

COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

2019/20 ANNUAL REPORT

VOTE 11



KWAZULU-NATAL PROVINCE
COOPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA



**GROWING
KWAZULU-NATAL
TOGETHER**

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PART A

GENERAL INFORMATION



1. DEPARTMENT GENERAL INFORMATION

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Mr SE Hlomuka

MEC for Department of Cooperative Governance and Traditional Affairs

2. LIST OF ABBREVIATIONS/ACRONYMS

Acronym	Definition
AFS	Annual Financial Statements
AG	Auditor-General
AGSA	Auditor-General of South Africa
ANC	African National Congress
APP	Annual Performance Plan
B2B	Back to Basics
BCEA	Basic Conditions of Employment Act No.75 of 1997
BAS	Basic Accounting System
CAPEX	Capital Expenditure
CARC	Cluster Audit and Risk Committee
CBD	Central Business District
CFO	Chief Financial Officer
CMET	Comprehensive Monitoring and Evaluation Tool
CoC	Code of Conduct
COGTA/Cogta	Department of Cooperative Governance and Traditional Affairs
COHOD	Committee Of Heads Of Departments
CSC	Community Service Centres
CWP	Community Works Programme
CSD	Central Supplier Database
DDA	District Development Agency
DDG	Deputy Director General
DORA	Division of Revenue Act
DPSA	Department of Public Service and Administration
DTI	Department of Trade and Industry
EPWP	Expanded Public Works Programme
ECM	Enterprise Content Management
EHW	Employee Health and Wellness
GIS	Geographic Information System
GREC	Governance, Risk and Ethics Committee
GRAP	Generally Recognized Accounting Practice
OHOD	Office of the Head of Department
HCT	HIV Counselling and Testing
HDI	Historically Disadvantaged Individuals
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome
HOA	Home Owners Allowance
HOD	Head of Department
ICT	Information Communication Technology
IT	Information Technology
IDP	Integrated Development Plan
IGR	Intergovernmental Relations
IYM	In Year Monitoring
KZN	KwaZulu-Natal
KZN COGTA	KwaZulu-Natal Department of Cooperative Governance and Traditional Affairs
KZNTLGA	KwaZulu-Natal Traditional Governance and Leadership Act No.5 of 2005
LED	Local Economic Development

Acronym	Definition
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MISA	Municipal Infrastructure Support Agent
MOU	Memorandum of Understanding
MPAC	Municipal Public Accounts Committee
MPRA	Municipal Property Rates Act
MPSA	Minister for the Public Service and Administration
MSA	Municipal Systems Act
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
MuniMEC	Municipalities and Members of the Executive Council
NACH	National Anti-Corruption Hotline
NDP	National Development Plan
NEC	National Executive Committee
NQF	National Qualifications Framework
OHS	Occupational Health and Safety
OTP	Office of the Premier
OSS	Operation Sukuma Sakhe
PAJA	Promotion of Administrative Justice Act
PAIA	Promotion of Access to Information Act
PIAS	Provincial Internal Audit Services
PDMC	Provincial Disaster Management Centre
PERSAL	Personal Salary System
PFMA	Public Finance Management Act
PGDP	Provincial Growth and Development Plan
PSA	Public Service Act
PSCBC	Public Service Co-ordinating Bargaining Council
RASET	Radical Agrarian Socio-Economic Transformation
SALGA	South African Local Government Association
SAWS	South African Weather Services
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SDIP	Service Delivery Improvement Plan
SDBIP	Service Delivery Budget Improvement Plan
SDF	Spatial Development Framework
SHERQ	Safety, Health, Environment, Risk and Quality
SITA	State Information Technology Agency
SMME	Small, Medium and Micro Enterprise
SMS	Senior Management Services
SMT	Systems Monitoring Tool
SOP	Standard Operating Procedures
SPLUMA	Spatial Planning and Land Use Management Act
TB	Tuberculosis
TC	Traditional Council
TRADMUNIMEC	Forum of Traditional Leadership, Municipalities and Members of the Executive Council
TSMP	Traditional Settlement Master Plans

3. FOREWORD BY THE MEC

It is a pleasure for me to present the Annual Report for the 2019/2020 financial year for the Department of Cooperative Governance and Traditional Affairs. This report sets the tone for the sixth administration which was ushered in by the 2019 provincial elections. Building on the solid foundation of accelerated service delivery laid during the fifth administration, this report covers our renewed effort to empower KZN's 54 municipalities and ensure that they are managed effectively and efficiently.

At the outset, I wish to report that the department has earned a clean audit for the 2019/2020 financial year. This is a significant milestone in our overall performance. Being able to manage our own resources as a department is the best prerequisite for being able to transform the entire sphere of local government in our province to be one that excels in general financial management. I attribute this remarkable outcome to the hard work of my team of officials.

In the year under review, the department continued on its path of innovation where novel developments, such as the continuous assessment of the state of local government in the province and the deployment of local government specialists to its municipalities, helped to create - and maintain - local government institutions that are able to govern and manage themselves to become beacons of socio-economic development and growth in KZN.



As a department, we can now say with confidence that we have grown from an institution that merely supports municipalities in the implementation of their constitutional mandate towards one that is proactive in the delivery and maintenance of municipal infrastructure. This transition has enabled municipalities to deliver essential services at levels that are very close to universal coverage in our communities' access to water, electricity and sanitation. One challenge in this regard has been poor revenue collection in several municipalities. In some municipalities, these issues caused non-payment of arrears due to the country's power utility - Eskom. These developments impacted negatively on the financial viability of municipalities but we at Cogta have intervened to apply pressure on all those who can afford it to pay for their municipal services and we have also assisted municipalities in negotiating payment plans with Eskom.

Our assessment of the latest audit outcomes of municipalities has highlighted a critical issue of consequence management and even as we undertook our support and monitoring role in providing the necessary frameworks and training for municipal officials and councillors, the levels of unauthorised, irregular, fruitless and wasteful expenditure have yet to improve in many municipalities. Arresting these developments remains a number one priority for us going forward.

Capacity building, training, skills development, hands-on approach and technical support are all essential ingredients of success in the sphere of local government and our role in facilitating all of these is already helping our municipalities perform better in discharging their responsibilities and mandates. During the year under review, we have almost concluded skills audits of municipal officials in the province and those few that are left will be finalised in the 2020/2021 financial year.

Towards the very end of the 2019/2020 financial year, our province was negatively impacted by the outbreak of the global Covid-19 pandemic. Although the pandemic only reached KZN in March 2020 and did not thus materially affect our performance goals for the year under review, it caused a major paradigm shift in our priorities and expenditure patterns in 2020/2021. As I write, the department continues to work hard to fight the spread of the novel coronavirus in our communities.

Despite our many challenges that have most recently included the Covid-19 pandemic, KZN remains a diverse and dynamic province full of opportunities. It falls to us as a government department that exercises general oversight over the province's 54 municipalities to rise to our challenges and exploit our opportunities. Our key approach to this is to provide the kind of targeted support our municipalities require so that municipalities themselves become problem solvers.

As I conclude, I wish to acknowledge the contribution of all our hardworking employees and various stakeholders to our achievements as we march towards the new era of growth in the sixth administration. Without their dedication and commitment this report would not be the story of evolving success that it is. I now have the pleasure of presenting this 2019/2020 Annual Report of KZN Cogta to the Provincial Legislature and all our stakeholders.

Approved by:

A handwritten signature in black ink, appearing to read 'Hlomuka'.

Mr. S. Hlomuka - MPL

MEC for Department of Cooperative Governance and Traditional Affairs

4. DEPUTY MINISTER STATEMENT (if applicable)

This is not applicable for KZNCOGTA.

5. REPORT OF THE ACCOUNTING OFFICER

As the Accounting Officer, it is with great pleasure and a sense of accomplishment that we submit the 2019/20 Annual Report of the KZN Department of Cooperative Governance and Traditional Affairs (hereafter referred to as the “Department”) to the Provincial Legislature, Provincial Treasury, the media and the general public. The overview of this Annual Report provides a synopsis of the key deliverables of the Department in the year under review. The report indicates that during the reporting period, the Department achieved 95% (188 of 197) planned annual targets set in the 2019/20 Annual Performance Plan and spent 99% of its allocated budget. This achievement echoes the Department's commitment to service delivery and good governance.

The Department remains committed to improved audit outcomes. Specific measures were put in place to ensure the effective implementation of the audit improvement plan. The Clean Audit Committee, which consists of senior officials within the Department, continued to discharge its responsibilities to monitor the implementation of the audit improvement plan and to ensure that appropriate steps are taken to ensure clean governance.

The Committee acted as an early warning system in identifying gaps within the departmental systems and processes in order to address them swiftly. As we move closer to the end of the local government electoral term, we remain committed to discharging our constitutional mandate to support, monitor and build the capacity of municipalities in the Province. In discharging our mandates, the Department also remains committed to economic transformation and job creation. As a result, the Department placed about five hundred and seventeen (517) interns across all fifty-four (54) municipalities in the Province in order to build the capacity of municipalities. We have also maintained forty-five thousand (45000) work opportunities created through the Community Work Programme funded with R586-million by the National Department of Cooperative Governance.



Many municipalities continue to experience challenges with the regression in audit outcomes and governance matters. During the 2019/20 financial year, the Department undertook an extensive assessment of the state of local government. The purpose was to identify key performance areas of focus in the upcoming financial year, to improve governance, ensure sound financial management and service delivery in municipalities. The Department further implemented measures to support municipalities. As a result, municipalities with unfunded budgets reduced by 50%. It is pleasing to report that currently forty-six (46) out of fifty-four (54) municipalities now have funded budgets compared to thirty-seven (37) out of fifty-four (54) municipalities at the beginning of 2019 where seventeen (17) out of fifty-four (54) municipalities had unfunded budgets. However, the Department supported the eight municipalities with unfunded budgets to have financial recovery plans in place and approved by National Treasury.

The Department has also continued to provide support to municipalities under constitutional intervention. During the 2019/2020 financial year, eight interventions remained active, namely at Msunduzi, Umzinyathi District, Richmond, Mtubatuba, Inkosi Langalibalele, Abaqulusi, Uthukela and Mpofana municipalities. Financial experts were appointed in an effort to improve audit outcomes in five municipalities under intervention, with the exception of Msunduzi and Mpofana which have had such experts for some time. The intervention at Endumeni Local municipality was terminated during the financial year due to achievements in the implementation of the recovery plan.

As the custodian of the Intergovernmental Relations (IGR) Framework Act No. 13 of 2005, our oversight function continues to be key in fostering cooperation amongst the provincial and local government spheres of government for purposes of improving service delivery. We did this through a number of IGR fora including the MEC and Mayors (MuniMec) Fora where municipalities have a platform to participate robustly on issues affecting local government. The Department has also re-engineered the District Mayors and District Municipal Managers Forums to become the district political and technical hubs to drive the implementation of the District Development Model as pronounced by the President of the Republic. The Terms of Reference will eventually see the streamlining of coordination among all three spheres of government operating in the local government space in a coordinated manner to plan, budget and deliver effective services to the communities

Accelerated sustainable development can be achieved through effective integrated planning, local economic development and implementation of schemes and provision of basic services. Infrastructure development, economic growth and informed planning are central to the sustainable growth and service delivery. About 98% of KZN municipalities have updated their Spatial Development Plans to ensure that they are compliant with SPLUMA.

In addition, in response to the infrastructure maintenance backlogs faced by the province, in the financial year, the Department provided yellow plant equipment to the value of R117,03 million, including graders, water tankers, rollers, excavators, waste trucks, honey suckers and TLBs, to municipalities on the basis of need. Such items have been handed over to Ugu, uMgungundlovu, uThukela, uMzinyathi, Amajuba, Zululand, King Cetshwayo, iLembe, uMkhanyakude and Harry Gwala districts. Through this initiative, the Department recorded speedy delivery of water to communities with water challenges, especially in Ugu, uThukela and Amajuba.

KZN COGTA has also commenced an assessment of the state of existing water, sanitation and electricity infrastructure in the Province. The KwaZulu-Natal Province will be the first Province to complete such a massive state of infrastructure assessment in South Africa, which is projected for completion in the 2020/21 financial year. The assessment will result in a database of assets, their condition, their geo spatial location and refurbishment work required with cost estimate. This will substantially enhance the municipal asset registers and will place the Department in a position to influence National Fiscal Policy in respect of Operations and Maintenance Funding Models. COGTA will invest R115 million in this infrastructure assessment. The estimated total refurbishment cost is R9, 5 billion. The assessment cost will merely be 1.2% of the refurbishment cost in Operations and Maintenance. A comprehensive Provincial Water Master Plan is on track to be completed by the end of October 2020. The Provincial Water Master Plan will be a product of a coordinated effort of all water service stakeholders in the Province, including the Provincial Planning Commission as well as national counterparts.

Good governance remains critical in the institutions of Traditional Leadership in order to provide effective support to the communities. The Department continued to support cultural platforms to enable the traditional communities the opportunity to share their cultures, customs and updated their family trees. The Department assessed 287 Traditional Councils in the Province in order identify areas requiring intensive support. The assessment focused on the execution of roles and functions, administrative capacity, state of physical resources and intergovernmental relations. It highlighted critical needs in infrastructure, tools of trade and capacity building. In 2020/21, we will be implementing the support plans developed for each Traditional Council to provide interventions towards self-sustainability and competency. This will automatically prepare the institution of traditional leadership for effective and meaningful participation in future District Development Model activities. The Department will develop the guidelines on the participation of traditional leadership in the District Development Model.

To date, we have also managed to update 268 family trees of Imindeni yobukhosi. The Department will continue to engage Amakhosi extensively in order to update the twelve outstanding family trees with the participation of imiNdeni. This process is also critical in addressing some of the prevalent succession disputes. Currently, there are seven outstanding prolonged succession disputes that the Department is working on and has escalated to the Honourable Premier for intervention and speedy resolution.

The Department has also continued to attend to the outstanding issues raised by the Traditional Councils and Amakhosi, such as the payment of sitting allowances for 1690 Traditional Council members amounting to R1.245-million. We also paid all izinduna their outstanding increment and will be meeting with the national government and other stakeholders to discuss the issue of back-pay in order to agree on a workable way forward.

The world experienced the global outbreak of the novel coronavirus around the end of the financial year. Despite the impact of the Pandemic, the Department has been at the forefront in driving initiatives to limit the spread of the virus and the devastating consequences to our municipalities and traditional institutions and the communities they serve. The Department undertook all legally permissible means to ensure business continuity during this tough period.

The Department remains committed to ensuring the fulfilment of its constitutional and legislative mandates. The municipalities and the institutions of traditional leadership are central within these mandates. I wish to thank the Executive Authority for the trust placed on me as Accounting Officer of this Department. In addition, the management and staff of the Department remains the driving force behind the achievements in the 2019/20 financial year. We also appreciate the support and guidance from the KwaZulu-Natal Legislature Oversight Committees, including the Cooperative Governance and Traditional Affairs Portfolio Committee and the Standing Committee on Public Accounts, as well as KwaZulu-Natal Provincial Treasury and its Committees as our partner.

Approval and sign off



MR T TUBANE

HEAD OF DEPARTMENT

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 11

6. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed throughout the annual report are consistent.

The annual report is complete, accurate and is free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.

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

The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2020.

Yours faithfully



Mr Thando Tubane
Head of Department
Cooperative Governance and Traditional Affairs



7. STRATEGIC OVERVIEW

7.1 Vision

COGTA envisages “People Centred Sustainable Cooperative Governance”.

7.2 Mission

“KZN COGTA will coordinate and foster cooperation amongst governance institutions and build capacity to accelerate delivery of high quality services to communities”.

7.3 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.



8. LEGISLATIVE AND OTHER MANDATES

CONSTITUTIONAL MANDATE

The mandates of the Department of Cooperative Governance and Traditional Affairs are embodied in the following Sections of the Constitution, 1996:

- Section 139 provides for provincial intervention in local government. This intervention in municipalities, includes the issuing of directives, and managing interventions by the Provincial Executive Council in accordance with the provisions of section 139(1) (a), (b) and (c);
- Section 154 determines that provincial governments must provide support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions in accordance with the provisions of section 154(1) and (2);
- Section 155(5) and (6) determines the types of municipalities in KwaZulu-Natal, and establishes municipalities in KwaZulu-Natal, thereafter the Municipalities, by legislative and other measures, must be monitored and supported, in addition to which the Department must promote the development of local government capacity, to enable municipalities to perform their functions and manage their own affairs; and
- Section 155 (7) stipulates that provincial governments have legislative and executive authority to see to the effective performance by municipalities of their functions in respect of matters listed in Schedules 4 and 5, by regulating the exercise by municipalities of their executive authority referred to in section 156(1).
- Chapter 12 of the Constitution of the Republic of South Africa, 1996 recognises the institution of traditional leadership and emphasises the significant role it plays in preserving the customs of traditional communities. It further defines the institution as an organ of state which justifies its place in the democratic dispensation especially in relation to governance issues.

LEGISLATIVE MANDATES

The following legislation is administered by the Department:

- Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)
- Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998)
- Local Government: Municipal Financial Management Act, 2003 (Act No. 53 of 2003)
- Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004)
- Local Government Demarcation Act, 1998 (Act No. 6 of 2004)
- Local Government Municipal Electoral Act, 2000 (Act No. 27 of 2000)
- Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2003)
- The National House of Traditional Leaders Act 2009 (Act No. 22 of 2009)
- The KwaZulu-Natal Traditional Leadership and Governance Act 2005 (Act No. 5 of 2005)
- The White Paper on Traditional Leadership
- Disaster Management Act, 2002 (Act No. 57 of 2002)
- Spatial Planning and Land Use Management Act, 2013: (Act No. 16 of 2013)
- Infrastructure Development Act, 2014 (Act No. 23 of 2014)
- Municipal Fiscal Powers and Functions Act, 2007 (Act No. 12 of 2007)
- Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998)
- KwaZulu-Natal Planning and Development Act, 2008 (Act No. 6 of 2008)
- KwaZulu-Natal Pounds Act, 2006 (Act No. 3 of 2006)
- KwaZulu-Natal Cemeteries and Crematoria Act, 1996 (Act No. 32 of 2000)
- KwaZulu-Natal Determination of Types of Municipalities Act, 2000 (Act No. 7 of 2000)
- KwaZulu-Natal Traditional Leadership and Governance Act, 2005 (Act No. 5 of 2005)
- Fire Brigade Services Act, 1987 (Act No. 99 of 1987)

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. Policy mandates are also associated with policy pronouncements such as: The National Development Plan (NDP), Medium Term Strategic Framework (MTSF) and the Provincial Growth and Development Plan (PGDP) which then enhance the mandate for Cooperative Governance.

Freedom Charter, 1961

The Freedom Charter is a document that the Congress of the People adopted in 1961 as to what would be a picture of a free South Africa. The Freedom Charter declares that "South Africa belongs to all who live in it, black and white, and no government can justly claim authority unless it is based on the will of all the people" (Freedom Charter, 1961: 1). The will of all people is at the centre, and forms a base for this document. The core principles of the Freedom Charter find manifestation in the SA Constitution. The key opening demand for the Freedom Charter is "The people shall govern". This means that all men and women of all races, sex and colour have a right to vote, and can stand as a candidate for all bodies which make law and are entitled to be part of the administration of the country. Indeed, as Cogta we have witnessed that our government is elected regularly through transparent, free and fair elections as a prerequisite of our democracy demanded by the Freedom Charter. Every South African has the right to elect a government of his or her own choice. Regardless of race, the charter also calls for full equal rights for all citizens including human rights; common ownership of land and industry; equality before law; right to housing, security and comfort; jobs and security; fully-funded education for children and greater access to higher education.

The Freedom Charter remains the platform and vision for South African policies, strategic thinking and aspirations that South Africa seeks to achieve. On the Statement of the National Executive Committee (NEC) of the African National Congress, President Jacob Zuma defines National Development Plan (NDP) as an "overarching plan and a vision to realise the ideals of the Freedom Charter to put in place a South Africa that belongs to all who live in it" (Statement of the NEC of the ANC, 2015: 3). This means that the NDP is our long term vision to attain the objectives of the Freedom Charter.

