accounting Officer)		19,953
Total		20,330

22.4 Details of irregular expenditure under investigation

Incident		2013/14 R'000
3 quotes not obtained		19
3 quotes not obtained		1,152
Competitive bidding not forwarded		3,873
Delegations not adhered to		169
Overtime > 30% Salary		236
Single source		385
Total		5,834

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23 Fruitless and wasteful expenditure

23.1 Reconciliation of fruitless and wasteful expenditure

	Note	2013/14 R'000	2012/13 R'000
Opening balance		-	1,150
Fruitless and wasteful expenditure – relating to prior year		1,150	-
Fruitless and wasteful expenditure – relating to current year		5	5,295
Less: Amounts condoned		(1,150)	(5,295)
Less: Amounts transferred to receivables for recovery			-
Fruitless and wasteful expenditure awaiting condonement		5	1,150

23.2 Analysis of awaiting condonation per economic classification

	Note	2013/14 R'000	2012/13 R'000
Current		-	-
Total		-	-

23.3 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2013/14 R'000
1. Damage to hired vehicle	None: Matter is currently under investigation (R4,919.00)	5
Total		5

24. Related party transactions

	Note	2013/14 R'000	2012/13 R'000
Payments made			
Goods and Services		89,584	412
Purchases of capital assets		31,121	5,817
Transactions in financial assets and liabilities		-	-
Transfers		-	-
Total		120,705	6,229

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List related party relationships

The department provided financial assistance to uMsekeli in the form of Audit fee payments. The department provided financial assistance to uMsekeli in the form of Audit fee payments for an amount of R82 080,00

The department provided security services to the ministry through the company whereby one of the majority shareholders is related to the executive, for an amount of R933 124,93

The following amounts for Related Party Transactions for Traditional Trust and Levies relate to the following:

(i) Honoraria for TC Secretaries and Izindunas = 37 748 626,40

(ii) Goods & Services = 50 820 670,60

(iii) Movable Tangible Capital Assets = 3 038 284,00 (Furniture & Equipment; Office Equipment for TAC's; Software = 1 642 869,00

(iv) Immovable Assets (Property, Plant & Equipment) = 26 439 550,00

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DISCLOSURE NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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	Note	2013/14 R'000	2012/13 R'000
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25. Key management personnel

	No. of Individuals	2013/14 R'000	2012/13 R'000
Political office bearers (provide detail below)	1	1,735	1,652
Officials:			
Level 15 to 16	7	7,510	6,048
Level 14 (incl. CFO if at a lower level)	15	15,073	15,454
Family members of key management personnel	7	2,499	-
Total		26,817	23,154

26. Impairment

Impairment			
Debtors		487	484
Total		487	484

27. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	102,022	(7,881)	21,104	(13,623)	101,622
Transport assets	41,349	-	8,713	(7,095)	42,967
Computer equipment	37,233	(72)	6,120	(2,516)	40,765
Furniture and office equipment	13,757	(1,112)	1,812	(795)	13,662
Other machinery and equipment	9,683	(6,697)	4,459	(3,217)	4,228
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	102,022	(7,881)	21,104	(13,623)	101,622

Included in disclosure note 27 under disposals is an amount of R3,038,284 for assets which were bought by the department for Traditional Trust and Levies.

The current year adjustments to prior year balances relate to movable assets that were purchased for Traditional Trust and Levies that were included in the department's asset register and annual financial statements. During the current year 2013/2014 an error was discovered whereby exclusions were not taken into account in the prior year 2012/2013 and preceding years, hence these exclusions amounting to R7 880 888,67 have been corrected in the current year.

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27.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Cash	Non-cash	(Capital Work in Progress cur- rent costs and finance lease payments)	Received cur- rent, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	21,104				21,104
Transport assets	8,713				8,713
Computer equipment	6,120				6,120
Furniture and office equipment	1,812				1,812
Other machinery and equipment	4,459				4,459
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	21,104				21,104

27.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals		Cash Received Actual
	R'000	R'000	R'000		R'000
MACHINERY AND EQUIPMENT	6,754	6,869	13,623		2,863
Transport assets	6,754	341	7,095		2,863
Computer equipment	-	2,516	2,516		-
Furniture and office equipment	-	795	795		-
Other machinery and equipment	-	3,217	3,217		-
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	6,754	6,869	13,623		2,863

27.3 Movement for 2012/13

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	73,134	29,187	299	102,022
Transport assets	32,400	8,949		41,349
Computer equipment	26,638	10,880	285	37,233
Furniture and office equipment	11,202	2,569	14	13,757
Other machinery and equipment	2,894	6,789	-	9,683
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	73,134	29,187	299	102,022

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27.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	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	-	13,789		13,790
Additions	-		-	12,161		12,161
Disposals	-		-	471		471
TOTAL	-	1	-	25,479		25,480

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets at cost	-	-	-	14,660		14,660
Number of minor assets at cost	-	-	-	6,916		6,916
TOTAL NUMBER OF MINOR ASSETS	-	-	-	21,576		21,576

MOVEMENT IN MINOR ASSETS PER THE REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2013

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Opening balance		1		8,456	-	8,457
Curr Yr Adjustments					-	
Additions			-	5,373	-	5,373
Disposals		-		40	-	40
TOTAL MINOR ASSETS		1	-	13,789	-	13,790

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	16,024	-	16,024
Number of minor assets at cost	-	-	-	6,440	-	6,440
TOTAL NUMBER OF MINOR ASSETS	-	-	-	22,464	-	22,464

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28. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	4,615		4,103		8,718
TOTAL INTANGIBLE CAPITAL ASSETS	4,615		4,103		8,718

28.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Cash	Non-cash	(Develop-ment work-in- progress – current costs)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	4,103				4,103
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	4,103				4,103

28.2 Movement for 2012/13

	Opening balance	Current Year Adjustments to prior year balances	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	270	4,345	-	4,615
TOTAL INTANGIBLE CAPITAL ASSETS	270	4,345	-	4,615

29. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance	Current Year Adjustments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	83,364		31,274		114,638
Dwellings	59,139	-	31,274		90,413
Other fixed structures	24,225	-	-		24,225
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	83,364		31,274		114,638

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29.1 Immovable Tangible Capital Assets

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	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
BUILDINGS AND OTHER FIXED STRUCTURES	31,274	-	-	-	31,274
Buildings and other fixed structures	31,274	-	-	-	31,274
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	31,274	-	-	-	31,274

29.2 Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Opening balance	Current Year Adjustments to prior year balances	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	59,139	24,225	-	83,364
Dwellings	59,139	-	-	59,139
Buildings and other fixed structures	-	24,225	-	24,225
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	59,139	24,225	-	83,364

30. STATEMENT OF UNCONDITIONAL GRANTS PAID TO THE PROVINCES

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT			2012/13
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Re-allocation by National Treasury or National Department	Amount received by department	Amount spent by department	% of available funds spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000
KZN Department of Transport (Vehicle Licences)	154	-	-	154	154	100%		154	154	100%	143

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NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2012/13
	Amount	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Trans-ferred	Amount received by mu-nicipality	Amount spent by municipality	% of avail-able funds spent by municipality	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
eThekwini	-	-	4,000	4,000	4,000	100%	4,000	2,377	59%	-
Vulamehlo	-	-	-	-	-	-	-	-	-	-
Umdoni	-	-	-	-	-	100%	-	-	-	1000
Umzumbe	-	-	-	-	-	-	-	-	-	-
uMuziwabantu	200	-	7,000	7,200	7,200	100%	7,200	1,720	24%	5,000
Ezinqoleni	-	-	-	-	-	-	-	-	-	200
Hibiscus Coast	-	-	1,000	1,000	-	100%	-	-	-	9,000
Ugu	1,000	-	20,931	21,931	21,931	100%	21,931	674	3%	13,430
uMngeni	-	-	15,000	15,000	15,000	100%	15,000	-	-	-
Mpofana	-	-	-	-	-	-	-	-	-	900
Impendle	200	-	9,625	9,825	9,825	100%	9,825	460	5%	5,400
Msunduzi	-	-	17,500	17,500	17,500	100%	17,500	107	1%	34,000
Mkhambathini	-	-	-	-	-	-	-	-	-	-
Richmond	-	-	9,000	9,000	9,000	100%	-	407	5%	2,200
uMgungundlovu	1,000	-	23,896	24,896	24,896	100%	-	-	-	23,911
Emnambithi/Lady-smith	-	-	9,200	9,200	9,200	100%	9,200	-	-	15,500
Indaka	-	-	-	-	-	-	-	-	-	-
Umtshezi	-	-	6,000	6,000	6,000	100%	6,000	-	-	9,200
Okhahlamba	-	-	5,000	5,000	5,000	100%	5,000	-	-	10,900
Imbabazane	200	-	-	200	200	100%	200	-	-	400
Uthukela	-	-	-	-	-	-	-	-	-	29,734
Endumeni	-	-	-	-	-	-	-	-	-	-
Nquthu	200	-	3,000	3,200	3,200	100%	3,200	2,700	84%	3,000
Msinga	-	-	-	-	-	-	-	-	-	200
Umvoti	-	-	-	-	-	-	-	-	-	1,000
Umzinyathi	-	-	-	-	-	-	-	-	-	16,405
Newcastle	-	-	1,000	1,000	1,000	100%	1,000	-	-	8,446
eMadlangeni	200	-	-	200	200	100%	200	-	-	-
Dannhauser	-	-	-	-	-	-	-	-	-	25,575
Amajuba	-	-	-	-	-	-	-	-	-	17,344
eDumbe	-	-	-	-	-	-	-	-	-	200
uPhongolo	200	-	3,000	3,200	3,200	100%	3,200	351	11%	12,100
Abaqulusi	-	-	11,500	11,500	11,500	100%	11,500	-	-	17,590
Nongoma	-	-	-	-	-	-	-	-	-	1,000
Ulundi	-	-	-	-	-	-	-	-	-	-
Zululand	-	-	-	-	-	-	-	-	-	19,131
Umhlabuyalingana	-	-	-	-	-	-	-	-	-	200
Jozini	-	-	-	-	-	-	-	-	-	4,500
The Big 5 False Bay	200	-	-	200	200	100%	200	14	7%	-