26 June 2015 marks the 60th anniversary of the adoption of the Freedom Charter. While there has been huge progress, there is still a lot to be done for our people in giving effect to the ideals envisaged by the Freedom Charter. Our role as Cogta is to co-ordinate, lead Integrated Provincial Service Delivery; support ward based planning; and strengthen Local Government to ensure that it has the necessary capacity to decently house people whilst providing other necessary services such as transport, roads, lighting, playing fields, crèches and social centres called for by the Freedom Charter. The Department will also work towards improving consultation, communication and feedback in municipalities and traditional councils.



National Development Plan and Medium Term Strategic Framework

The National Development Plan is a plan for South Africa and provides a broad strategic framework to guide key choices and actions in order to eliminate poverty, reduce inequality and unemployment by 2030. The NDP approach draws extensively on the notion of capabilities, active citizenry and inclusive economy, enhancing the capacity of the state, and promoting leadership and partnerships throughout society. As with the Freedom Charter, NDP calls on our people to be part of an active citizenry and to take greater collective responsibility for their own development.

COGTA contributes to the delivery of chapters 4, 5, 6, 8, 13, 14 and 15 of the NDP. Table 8.2 illustrates the alignment of the COGTA strategic goals and objectives with the NDP, MTSF outcomes and PGDP.

The MEC Delivery Agreement for the 2019/20 Financial Year has been integrated into the Annual Performance Plan and contributes towards the following Outcomes:

- Outcome 6: Economic Infrastructure
- Outcome 7: Vibrant, Equitable and Sustainable Rural Communities and Food Security for All
- Outcome 9: A Responsive, Accountable, Effective and Efficient Local Government System
- Outcome 10: Environmental Assets and Natural Resources that are well protected continually enhanced
- Outcome 14: Nation Building and Social Cohesion

The MTSF is the short term strategy that gives effect to the NDP. The NDP and MTSF identify the following priorities that are particularly important to improve Local Government performance and ensure quality service delivery:

- a) Members of society have sustainable and reliable access to basic services. (Outcome 9: Sub Outcome 1).
- b) Intergovernmental and democratic governance arrangements for a functional system of cooperative governance strengthened (Outcome 9: Sub Outcome 2).
- c) Sound financial and administrative management. (Outcome 9: Sub Outcome 3).
- d) Promotion of social and economic development. (Outcome 9: Sub Outcome 4)
- e) Local public employment programmes expanded through the Community Work Programme. (Outcome 9: Sub Outcome 5).

Provincial Growth and Development Plan (PGDP)

The KwaZulu-Natal Provincial Growth and Development Plan (PGDP) is a comprehensive document that addresses the enormous triple challenge of poverty, inequality and unemployment. This is a long-term plan, which sets ambitious but achievable targets that will be realised by the year 2035. The PGDP espouses the Provincial vision that KwaZulu-Natal will be a prosperous Province with a healthy, secure and skilled population, acting as a gateway to Africa and the World. The PGDP is aligned to the National Development Plan. The Department's operations are guided by the National Development Plan, 2030 which is expressed in the Provincial Growth and Development Plan as outlined in the strategic goals and objectives below.

STRATEGIC GOALS	OBJECTIVES
Inclusive Economic Growth	<ul style="list-style-type: none"> • Develop and promote the agricultural potential of KZN • Enhance sectoral development through trade investment and business retention • Enhance spatial economic development • Improve the efficiency, innovation and variety of government-led job creation programmes • Promote SMME and entrepreneurial development • Enhance the Knowledge Economy
Human Resource Development	<ul style="list-style-type: none"> • Improve Early Childhood Development, Primary and Secondary Education • Support Skills alignment to Economic Growth • Enhance youth and adult skills development and life-long learning
Human And Community Development	<ul style="list-style-type: none"> • Eradicate poverty and improve social welfare services • Enhancing Health of Communities and Citizens • Safeguard Sustainable Livelihoods & Food Security • Promote Sustainable Human Settlements • Enhancing Safety & Security • Advance Social Cohesion and social capital • Promote Youth, Gender and Disability Advocacy & the Advancement of Women

STRATEGIC GOALS	OBJECTIVES
Infrastructure Development	<ul style="list-style-type: none"> • Development of Ports and Harbours Seaports and Airports • Development of Road & Rail Networks • Development of ICT Infrastructure • Ensure availability and sustainable management of water and sanitation for all • Ensure access to affordable, reliable, sustainable and modern energy for all • Enhance KZN waste management capacity
Environmental Sustainability	<ul style="list-style-type: none"> • Enhance resilience of ecosystem services • Expand the application of green technologies • Adapt and respond to climate change
Governance and Policy	<ul style="list-style-type: none"> • Strengthen Policy, Strategy Co-ordination and IGR • Building Government Capacity • Eradicate Fraud & Corruption • Promote Participative, Facilitative & Accountable Governance
Spatial Equity	<ul style="list-style-type: none"> • Enhance the resilience of new and existing cities, towns and rural nodes, ensuring equitable access to resources, social and economic opportunities • Ensure integrated land management use across the Province, ensuring equitable access to goods and services, attracting social and financial investment

ANC 2016 Local Government Manifesto

In line with the NDP, the African National Congress (ANC) manifesto aims to move South Africa forward in addressing the challenges of poverty, unemployment and inequality. Together with communities, the ANC commits to:

- Build on achievements made in delivering basic services to the people
- Improve access to municipal services and reduce outsourcing in municipalities
- Further improve public participation and accountability of councillors
- Enhance the capacity of the local state to deliver on its mandate.
- Develop and strengthen local economies, create jobs and promote job placements, especially for the youth
- Intensify the fight against fraud and corruption in local government and social fabric crimes in communities
- Promote education as the apex priority in local communities.
- Improve health in urban and rural communities
- Help municipalities adapt to the changing climatic conditions.
- Build spatially integrated communities
- Promote nation-building and socially cohesive communities.

Medium Term Strategic Framework (MTSF 2019-2024)

The 2019-24 MTSF represent priorities derived from the Manifesto of the ruling party. The preconditions for successful implementation of the electoral mandate is highly anchored around correcting key dysfunctionalities, inhibitors to growth and ensure implementation of critical enablers in the following areas:

- Energy Supply risk from ESKOM and high cost of electricity
- Supply of water and high cost of Water
- Access to Rail particularly branch line network
- Access to good road infrastructure
- Good Governance at State Owned and Public Entities
- Implement Climate Change Adaptation and Mitigation
- Establish Economic Regulators in Water & Transport Sectors

It is with the above logic that COGTA identified IGR as a game changer for successful execution of the electoral mandate in the new administration.

The MTSF identifies key areas, priorities, or goals for implementation by the 6th Administration. The goals are as follows:

1. Economy and Jobs
2. Education, Skills and Health
3. Social Wage
4. Spatial Development & Human Settlements, Local Government
5. Social Cohesion and Safe Communities
6. Capable, Developmental & Honest Government
7. Africa & The World

The Department has prioritised, local government as key to its initiatives in the year 2019/2020. In his speech of the State of the Province, The Premier, Honourable Mr Sihle Zikalala indicated the need to make Local Government work better.

Back to Basics

The Back to Basics programme was launched with the theme of “Serving Our Communities Better”. The Presidential Summit was held on the 18 September 2014, in which the President, outlined governments plan of action for the next 5 years which is to ensure a focused and strengthened local government by getting the basics right and together with other spheres of government, providing basic services efficiently and effectively and in a caring manner.

The 5 pillars of the programme have been outlined as:

- Putting People First: Listening and communicate
- Adequate and community orientated service provision
- Good governance and transparent administration
- Sound financial management and accounting
- Robust institutions with skilled and capable staff

Changing strategic orientation will not be easy and it will require bold leadership and political will. At the same time a collective effort and unity of purpose and partnership with leaders in local government, Provinces and national government is required. There is a need to improve the political management of municipalities and be responsive to the needs and aspirations of local communities. The Back to Basics transformational agenda recognises that there are widely divergent levels of performance between different categories of municipalities - in terms of services, public engagement, good governance, financial management and technical capacity. The aim is to encourage all municipalities to become positively functional centres of good governance. There was also a need to set the proper standards for municipal performance.

• **Priority 1:** For those municipalities in a dysfunctional state the aim was to provide support to them to perform at the very least the basic functions of local government. This should have been done through the monitoring of applicable policies and legislation and monitoring of performance to ensure accountability.

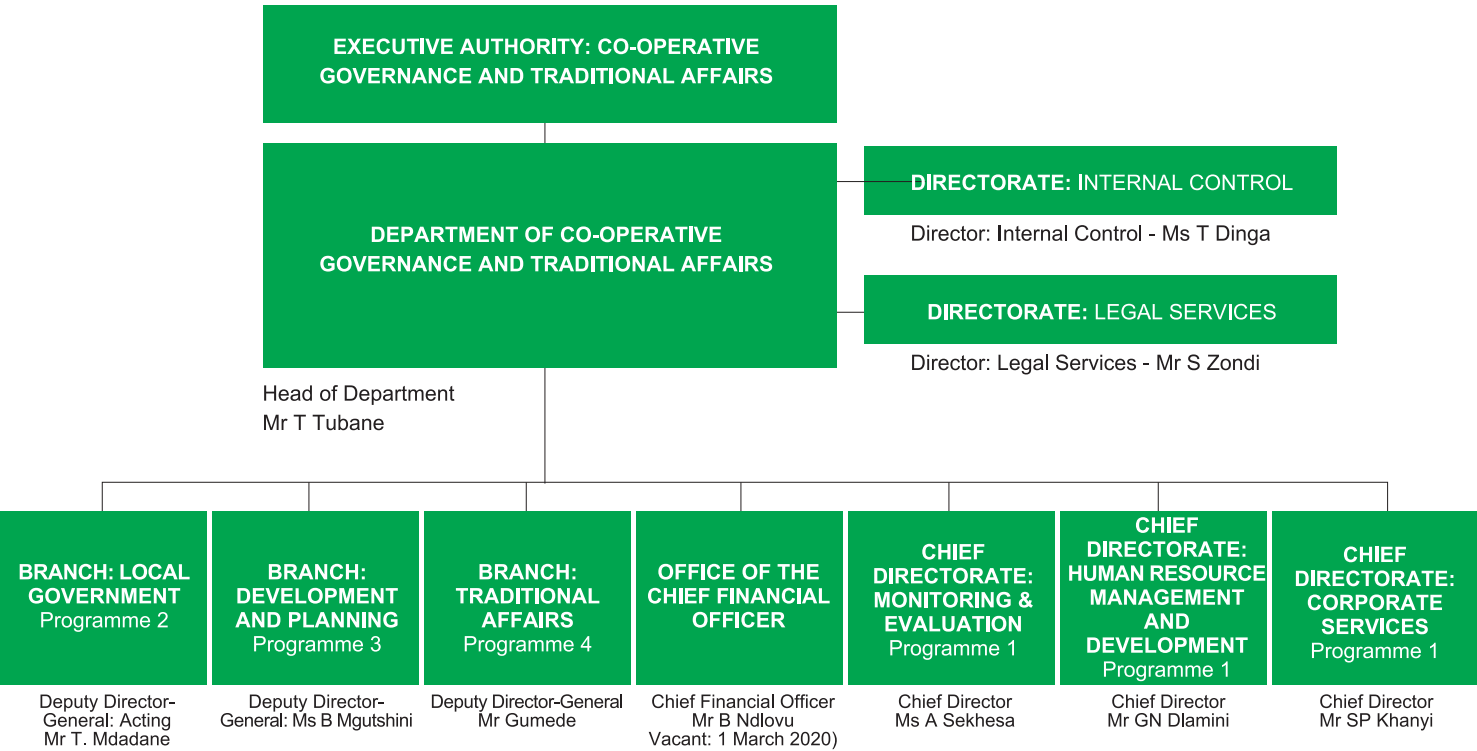
• **Priority 2:** For those municipalities who are functional but are not doing enough in critical areas of service delivery, they should have been supported to progress to a higher path. Here the focus will be providing support to build strong municipal administrative systems and processes as well as to oversee the filling of administrative positions. Measures were taken to support municipalities to engage with their communities.

• **Priority 3:** Municipalities that are performing well were supported to maintain their status as well as encouraged to move beyond the basics and transform the local space economy and integrate and densify communities to improve sustainability.

• **Priority 4:** Municipalities were monitored in respect of their response to fraud and corruption in order to ensure that these practices are rooted out.



9. ORGANISATIONAL STRUCTURE



10. ENTITIES REPORTING TO THE MEC

There are no entities reporting to the MEC as indicated in the table below:

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



PART B
PERFORMANCE INFORMATION



1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 212 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

During 2019/20, a number of factors influenced the service delivery environment. Some of these factors includes President Cyril Ramaphosa's call, echoed by KZN Premier Sihle Zikalala, to grow South Africa, the Khawuleza Campaign to expedite service delivery and the National Development Plan (NDP). It is a strategic response to the people's manifesto as endorsed by the citizens. The Back to Basics programme, which intends to transform the province's local government sector, also dictates much of our work.

The Department had to reprioritise and adjust the budget to respond to the key policy priorities of the sixth administration as pronounced during the State of the Province Address. These included the water challenges facing the province and the stabilisation of local government institutions. There was a need to make trade-offs inspired by the need to respond to the pressing needs of our communities. Five pillars underpinned our programme of action, namely: putting people first and engaging communities, delivering basic services, good governance, and sound financial management and building institutional capability. Taking municipalities to a sustainability phase and repositioning them as engines that drive the growth of our economy is a mission of our generation as leaders in the sixth administration.

Our core function as the Department remains the provision of support to municipalities and traditional structures. Properly empowered, both institutions are then able to fulfil their mandate in serving our communities. Our support is wide-ranging but also tailor-made to the needs of specific municipalities. In pursuing our tasks, we became mindful of the fact that the development of our local economies is indispensable to the overall process of raising the standard of living of our people. The fact that the KZN Community Satisfaction Survey 2018 has indicated that almost half (46.3%) of the respondents in the survey were "outright dissatisfied" with the general performance of their local municipality and about a third (39%) "Outright dissatisfied" with the performance of Provincial Government remains a concern. The survey further illustrated that, more than half (52.8%) of respondents feel that, we, as a Province are performing poorly on eradicating fraud and corruption, promoting agriculture, enhancing entrepreneurship and SMMEs and promoting accountable government. The population of KZN also highlighted Job Creation as the number one priority. In terms of Batho Pele, the majority of residents feel that the Province does not implement the principles of information, courtesy and value for money. Challenges in municipalities differ and the analysis of these challenges is crucial in order for services to be delivered efficiently and effectively.



The KZN PGDP addresses the challenges of poverty, inequality and unemployment. In order to alleviate these challenges, municipalities need to address the issue of service delivery in particular the access to basic services by communities. It is our responsibility, as a Province, to create a better environment for the citizens of Kwazulu-Natal by providing them with water, electricity and basic sanitation.

Taking cognisance of the status of the Province, the Department contributed on improving the status by providing support to municipalities and traditional institutions in the following areas:

- Functionality of Inter-Governmental Relations (IGR);
- Administrative management;
- Accountability of governance institutions;
- Decision making through citizen participation;
- Government led job creation programmes;
- Coordination of service delivery (water, electricity and sanitation);
- Adaptation to climate change; and
- Disaster Management.

The Department of Cooperative Governance and Traditional Affairs has a mandate, through the Constitution, to support and strengthen the capacity of municipalities to manage their own affairs, exercise their powers, to perform their duties and to see to the effective performance by municipalities. The Local Government Audit by the Auditor-General of South Africa has been painting a grim picture of the state of municipalities in KZN Province, with the audit results indicating regression over the years. The Department undertook a process of conducting comprehensive assessments on the status of Local Government and Traditional Councils in the Province. The Department came up with a comprehensive, evidence-based turn-around strategy and targeted support plans to be implemented over time. The Department remains committed to provide targeted support to the municipalities and traditional institutions to ensure that they remain fully compliant with the legislations, promote public accountability and ethical behaviour at all times.





Programme 1: Administration

The purpose of this Programme is to support the Ministry and all other Programmes in the Department with support services, including the financial management of the Department. The Office of the MEC provides strategic policy direction and leadership to the Department in line with its mandates. The Office on the Head of Department is central to the day-to-day running of the Department. Established a Clean Audit Committee in order to improve the audit outcome of the Department, to monitor the Audit Findings, to monitor the implementation of remedial actions and provide weekly progress on the approved actions. The committee acts as an early warning system for the Department, which enables it to identify gaps and to address them.

Departmental programmes have continuously aimed to achieve less than a 2% variance on expenditure in accordance with the PFMA. To achieve this, all four programmes were supported with proper budget management practices. The Department compiled and submitted all the required in-year monitoring reports on expenditure to Provincial Treasury within the stipulated deadlines. Effective monitoring of the procurement plan to ensure that budget is spent in accordance to plans. There is a noted improvement in the payment of suppliers within 30 days. In the 2019/20 financial year, 98% of suppliers were paid within 30 days; compared to 94.75% in 2018/19 and 90.46% in 2017/18 financial years. Traditional councils have had their physical assets verified, and registers accurately updated to facilitate uniformity. The Department has also trained TC secretaries on the implementation of financial practice notes and spot checks were carried out to ensure that the financial management practice notes have been implemented.

The Department capacitated all staff according to the Departmental Training plan. Training includes Protocol, breaking barriers, Ethics, Sexual Harassment, Conflict resolution, SMS Khaedu course and orientation training for new appointments and interns. Employee Wellness is an integral part of employee performance; hence, the Department provided staff with quarterly wellness testing at all offices. Put measures in place in order to effectively deal with internal disciplinary cases. These measures include the decentralisation of the disciplinary process.

The Department used Risk Register and Risk Management reports to minimise risk through early warning systems. Based on the Auditor General findings, the Department developed an Audit Improvement Strategy, compiled reports to respond to previous year's audit findings and to prevent recurrence of audit findings. An Anti-Fraud and Corruption Strategy was developed and approved. Following on from this, conducted fraud awareness campaigns in all ten districts. The Departmental Risk Management Committee is constantly monitoring the implementation of the strategy. The Provincial Internal Audit Services (PIAS) in Provincial Treasury conducted a follow-up on the implementation of Fraud Prevention Improvement Plans of all Departments.

Programme 2: Local Governance

The purpose of the programme is to coordinate, support, promote and enhance governance, administration and participation in local government. The Department was able to keep its commitment to providing effective support to local government institutions for strengthened governance, promote sound financial management, enhance public participation and improve capacity of municipalities to accelerate service delivery.

The Department conducted a State of Local Government Assessment, with the purpose of having baseline understanding of functionality of all municipalities within the Province. Conducted an assessment in all 54 municipalities in June 2019. The following three focal areas were the focus for the assessment: these include Political and Administrative Stability, Sound Financial Management and Basic Service Delivery. The Department communicated the assessment results to all the 54 municipalities. The Department produced the Assessment Report and presented on the 6th of August 2019 at the Premier's Coordinating Forum. The Department further developed 54 Municipal Support Plans were developed. All 54 municipalities adopted the Municipal Support Plans. The Departmental Nerve Centre continuously monitor the implementation of the Municipal Support Plans through an established Nerve Centre Structure meeting, which meets fortnightly, and through Quarterly Performance Reviews where the Department conducts municipal visits to verify progress made. The Department supported municipalities in the implementation of the individual municipal support plans on issues of viability, unfunded budgets, debt and indigent management to improve financial position. In November 2019, Provincial Treasury engaged 17 municipalities who had unfunded budgets and had adjustment budgets prepared. All 17 municipalities had tabled their revised budgets to their Councils.

Following the 2019 National Elections, the Department supported municipalities in the filling of councilor vacancies through facilitating the by-elections in various wards. However, there were challenges with the postponement of by-elections as granted by the electoral court in Jozini and Mtubatuba municipalities. This necessitated the review of the relevant legislations to identify and rectify to avoid similar challenges in future in consultation with the South African Local Government Association (SALGA). The Department and SALGA conducted assessments to identify breaches of the Code of Conduct (CoC) for Councillors.

The Department further supported the municipalities towards the filing of critical at the senior management level such as Municipal Managers and Chief Financial Officers and conducting of competency assessments. The Department continued to assess reports submitted to the MEC by councils to ensure the employment of competent and qualifying senior managers in the municipal positions. The Department facilitated the compilation of the Local Government Handbook for municipalities towards guiding them to fulfil their legislative mandate. Furthermore, the Department provided hands-on and strategic support to the municipalities owing ESKOM during the 2019/20 financial year. The Department presented a report with specific recommendations on the municipalities owing ESKOM, discussed financial assessments, payment plans, and analyzed bulk purchases against sales. The municipalities are facing revenue challenges with debt owed. The Department underwent a process of providing additional capacity to municipalities, through the procurement of experts. As part of the support, the Department placed a Financial and Governance Experts at Msunduzi Local Municipality. Further placed a Finance and technical experts at Mpofana Local Municipality. Established a Provincial Coordinating Forum on Government Debt to deal with this challenge. Furthermore, the Department initiated and launched the Masakhane Campaign on the 12th of November 2019 at Ray Nkonyeni Local Municipality in Ugu District Municipality. It started with a stakeholder engagement of about 150 rate-payers' representatives, Business Chamber, Business Forums, Government representatives and Councillors. The media coverage included newspaper ads, media statements, TV interviews and onsite broadcasting. The purpose of the campaign is to educate, encourage, inform and create awareness to citizens and other consumers about the need to pay for services (revenue enhancement).

The Department held Back to Basics Strategic Sessions with municipalities and sector partners to ensure their alignment with municipal support plans. Further integrated all municipal service delivery issues identified by the LG Specialists with B2B issues. Compiled and facilitated progress reports through weekly Nerve Centre meetings. Referred the identified issues to the relevant units for action. Local Government Specialists continued to work in collaboration with municipalities, through individual visits, identifying challenges, implement project plans to address issues raised and resolve issues that are hampering service.

Inter-Governmental Relations remains instrumental for mobilising the distinctive efforts, capacities, leadership and resources of each sphere towards service delivery and government defined development objectives. The Department is working towards improving the functionality of IGR Structures to ensure that they are fully functional in accordance with the IGR Framework. MuniMEC is an IGR structure established to be a consultative forum between KZN COGTA and the municipalities. Provided opportunity to interact with local government in the true expression of the concept of cooperative governance through the MuniMEC, stakeholders from all the spheres of government. The Department monitored and supported municipalities on the implementation of the Strategic Framework on Councillor Oversight (including Standard reporting templates for municipal oversight structures) to ensure that they fulfil their oversight mandate. The oversight structures include the Council, Executive Committees, Portfolio Committees and Municipal Public Accounts Committees (MPACs). The Department designed an audit improvement strategy together with the Provincial Treasury to fast track the improvement of the audit outcomes of the 33 unqualified municipalities. The Department provided support in providing advice to municipalities providing adequate responses on the communication audit findings raised by the Auditor General.

The Department further supported municipalities towards ensuring their compliance with local government legislation and policies as well as the Municipal Systems Act regulations. Section 81 of the Municipal Structures Act allows traditional leaders to participate in the proceedings of municipal councils in order to facilitate cooperative decision-making on service delivery and development programmes that affect traditional communities. The Department supported municipalities in improving the participation of Traditional Leaders at municipal level. Effective integrated planning is crucial for the functioning of Local Government Institutions and for the acceleration of service delivery. The Department ensures the development of legally compliant IDPs through effective and efficient management of the Provincial IDP Management and Support Plan, which envisages being a catalyst between Community-Based Plans, IDPs and Operation Sukuma Sakhe. The Department is providing Universal support in the implementation of ward operational plans in all 870 wards. Municipalities are supported with the alignment of Ward Based Plans to the IDP, SDIBP and the implementation of ward operational plans with the aim of delivering services which address community needs.

The country as a whole is experiencing a daunting economic climate and there is a continuous need to rationalise public expenditure at all levels of government. Despite this challenge, the Department remains focussed and committed to deliver a high quality service to municipalities, which will enable them to be responsive to the needs of the communities in Kwazulu-Natal. Councillor development is imperative for service delivery and the Department has further developed a capacity-building plan aimed at empowering councillors and municipal officials in line with the Capacity Building Strategy.

Programme 3: Development and Planning

The key objective of Chapter 8 of the National Development Plan is to ensure a transformed Human Settlement and have a strong and efficient spatial planning system well integrated across the spheres of government. This will result in a balance between spatial equity, economic opportunities and environmental sustainability. To contribute towards the achievement of this objective the Department supported municipalities to improve the spatial location of services in line with the Provincial Spatial Planning guidelines and frameworks. The Department supported all municipalities in the Province to produce Spatial Development Frameworks (SDF) that is compliant with Spatial Planning Guidelines. The total geographic area of the Province that is under adopted Municipal Planning Schemes and Land Use Systems with the aim of improving economic development and infrastructure development in rural towns, as tracked through mapping in Geographic Information System (GIS). Mapped all disaster incidents in the Province in GIS and analysis was performed to determine if relevant early warnings were received from the South African Weather Services and passed on to the affected parties prior to their occurrence.

The Department successfully supported initiatives that act as catalysts for further development, create job opportunities and open up potential for further investment. These relates to implementing programmes that are aimed at creating work opportunities as means to respond to the rapid increasing need to address high rates of unemployment. These Departmental programmes include, Expanded Public Works Programme, Food for Waste, Corridor Development, Small Town Rehabilitation and Community Service Centre (CSC) construction. The Community Works Programme is based on community-driven partnerships and strives to provide an employment safety net in recognition of the fact that sustainable employment. In building municipal capacity, the Department, supported the District Development Agency programme created for the facilitation and realisation of larger scale local economic development (LED) investment projects and programmes thereby unlocking the economic development potential of the district. KZN COGTA embarked on a support programme to ensure that District Development Agencies are responding to the call for radical socio-economic transformation. Municipalities have a critical role to play in South Africa in providing efficient and effective basic services, which contribute towards an effective environment for doing business. The Department continued to support municipalities to implement the Red Tape Reduction programme.

The Department further supported ten districts and the metro to implement Local Economic Development projects aligned to municipal strategies. The purpose of this support is to improve medium term economic development planning, aligned to national and provincial plans and to promote job creation at local level. The corridor development and revitalization of small towns are the key programme for the Department to increase investors' appetite towards the development of previously disadvantaged areas with a focus on Central Business District (CBD) roads and other critical infrastructure. The Department implemented the following four Corridor Development Programmes for the benefit of local municipalities and communities:

1. Imbube Cultural Village in uPhongolo Local Municipality
2. Mandela Capture Site Upgrade in Umngeni Local Municipality
3. Kokstad Cultural Village in Greater Kokstad Local Municipality
4. Manaye Precinct Upgrade in Msunduzi Local Municipality

The Department further implemented the Small Town Rehabilitation Programme through the following five projects:

1. Richmond SMME facility in Richmond Local Municipality
2. Umzimkhulu SMME facility in Umzimkhulu Local Municipality
3. Edumbe Market Stalls in Edumbe Local Municipality
4. Skhemelele SMME facility in Umhlabyalingana Local Municipality
5. Manguzi CBD and Stormwater in Umhlabyalingana Local Municipality

The Department further undertook an initiative to implement a Smart Centre Model in the Community Service Centres. About twelve CSCs have free WIFI access allowing youth to access the internet for job opportunities and youth programmes. Connected about twenty-one CSCs to the Internet and thirteen CSCs have functional ICT Tele-Centres. This has allowed youth to access the internet in addition to ICT training. A full implementation of the Smart Centre Model will be achieved guided by the policy framework and budget availability in the 20/21 financial year. Infrastructure development remains a key priority to ensure that the province's infrastructure in all municipalities is able to support the economic and population growth. Water and electricity infrastructure development backlog is taking priority to plug the investment gap and promote business activities. Deterioration of infrastructure remains a concern through inadequate maintenance. The Operation and Maintenance support programme continued to be implemented in the municipalities. This programme assists with an inventory of fixed assets, condition assessments, geo-spatial records, maintenance manuals and plans. The Department provided the Yellow Plants and Trucks to various districts as part of Operation Khawuleza, which was launched in Newcastle on the 19th of September 2019. These includes TLBs, Graders, Excavators, Roller foot pad, Smooth Rollers, Refuse compactor trucks, Water tankers, Honey suckers and Walk Back Rollers. The plant will assist the municipalities address issues such as fixing of roads, provision of water and for sanitation and other infrastructure needs.

Kwazulu-Natal Province experienced a number of weather hazards in the form of severe storms and drought, which has had a devastating impact on communities. The Provincial Growth and Development Plan aims to get the Province to a position where we are able to effectively anticipate, respond and mitigate the effects of climate change. The Department, in partnership with the South African Weather Services, disseminates warning for disaster incidents and continuously aims at responding to disaster events. The drought and flood management became the biggest lesson for the province and the country. In addition, the Department provided relevant relief measures to those affected and actively assisted municipalities to respond the challenge of climate change. There was a joint effort from KZN COGTA, Department of Economic Development Tourism & Environmental Affairs and Office of the Premier to host the Climate Change Summit in August 2019.

Programme 4: Traditional Institutional Management



Chapter 12 of the Constitution of the Republic of South Africa, 1996, recognises the Institutions of traditional Leadership, the status and roles of Traditional Leaders. It provides for the establishment of the houses of traditional leadership. The institutions of traditional leadership are instrumental and central for the sustainable democratic government. The Department is poised to play a key strategic role not only in assisting the institution of traditional leadership to transform itself; but also in coordinating the traditional affairs activities, promoting good governance and enhancing service delivery in the Traditional Communities. Traditional Leaders within the Province play an important role in the development of our rural communities and the Department will continue to support the development of this institution. The Department is committed to address the challenges that affected the TC elections to enable the community to exercise their democratic rights. In order to ascertain the support that would need to be provided going forward and to ensure that the support provided is relevant and appropriate; the Department undertook a comprehensive assessment in all Traditional Institutions in the Province. This assessment focused on the functionality of the Traditional Councils and Local Houses. The main focal areas of assessment were on their execution of their roles and functions, infrastructure physical conditions, administrative capacity and their challenges.

The Department provided sufficient resources (human, financial and infrastructural) to transform the landscape in the functional domain of Traditional Affairs. Furthermore, the Department rolled out a capacity-building programme for effective and efficient functioning of our Traditional Councils. The Department continued to support Traditional Councils on land allocation processes, survey of boundaries where there are uncertainties between the communities for the facilitation of rural development. Furthermore, the Department has embarked on mapping and preparing proclamations for newly restored amaKhosi and as well as the proclamations for the traditional councils who were previously proclaimed as community authorities. In order to ensure good governance in the Institution of Traditional Leadership, the Department continued to provide effective governance and conflict management support to amaKhosi and the Traditional Councils. The Department remain committed to engage amaKhosi and advise them of the importance of updating genealogies, with the aim limiting the number of recognition disputes. The Department further supported the cultural events hosted by amaKhosi in their respective traditional communities, as amaKhosi are custodians of culture. In consultation with the Office of His Majesty the King, the Department facilitated the installation and the recognition of amaKhosi in order to continue with the restoration of the dignity of the Institution of Traditional Leadership. Further held numerous engagements with imiNdeni yobuKhosi on the passing on of amaKhosi. Whilst some imiNdeni were cooperative with the Department in the identification and subsequent recognition of amaBambabukhosi, others were reluctant as they were in dispute over who is next in line to be recognized as iNkosi, making it difficult to finalise some of the appointments of amaBambabukhosi in the interim. As a result, the War Room was established and met frequently to focus on clearing these disputes.

It became clear that the updating of the family trees is critical to address some of the emanating succession disputes. As a result, the Department embarked on the process of updating all family trees with good participation of imiNdeni. The Department strives to ensure that at least 3 out of 5 iziNdlu zobuKhosi are represented for the meeting to continue. This is ensuring through an uMndeni authentication process facilitated by Anthropological Services. The issues of the payment of Izinduna and TC Secretaries remains a challenge. Collective effort is required between national and the province to address this challenge effectively.

2.2 Service Delivery Improvement Plan

The department has completed and implemented a Service Delivery Improvement Plan. The tables below highlight the service delivery plan and the actual achievements.

Main services and standards

Key Service 1

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Support and strengthen capacity of municipalities to effectively deliver infrastructure services to the required standards	Municipalities	13 Water Service Authorities were supported in 2017/18 FY with yard water connections and provision of basic level of sanitation. 53 municipalities were monitored on the delivery of infrastructure as required standards	Support 31 municipalities in implementing infrastructure plans	The unit reviewed all 53 Implementation Plans and is supporting all municipalities with Business Planning
			Strengthen the capacity of 31 municipalities to efficiently deliver infrastructure services	10 District planning sessions were held in August 2019. Rollover support provided at the National rollover assessment meeting. CFO MIG MIS meeting was held to support all municipalities in approving MIG expenditure on MIS.
			Monitor 31 municipalities on the implementation of infrastructure delivery programmes	53 municipalities were monitored
			53 municipalities supported with the implementation of the Municipal Infrastructure Grant	MIG performance review meetings were held with municipalities from 21-23 October 2019 to support municipalities to achieve 60% exp/transfer and further follow up sessions were held in November 2019. Business Planning appraisals were also done, and implementation plans analysed and reviewed.

Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
Consultation	Consultation will be done through the 11 District IGR forums	Coordinating structures are convened at provincial and district level to share water, sanitation, electricity, roads, and other infrastructure related programmes, progress and challenges
Courtesy	Respond and acknowledge to municipal queries within 7 working	The coordinating structures are utilised to resolve challenges and provide intervention on issues related to municipal
Access	Review and publish a step-by-step guideline to assist 31 municipalities with infrastructure planning circulated at IGR forums and Action Work Groups	The Department supported with compliance to DORA however by the 3 rd quarter, Umdoni, Umzumbe, Umziwabantu, Umngeni, Richmond, Endumeni, Msinga, Emadlangeni, Dannhauser, Amajuba, Umhlabyalingana, Jozini, Umlalazi, Nkandla, Mandeni, Umzimkhulu were below 60% in terms of its grant expenditure. The department continues to provide support with the preparation of payment
Information	Information should be shared with municipalities 7 days before meetings via e-mails	Monthly meetings are held to support municipalities with project planning, financial performance, service delivery, compliance reporting and other conditions relating to
Openness & Transparency	Provide quarterly progress and feedback to stakeholders and beneficiaries on projects	Reports are shared with stakeholders in the coordinating forums
Redress	100% of municipal infrastructure issues resolved.	All (100%) of the B2B issues have been addressed. Some matters are not yet fully resolved as they are of a longer term in their nature and are affected by factors beyond the control of the Municipal Infrastructure Business Unit E.g. Municipal Governance. However, support has been put in place in every
Value for money	100% of municipalities completing projects and submitting close out reports within timeframe and budget.	<p>Municipalities monitored on the implementation of infrastructure delivery programmes in the 2nd Quarter were as follows: No municipalities achieved a score of greater than 80% (> 80%) in the assessment. The four best achievements with a score of 70 % - 79 % were from:</p> <p>Newcastle: 75,63% Umgungundlovu: 74,32% uMhlathuze: 71,02% Mthonjaneni: 70,38%</p> <p>Five municipalities fall into the "intervention required" category with score less than 40% (< 40 %): Umgeni: 39,77% Jozini : 38,62%</p>

Key Service 2

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Provide support for community development to municipalities and institutions of traditional leadership	Municipalities	<p>Sections C regarding Batho Pele was assessed on the draft IDPs for 2018/2019 financial year utilising the IDP Framework Guideline & Criteria issued to assess all municipalities.</p> <p>17 municipalities indicated to have a Batho Pele policy and procedure manual as well as a Service Delivery Charter and Standards. 10 municipalities indicated to have an SDIP in place and 12 indicated to have identified a service to be improved.</p>	Support 54 municipalities with the implementation of Service Delivery Charter and Service Standards	54 Municipalities were supported through the quarterly Rapid Response and Integrated Complaints Management Forum. Umsunduzi was offered a one on one support on the 7 th and 11 th October 2019 as well as uMdoni Municipality was also offered a one-on-one support on the 20 th March 2020

Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
Consultation	1X quarterly Forum with Municipal BP/ Complaints Officer	A Cogta provincial forum was launched in September 2019 comprising of Municipal Rapid Response, Batho Pele and Complaints Officers.
Courtesy	Respond to Municipal BP/ Complaints Officers queries within 7 working days	Over and above the 7 day's standards, queries related to Batho Pele are addressed at the Cogta provincial Rapid Response and Integrated Complaints Forum. One on One support was also provided to Umdoni
Access	Allocate and provide contact details of staff to support 54 municipalities on the implementation of Service Charter and SDIP	Contact details were shared with the forum members
Information	Annual municipal BP learning network and the Forum meetings will be utilized to share information relevant to the successful implementation of BP at Local Government level.	A session scheduled to take place from 25-27 March 2020 was postponed due to the state of disaster declare on Covid-19

Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
Openness & Transparency	IDP assessment reports shared with BP/ Complaints Officers on the status of BP at Local Government level	Reports are shared with Municipalities
Redress	100% of feedback surveys from municipalities analysed and communicated to municipal BP/ Complaints Officers	Feedback is provided to municipalities at the level of the Rapid Response and Integrated Complaints Forum
Value for money	100% of municipalities implementing BP Programmes	9% is implementing BP programmes according to the assessment conducted

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Comprehensive Monitoring and Evaluation Tool (CMET)	CMET dashboard	10 Electronic dashboards implemented

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
The department utilises various sources of complaints mechanism as established by the policy mainly through complaints receive telephonically, suggestion boxes and Presidential hotline	Electronic complaints system	Complaints from walk-ins, presidential hotline and e-mail or telephonic methods are captured on a departmental complaints manual register

2.3 Organisational environment

The Department is structured around four programmes which are as follows.

- Programme 1 is Administration and is the support service for the other three Programmes by ensuring that they are capacitated to perform their functions.
- Programme 2 is Local Governance responsible for supporting Local Government structures in the municipalities on governance, administration, financial management, legislative mandates of the municipalities, public participation, capacity building and monitoring the performance of the municipalities.
- Programme 3 is Development and Planning responsible to provide planning and development support to the municipalities in KwaZulu-Natal through implementing programmes to accelerate service delivery in the communities. This include providing support related to disaster management, infrastructure for basic services, spatial planning and enhancing Local Economic Development.
- Programme 4 supports the Institutions of Traditional leadership on governance, conflict management, partnerships and participation on Municipal Councils in terms of Section 81 of the Municipal Structures Act 1998 (Act No.117 of 1998).

As of 31 March 2020 KZN COGTA had a total of 1934 filled posts. Males constitute 46.74% (904) while females constitute 53.25% (1030) of the workforce. At the senior management level males constitutes 45% (27/60) and females is 55% (33/60). The recruitment and selection processes of the Department are categorically focused towards achieving the employment levels in accordance with the Department of Public Service and Administration (DPSA) Transformation targets.

Going forward, the Department will continue to focus on the following areas of employment policy or practice barriers, to drive the achievement of our employment equity targets as stipulated in the Employment Equity Plan; recruitment procedures, appointments, training and development, promotions, succession and experience planning, and retention of designated personnel.

RACE/GENDER PER SALARY LEVEL AS AT 31 MARCH 2020										POST STATUS INFORMATION			
Salary Level	African		Coloured		Indian		White		Grand Total	Active Filled	Active Vacant	Total Posts	Disabled Employees
	Female	Male	Female	Male	Female	Male	Female	Male					
1	0	0	0	0	0	0	0	0	0	0	0	0	0
2	34	13	0	0	0	0	0	0	47	47	8	55	0
3	7	34	0	0	0	0	0	0	41	41	10	51	0
4	3	16	0	0	0	0	0	0	19	19	5	24	1
5	95	57	2	1	4	4	7	2	172	172	30	202	13
6	527	300	1	0	1	2	0	0	831	831	44	875	3
7	89	37	3	0	10	4	9	0	152	152	52	204	7
8	54	281	4	1	6	4	1	0	351	351	20	371	2
9	38	19	4	0	3	3	3	4	74	74	11	85	3
10	19	8	0	0	8	3	2	3	43	43	9	52	2
11	25	26	1	1	3	5	3	3	67	67	12	79	1
12	21	32	0	1	9	8	1	5	77	77	10	87	1
13	15	12	1	0	4	1	3	3	39	39	9	48	0
14	7	8	0	0	1	0	1	1	18	18	3	21	0
15	1	1	0	0	0	0	0	0	2	2	2	4	0
16	0	1	0	0	0	0	0	0	1	1	0	1	0
TOTAL	935	845	16	4	49	34	30	21	1934	1934	225	2159	33

Percentage Economically Active Population Group	KZN EAP
	QLFS 4-2017
African Female	48,34%
African Male	43,69%
Coloured Female	0.83%
Coloured Male	0.21%
Indian Female	2,54%
Indian Male	1,75%
White Female	1.55%
White Male	1,08%
Total	100%

Disability target	1.70%
SMS Target for Female	50%
All level target for Female	54%

2.3 Organisational environment

It is the responsibility of the Department to organise itself in a manner that will maximise service delivery whilst fulfilling its mandate. The Department has examined its internal organizational environment and agrees that it needs to reconfigure its working arrangement to enhance the responsibility of co-ordination within and outside the Department. This environmental change will have very significant impact in the next five years. With the new reconfigured arrangement, the Department anticipates becoming more vigorously responsive to the needs of its clients. In addition, filling of critical posts remains critical for Cogta. Continuous capacitating of employees as per Personal Development Plans will work towards improving the service delivery.