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NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT			2012/13
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Hlabisa	-	-	-	-	-	-	-	-	-	-
Mtubatuba	-	-	-	-	-	-	-	-	-	-
Umkhanyakude	-	-	1,000	1,000	1,000	100%	1,000	-	-	27,467
Umfolazi	-	-	1,000	1,000	1,000	100%	1,000	-	-	1,800
uMhlatuze	-	-	10,000	10,000	10,000	100%	10,000	1,230	-	9,500
Ntambanana	-	-	2,000	2,000	2,000	100%	2,000	-	-	3,000
Mthonjeni	-	-	-	-	-	-	-	-	-	12,600
Nkandla	-	-	-	-	-	-	-	-	-	-
uThungulu	-	-	21,750	21,750	21,750	100%	21,750	-	-	8,900
Mandeni	200	-	10,829	11,029	11,029	100%	11,029	3,224	29%	3,000
KwaDukuza	-	-	-	-	-	-	-	-	-	11,000
Ndwedwe	-	-	-	-	-	-	-	-	-	4,600
Maphumulo	-	-	-	-	-	-	-	-	-	200
Ilembe	-	-	500	500	500	100%	-	-	-	19,041
Ingwe	-	-	-	-	-	-	-	-	-	-
Kwa Sani	-	-	8,000	8,000	8,000	-	8,000	-	-	1,200
Greater Kokstad	-	-	12,643	12,643	12,643	100%	12,643	-	-	16,400
Ubuhlebezwe	200	-	11,700	11,900	11,900	100%	11,900	-	-	8,870
Umzimkhulu	-	-	3,000	3,000	3,000	100%	3,000	75	1%	24,600
Sisonke	-	-	-	-	-	-	-	-	-	-
Unallocated	-	-	-	-	-	-	-	-	-	-
	6,000	-	227,074	233,074	232,074		232,074	13,339	-	444,844

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ANNEXURE 1C

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ AC- COUNT	TRANSFER ALLOCATION				TRANSFER		2012/13
	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
Skills Development Levy	-	-	1,278	1,278	1,278	100%	1,000
	-	-	1,278	1,278	1,278	100%	1,000

ANNEXURE 1H

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2012/13
	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							
Employee Social Benefits	5,435	-	839	6,274	6,095	97%	6,782
Bursaries (Non-Employees)	5,543	-	1,438	6,981	7,068	101%	3,900
Claims Against the State	112	-	-	112	204	182%	59
Total	11,090	-	2,277	13,367	13,367		10,741

ANNEXURE 1I

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2013/2014 R'000	2012/13 R'000
RECEIVED IN KIND			
Destinations Travel	Accommodation vouchers (Municipal Excellence Awards) – (No amount disclosed on the register)	-	-
Sigma IT	Umbrellas given to delegates at the function – R25 000.00	25	-
Isolezwe Newspapers	Advertising and print media campaign for Municipal Excellence Awards – R134 509.00	135	-
ESP Consulting	Accommodation vouchers handed to winners in the voting Process – R25 000.00	25	-
Data World	Accommodation vouchers handed to winners in the voting Process – R3 000.00	3	-
Total		188	-