2.4 Key policy developments and legislative changes

There is none that has a material effect or impact on the Department's mandate or operations.

3. STRATEGIC OUTCOME ORIENTED GOALS

COGTA strategic goals and objectives were conceptualised from the priorities in the NDP and PGDP. The PGDP was analysed and issues relevant to the Department were identified and developed into 6 strategic goals and a number of strategic objectives to support each goal. The following goals and objectives will be implemented over five years through each strategic intervention.

No.	DEPARTMENT'S GOALS	DEPARTMENT'S STRATEGIC OBJECTIVES
1	Improved Cooperative Governance	1.1. Improved functionality of Inter-Governmental Relations
2	Strengthened Governance	2.1. Improved capacity of political and administrative governance (Local Government and Traditional Institution)
		2.2. Strengthened accountability of governance institutions (Local Government and Traditional Institution)
		2.3. Improved decision making through citizen participation
3	Increased Economic Opportunities	3.1. Strengthened sectoral development
		3.2. Improved government led job creation programmes
4	Strengthened Delivery of Basic Services	4.1. Improved co-ordination of service delivery
5	Well Integrated Spatial Planning System	5.1. Improved spatial hierarchy of services
6	Adaptation to Climate Change	6.1. Increased adaptation to climate change impacts.
		6.2. Improved disaster management

STRATEGIC GOALS OBJECTIVES	STRATEGIC GOALS OBJECTIVES
Job Creation	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Poverty Alleviation & Social Welfare • Enhancing Health of Communities and Citizens • Safeguard Sustainable Livelihoods & Food Security • Sustainable Human Settlement • Enhancing Safety & Security • Advance Social Cohesion • Promote Youth, Gender and Disability • Advocacy & the Advancement of Women
Strategic Infrastructure	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Increase Productive Use of Land • Advance Alternative Energy Generation • Manage pressures on Biodiversity • Disaster Management
Governance and Policy	<ul style="list-style-type: none"> • Strengthen Policy, Strategy Co-ordination and IGR • Building Government Capacity • Eradicating Fraud & Corruption • Promote Participative, Facilitative & Accountable Governance
Spatial Equity	<ul style="list-style-type: none"> • Actively Promoting Spatial Concentration • Facilitate Integrated Land Management & Spatial Planning

Performance Against Strategic Objective Indicators

	Strategic Objective	Programme/ Sub-programme	Strategic Objective Indicator	Audited Outcome for 2018/19	Target for 2019/2020 as per Annual Performance plan (APP)	Pre audited output for 2019/2020 as per Annual Report	Variance comments and/or
PROGRAMME ONE: ADMINISTRATION							
2.1	Improved capacity of political and administrative governance	Human Capital Development	Percentage of Staff capacitated to perform their function in a municipal context	100% staff capacitated in accordance with the Annual Training Plan	100% staff capacitated in accordance with the Annual Training Plan	100% staff capacitated in accordance with the Annual Training Plan	0%
2.2	Strengthened accountability of governance institutions	Financial Management	Number of departmental clean audits opinions achieved	0 Clean Audit Opinion Achieved	1 Clean Audit Opinion Achieved	0 Clean Audit Opinion Achieved	The Department did not meet the requirement to achieve clean audit and an action plan was developed and implemented for the new financial year
PROGRAMME TWO: LOCAL GOVERNANCE							
1.1	Improved functionality of Inter-Governmental Relations	IGR	Number of IGR Structures compliant with the IGR Framework	10 IGR Structures	10 IGR Structures	10 IGR Structures	0
2.1	Improved capacity of political and administrative governance	Capacity Building	Number of municipalities capacitated in line with the Provincial Capacity Building Strategy	54	54	54	0
2.2	Strengthened accountability of governance institutions	Municipal Finance	Number of municipalities achieving a clean audit opinion	1	54	1	Challenges were noted in the matters relating to predetermined objectives, compliance with legislation, financial health and Material misstatement or limitations in the submitted AFS
2.3	Improved decision making of municipalities through citizen participation	Public Participation	Number of municipalities reporting back to their communities	54	54	54	0

	Strategic Objective	Programme/ Sub-programme	Strategic Objective Indicator	Audited Outcome for 2018/19	Target for 2019/2020 as per Annual Performance plan (APP)	Pre audited output for 2019/2020 as per Annual Report	Variance comments and/or
PROGRAMME THREE: DEVELOPMENT AND PLANNING							
2.1	Improved capacity of political and administrative governance	Land Use Management	Percentage of development applications processed within time norms	100%	80%	100%	Municipalities have met 100% of time norms for processing than planned
3.1	Strengthened Sectoral Development	Special Initiatives	Number of District Agencies functional	10	10	7	Governance challenges experienced in 3 Agencies hampered their functionality.
3.2	Improved government led job creation programmes	CWP and EPWP	Number of employment opportunities created through the Expanded Public Works Programme	1757	2500	1837	The annual target needed to be adjusted due to reduced budget appropriations made between the 2018/19 and 2019/20 financial years
4.1	Improved coordination of service delivery	Municipal Infrastructure	Number of Infrastructure IGR Forums functional	11	11	11	0
5.1	Improved Spatial hierarchy of services	Spatial Planning	Number of Municipalities with SDFs aligned to Provincial Spatial Planning Guidelines	54	54	54	0
6.1	Increased Adaptation to Climate Change impacts	Disaster Management	Number of municipalities with Disaster Management included in the IDP	10 Districts and 1 Metro	10 Districts and 1 Metro	10 Districts and 1 Metro	0
6.2	Improved Disaster Management	Disaster Management	Number of District Disaster Management Centres functional	10 Districts and 1 Metro	10 Districts and 1 Metro	1 Metro	10 Districts have various challenges identified to be addressed to improve their functionality status
PROGRAMME FOUR: TRADITIONAL INSTITUTIONAL MANAGEMENT							
2.1	Improved capacity of political and administrative governance	Traditional Resource Administration	Number of Provincial and Local Houses capacitated in line with the Provincial Capacity Building Strategy	1 Provincial House and 11 Houses	1 Provincial House and 11 Houses	1 Provincial House and 11 Houses	0



Performance Against the Core Set of Standard Performance Indicators

Programme/Sub-programme		Performance measure	Audited Outcome for 2018/19	Target for 2019/2020 as per Annual Performance plan (APP)	Pre audited output for 2019/2020 as per Annual Report	Variance and/or comments
QUARTERLY OUTPUTS						
PROGRAMME 2						
2.1	Municipal Governance	Number of municipalities supported to comply with MSA regulations on the appointment of senior managers (Sub-outcome 3 Action 6)	54	54	54	0
2.2	Municipal Forensics	Number of municipalities monitored on the extent to which anti-corruption measures are implemented (Sub-outcome 3)	54	54	54	0
2.3	Municipal Performance, Monitoring, Reporting and Evaluation	Number of municipalities supported to institutionalise performance management system	54	54	54	0
2.4		Report on the implementation of Back-to-Basics action plans by municipalities	4	4	4	0
2.5	Municipal Finance	Number of municipalities guided to comply with the MPRA (Sub-outcome 3)	44	44	44	0
2.6	Municipal Finance	Number of municipalities supported to implement indigent policies (Sub-outcome 1)	53	53	53	0
2.7	Public Participation	Number of municipalities supported to maintain functional ward committees	44	44	44	0
2.8		Number of municipalities supported to respond to community concerns	44	44	44	0
2.9	Capacity Building	Number of capacity building interventions conducted in municipalities (Sub-outcome 3)	3	3	3	0

Programme/Sub-programme		Performance measure	Audited Outcome for 2018/19	Target for 2019/2020 as per Annual Performance plan (APP)	Pre audited output for 2019/2020 as per Annual Report	Variance and/or comments
QUARTERLY OUTPUTS						
PROGRAMME 3						
3.1	Municipal Infrastructure	Number of municipalities monitored on the implementation of infrastructure delivery programmes	53	53	53	0
3.2	Disaster Management	Number of municipalities supported to maintain functional Disaster Management Centres	11	11	11	0
		Number of municipalities supported on Fire Brigade Services	New	10 Districts and 1 Metro	10 Districts and 1 Metro	0
3.3	LED Special Initiatives	Number of municipalities supported to implement Local Economic Development projects in line with updated municipal LED strategies	54	54	54	0
3.4		Number of Municipalities supported to implement the Red Tape Reduction programme	54	54	54	0
3.5		Number of work opportunities created through the CWP in municipalities	45 252	42 600	44 913	+2313: The implementation of phased projects and new projects resulted in the creation of new employment opportunities
3.6	Land Use Management	Number of municipalities supported with the implementation of SPLUMA	44	44	44	0
3.7	IDP Coordination	Number of municipalities supported with development of the IDP	54	54	54	0

Programme/Sub-programme		Performance measure	Audited Outcome for 2018/19	Target for 2019/2020 as per Annual Performance plan (APP)	Pre audited output for 2019/2020 as per Annual Report	Variance and/or comments
QUARTERLY OUTPUTS						
PROGRAMME 4						
4.1	Traditional Resource Administration (Traditional Administration)	Number of Traditional Councils supported to perform their duties	257	257	257	0
4.2	Traditional Institutional Administration	Percentage of succession claims/disputes processed	100%	100%	100%	0%

Programme/Sub-programme		Performance measure	Audited Outcome for 2018/19	Target for 2019/2020 as per Annual Performance plan (APP)	Pre audited output for 2019/2020 as per Annual Report	Variance and/or comments
ANNUAL OUTPUTS						
2.4	Municipal Performance, Monitoring, Reporting and Evaluation	Number of Section 47 Reports compiled as prescribed by the MSA	1	1	1	0
3.7	IDP Coordination	Number of municipalities supported with development of the IDP	54	54	54	0

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 PROGRAMME 1: ADMINISTRATION

Programme Purpose

This programme act as the support service for the other three Programmes in the Department; by ensuring that they are capacitated to perform their functions of rendering quality services to the municipalities and traditional institutions. This programme consists of the following sub-programmes and their specific achievements:

Office of the MEC

The Office of the MEC provided the strategic direction to the Department and applied rigorous processes to ensure compliance with the Executive Committee requirements in order for the Department to achieve its mandate. To ensure legislative compliance of the Department to its mandate to the Legislature, all five strategic documents were tabled to legislature as per statutory requirements. These strategic documents include 2019/2020 Annual Performance Plans; 2018/19 Annual Performance Reports; 2019/20 Budget Speech, Section 47 of MSA Report, Section 131 of MFMA Report.

Some of the events and community outreach programmes held were as follows:

- a) Mandela Day: the MEC hosted the Mandela Day at Harry Gwala District Municipality on the 18th of July 2019. The food parcels and new wheelchairs were distributed to the elderly and presented newly build houses.
- b) Women's Day: An inter-Generational Dialogue was held on the 29th of August 2019 at Umzimkhulu Local Municipality (ward 6) regarding Ukuthwala Kwezintombi. On the 12th of March 2020, the MEC hosted the Women's Day Outreach Programme at the Olive Convention Centre which was attended by approximately 800 participants consisting of AmaKhosi, Mayors, Councillors and Cogta Women in Management.
- c) World Aids Day: The MEC hosted the World Aids Day event at Umzimkhulu Local Municipality on the 1st of December 2019.
- d) Day of the Elderly: The MEC hosted the Day of the Elderly celebration at Alfred Duma Local Municipality on the 20th of December 2019.

Office of the Head of Department

The Office of the HOD played an oversight and ensured that the 2018/19 Annual Financial Statements and the 2018/19 Annual Performance Report are compiled and submitted to the Auditor-General and Provincial Treasury within the prescribed timeframes. This office further ensured that service delivery issues are facilitated; monitored the implementation of strategic evaluations recommendation within the Department related to Enterprise Content Management, Internal Control, Municipal Performance Management System, Section 81 and Expanded Public Works Programme. This office further monitored the support provided to the 10 Districts and Metro on the implementation of Operation Sukuma Sakhe. The Department further updated and implemented the change management guidelines.



Human Resource Management and Development

This sub-programme ensured the implementation of the Human Resources Implementation Plan and the effective implementation of the Organisational Structure within the Department. The filled posts were continuously analysed against the approved organisational structure. The implementation of Operations Management Framework was monitored with specific Standard Operating Procedures (SOPs) developed. About 16 SOPs were developed and helped to guide the departmental internal processes and procedures. The Department ensured the implementation of the Diversity Management Strategy through conducting a Casual Day for Disability awareness; holding Men's event on July 2019; hosting Women in Management Forum in August 2019; conducted Disability Awareness Campaigns at Harry Gwala, Umzinyathi, Umkhanyakude District Municipalities, and eThekweni Metro for officials.

The Departmental staff was capacitated in accordance with the Departmental Training Plan and some of the training includes Protocol, breaking barriers, Ethics, Sexual Harassment, Conflict Resolution, Induction Training, Theory of Change, Mentoring for Growth, Risk Management and the Project Khaedu Course. Employee Wellness is an integral part of employee performance; hence, the Department provided staff with quarterly wellness testing at all offices. Financial Disclosures are rendered as per the DPSA and Provincial Policy. Achieved 100% compliance rate in respect of all e-disclosures as prescribed by the ministerial directive and 96% for other levels as per Provincial Policy.

The Department implemented the public service internship programme with the focus on the youth, women and people with disabilities; with the 74 interns placed in across sub-programmes. The Department further extended the duration of the internship as prescribed by the DPSA to 24 months. The Department also provided about 174 youth bursaries and 72 employee bursaries to encourage education in the Province. In the process of enforcing the policy directive to remove work experience as a requirement for the entry positions in the Department has been removed from 2019 to promote job opportunity for youth. The HIV/AIDS & TB Management, Health and Productivity Management and Wellness Management Policies were implemented and monitored with reports submitted to DPSA.

Information Technology and Auxiliary Services

The Department committed to decentralize its services to the District Level and to have Functional District Office to be easily accessible to the communities we serve. In this process, office facilities were identified in all District Offices, framework and the plan was developed. Office accommodation was made available to three Local Government Specialists; one at Ilembe District and two at Mayville Offices. Office accommodation would be made available in District offices, should there be a request to house new appointments of the identified officials, being Local Government Specialists, Service Delivery Facilitators and ICT interns. All seventeen Departmental buildings are compliant with the Occupational Health & Safety Act, Environment, Risk and Quality (SHERQ) management policy and remedial actions taken on all the anomalies found. About 251 Departmental fleet was managed.

The ICT Steering Committee and Operational Committee are established and are meeting as per ICT Corporate Governance Policy and Charter implemented. The ICT projects are being implemented according to IT Strategy Plan. The SITA Service Level Agreements enforced. Disaster Recovery Road Map implemented (including off site storage). The IT security policy was implemented with vulnerability assessment and penetration testing being done through using the Tipping point device to view and monitor any loopholes.

Financial Management and Supply Chain Management

The Department always strive towards complying with all legislations including the PFMA requirements. As a result, all 28 statutory reports were produced and submitted to Provincial Treasury by the stipulated deadlines. This helped to monitor the Department's financial performance. To advance the growth of the SMME Sector of the economy, 74% of procurement awards were made to SMMEs, Cooperatives, Township/Rural Enterprises and people with disabilities. In order to ensure suppliers are paid in 30 days as per SCM requirements, 98% of suppliers are paid within the set period and achieved 98.5% on the implementation of Procurement Plan. To address weaknesses in accountability in relations to movable assets, quarterly verifications are conducted, within all 17 Departmental buildings and 257 Traditional Administrative Centres and 267 Traditional Councils supported to implement the financial management practice notes.

The Department has improved from receiving a Qualified Audit Opinion in the 17/18 Financial Year to receiving an unqualified opinion for the 18/19 financial year. The Clean Audit Committee, which is chaired by the Accounting Officer, will continue to sit fortnightly to deal with financial and non-financial matters that could adversely impact the audit outcomes. The audit improvement strategy for 2018/19 was updated and monitored by Departmental Internal Control Unit to determine if the action plans as reflected in the audit reports, were implemented by risk owners/management.

The Department obtained an unqualified audit opinion on Vote 11 and obtained a clean audit on the Traditional Levies Account in the 2018/19 Financial Year.

Internal Control

The Department implemented an anti-fraud and corruption strategies, Internal Audit Improvement Strategies and investigated fraud cases. Furthermore, eight Risk Management Workshops were conducted to Strengthened accountability of governance institutions. In dealing with the challenges on the payment of Izinduna, monthly audits were conducted to ensure effective implementation of the Standard Operating Procedures as well as to eliminate any discrepancies. Workshops were conducted on Whistle Blowing policy and on the implementation of Anti-Fraud and Corruption Strategy. The Risk assessment on Ethics and Corruption Risk Practices were conducted and had the report on Fraud red flags was reviewed.

Strategic Planning, Monitoring, Evaluation, Policy and Research

It is important for the Department to improve the means in which it delivers services to its clients. As a result, the Department monitored the implementation of the Service Delivery Improvement Plan. In this process, about eight stakeholder consultations were held in relation to the SDIP both internally and externally. It is important to always consider improving the morale of the staff. An excellence programme was implemented and it recognised the employee of the month on a monthly basis that will culminated in the Employee of the Year Award. Monitored community concerns as per the complaints management policy and complaints received were registered and referred to Municipal Audit for further investigation. Developed Performance Plans that are aligned to National and Provincial imperative.

The Department maintained the Clean Audits on performance information in 2018/19 financial year. Monitored the transfers and expenditures on conditional grants in accordance to the Transfer Manual. About eight periodic evaluations were conducted to inform planning and to act as an early warning system and further monitored the implementation of evaluation recommendations monitored for implementation.

It is critical to ensure that the Department has updated policies in line with the relevant legislations. Compliance. As a result, 25 policies were reviewed and the implementation of 48 policies were monitored to ensure that identified risks are addressed and operational efficiency is improved. About eight research projects were undertaken to unearth knew knowledge to inform the departmental strategies and plans.



Legal Services

The Department monitored the compliance with all line function and transversal legislation to ensure that all business units operate within the legal mandate of the Department and complies with legal prescripts affecting Provincial Government, Local Government and Traditional Affairs. Monitored the compliance of Service Delivery Decisions with PAJA to promote efficient and good governance, and create a culture of accountability, openness and transparency in the public administration or in the exercise of a public power or the performance of a public function, by giving effect to the right to just administrative action.

About 51% of cases were completed within 90 days to ensure speedy administration of justice in compliance with the completion of cases as per the prescribed timeframe from DPSA from the day the hearing has been set. Challenges were experienced in the finalisation of formal disciplinary cases. These included procedural postponements as result of availability of role-players during hearings and appeals brought forward on sanctions made.

Corporate Communications

The Department implemented the communication strategy through ensuring that programmes and articles were inserted on Snap news. Sending media monitoring on the departmental notices platform to all officials. Various officials were given an opportunity to be interviewed and inserted on our 'One on One with...' platform. All departmental programmes were updated on the departmental website after every event. All government campaigns and events were prioritised and supported. Photography, videography services were rendered.

The speeches, media statements, media alerts were produced. The departmental branding was monitored in accordance to the corporate identity on the approved branding manual. All government campaigns and events were prioritised and supported such as disaster awareness campaign, uLwaluko and School functionality programme. The implementation of the Local Government Back to Basics communication plan was monitored in 54 municipalities to ensure that municipalities implement the Back to Basics Communication Programme so that communities are informed.



ACHIEVEMENTS OF PROGRAMME 1

SUB-PROGRAMME	STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT FOR 2018/2019	PLANNED TARGET FOR 2019/2020	ACTUAL ACHIEVEMENT FOR 2019/2020	DEVIATION FROM PLANNED TARGET	COMMENTS ON DEVIATIONS
Office of the MEC	2.1. Improved capacity of political and administrative governance	Number of strategic documents tabled to the legislature as per statutory requirements	5	5	5	0	
		Percentage of community outreach projects supported	100%	100%	100%	0%	
		Number of security policies implemented	1	1	1	0	
Office of the Head of Department	2.2. Strengthened accountability of governance institutions	Number of Budget implemented	1	1	1	0	
		Percentage of Service delivery issues facilitated	100%	100%	100%	0%	
	2.1. Improved capacity of political and administrative governance	Percentage of Strategic Evaluations recommendations implemented	100%	100%	100%	0%	
		Number of Departmental management structures functional	2	2	2	0	
		Number of Change Management/Succession Planning Guidelines implemented	1	1	1	0	
		Number of Risk and Integrity Management Units established	New	1	1	0	
		Number of Districts and Metros supported on OSS	10 Districts and 1 Metro	10 Districts and 1 Metro	10 Districts and 1 Metro	0	
Human Resource Management - Organisational Development and Efficiency Services	2.1. Improved capacity of political and administrative governance	Percentage of planned targets contained in MTEF HR plan achieved	100%	100%	100%	0%	
		Number of Organisational Structures implemented	1	1	1	0	
		Number of Operations Management Frameworks implemented	1	1	1	0	
		Number of diversity management strategies implemented	1	1	1	0	

SUB-PROGRAMME	STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT FOR 2018/2019	PLANNED TARGET FOR 2019/2020	ACTUAL ACHIEVEMENT FOR 2019/2020	DEVIATION FROM PLANNED TARGET	COMMENTS ON DEVIATIONS
Human Resource Management - Human Resource Administration	2.1. Improved capacity of political and administrative governance	Number of headcounts undertaken	4	8	8	0	
		Percentage of vacancies that is filled as per the priority vacant posts in accordance with Public Administration and Management Delegations	67%	100%	46%	-56%	Process delays between post approvals and final appointments affected the meeting of the set target
		Percentage of exit interviews conducted	76.25%	100%	100%	0%	
		Number of electronic leave systems implemented	1	1	1	0	
		Percentage of People with Disabilities employed	New	2%	2%	0%	
Human Resource Management – HCD	2.1. Improved capacity of political and administrative governance	Percentage staff capacitated in accordance with the Departmental Training Plan	100%	100%	100%	0%	
		Number of Performance Management Systems implemented	1	1	1	1	
		Percentage of Financial Disclosures submitted	New	100%	100%	0%	
		Number of Employee Health and Wellness Policies implemented	3	3	3	0	
		Number of Provincial Policy Frameworks on promoting physical exercises and sport, recreation and relaxation activities amongst employees implemented	New	1	1	0	
		Number of Employee Assistance Programmes undertaken	1	1	1	0	
		Number of Skills Audits conducted	New	1	1	0	

SUB-PROGRAMME	STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT FOR 2018/2019	PLANNED TARGET FOR 2019/2020	ACTUAL ACHIEVEMENT FOR 2019/2020	DEVIATION FROM PLANNED TARGET	COMMENTS ON DEVIATIONS
Information Technology	2.1. Improved capacity of political and administrative governance	Number of ECM systems Implemented	1	1	1	0	
		Number of ICT Governance Policies and Plans implemented	2	2	2	0	
		Number of SITA Service Level Agreements enforced	1	1	1	0	
		Number of Business Continuity Plans implemented	1	1	1	0	
		Number of fully functional IT Services	1	1	1	0	
		Number of Information Technology Security Policies implemented	New	1	1	1	
Auxiliary Services	2.1. Improved capacity of political and administrative governance	Percentage of Departmental Buildings compliant with the Occupational Health and Safety Act	100%	100%	100%	0%	
		Number of Safety, Health, Environment, Risk and Quality (SHERQ) Management policies implemented	1	1	1	0	
		Number of PAIA Manuals Implemented	1	1	1	0	
		Percentage of fleet efficiently managed	100%	100%	100%	0%	

SUB-PROGRAMME	STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT FOR 2018/2019	PLANNED TARGET FOR 2019/2020	ACTUAL ACHIEVEMENT FOR 2019/2020	DEVIATION FROM PLANNED TARGET	COMMENTS ON DEVIATIONS
Financial Management - Office of the Chief Financial Officer	2.1. Improved capacity of political and administrative governance	Number of programmes implemented to support municipalities on Financial Administration	1	1	1	0	
Financial Management	2.1. Improved capacity of political and administrative governance	Number of clean audits achieved	-1	1	0	-1	The Department did not meet the requirement to achieve clean audit and an action plan was developed and implemented for the new financial year
		Number of Traditional Entities with audited financial statements	1	1	1	0	
		Number of Statutory Reports submitted	28	28	28	0	
		Number of programme budgets spent in accordance with approved budget	4	4	4	0	
		Percentage implementation of the Procurement Plan	84%	100%	98.5%	-1.5%	Some of procured projects were not finalized and have been carried over to the new financial year and others were discontinued
		Number of Customer satisfaction surveys conducted	2	2	2	0	
		Percentage of procurement awarded to SMMEs, Cooperatives, Township/Rural Enterprises and people with disabilities	49.45%	35%	74%	36%	The majority of suppliers found within the database used by the Department fell within the targeted categories

SUB-PROGRAMME	STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT FOR 2018/2019	PLANNED TARGET FOR 2019/2020	ACTUAL ACHIEVEMENT FOR 2019/2020	DEVIATION FROM PLANNED TARGET	COMMENTS ON DEVIATIONS
Financial Management	2.1. Improved capacity of political and administrative governance	Percentage of suppliers paid within the thirty day period	94.75%	100%	98%	-2%	Some Invoices were rejected by BAS with banking details not verified or closed, invoices not certified on time by responsibility managers, some Invoices received during the holiday recess, where officials were on leave.
		Number of Departmental Movable Asset Policies implemented	1	1	1	0	
		Number of Traditional Administrative Centres with updated Movable Asset Registers	257	257	257	0	
Financial Management: Traditional Finance	2.1. Improved capacity of political and administrative governance	Number of Traditional Councils supported to implement the financial management practice notes	267	267	267	0	
Internal Control	2.2. Strengthened accountability of governance institutions	Number of anti-fraud and corruption strategies implemented	1	1	1	0	
		Percentage of reported fraud cases investigated	100%	100%	100%	0%	
		Number of Risk Management Workshops conducted	New	8	8	0	
		Number of Internal Audit Improvement Strategies implemented	1	1	1	0	
		Number of internal audits conducted on the payment of Izinduna	New	12	12	0	
		Percentage of Risks Action	New	100%	100%	0%	
		Plans verified					
		Percentage of AG Issues resolved	58%	100%	100%	0%	

SUB-PROGRAMME	STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT FOR 2018/2019	PLANNED TARGET FOR 2019/2020	ACTUAL ACHIEVEMENT FOR 2019/2020	DEVIATION FROM PLANNED TARGET	COMMENTS ON DEVIATIONS
Strategic Planning, Monitoring, Evaluation, Policy and Research: Strategic Planning and Service Delivery	2.1. Improved capacity of political and administrative governance	Number of Service Delivery Improvement Plans monitored	1	1	1	0	
		Number of stakeholder consultations held in relation to the SIDP	8	8	8	0	
		Number of excellence programmes implemented	1	1	1	0	
		Percentage of Community concerns monitored as per the complaints management policy	New	100%	100%	0%	
		Number of Annual Performance Plans aligned to National and Provincial imperatives	1	1	1	0	
		Percentage of Business Plans aligned to Strategic Plans	100%	100%	100%	0%	
Strategic Planning, Monitoring, Evaluation, Policy and Research: Monitoring	2.1. Improved capacity of political and administrative governance	Number of Clean Audits on performance information achieved	1	1	1	0	
		Number of performance reviews conducted	New	4	4	0	
		Percentage of Grant transfers monitored in accordance with the Transfer Manual	New	100%	100%	0%	
		Percentage of Grant expenditure monitored in line with the approved business plan	New	100%	100%	0%	
Strategic Planning, Monitoring, Evaluation, Policy and Research: Evaluation	2.2. Strengthened accountability of governance institutions	Percentage of confirmed evaluation recommendations monitored for implementation	100%	100%	100%	0%	
		Number of evaluation studies conducted on Departmental programmes to inform the Strategic Plans	8	8	8	0	
		Number of periodic evaluations conducted	8	8	8	0	

SUB-PROGRAMME	STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT FOR 2018/2019	PLANNED TARGET FOR 2019/2020	ACTUAL ACHIEVEMENT FOR 2019/2020	DEVIATION FROM PLANNED TARGET	COMMENTS ON DEVIATIONS
Strategic Planning, Monitoring, Evaluation, Policy and Research: Policy and Research	2.1. Improved capacity of political and administrative governance	Number of departmental policies reviewed	8	8	25	+18	The Executive Committee of the Department resolved that all Policies due for a review must be reviewed.
		Number of policies monitored	3	3	46	+43	The scope of the monitoring process includes the draft policies set to be approved by EXCO. The inclusion of the policies in the scope arose from an EXCO resolution held on the 15th of April 2019 all drafted Policies finalized in 2018/2019 be monitored.
		Percentage of Policy Recommendations monitored	New	100%	100%	0%	
		Number of information hubs with data related to Municipalities and Traditional Institutions updated	1	1	1	0	
		Number of research projects undertaken	8	8	8	0	
Legal Services	2.2. Strengthened accountability of governance institutions	Percentage compliance with legislation	60%	100%	70%	-30%	There were Non-submission of compliance evidence and non-implementation of controls to effect the sections that needed to be complied to by the Business Units.
		Percentage of Service Delivery Decisions compliant with PAJA	100%	100%	100%	0%	
		Percent of cases completed within 90 days	15% of cases completed within 90 days	90% of cases completed within 90 days	51% of cases completed within 90 days	-39%	Delays were experienced due to severity of cases and the need for involvement of specialist role players

SUB-PROGRAMME	STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT FOR 2018/2019	PLANNED TARGET FOR 2019/2020	ACTUAL ACHIEVEMENT FOR 2019/2020	DEVIATION FROM PLANNED TARGET	COMMENTS ON DEVIATIONS
Corporate Communication	2.2. Strengthened accountability of governance institutions	Number of Communication Strategies implemented	1	1	1	0	
		Number of Local Government Communication Plans implemented	1	1	1	0	

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

No	Areas of underperformance	Strategy to overcome underperformance
1	Internal process delays affected the achievement of certain targets: This relates to the filling of vacancies and implementation of procurement plan	Start the processes early to eliminate avoidable delays in the processes
		Implement the Standard Operating Procedures accordingly
2	Non-compliance to certain statutory processes: This relates to completion of cases within 90 days, compliance with legislation and payment of suppliers within 30 days	Review the indicators to reflect the targets within the control of the Department
		Non-compliance reports will be shared with management
		Strict measures will be taken against non-compliant staff

CHANGES TO PLANNED TARGETS

No changes were made to the planned target



LINKING PERFORMANCE WITH BUDGETS

Sub-programme expenditure

Sub-Programme Name	2019/2020			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the MEC	18 602	18 602	NIL	20 209	18 986	1 223
Corporate Services	402 376	402 376	NIL	411 288	364 716	46 572
Total	420 978	420 978	NIL	431 497	383 702	47 795

4.2 PROGRAMME 2: LOCAL GOVERNANCE

Programme Purpose:

The purpose of this Programme is to co-ordinate, support, promote and enhance governance administration and public participation in local government. Local Governance is responsible for supporting Local Government structures in the municipalities. The focus is to promote good governance; to coordinate municipal developments; to coordinate municipal IDP processes; to support municipalities to maintain sound financial management systems; to monitor the implementation of legislative mandates and policies of the municipalities; to promote community development and public participation; to enhance capacity and monitor the performance of the municipalities. This programme coordinated a comprehensive State of Local Government Assessment and developed support plans for all 54 municipalities. This programme consists of the following sub-programmes and their specific achievements:



Local Government Specialists

This unit plays a significant role in coordinating the Departmental support to municipalities in order to and facilitate the resolution of service delivery issues that are hampering development. This is done through monitoring of the action plans and channelling service delivery issues to the relevant line functions and ultimately monitor progress. This helps to dispose of the silo mentality in order to maximise impact at municipal level. All 54 Municipalities were visited various times and had support plans developed and implemented. Service Delivery issues were facilitated through weekly Nerve Centre meetings, municipal Verifications weeks, and Briefing sessions of Operation Masakhane, Joint EXCOs and District Operation Sukuma Sakhe Forums.

Intergovernmental relations

The Department took a stance to promote Intergovernmental Relations (IGR) as the Game Changer in the realisation of National, Provincial and Local Plans. Various support was provided to the ten District Intergovernmental relations structures to ensure their functionality. All ten Districts have functional IGR Structures.

IGR as a Game Changer: Conducted a comprehensive assessment on the functionality and effectiveness of the District IGR Structures. The Department supported District municipalities in hosting District Joint EXCOs, to ensure that service delivery challenges, which need to be resolved through Intergovernmental relations. District Fora are utilizing the strategic agenda framework developed as the basis for the discussion at these engagements. Further, the IGR Toolkit have been developed to be used as a framework in implementing functional IGR Structures.

The Department has facilitated two political MuniMec's, eleven Joint EXCO's with both Councillors and Amakhosi, numerous engagements with Amakhosi, and stakeholders including SALGA, ESKOM and MISA to underpin the pronouncements of the 6th Administration that is seen as changing the game for Local Government. The Department provided strategic oversight and guidance to local government and monitored the implementation of these game-changer plans through the IGR structures, namely MuniMec, TRADSMEC, Provincial Speakers' Forum, Joint EXCOs and district engagements. MISA and Provincial Treasury entered into the Memoranda of Understanding (MOU)..

IDP Coordination

Proper planning in municipalities is critical for decision making towards service delivery and sustainable development. To promote citizen participation in decision making of municipalities, the Department supported all 44 local municipalities in aligning their Ward based Plans to their respective Integrated Development Plans (IDPs). The Department has also supported in the convening of 10 District Traditional Leadership and Interfaith Forums throughout the Province, which aim to coordinate interfaith to promote social cohesion and nation building.

The Department is committed in ensuring alignment between municipal Integrated Development Plans and sector plans to one another for effective service delivery. The Department supported all 54 municipalities in reviewing their 2019/20 adopted IDPs in line with the legal requirements of the Municipal Systems Act. The Department coordinated the assessment findings with the intent of optimising alignment of sectoral coordination of provincial and national priorities. Further to this, the Department conducted the Alignment sessions to enhance sectoral coordination and alignment in municipal and provincial planning instruments. IDPs were assessed to ensure their alignment to the DGDPs and Departmental Sector Plans and address the priorities of the 6th Administration.

The Department is continuously implementing Social Cohesion programmes in partnership with Interfaith Sector, Municipalities and Traditional Leadership to address social ills in Municipalities through special Programmes of the Municipal IDPs. The Department further implemented a Programme for social cohesion conversations through the Social Cohesion conversations held at Umzinyathi District, Msinga and Nquthu Local Municipalities. Further to this, the Department convened quarterly District Traditional Leadership and Interfaith Forums within the Province. These forums aim to enhance the role of Traditional leadership and Religious community in moral regeneration. Convened the District Traditional leadership and Interfaith Forums at Uthukela, Umkhanyakude, King Cetshwayo, Ilembe, Harry Gwala, Umgungundlovu, Umzinyathi, Amajuba and Zululand District Municipalities.

It became critical for the Department to entrench the participation of AmaKhosi in the IDP processes. Members of Local Houses of Traditional Leaders were workshopped on the IDP Guidelines. The Department facilitated ten District Joint EXCOs sessions and brought together the Councillors and the Amakhosi from each district to discuss and deliberate on matters of the state of local government and local house of traditional institutions.

Municipal Performance, Monitoring, Reporting and Evaluation

The performance of municipalities is central to service delivery. All 54 municipalities were supported to institutionalise Performance Management System. This was done through the development of Annual Performance Reports, assessments of draft IDPs, monitoring of Internal Audit Reports and Performance Audit Committee meeting compliance. Supported 54 municipalities to implement response measures to Auditor-General (AG) Report on Performance Information/Predetermined objectives. The Department used platforms such as District Technical Advisory Committees to monitor progress and identify further support needed by affected municipalities. All 54 municipalities were compliant with single reporting mechanism.

The Department conducted Back to Basic assessments for all 54 municipalities with performance information captured into the GIS system. All 11 District had their profiles and dashboard updated quarterly. Further facilitated and monitored the implementation of the service delivery issues by the sector Departments.

Municipal Governance and Administration

The Department supported twelve municipalities on the implementation of the Strategic Framework, which included the provision, and conducting of workshops on the Delegations framework, MPAC Terms of References, Guideline on Municipal Oversight and the Roles and Responsibilities. Further provided hands-on support to thirteen municipalities to improve oversight capacity through functional oversight structures.

Compliance of municipalities with the implementation of Local Government Legislation is important for good governance. Assessed all 54 municipalities on their compliance with the Municipal Systems Act, Municipal Structures Act and Municipal Finance Management Act. As a result, the Department supported about eighteen municipalities to comply based on the support plan. Further monitored all 54 municipalities on the implementation of recruitment, leave, overtime, delegations as well as municipal S&T policies. The by-laws are helpful in maintain law and order in the municipalities. As a result, the Department drafted and gazetted five by-laws during the financial year. These by-laws are as follows: Cemeteries and Crematoria By-law, Credit Control By-law, Environmental health By-law, Municipal Parks and Recreational Grounds By-law as well as the Sewerage By-law.

The Department supported all 54 municipalities to comply with MSA Regulations on the appointment of senior managers and on the implementation of the Gender Policy Framework through assessing the organisational structures and the new appointments for the senior management municipal officials. While the implementation of National Gender Policy Framework was focused on monitoring the municipalities of appointment of women.

The Department provided hands-on and strategic support to the nine municipalities under administration through developing and monitoring the implementation of the Recovery Plans for Uthukela District, Umzinyathi District, Richmond, Endumeni (Close out report included), Mtubatuba, Msunduzi, Mpofana, Inkosi Langalibalele and Abaqulusi Local Municipalities. Held Intervention Steering Committee meetings to monitor the implementation of the Recovery Plans.

Synergistic Partnerships

The Traditional Leaders are central in the decision making process on service delivery and their participation is critical. The Department worked towards strengthening the working relationship of Amakhosi and Municipalities. About 52 municipalities have the identified traditional leaders delegated to participate in municipal council meetings. Enabled the municipalities with recognized traditional leaders within their jurisdictional areas to have traditional leaders participating in the legislative and executive decisions.

Municipal Forensics

The issues of fraud, corruption and maladministration cripples and hinder service delivery in general. Every year efforts are made to fight against this scourge. The Department is reinforcing efforts within the Province, in collaboration with key stakeholders and other law enforcement agencies to prevent, detect, and resolve instances of fraud, corruption and maladministration. Part of these efforts, The Department supported and monitored the implementation of anti-corruption measures in all 54 municipalities. The Department monitor the extent of the implementation of anti-corruption measures on a quarterly basis, informs the nature and extent of support provided to municipalities, and is key in implementing the Provincial Anti-Fraud and Anti-corruption strategy. Further reviewed Fraud-Risk Registers for all 54 municipalities

The Department assessed municipal fraud risk registers as well as municipal fraud risk assessment processes to determine whether these are credible and effective in preventing fraud, corruption and maladministration, by appropriately mitigating the fraud risks. Provided feedback to all assessed municipalities and identified corrective measures. Investigated all allegations of fraud, corruption and maladministration cases reported to the Department. Further monitored the implementation of Forensic investigation recommendations made by the Department and briefed the Executive Authority on a quarterly basis on their status.