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ANNEXURE 1J

STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	CLOSING BALANCE
		R'000	R'000	R'000	R'000
Received in cash					
Department of Provincial and Local Government	Municipal capacity building	2,491	-	375	2,116
Development Bank of SA	Municipal capacity building	452	-	452	-
		-	-	-	
TOTAL		2,943	-	827	2,116

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2014 – LOCAL

Guaran- tor insti- tution	Guaran- tee in respect of Housing	Original guar- anteed capital amount	Opening balance 1 April 2013	Guar- antees draw- downs during the year	Guar- antees repay- ments/ can- celled/ reduced/ released during the year	Revalua- tions	Closing balance 31 March 2014	Guar- anteed interest for year ended 31 March 2014	Realised loss- es not recover- able i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Standard Bank		-	-	40	-	-	40	-	
First National Bank		-	20	-	-	-	20	-	-
ABSA		-	50	-	-	-	50	-	-
Peoples Bank		-	32	-	-	-	32	-	-
Old Mutual		-	10	-	10	-	-	-	-
SA Home Loans		-	-	-	-	-	-	-	-
	Total	-	112	40	10	-	142	-	-

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ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2014

Nature of Liability	Opening Balance 01/04/2013	Liabilities incurred during the year	Liabilities paid/ cancelled/reduced during the year	Liabilities recov- erable (Provide details hereunder)	Closing Balance 31/03/2014
	R'000	R'000	R'000	R'000	R'000
Giant Concerts	500		500		-
Dube Traditional Council & Others	75		75		-
Khoza	110		110		-
Castelyn & Others	180		180		-
Inkosi Jiyane NO & Others	75	-	75	-	-
Makhaya	-	-	-	-	-
Mbuyazi	75		75		-
Haffejee	150	-	150	-	-
Maphanga & Others	45	-	45	-	-
Ingonyama Trust	200	-	200	-	-
Propalux 121 (PTY) LTD	1,000	-	1,000	-	-
Maphanga & Another	75	-	-	-	-
Le Sueur	70	-	70	-	-
Mngomezulu & Others	-	-	-	-	-
Khumalo & Others	250		250	-	-
Gumede & Others	-	-	-	-	-
Mbuyazi & Others	150	-	150	-	-
Umdeni Wenkosi of the Mkhwanazi Traditional Community	150	-	150	-	-
Mnguni	120		120		-
Dube & Others	200		200		-
Mdluli & Another	120	-	120	-	-
Umdeni Wenkosi Wakwa Hlabisa	120	-	120	-	-
Naicker & Others	100	-	100	-	-
Bother N.O	90	-	90	-	-
Dayanand N.O & Another	75	-	75	-	-
Imbabazane Municipality	75	-	75	-	-
Umzinyani Municipality	100	-	100	-	-
Umtshezi Municipality	-	-	-	-	-

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Nature of Liability	Opening Balance 01/04/2013	Liabilities incurred during the year	Liabilities paid/ cancelled/reduced during the year	Liabilities recov- erable (Provide details hereunder)	Closing Balance 31/03/2014
	R'000	R'000	R'000	R'000	R'000
Umdeni wak- waMdalose & Another	90	-	90	-	-
CP Hattingh	50	-	50	-	-
Mdlalose	50	-	50	-	-
SSS Mbhense & Another	50	-	50	-	-
Howard Produc- tion CC	75	-	75	-	-
Mdunge	50	-	50	-	-
Phungula	50	-	50	-	-
Cele	70	-	70	-	-
Naicker	120	-	120	-	-
Putini	150	-	150	-	-
ZS Mbuyazi	120	-	-	-	120
Moratiwa Property Development & Other	160	-	160	-	-
Horward Produc- tion CC (Services rendered)	75	-	75	-	-
SB Mkhize (CCMA Award)		12		-	12
IFP & Others	300	-	-	-	300
ACSA	250	-	-	-	250
Botha N.O & Others	300	-	-	-	300
IFP & Others	200	-	-	-	200
Car & Van rental	60	-	-	-	60
Cele	250	-	-	-	250
Dayken Properties cc	-	-	-	-	20
Dlomo	150	-	-	-	150
Dube & Others	200	-	-	-	200
Dube	150	-	-	-	150
IFP	250	-	-	-	250
Perumall & Others	150	-	-	-	150
Haffejee Trust	200	-	-	-	200
Hattingh & Others	60	-	-	-	60
uMndeni Wenkosi Hlabisa	150		-	-	150
Madondo	200	-	-	-	200
uMndeni of Maphumulo	100	-	-	-	100
Mdluli & Another	200	-	-	-	200