Municipal Finance

Sound financial management systems are critical for effective delivery of services by the municipalities. The Department worked towards implementing measures to support municipalities to improve their financial management systems. The Department assessed the budget allocated and expenditure for 54 municipalities to capital infrastructure for new constructions as well as for maintenance and operations. The Department further assessed the public sector expenditure in accordance to the municipal IDPs and further supported to reduce government debt for all 54 municipalities. The Department supported 51 municipalities to reduce their consumer debts with municipal policies assessed and feedback provided. About 44 municipalities had rates revenue assessed and guided them to comply with the Municipal Property Rates Act (MPRA).

There is an expectation for the municipalities to provide free basic services to the indigent houses as per the National Indigent Policy Framework. Therefore, the Department supported and monitored 53 municipalities to implement and comply with the indigent policy. Supported all 54 municipalities towards achieving clean audits to ensure sound financial management.

Public Participation

The participation of communities is central to deepen democracy and communication in the local government sphere. The ward committees and ward operational plans provides such opportunities. Therefore, the Department supported all 44 local municipalities towards the functionality of ward committees and on the implementation of the ward operational plans. The Department further monitored the implementation of Sectoral Parliament's resolutions to ensure their implementation to address issues raised by Women, Youth, Senior Citizens and People with Disabilities.

With the aim of strengthening municipal capacity to deal with service delivery/public protests, the Department supported and monitored all 54 municipalities in ensuring that they have functional Rapid Response teams in line with the Rapid Response Strategy. The Rapid Response teams monitored the implementation of the remedial actions in scenarios where they are not functional. Supported all 44 local municipalities to respond to community concerns, through the implementation of the electronic Integration of the Complaints Management System. Capacitated the Municipal Officials on the implementation of the Integrated Complaints Management Systems with a workshop for all frontline officials who handle complaints held.

Capacity Building

The Department coordinated the implementation of the Provincial Capacity Building Strategy. Some of the activities coordinated include peer-learning session, Khaedu Methods and Perspective Training, Coaching for Leadership and Evidence Based Policy Making. The Department provided capacity-building initiatives, which targeted municipal officials, municipal councillors and the Institution of Traditional leadership. Capacity Building initiatives conducted in the financial year include #PressforChange Women in Leadership Training, Disability Rights Training and National Certificate for Local Government Councillor Practices (NQF3). The National Certificate for Local Government Councillor Practices (NQF3) training had equipped the Councillors with the necessary skills and knowledge to better execute their duties. The training intervention built the administrative, financial management, and oversight capacity of the Councillors.

The Department conducted the Skills Audit as per the Skills Audit Framework. The skills audit was conducted over four phases, with phase one being preparation for the skills audit; phase 2 is conducting the skills audit, phase 3 is data processing and analysis and phase 4 involves the presentation of the results. The Department completed Skills Audits in the five Local Municipalities (eDumbe, Mpofana, Msunduzi, Emadlangeni, and Inkosi Langalibalele) and in two District Municipalities (Umkhanyakude and Umzinyathi) as of March 2020.

ACHIEVEMENTS: PROGRAMME 2

SUB-PROGRAMME	STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT FOR 2018/2019	PLANNED TARGET FOR 2019/2020	ACTUAL ACHIEVEMENT FOR 2019/2020	DEVIATION FROM PLANNED TARGET	COMMENTS ON DEVIATIONS
Local Government Specialists	1.1. Improved functionality of Inter-Governmental Relations	Percentage of Service Delivery issues coordinated	100%	100%	100%	0%	
Inter-Governmental Relations	1.1. Improved functionality of Inter-Governmental Relations	Number of IGR Structures functional in accordance with the IGR Framework	10 Structures fully functional in accordance with the IGR Framework	10 Structures fully functional in accordance with the IGR Framework	10 Structures fully functional in accordance with the IGR Framework	0	
		Number of stakeholder engagement session held	New	4	4	0	
		Percentage of stakeholder MOUs formalised	New	100%	100%	0%	
IDP Co-ordination	1.1. Improved functionality of Inter-Governmental Relations	Number of municipalities supported with development of the IDP	54	54	54	0	
		Percentage of IDP Implementation issues facilitated via the Joint Provincial Service Delivery Forum	100%	100%	100%	0%	
	2.3. Improved decision making of municipalities through citizen participation	Number of municipalities with ward based plans aligned to the IDP	44	44	44	0	
	2.1. Improved capacity of political and administrative governance	Number of district shared services implemented	10	10	10	0	
	2.3. Improved decision making of municipalities through citizen participation	Number of social cohesion and nation building programmes supported	New	1	1	0	
		Number of District Traditional Leadership and Interfaith Forums convened	New	10	10	0	

SUB-PROGRAMME	STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT FOR 2018/2019	PLANNED TARGET FOR 2019/2020	ACTUAL ACHIEVEMENT FOR 2019/2020	DEVIATION FROM PLANNED TARGET	COMMENTS ON DEVIATIONS
Municipal Performance, Monitoring, Reporting and Evaluation	2.2. Strengthened Accountability of governance institutions	Number of municipalities supported to institutionalise performance management system	54	54	54	0	
		Number of Section 47 Reports compiled as prescribed by the MSA	1	1	1	0	
		Number of evaluations conducted	1	1	1	0	
Municipal Performance, Monitoring, Reporting and Evaluation	1.1. Improved functionality of Inter-Governmental Relations	Number of municipalities complying with the single reporting mechanism	54	54	54	0	
		Number of electronic dashboards implemented	10 implemented	11 implemented	11 implemented	0	
		Report on the implementation of Back-to-Basics action plans by municipalities	4	4	4	0	
		Percentage of COGTA issues resolved	90%	100%	100%	0%	
		Percentage of Sector issues facilitated	100%	100%	100%	0%	

SUB-PROGRAMME	STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT FOR 2018/2019	PLANNED TARGET FOR 2019/2020	ACTUAL ACHIEVEMENT FOR 2019/2020	DEVIATION FROM PLANNED TARGET	COMMENTS ON DEVIATIONS
Municipal Governance and Administration	1.1. Improved functionality of Inter-Governmental Relations	Percentage of municipalities with functional oversight structures	New	100%	100%	0%	
Municipal Governance and Administration	2.1. Improved capacity of political and administrative governance	Percentage of municipalities supported to comply with local government legislation	New	100%	100%	0%	
		Percentage of municipalities complying with local government policies	New	100%	100%	0%	
		Number of draft standard by-laws developed to support the municipalities with their legislative competency	5	5	5	0	
		Number of municipalities supported to comply with MSA regulations on the appointment of senior managers	54	54	54	0	
		Number of municipalities supported to achieve the 50/50 representation of women in Section 56 posts (B2B Pillar 5)	54	54	54	0	
		Percentage of Municipalities under administration monitored for improvement	New	100%	100%	0	
Municipal Governance and Administration	1.1. Improved functionality of Inter-Governmental Relations	Percentage of Municipal Governance and Administration COGTA B2B issues resolved	100%	100%	100%	0	
Synergistic Partnerships	2.1. Improved capacity of political and administrative governance	Number of municipalities with the participation of traditional leaders	52	52	52	0	
	1.1. Improved functionality of Inter-Governmental Relations	Percentage of Synergistic Partnerships COGTA B2B issues resolved	100%	100%	100%	0%	

SUB-PROGRAMME	STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT FOR 2018/2019	PLANNED TARGET FOR 2019/2020	ACTUAL ACHIEVEMENT FOR 2019/2020	DEVIATION FROM PLANNED TARGET	COMMENTS ON DEVIATIONS
Municipal Forensics	2.2. Strengthened Accountability of governance institutions	Number of municipalities monitored on the extent to which anti-corruption measures are implemented	54	54	54	0	
		Percentage of fraud, corruption and maladministration cases investigated (Including NACH Cases)	100%	100%	100%	0	
		Number of municipalities supported with the review of fraud risk registers	54	54	54	0	
		Percentage of COGTA forensic investigation recommendations monitored	100%	100%	100%	0%	
	1.1. Improved functionality of Inter-Governmental Relations	Percentage of Municipal Forensics COGTA B2B issues resolved	100%	100%	100%	0%	
Municipal Finance	2.1. Improved capacity of political and administrative governance	Number of municipalities assessed on budget allocated to capital infrastructure(new constructions, maintenance and operation)	54	54	54	0	
		Number of municipalities assessed on expenditure allocated to capital infrastructure spent (new constructions, maintenance and operation)	54	54	54	0	
		Percentage of public sector expenditure spent in accordance to the municipal IDP	70%	75%	96%	21%	Assessments conducted in the 1st quarter revealed planned public sector expenditure was higher than planned

SUB-PROGRAMME	STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT FOR 2018/2019	PLANNED TARGET FOR 2019/2020	ACTUAL ACHIEVEMENT FOR 2019/2020	DEVIATION FROM PLANNED TARGET	COMMENTS ON DEVIATIONS
Municipal Finance	2.1. Improved capacity of political and administrative governance	Number of municipalities supported to reduce Government debt	New	54	54	0	
		Number of municipalities supported to reduce consumer debt	51	51	51	0	
		Number of municipalities guided to comply with the MPRA	44	44	44	0	
		Number of municipalities supported to implement indigent policies	53	53	53	0	
		Number of Reports submitted on state of municipal finance in terms of section 131 of the MFMA	1	1	1	0	
	2.2. Strengthened Accountability of governance institutions	Number of Municipalities supported towards the achievement of clean audits	54	54	54	0	
		Number of municipalities with functional audit committees	54	54	54	0	
	1.1. Improved functionality of Inter-Governmental Relations	Percentage of Municipal Finance COGTA B2B issues resolved	100%	100%	100%	0%	

SUB-PROGRAMME	STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT FOR 2018/2019	PLANNED TARGET FOR 2019/2020	ACTUAL ACHIEVEMENT FOR 2019/2020	DEVIATION FROM PLANNED TARGET	COMMENTS ON DEVIATIONS
Public Participation	2.3. Improved decision making of municipalities through citizen participation	Number of municipalities supported to maintain functional ward committees	44	44	44	0	
		Number of municipalities supported on implementation of ward operational plans	44	44	44	0	
		Percentage of Sectoral Parliament COGTA resolutions implemented	100%	100%	100%	0%	
		Number of municipalities supported to respond to community concerns	44	44	44	0	
		Number of municipalities with functional rapid response teams in line with the strategy	51	54	54	0	
	1.1. Improved functionality of Inter-Governmental Relations	Percentage of Public Participation COGTA B2B issues resolved	100%	100%	100%	0%	
Capacity Building	2.1. Improved capacity of political and administrative governance	Number of provincial capacity building strategies coordinated	1	1	1	0	
		Number of capacity building interventions conducted in municipalities	3	3	3	0	
		Number of skills audits conducted on all municipalities	New	1	1	0	
	1.1. Improved functionality of Inter-Governmental Relations	Percentage of Capacity Building COGTA B2B issues resolved	100%	100%	100%	0%	

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

No	Areas of underperformance	Strategy to overcome underperformance
1	Not relevant	Not relevant

CHANGES TO PLANNED TARGETS

No changes made to the planned targets

LINKING PERFORMANCE WITH BUDGETS

Sub-programme expenditure

	2019/2020			2018/2019		
Sub-Programme Name	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Municipal Administration	71 578	71 578	0.00	48 259	47 052	1 207
Municipal Finance	18 066	18 066	NIL	22 653	19 845	2 808
Public Participation	191 592	191 592	NIL	192 315	183 830	8 485
Capacity Development	11 183	11 183	NIL	11 162	11 092	70
Municipal Performance, Reporting & Evaluation	9 972	9 967	5	8 600	9 254	(654)
IDP Co-Ordination	15 043	15 043	NIL			
Total	317 434	317 429	5	282 989	271 073	11 916

4.3 PROGRAMME 3: DEVELOPMENT AND PLANNING

Programme Purpose:

The purpose of this Programme is to promote informed integrated planning, support infrastructure development, to co-ordinate and support the implementation of disaster prevention and mitigation measures. This programme is responsible to support the municipalities on the development and implementation of spatial development frameworks and land use schemes; to coordinate local economic development within Local Government Institutions; to manage and coordinate municipal infrastructure development; and to coordinate provincial disaster management services. This programme consists of the following sub-programmes and their specific achievements:

Spatial planning

The well-integrated spatial planning system plays a key role in improving spatial hierarchy of services in the Province. The Department supported the municipalities to improve spatial location of services in line with the Provincial Spatial Planning guidelines. Further conducted a provincial spatial equity analysis to promote spatial integration in the province. Developed Capital Investment and Capital Expenditure Frameworks, which in turn informed the revision of the Provincial Spatial Development Framework. Implemented the Provincial Framework for Spatial Equity Norms and Standards.

The Department supported all 44 local municipalities to implement land use schemes and to develop wall-to-wall Land Use Schemes to guide decision making on land use and investments by July 2020. The support included monitoring the non-compliant municipalities on Land Use Scheme development, facilitating legal compliance and the subdivision of Agricultural Land Act programme. Support was provided through the transfer of grants for the development of schemes to the following 7 Municipalities, viz:- Impendle, Msinga, Umvoti, Nkandla, Mandeni, Umdoni and Richmond Local Municipalities. The Department has also implemented the Spatial planning norms and standards on spatial equity, which is fundamental to achieving spatial transformation outcomes highlighted by the PGDS.

The Department prioritized the development of Traditional Settlement Master Plans for traditional settlement areas to manage development and investment within each of the Land Use Schemes. Developed eight Traditional Settlement Master Plans (TSMP) of which three are in Mandeni and five in uMfolozi Local Municipalities. Further developed five Nodal Plans to promote growth of small towns for eDumbe, Alfred Duma, Jozini, Nkandla and Umvoti Local Municipalities.

Development Information Services

Climate change is real and we need to make efforts to increase our adaptation to reduce its impact. One of the ways is to have early warning systems and disseminate the warning messages to the public. The Department continuously mapped the disaster incidents to indicate where they often occurred. The implementation of Spatial Planning Land Use Management Act (SPLUMA) and Planning Development Act (PDA) is necessary for a well-integrated spatial planning system in the Province. Therefore, the Department mapped all the adopted municipal schemes and PGDP projects in the Province.

The Department supported 39 municipalities on the implementation of Municipal Property Rate Act (MPRA) by updating their property registers for municipal valuation roll maintenance. The data from the updated registers is linked to the electronic Municipal Property Rates dashboard. Further supported all ten District and their Local Municipalities with the functionality of their Geographic Information System (GIS) units through implementing support plans, having engagement sessions, acquisition of daily satellite data and sharing of datasets.



Land use Management

There is an expectation for the municipalities to improve their response time for processing of development applications. The Department monitored all 44 local municipalities on their adherence to time norms set for processing development applications. The findings revealed that all 1348-development applications at municipalities have met time norms for processing. Further supported all 44 municipalities on the implementation of SPLUMA through having engagement sessions on the functionality of Municipal Appeal Authority, Municipal Planning Tribunal, Municipal Planning Authorising Officer and Municipality Planning Tribunal Registrar. Capacitated all 44 local municipalities on Development Administration through Site Inspection and Public Hearing Processes, registration procedures, drafting of conditions of establishment.

The Department supported 15 municipalities in the formalisation of their towns by conducting Land rights enquiries with the aim of improving economic development and infrastructure development in rural towns. The Land Rights enquiries were conducted at Umvoti-Holnek, eDumbe-eDumbe Township, Alfred Duma-Mcitsheni, eMadlangeni-Vroenvlei, Umshwathi-Bhamshela, Ulundi-Ceza, Msunduzi-Ncwadi, uPhongola-Belgrade, Mandeni-Mandeni, Okhahlamba-KwaMiya, Jozini-Ndumo, Newcastle-Ncandu Park, Big 5 Hlabisa-Hluhluwe, Mhlabyalingana-Ndumo and Dannhouser-Koppie Allien. The Department received about 31 boundary description requests and were all attended to appropriately.

Local Economic Development

The districts in KZN Province have the duty to drive development and increase economic opportunities in the municipalities towards the fight against triple challenges facing South Africa. The Department supported all ten District Development Agencies (DDA) to develop and implement action plans after the assessments. The Department implemented the following initiatives to support the DDAs: hosted the Provincial RASET Boot Camp and Local Economic Development (LED) winter school in August 2020; had bilateral engagements with each of the DDAs to address their governance challenges and facilitated Strategic Planning Session for Harry Gwala District Municipality in December 2019.

All 54 municipalities had their LED strategies assessed in line with the National Local Economic Development Framework and had their specific support plans developed. The Department supported all 54 municipalities to implement Local Economic Development projects in line with updated municipal LED strategies based on their respective support plans. Further supported municipalities on the development of action plans and implementation of the Red Tape Reduction programme. The Department monitored the implementation of the action plans across all 54 municipalities and convened the Provincial Red Tape reduction workshop in October 2019. The Department committed to place about 500 graduate interns in the municipalities under the 24 months' internship programme. This programme will help provide capacity to the municipalities while interns are gaining valuable work related experience to develop them for future work and business opportunities.

Community Service Centres are useful to bring services closer to the people. The Department monitored the implementation of the CSC Construction Programme for Shiyabanye, Matimatolo, Madlebe and Mvozane projects and the implementation of CSC Rehabilitation programme. The Department supported about 22 municipalities and 30 Traditional Councils the functionality of the CSCs based on the support plans. The Department created about 44 913 work opportunities through the Community Works Programme in municipalities with the aim of providing employment safety nets, alleviate poverty and community development. The Department also created 1 837 employment opportunities through Expanded Public Works Programme inclusive of internal implementation programmes (Corridor, Small town, CSC Construction etc.).

Municipal Infrastructure

The delivery of basic services is critical to improve the living conditions of the communities in the Province. This requires a coordinated service delivery approach utilizing the existing IGR structures. The Department coordinated eleven structures for infrastructure development and service delivery, monitored 53 municipalities on the implementation of infrastructure delivery programmes and MIG projects. Further supported about thirteen municipalities with increasing water connection and with the provision of basic level of sanitation. The production and supply of energy is important towards sustainable development. Therefore, the Department supported the following municipalities on increasing the households with a source of electrical supply: Mpofana, uMsinga, Abaqulusi, Umzumbe, Umhlabuyalingana and Umvoti Local Municipalities.

Disaster Management

Everyone is feeling the impact of climate change in the Province. The Department is responsible to ensure the implementation of the policy frameworks, plans and strategies to reduce risks through the Provincial Disaster Management Centre (PDMC). The Department analysed and disseminated all early warnings received from the South African Weather Services to various stakeholders through emails, WhatsApp, social media, SMS and MEC media statements. Further supported the Disaster Management Advisory Forums and fire brigade services in all 10 districts and in the Metro.

The Department assessed the municipalities' disaster management plans in the municipalities and ensured their integration into the IDPs. Further activated the Operating committees in the province to deal with the effects of floods that affected the Province. Monitored the sector department and various stakeholders on their implementation of the disaster management legislation. Supported all 10 districts and the metro to ensure that the disaster management centres remain functional at all times.



ACHIEVEMENTS: PROGRAMME 3

SUB-PROGRAMME	STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT FOR 2018/2019	PLANNED TARGET FOR 2019/2020	ACTUAL ACHIEVEMENT FOR 2019/2020	DEVIATION FROM PLANNED TARGET	COMMENTS ON DEVIATIONS
Spatial Planning	5.1. Improved spatial hierarchy of services	Number of municipal SDFs compliant with SPLUMA provisions	54	54	54	0	
		Number of Provincial Spatial Development Frameworks reviewed	1	1	1	0	
		Number of provincial spatial planning norms and standards on spatial equity implemented	1	1	1	0	
		Number of municipalities supported to	44	44	44	0	
		implement Land Use Schemes					
		Number of Traditional Settlement Master Plans developed	18	8	8	0	
		Number of nodal development plans developed to promote growth of small towns	5	5	5	0	
		Number of Corridor Development Plans developed	1	1	1	0	
	1.1. Improved functionality of Inter-Governmental Relations	Percentage of Spatial Planning COGTA B2B issues resolved	100%	100%	100%	0%	

SUB-PROGRAMME	STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT FOR 2018/2019	PLANNED TARGET FOR 2019/2020	ACTUAL ACHIEVEMENT FOR 2019/2020	DEVIATION FROM PLANNED TARGET	COMMENTS ON DEVIATIONS
Development Information Services	6.1. Increased adaptation to Climate Change impacts.	Percentage of incidents data mapped	100%	100% of incidents data received mapped	100%	0%	
	5.1. Improved spatial hierarchy of services	Percentage of adopted municipal schemes in the Province mapped	100%	100% of adopted municipal schemes mapped	100%	0%	
		Percentage of PGDP Projects mapped	100%	100% PGDP Projects Mapped	100%	0%	
	2.1. Improved capacity of political and administrative governance	Number of municipalities supported with MPRA implementation	38	39	39	0	
		Number of municipalities with functional GIS units	10	10	10	0	
Land Use Management	2.1. Improved capacity of political and administrative governance	Percentage of development applications that meet time norms for processing	100%	80%	100%	+20%	Municipalities have met 100% of time norms for processing than planned
	5.1. Improved spatial hierarchy of services	Number of municipalities supported with the implementation of SPLUMA	44	44	44	0	
		Number of municipalities capacitated on Development Administration	44	44	44	0	
		Number of municipalities supported with the Formalisation of Towns	15	15	15	0	
		Number of Provincial Development Norms and Standards developed	2	1	1	0	

SUB-PROGRAMME	STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT FOR 2018/2019	PLANNED TARGET FOR 2019/2020	ACTUAL ACHIEVEMENT FOR 2019/2020	DEVIATION FROM PLANNED TARGET	COMMENTS ON DEVIATIONS
Traditional Land Administration	2.1. Improved capacity of political and administrative governance	Percentage of received boundary description requests attended to	100%	100%	100%	0%	
Special Initiatives	3.1. Strengthened sectoral development	Number of District Agencies supported to drive LED	10	10	10	0	
	3.2. Improved government led job creation programmes	Number of municipalities supported to implement Local Economic Development projects in line with updated municipal LED strategies	10	54	54	0	
		Number of Municipalities supported to implement the Red Tape Reduction programme	54	54	54	0	
		Number of apprentices placed in municipalities	New	500	517	+17	More candidates met the requirements
Community Service Centres	5.1. Improved spatial hierarchy of services	Number of CSC construction programmes implemented	1	1	1	0	
		Number of CSC Rehabilitation programmes implemented	0	1	1	0	
		Number of municipalities supported with Grade 1 CSCs Functionality	21	21	22	+1	Additional municipality had a CSC completed within the financial year and they had to be supported
		Number of Traditional Councils Supported with Grade 2 CSCs Functionality	30	30	30	0	

SUB-PROGRAMME	STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT FOR 2018/2019	PLANNED TARGET FOR 2019/2020	ACTUAL ACHIEVEMENT FOR 2019/2020	DEVIATION FROM PLANNED TARGET	COMMENTS ON DEVIATIONS
Community Works Programme	3.2. Improved government led job creation programmes	Number of work opportunities created through the CWP in municipalities	45 252	42 600	44 913	+2 313	The implementation of phased projects and new projects resulted in the creation of new employment opportunities
Expanded Public Works Programme	3.2. Improved government led job creation programmes	Number of employment opportunities created through EPWP inclusive of sub-programmes (Corridor, Small town, CSC Construction etc.)	1 757	1 500	1 837	+337	The commencement of new Implementing Agent contracts resulted in the recruitment of new beneficiaries.
		Number of municipalities supported to comply with EPWP principles	54	54	54	0	
Municipal Infrastructure	4.1. Improved co-ordination of service delivery	Number of functional coordinating structures for infrastructure development and service delivery	11	11	11	0	
		Number of municipalities monitored on the implementation of infrastructure delivery programmes	53	53	53	0	
		Number of municipalities supported with the implementation of MIG	53	53	53	0	
		Number of municipalities supported with increasing yard water connections	13	13	13	0	
		Number of municipalities supported in provision of basic level of sanitation services	13	13	13	0	

SUB-PROGRAMME	STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT FOR 2018/2019	PLANNED TARGET FOR 2019/2020	ACTUAL ACHIEVEMENT FOR 2019/2020	DEVIATION FROM PLANNED TARGET	COMMENTS ON DEVIATIONS
		Number of Water Service Authorities assessed on capability to provide water and sanitation services	New	14	14	0	
		Number of Water Master Plans developed	New	1	0	-1	The development of a plan is still in progress. Amount of work required was actually underestimated. It is planned to be completed in June 2020.
		Number of municipalities supported with increasing households with a source of electrical supply	3	3	7	+4	Support was provided to old projects in addition to the 4 new projects which were targeted for support in the current financial year.
		Number of municipalities supported to implement operation and maintenance plans	53	53	53	0	
	1.1. Improved functionality of Inter-Governmental Relations	Percentage of Municipal Infrastructure COGTA B2B issues resolved	100%	100%	100%	0%	
Disaster Management	6.1. Increased adaptation to Climate Change impacts.	Percentage of disaster incidents where prior warning was disseminated	100%	100%	100%	0%	
		Percentage of disaster events responded to within 6 hours	99.6%	100%	100%	0%	
		Number of Integrated Communication System projects installed	0	1	0	-1	Communication system project was not finalized pending the appointment of a service provider which has been a challenge with no relevant responses for the project

SUB-PROGRAMME	STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT FOR 2018/2019	PLANNED TARGET FOR 2019/2020	ACTUAL ACHIEVEMENT FOR 2019/2020	DEVIATION FROM PLANNED TARGET	COMMENTS ON DEVIATIONS
Disaster Management	6.2. Improved Disaster Management	Number of Disaster Management Advisory Forums supported	12	12	12	0	
		Number of municipalities supported on Fire Brigade Services	10 Districts and 1 Metro	10 Districts and 1 Metro	10 Districts and 1 Metro	0	
		Number of Districts and Metro monitored on the implementation of Disaster Risk Management Legislation	10 districts plus 1 metro (11)	10 districts plus 1 metro (11)	10 districts plus 1 metro (11)	0	
		Number of Stakeholders monitored on the implementation of Disaster Risk Management Legislation	7 Sector Departments and 3 Stakeholders	17	17	0	
		Number of municipalities supported to maintain functional Disaster Management Centres	10 districts plus 1 metro	10 districts plus 1 metro	10 districts plus 1 metro	0	



STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

No	Areas of underperformance	Strategy to overcome underperformance
1.	Development of Water Master Plan not finalized: The amount of work was underestimated when the project was planned	Reviewed the implementation plan and provided realistic timeframe for completion of the plan
2	Integrated Communication System not yet installed: No relevant responses for the project when the procurement processes were undertaken several time	To continue with the procurement process in the new financial year

CHANGES TO PLANNED TARGETS

No changes made to the planned targets

LINKING PERFORMANCE WITH BUDGETS

Sub-programme expenditure

	2019/2020			2018/2019		
Sub-Programme Name	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
Spatial Planning	44 675	44 728	(53)	43 681	46 387	(2 706)
Land Use Management	30 165	30 252	(87)	23 299	21 566	1 733
Local Economic Development	179 546	179 204	342	154 367	131 658	22 709
Municipal Infrastructure	321 441	297 264	24 177	193 617	159 448	34 169
Disaster Management	48 229	48 126	103	65 218	48 892	16 326
IDP Co-ordination	0	0	0	14 449	13 881	568
Total	624 056	599 574	24 482	494 631	421 832	72 799

4.4 PROGRAMME 4: TRADITIONAL INSTITUTIONAL MANAGEMENT

Purpose of the Programme

This programme aims to support and enhance the capacity of the Traditional Councils the Institutions of Traditional Leadership in KZN Province. It provides support on the establishment and functionality of the Institution of Traditional Leadership in KZN province for good governance. Good governance is critical for the Institutions of Traditional Leadership to provide effective support to the communities. This programme is responsible to enhance governance and capacity of the traditional institutions in the province. This programme consists of the following sub-programmes and their specific achievements:

Traditional Institutional Administration

Institutions of Traditional Leadership has the responsibility to uphold the principles of good governance. The Department capacitated all eleven Local Houses and a Provincial House in line with the Provincial Capacity Building Strategy to improve their administrative governance. About ten Amabambabukhosi were recognised by the Executive Council during the 2019/20 financial year and three Amakhosi recognitions were concluded with three months of being vacant. The Department further monitored five initiation schools on their compliance with the National Initiation Schools guidelines in their operations. It is the responsibility of the Department to support the Traditional Institutions with the development of policies and guidelines. As a result, the Department developed the following six policies and guidelines: Guideline on the appointment and removal of Izinduna, Policy on Disputes and Funerals for Amakhosi, Policy on Recognition of Amakhosi, Policy on cultural Functions and Policy on the Role of Amakhosi in Disaster Management.

Cultural and customary way of life is embedded in the traditional community; hence, about 33 cultural platforms were supported throughout the Province. This support is either financial or non-financial and includes the profiling of Izizwe (Traditional Communities), studying the customs of izizwe and updating family trees, supporting heritage celebrations. The Department also embarked on a thorough process of updating the family trees of the newly recognised Amakhosi. The Department processed a total of 71 succession claims and land boundary disputes as well as 122 litigation matters relating to traditional leadership towards ensuring that disputes do not destabilise the livelihood of traditional communities.

Traditional Resource Administration

It is important that Houses of Traditional Leaders are able to carry out the functions assigned to them in terms of the Act. The participation of Traditional Authorities in the IDP process is critical towards sustainable development; hence, the Department supported all eleven Local Houses in this process. The Department further facilitated about 48 engagements session for the Institutions of Traditional Leadership, which included all twelve houses in the Province. The Department further supported all eleven Local Houses towards implementing remedial actions and recommendations based on noted functionality challenges towards ensuring that Institutions of Traditional Leadership are able to perform their functions. The Department supported all 257 traditional councils on their functionality. Support provided included assessment of physical conditions of Traditional Administrative Centres on a quarterly basis, monitoring of support provided to by Sector Departments to Amakhosi, support in maintaining identified partnerships between traditional councils and sector department and the monthly review of cashbooks. Further provided support on the implementation of policies that support families of deceased Amakhosi and on the development of performance management systems for the Institutions of Traditional Leadership.



ACHIEVEMENTS OF PROGRAMME 4

SUB-PROGRAMME	STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT FOR 2018/2019	PLANNED TARGET FOR 2019/2020	ACTUAL ACHIEVEMENT FOR 2019/2020	DEVIATION FROM PLANNED TARGET	COMMENTS ON DEVIATIONS
Traditional Institutional Administration: Traditional Governance	2.1. Improved capacity of political and administrative governance	Number of programmes undertaken to support the finalisation of the Bill on Traditional Leadership	0	1	0	-1	Delays were experienced in the appointment of a service provider which would assist in the drafting of the Bill
		Percentage of Ibamba recognitions concluded within 3 months of becoming vacant	New	100%	100%	100%	
		Percentage of Amakhosi recognitions concluded within 18 months of becoming vacant	New	100%	100%	100%	
		Number of initiation schools complying with the National Initiation schools guidelines	New	3	5	+2	There were 5 registered Initiation schools in the Province, in which the compliance tool was used in all the registered initiation schools
		Number of Traditional Affairs Policies/Guidelines developed	New	6	6	0	
		Percentage of approved cultural platforms supported	69%	100%	100%	0%	
		Percentage of newly recognised Amakhosi with updated family trees	New	100%	100%	0%	
Traditional Institutional Administration: Dispute Resolution	2.1. Improved capacity of political and administrative governance	Percentage of succession claims/disputes processed	100%	100%	100%	0%	
		Percentage of Litigation matters monitored	100%	100%	100%	0%	

SUB-PROGRAMME	STRATEGIC OBJECTIVE	PERFORMANCE INDICATOR	ACTUAL ACHIEVEMENT FOR 2018/2019	PLANNED TARGET FOR 2019/2020	ACTUAL ACHIEVEMENT FOR 2019/2020	DEVIATION FROM PLANNED TARGET	COMMENTS ON DEVIATIONS
Traditional Resource Administration	2.1. Improved capacity of political and administrative governance	Number of awareness campaigns conducted in traditional communities to sensitize vulnerable groups on their Rights	New	2	2	0	
		Number of Traditional Authorities supported to participate in the IDP processes	New	11	11	0	
		Number of Engagement sessions facilitated for the Institution of Traditional Leadership	47	48	48	0	
		Number of Provincial Houses of Traditional Leaders supported with functionality	1	1	1	0	
		Number of Local Houses of Traditional Leaders supported with functionality	11	11	11	0	
		Number of Traditional Councils supported to perform their duties	177	257	257	0	
		Number of performance management systems developed for the Institution of Traditional Leadership	1	1	1	0	
		Number of Policies implemented on support to families of deceased Amakhosi	1	1	1	0	

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

No	Areas of underperformance	Strategy to overcome underperformance
1.	<p>Bill on Traditional Leadership was not finalized:</p> <p>Delays were experienced in the appointment of a service provider which would assist in the drafting of the Bill and is also depended on external stakeholders</p>	Review the indicator to reflect the targets within the control of the Department

CHANGES TO PLANNED TARGETS

No changes were made to the planned targets

LINKING PERFORMANCE WITH BUDGETS

Sub-programme expenditure

Sub-Programme Name	2019/2020			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Traditional Institutional Administration	552 844	552 844	NIL	443 760	430 665	13 095
Traditional Resource Administration	76 138	75 974	164	72 123	66 837	5 286
Rural Development Facilitation	NIL	NIL	NIL	17 987	15 775	2 207
Traditional Land Administration	NIL	NIL	NIL	17 883	16 594	1 289
Total	628 982	628 818	164	551 753	529 871	21 882

5. TRANSFER PAYMENTS

The Department implement strict monitoring systems on all the transfers to the Public Entities and the Municipalities guided by the Transfer Manual. The Public Entities and Municipalities are required to sign agreements, provide approved business and implementation plans before the transfer is made. The agreements include breach clauses and remedy measures. Once the transfer is made, the Public Entities and Municipalities are expected to submit expenditure and progress reports to monitor implementation and expenditure on each transfer as part of the agreement. If some of the conditions of the agreement are not met and not resolved with the stipulated timeframe, the Department notifies the relevant Public Entities in writing and sometimes lead to the cancellation of the agreement and recovery of such transfer with incurred interest.

5.1 TRANSFERS MADE TO PUBLIC ENTITIES

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
Municipal Infrastructure Support Agent	Service delivery intervention at Emondlo	R 20 000 000	R 2 278 043	Project initiated.
Independent Electoral Commission	Traditional Council elections	R 47 000 000	0	Project stalled due to National Lockdown.
Mhlathuze Water	Water Intervention programme at Umkhanyakude District Municipality	R 29 000 000	0	Project initiated.
Umkhanyakude Development Agency	Raset programme in Umkhanyakude district	R 3 000 000	0	Project initiated.



5.2 TRANSFER PAYMENTS TO ALL ORGANISATIONS OTHER THAN PUBLIC ENTITIES

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Okhahlamba	Local municipality	Rollout of a Building Plans Information Management System-Okhahlamba	Yes	500	0	SCM process initiated
Ubuhlebezwe	Local municipality	Rollout of a Building Plans Information Management System – Ubuhlebezwe	Yes	500	0	SCM process initiated
uMgungundlovu	District Municipality	Geospatial database development	Yes	1 500	0	SCM process initiated
Amajuba	District Municipality	Provision of satellite imagery information for the GIS unit	Yes	1 600	0	SCM process initiated
Greater Kokstad	Local municipality	Roll out a pilot Building Plans Information Management System at Greater Kokstad Municipality	Yes	500	0	SCM process initiated
Ilembe	District Municipality	Provision of satellite imagery information for the GIS unit	Yes	1 000	0	SCM process initiated
Dr Nkosazana Dlamini Zuma	Local municipality	Development and implementation of a Building Plan Information Management System at Dr Nkosazana Dlamini Zuma Municipality	Yes	500	0	SCM process initiated
Alfred Duma	Local municipality	Development and implementation of a Building Plan Information Management System at Alfred Duma Municipality	Yes	500	0	SCM process initiated
Ilembe	District Municipality	Support to Development Planning Shared Service	Yes	550	0	Project implementation in progress

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Uthukela	District Municipality	Support to Development Planning Shared Service	Yes	550	38	Project implementation in progress
uMgungundlovu	District Municipality	Support to Development Planning Shared Service	Yes	550	0	Project implementation in progress
King Cetshwayo	District Municipality	Support to Development Planning Shared Service	Yes	550	0	Project implementation in progress
uMzinyathi	District Municipality	Support to Development Planning Shared Service	Yes	500	0	Project implementation in progress
Amajuba	District Municipality	Support to Development Planning Shared Service	Yes	550	0	Project implementation in progress
Zululand	District Municipality	Support to Development Planning Shared Service	Yes	550	0	Project implementation in progress
Ugu	District Municipality	Support to Development Planning Shared Service	Yes	550	0	Project implementation in progress
Mandeni	Local municipality	Schemes Support: To regulate land use and promote orderly development in accordance with the municipality's integrated development plan	Yes	750	0	Project initiated
Umdoni	Local municipality	Schemes Support: To regulate land use and promote orderly development in accordance with the municipality's integrated development plan	Yes	750	0	Project initiated
Richmond	Local municipality	Schemes Support: To regulate land use and promote orderly development in accordance with the municipality's integrated development plan	Yes	500	0	SCM process initiated

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Msinga	Local municipality	Schemes Support: To regulate land use and promote orderly development in accordance with the municipality's integrated development plan	Yes	750	0	SCM process initiated
Umvoti	Local municipality	Schemes Support: To regulate land use and promote orderly development in accordance with the municipality's integrated development plan	Yes	800	0	SCM process initiated
Impendle	Local municipality	Schemes Support: To regulate land use and promote orderly development in accordance with the municipality's integrated development plan	Yes	1 000	0	SCM process initiated
Nkandla	Local municipality	Schemes Support: To regulate land use and promote orderly development in accordance with the municipality's integrated development plan	Yes	500	0	SCM process initiated
Umgungundlovu	District Municipality	Preparation of a single land use scheme for the entire area of the Mpofana municipality	Yes	1 000	0	Funding transferred in March 2020
uMzinyathi	District Municipality	To create a credible legally compliant Capital Investment Framework that is rooted in the municipality's Spatial Development Framework	Yes	800	0	Finalising Spatial Development Framework Terms of Reference

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Zululand	District Municipality	To create a credible legally compliant Capital Investment Framework that is rooted in the municipality's Spatial Development Framework	Yes	1 000	0	SCM process initiated
Ilembe	District Municipality	To create a credible legally compliant Capital Investment Framework that is rooted in the municipality's Spatial Development Framework	Yes	650	0	SCM process initiated
Umgungundlovu	District Municipality	To create a credible legally compliant Capital Investment Framework that is rooted in the municipality's Spatial Development Framework	Yes	1 000	0	SCM process initiated
King Cetshwayo	District Municipality	To create a credible legally compliant Capital Investment Framework that is rooted in the municipality's Spatial Development Framework	Yes	1 000	0	SCM process initiated
Msinga	Local municipality	Provision of electricity connections to 45 households in Mzweni	Yes	1 575	1 195	Project implementation in progress
Umzumbe	Local municipality	Electrification in Siphofu: Ward 12	Yes	10 000	1 511	Project implementation in progress
Newcastle	Local municipality	Refurbishment of toilets and repairs and upgrades of reticulation infrastructure in Newcastle Municipality	Yes	20 000	8 603	Project implementation in progress
Ugu	District Municipality	Umzimkhulu River temporary salt containment berm	Yes	2 700	0	SCM process initiated