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Nature of Liability	Opening Balance 01/04/2013	Liabilities incurred during the year	Liabilities paid/ cancelled/reduced during the year	Liabilities recov- erable (Provide details hereunder)	Closing Balance 31/03/2014
	R'000	R'000	R'000	R'000	R'000
Mkhwanazi & Others	250	-	-	-	250
Umnndeneni Wenkosi of the Mkhwanazi Traditional Community	250	-	-	-	250
Mkhwanazi	250	-	-	-	250
Mngomezulu & Others	300	-	-	-	300
Imbabazane Municipality	300	-	-	-	300
Ndebele	150	-	-	-	150
Ntambanana Municipality	200	-	-	-	200
The IFP & Another	150	-	-	-	150
Phungula	50	-	-	-	50
Prime Spot Trading	160	-	-	-	160
Jassat & Jassat	20	-	-	-	20
Umzinyathi District Municipality	50	-	-	-	50
ANC & Others	50	-	-	-	50
Collision with SCRAP1 ZN V25(09/10)	-	31	-	-	31
Collision with NKR 16243: BE Msomi V31(11/12)	-	43	-	-	43
Collision: KZN45466 and ND578 679	-	39	-	-	39
KZN45760 and NP74455: ES Mapumulo	-	14	-	-	14
KZN45871 and NF2767: Mr CE Shange V24(13/14)	-	111	-	-	111
KZN45836 and ND659885: EN Ngcobo	-	3	-	-	3
Private vehicle on official duty: R Ranjith	-	3	-	-	3
Total	11,540	256	5,450	-	6,346

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

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ANNEXURE 4

CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Eastern Cape Department of Local Government	-	-	1,648	1,648	1,648	1,648
Mpumalanga Department of Local Government	-	-	-	-	-	-
Office of the Premier	-	-	15	15	15	15
Department of Social Development	3,634				3,634	
Total	3,634	-	1,663	1,663	5,297	1,663

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	R'000	R'000	R'000	R'000	R'000	R'000
Other Government Entities						
Msunduzi Municipality	-	-	3,100	2,600	3,100	2,600
Newcastle Municipality		-	-	1,000	-	1,000
Ethekwini Municipality	-	-	715	-	715	-
Trans-Caledon Tunnel Authority	-	-	-	-	-	-
	-	-	3,815	3,600	3,815	3,600
TOTAL	3,634	-	5,478	5,263	9,112	5,263

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ANNEXURE 5

INTER-GOVERNMENT PAYABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Department of Arts and Culture	-	-	-	3	-	3
Department of Economic and Development	-	1	-	40	-	41
Department of Education	-	-	20	5	20	5
Department of Health	-	62	-	-	-	62
Department of Human Settlement	-	2	1,260	1,520	1,260	1,522
Office of the Premier	-	-	57	180	57	180
Department of Transport	-	-	3,244	734	3,244	734
Department of Public Works	1,714	-	2,356	2,387	4,070	2,387
KZN Provincial Treasury	-	-	-	-	-	-
Total	1,714	65	6,937	4,869	8,651	4,934
OTHER GOV-ERNMENT ENTITY						
Current						
	-	-	-	-	-	-
Total	-	-	-	-	-	-
	-	-	-	-	-	-

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 11

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2014

ANNEXURE 6

INVENTORY

Inventory	Note	Quantity	2013/14	Quantity	2012/13
			R'000		R'000
Opening balance			1,110		603
Add/(Less): Adjustments to prior year balance			(1,110)		-
Add: Additions/Purchases – Cash			-		2,237
(Less): Disposals			-		(64)
(Less): Issues			-		(1,666)
Add/(Less): Adjustments			-		-
Closing balance		-	-	-	1,110

ANNEXURE 8

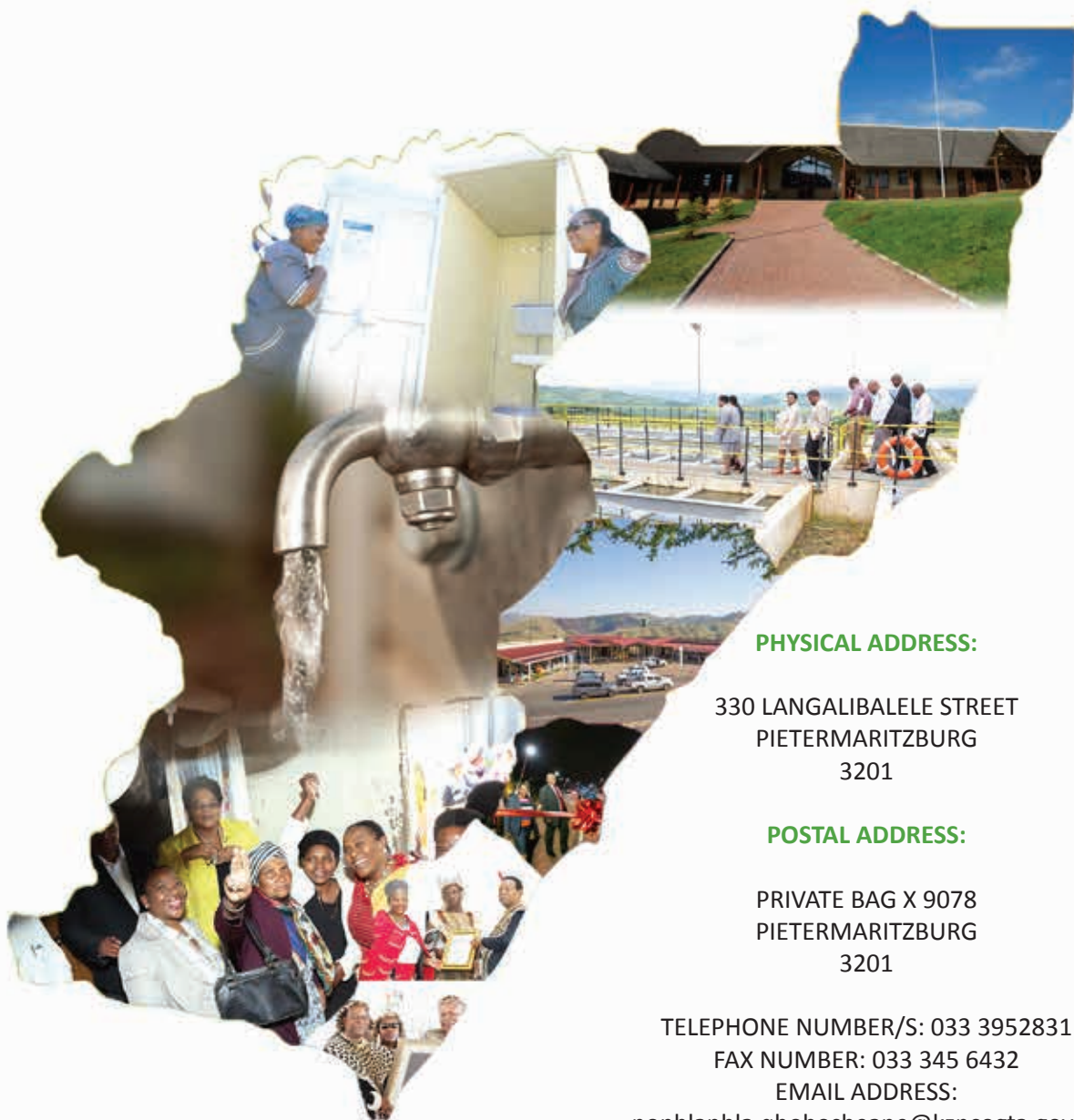
INTER-ENTITY ADVANCES RECEIVED (notes 25 AND note 26)

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2014	31/03/2013	31/03/2014	31/03/2013	31/03/2014	31/03/2013
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Current	-	-	-	-	-	-
	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-

PROVINCIAL DEPARTMENTS

Current						
KwaZulu-Natal Department of Agriculture			132	132	132	132
Subtotal	-	-	132	132	132	132





PHYSICAL ADDRESS:

330 LANGALIBALELE STREET
PIETERMARITZBURG
3201

POSTAL ADDRESS:

PRIVATE BAG X 9078
PIETERMARITZBURG
3201

TELEPHONE NUMBER/S: 033 3952831

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