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Amajuba	District Municipality	Refurbishment of existing handpumps boreholes in reticulation infrastructure at Dannhauser and Emadlangeni Municipalities	Yes	1 100	0	Establishing Project Steering Committee
Umzinyathi	District Municipality	Drilling and equipping five (5) new boreholes in Ward 5.	Yes	2 800	0	Funding transferred in February 2020
Uthukela	District Municipality	Moyeni/Zwelisha water supply scheme emergency upgrade	Yes	7 000	0	Funding transferred in February 2020
Ugu	District Municipality	Upgrade of Umtanvuna raw water pumpstation electricity supply	Yes	14 000	0	Funding transferred in March 2020
Ugu	District Municipality	Accelerated Water Intervention Malangen water supply	Yes	1 385	0	Funding transferred in March 2020
Uthukela	District Municipality	Accelerated Water Intervention, Bergville water supply upgrade	Yes	8 000	0	Funding transferred in March 2020
Zululand	District Municipality	Accelerated Water Intervention Programme: Osuthu, Linduzulu and Enyokeni Palaces Water Supply	Yes	1 900	0	Funding transferred in March 2020
Harry Gwala	District Municipality	Accelerated Water Intervention Kokstad and Underberg	Yes	15 000	0	Funding transferred in March 2020
Amajuba	District Municipality	Accelerated Water Intervention, Water refurbishment and upgrade in Dannhauser and Emadlangeni (Springbok Laagte water bulk river crossing)	Yes	1 210	0	Funding transferred in March 2020
Maphumulo	Local municipality	Construction of the Mvozane Community Service Centre	Yes	7 000	0	Project in progress. Second Tranche.
Okhahlamba	Local municipality	Construction of Bergville CSC	Yes	10 000	0	SCM process initiated
Ilembe	District Municipality	Completion of the Youth Enterprise Park project in Mandeni	Yes	5 000	0	SCM process initiated

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
KwaDukuza	Local municipality	Implementation of KwaDukuza Peoples Park project	Yes	5 000	0	Project implementation in progress. Second Tranche.
Alfred Duma	Local municipality	Re-establishment of the Municipal Pound	Yes	3 000	0	Service provider appointed. Project at design stage.
Richmond	Local municipality	Construction of Magoda Road	Yes	10 000	480	SCM process initiated
Mtubatuba	Local municipality	Construction of SMME Facility in Mtubatuba CBD and Construction of Tourism Information Centre	Yes	12 000	1 368	Service provider appointed and project initiated.
Greater Kokstad	Local municipality	Construction of Cultural village	Yes	5 000	0	Project implementation in progress. Second Tranche.
Greater Kokstad	Local municipality	Upgrading of Shayamoya Internal Roads	Yes	10 000	0	SCM process initiated
eDumbe	Local municipality	Rehabilitation of roads, Construction of an ablution facility, Rehabilitation of skills centre and installation of solar street lights	Yes	19 500	0	Funding transferred in March 2020
Mtubatuba	Local municipality	Construction of SMME Facility in Mtubatuba CBD and Construction of Tourism Information Facility	Yes	2 000	0	Funding transferred in March 2020
Ilembe		Procurement of an equipped 4x4 Response and Rescue vehicle	Yes	2 000	0	SCM process initiated
Alfred Duma	Local municipality	Construction of a satellite fire Station for Indaka and surrounding areas	Yes	12 000	0	SCM process initiated
Uthukela	District Municipality	Procurement of an equipped 4x4 Response and Rescue vehicle	Yes	2 000	0	SCM process initiated
Ubuhlebezwe	Local municipality	Construction of the Ubuhlebezwe Municipal Emergency Management Centre	Yes	6 000	6 000	Project completed. Funding fully spent.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>

6. CONDITIONAL GRANTS

6.1 CONDITIONAL GRANTS AND EARMARKED FUNDS PAID

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

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

6.2 CONDITIONAL GRANTS AND EARMARKED FUNDS RECEIVED

The table/s below details the conditional grants and ear marked funds received during for the period 1 April 2019 to 31 March 2020.

Conditional Grant: EPWP-Food for Waste Programme

Department who transferred the grant	KZNCOGTA
Purpose of the grant	EPWP-Food for Waste Programme
Expected outputs of the grant	Creating temporary work through waste management, food security and bead work production
Actual outputs achieved	602 participants, working 12 days a month, receiving a daily wage of R100
Amount per amended DORA	R3 778
Amount received (R'000)	R3 778
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	100%
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	Monthly financial report and quarterly non-financial reports to Department of Public Works
Measures taken to improve performance	KZNCOGTA
Monitoring mechanism by the receiving department	EPWP-Food for Waste Programme

7. DONOR FUNDS

7.1 Donor Funds Received

Name of donor	Nil
Full amount of the funding	
Period of the commitment	
Purpose of the funding	
Expected outputs	
Actual outputs achieved	
Amount received in current period (R'000)	
Amount spent by the department (R'000)	
Reasons for the funds unspent	
Monitoring mechanism by the donor	

8. CAPITAL INVESTMENT

8.1 Capital investment, maintenance and asset management plan

Infrastructure projects	2019/2020			2018/2019		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
New and replacement assets	9 292	11 167	(1 875)	10 866	5 400	5 466
Existing infrastructure assets	0.00	0.00	0.00	14 411	2 110	13 340
- Upgrades and additions	0.00	0.00	0.00	0.00	0.00	0.00
- Rehabilitation, renovations and refurbishments	2 551	288	2 263	11 448	1 379	10 069
- Maintenance and repairs	0.00	0.00	0.00	2 963	731	2 232
Infrastructure transfer	0.00	0.00	0.00	0.00	0.00	0.00
- Current	21 450	21 450	0.00	0.00	0.00	0.00
- Capital	249 170	249 170	0.00	25 277	7510	31 107
Total	283 164	282 076	388			

PART C

GOVERNANCE



1. INTRODUCTION

The Department is committed to maintain the highest standards of governance, which is fundamental to the management of public finances and resources. The Department has good governance structures in place to effectively, efficiently and economically utilize the state resources, which is funded by the tax payers.

2. RISK MANAGEMENT

The Accounting Officer has committed the Department of Cooperative 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 made certain 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 Policy and its accompanying Strategy. It 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. Through this the Department has in place an approved Risk Management policy, approved Risk Management Strategy which was revised in September 2019 and an approved Risk Management implementation plan. The unit has supported and advised management components in identifying and assessing risks while ensuring adherence to the approved Risk Appetite and Tolerance Framework of the Department; and also monitored and evaluated the implementation of risk mitigation plans across the Department.

The implementation of risk mitigation plans was monitored and discussed at the Internal Governance, Risk and Ethics Committee (GREC) meetings where the committee advised management on the overall system of risk management, especially the mitigation of unacceptable levels of risk. At the quarterly Cluster Audit and Risk Committee (CARC) meetings the committee advised the department on risk management and independently monitored the effectiveness of the system of risk management.

The Department focused on the following key areas in the 2019-2020 financial year:

- The Departmental GREC, chaired by the Accounting Officer of the Department was tasked, inter alia, to ensure the implementation of Enterprise Risk Management through its Terms of Reference.
- Project risk assessments were conducted before the implementation of projects.
- Risk assessment workshops were conducted to review the register of the Department and to identify and assess any emerging risks.
- Interventions to manage fundamental risks were put in place by management to enhance the internal control environment.
- The annual statistics for 19/20 financial year show that out of fifty-two (52) action plans that were agreed upon, forty-nine (49) have been implemented. This amounts to ninety-seven percent (94 %) of action plans implemented. The 6% that was not implemented was the full implementation of the Point of Sale at the remaining TCs, Procurement and installation of the Integrated Disaster Management Information and Communication System and the TC elections.
- The risk register of the Department was also reviewed quarterly to ensure an improvement in the Department's Risk Management systems and maturity.
- The Department has seen progress in the management of risks and this has transmitted into improvements in the department's performance.

3. FRAUD AND CORRUPTION

The Department has an Anti-Fraud and Corruption Management Policy and its accompanying Strategy that includes a Fraud Prevention Plan. Through these strategies, the Department aims to pronounce and adhere to its stance of "Zero tolerance to Fraud and Corruption". In light of this stance the Department has developed prevention, detection, response and deterrence mechanisms and attends to all fraud and corruption by applying these four pillars.

Focus Areas		Initial rating	2019/20 Progress Report			
			Action Plan	Revised Rating	Status	Progress Report
Governance	Code of Conduct	3	The department should customize and approve the public sectors' code of conduct, and reference it correctly in the department's fraud prevention plan	5	Completed	In terms of the Public Service Act (PSA), the KZN provincial government is a legal entity, for all Labour issues the Department receives regulations from the provincial structures that has been approved by the provincial bargaining chamber and COHOD. The Department therefore cannot customize the Code of Conduct and such has been verbally communicated to CARC.
		3	The department should ensure that all employees sign annual declarations as confirmation of receipt and knowledge of the code of conduct.	5	Completed	The Code of Conduct together with the declaration form has been sent to all Departmental officials to read and sign. A copy of the CoC is also provided to all new recruits who also sign a declaration for it. HRM&D is now conducting District presentations on the CoC and officials sign attendance registers.
	Fraud prevention Plan	4	The department's fraud policy should be reduced to 2 pages.	5	Completed	The Department has benchmarked against other Policies and found that the current policy complies with the minimum requirements and will hence not be reducing it two pages.
		3	The fraud prevention and implementation plans should be reviewed as detailed in the FPP assessment report.	5	Completed	The Fraud Prevention plan of the Department now incorporates the action plans as per the report. The action plans have also been included on the Annual business plan to ensure implementation. The plan is being updated on a quarterly basis.
	Roles & responsibilities	4	Ethics Champion should be formally appointed, and the terms of reference of the existing Internal Risk Committee should be strengthened with detailed ethics-related functions.	5	Completed	The Risk Management Committee Terms of Reference have been updated to include Ethics management responsibilities. The Ethics champion and officer have been appointed.
Prevention	Fraud Awareness	3	The PAIS should assist the department in conducting independent surveys to measure the effect of the fraud awareness training.	5	Completed	Fraud surveys were conducted in the 16/17 financial year. Currently the department is conducting the Fraud and Ethics awareness workshops and the surveys are being conducted.

Focus Areas		Initial rating	2019/20 Progress Report			
			Action Plan	Revised Rating	Status	Progress Report
	Conflict of Interest	3	The department should amend its policies to regulate conflict of interest declaration during supplier and employee recruitment processes.	5	Completed	In terms our SCM processes all suppliers declare interest on the SBD4 form. All interview panel members sign a declaration of interest form. All employees declare their financial interests annually.
	Gift and Awards	3	The department should enforce the policy, including institution of disciplinary actions against non-compliance.	5	Completed and monitored	The policy was work shopped extensively. Gifts registers are submitted on monthly bases. Disciplinary action will be instituted for non-compliance.
	Pre-employment Screening	3	The department should take stock of all outstanding pre-employment screenings, and finalize them as a matter of urgency.	5	Completed	The Department has embarked on an exercise of vetting all previous employees who had not gone through the vetting process. The process has been completed with all officials having been vetted and screened.
	Fraud Risk Assessments	3	PIAS should assist the department with fraud risk assessments.	5	Completed	The Fraud Risk Register is in place and is being reviewed on a regular basis as part of ongoing risk assessments.
Detection	Avenues for reporting fraud and recording	3	The department should develop fraud incident report that will enable it to collect information related to perpetrated fraud.	5	Completed	The Fraud Incident report has been developed by the Department and is being updated on a regular basis.
			Whistleblowing policy should be duly approved and signed as a stand-alone document. The policy should be widely distributed and work shopped to employees.	5	Completed	The policy has been approved by the Accounting officer as a stand-alone document. The policy has been communicated to all officials through distribution on the Departmental notices email and workshopped to Departmental officials.
			The department should maintain a centralized fraud incident register to record all allegations of fraud emanating internally	5	Completed	The Fraud Incident report has been developed by the Department and is being updated on a regular basis

Focus Areas		Initial rating	2019/20 Progress Report			
			Action Plan	Revised Rating	Status	Progress Report
			and externally.			
Monitoring of fraud red flags		1	The department should identify and adopt appropriate set of red flags as part of its fraud risk assessment/surveys so that these can be monitored and acted upon on a regular basis.	5	Completed	A Red flags register has been developed and is being updated on a quarterly basis.
Internal Audit		3	Internal audit planning should be improved to pro-actively identify and include fraud risks in departmental internal audit plans.	5	Completed	Completed in the 18/19 financial year.
Responding to reported allegations		3	The department should supplement its fraud response with a decision matrix that will guide decisions to be taken along each crucial stage of dealing with reported allegations of fraud.	5	Completed	The Fraud response procedure is included on the Investigations methodology which has been approved.
Investigations		0	The department should develop a forensic investigation methodology.	5	Completed	The Investigations Methodology has been approved.
Root Cause Analysis		2	In each instance where fraud is detected, the department should reassess the adequacy and effectiveness of the internal control environment, and actively implement improvements.	5	Completed and monitored	This exercise is being conducted by the Department after each incident. This is also part of the Department's Fraud incident report which has been developed and is updated on a regular basis.
Review of fraud prevention policies.		3	Fraud prevention plan policy documents should be reviewed on a regular basis, while the fraud implementation plan should be reviewed	5	Completed and monitored	The Department reviews these documents on an annual basis or as a need arise. Recommendations of the Fraud Prevention Plan review are taken into account. The last approval of the policy was in 03 June 2019.

Focus Areas		Initial rating	2019/20 Progress Report			
			Action Plan	Revised Rating	Status	Progress Report
			on a quarterly basis.			
Monitoring, evaluation & reporting	Review of fraud risk register	1	The department should review and update its fraud risks on a quarterly basis.	5	Completed and monitored	The Department conducts Risk Register reviews on a quarterly basis and Fraud risks are part of these reviews.
	Annual reporting	3	The department should comply fully with the reporting requirements of section 40(3) of the PFMA, and National Treasury Annual Report guidelines.	5	Completed	The Department reported properly in the previous Annual report where full details of all Investigations were reported on. This also included the response plan by the Department which is aligned to the fraud which had transpired.
	56%			100%	Optimized	The department has implemented all of the recommendations.

The Department strives to identify and prevent fraud and/ or corruption before it actually occurs and apply mitigating controls through conducting Fraud Risk Assessments. In addition, all allegations of Fraud are 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. The Department had two criminal cases in the financial year and one is still outstanding.



Below were Fraud related cases within the Department during the 2019/2020 financial year:

NO.	ALLEGATION	AMOUNT (R)	UPDATE
1.	Suspected fraud involving the payment of Izinduna salaries	R 435,000.00	<p>a) The Directorate for Priority Crime Investigation (HAWKS) confirm that every available lead has been exhausted which included the obtaining and executing Section 205 subpoenas on all fraudulent bank accounts. No positive leads could be established with the exception of 1 fraudulent account (please refer to paragraph b hereunder). As a result, the HAWKS have formally closed the criminal investigation as "UNDETECTED" (Criminal Case reference: Pietermaritzburg CAS 668/4/2018).</p> <p>b) The Directorate for Priority Crime Investigation (DPCI) established through a Section 205 subpoena that one of the fraudulently opened bank accounts had not been accessed since the Deposit by the Department of R 93 273.61 into the fraudulently opened account. A recovery process was initiated by the DPCI through the Asset Forfeiture Unit and is in process.</p>
2.	Transfer payments: Funds that were meant to be paid to a Municipality were fraudulently diverted to another private account	R7 500 00	<p>The fraudulent transaction of R 7.5 million from the Department involved three (3) persons. An external person (a director of a private company through which the State funds were illegally transferred) and two Department employees who colluded with each other and the external person to bypass the Departments Internal Control and Bio-Metric security payment systems.</p> <p>The Criminal and Internal charges against the employees involved in the fraudulent transaction have been finalised. The external person was arrested by the Directorate for Priority Crime and was sentenced in the Durban Commercial Crimes Court on 26 February 2019 to twelve (12) years imprisonment. Both former employees were sentenced by the Durban Commercial Crimes Court to the minimum prescribed sentence of fifteen (15) years each on 5 December 2019.</p> <p>A recovery process was initiated by the Directorate for Priority Crime.</p> <p>The Criminal Investigation, Criminal Trial and Departmental Processes have been finalised (Criminal Case reference: Pietermaritzburg CAS 678/11/2015).</p>

4. MINIMISING CONFLICT OF INTEREST

The Department is implementing the following measures to minimise conflict of interest and these are:

1. Annual financial disclosures by all officials particularly SCM staff;
2. Conduct of annual audit by internal audit on SCM unit;
3. Signing of Code of Conduct by staff particularly SCM staff;
4. Declarations of conflict of interests that are mandatory signed bid committee members;
5. Verification of declaration of interest signed by service providers when submitting bids; and
6. Conduct verification by using a prescribed checklist that test compliance of entities participating either on quotations and open tender bid.

5. CODE OF CONDUCT

All newly appointed employees undergo induction programme where they are workshopped on the code of conduct, ethics management and departmental policies. In the event where employees transgress any policy, the departmental disciplinary steps are taken against those employees.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Occupational Health and Safety (OHS), aims to protect employees from health and safety hazards in the workplace, which is governed by the OHS Act 85 of 1993. The employer is obliged to provide a workplace that is healthy and free from hazards, OHS Act 85 (section 1 (b)). The primary responsibility for ensuring a safe and healthy work environment that is without risk to employees and others lies with the Accounting Officer. The Department considers its employees as the most valuable assets and undertakes to safeguard them through providing and maintaining, as far as reasonably practical, a working environment that is safe and without risk to health of its employees.

In order to comply with the OHS Act mentioned above, the following can be noted:

- The Department has trained and appointed the following personnel: First Aiders (44), Fire Fighters (42) and Safety Representatives (41), for all Cogta buildings.
- Workplace inspections are carried out on a quarterly basis for all Cogta buildings to help identify existing hazards so that appropriate action can be taken. Safety Representatives also conduct monthly inspections in their respective buildings. Reporting is done at EXCO level every quarter.
- Emergency procedures are in place to minimise injuries during emergency evacuations. Periodic (twice a year) drills are performed to ensure that an evacuation can be done when necessary. Evidence is in a form of attendance registers.
- Health and Safety Representatives Committee meetings are held quarterly where reports for various buildings are interrogated to ensure implementation and monitoring of the OHS programme.
- Departmental OHS Risk register which comprises of control measures, is available and used to monitor and mitigate health and safety risks.

The effectiveness of the OHS programme in the Department was audited by PWC and KPMG which are independent auditors through Internal Audit from Treasury. Matters raised in the draft reports are being attended to as a continuous process and within the provided target dates. Amongst other critical issues that were raised by the auditors, were possible emergency evacuation delays, illuminated exit signs, lighting, ventilation, air- conditioning and some damaged ceilings in passages.

7. PORTFOLIO COMMITTEES

DATE OF THE MEETING - RESOLUTION NO.	MATTERS RAISED / RESOLUTION TAKEN	DEPARTMENTAL RESPONSES
12 JULY 2019 - COGTA01/07/2019	Committee resolved: That progress reports on the implementation of the 500 apprenticeship programme be tabled to the Portfolio Committee on an ongoing basis.	The Committee was advised that the Department advertised the internship opportunities in various media platforms. The first batch of posts closed on 11 October 2019 while the second closed on October 2019. A total of 1450 applications had been received by 14 October 2019. The selection panels were being finalised and shortlisting were concluded on 16 November 2019.
		<p>Municipalities were requested to nominate Officials/Champions to coordinate the programme. The Coordinators were inducted on the 24 October, 2019 (Cogta, Mayville). Their role was to provide an on-going monitoring and assessment of the programme. In addition, they also formed part of Provincial Steering Committee.</p> <p>The IGR Unit assisted to conclude the process of getting expression of interest from Municipalities. Of the 53 Municipalities with the exclusion of Ethekweni Metro as they have similar programme, 36 Municipalities responded, they were as follows, Alfred Duma, Amajuba, Big 5 Hlabisa, Dannhauser, Dr NDZ, eDumbe, Emadlangeni, Greater Kokstad, Harry Gwala, Richmond, Ilembe, KwaDukuza, Mandeni, Maphumulo, Mfolozi, Mpofana, Msinga, Mthonjaneni, Nkandla, Inkosi Langalibalele, Nongoma, Nquthu, Okhahlamba, Ubuhlebezwe, Ugu, Ulundi, Umdoni, Umhlabyalingana, Umhlathuze, Umkhanyakude, Umsunduzi, Umuziwabantu, Umvoti, Umzinyathi, Uphongolo and Zululand. Numerous attempts were made in vain to get responses from balance of Municipalities to submit. The next intervention will be at political level. The non-submission could impact the recruitment process.</p> <p>A high level internship committee which provided a month to month oversight to the programme was formed. The Programme was officially launched on 26 November 2019. Placement of interns took place on 1 December 2019.</p>
12 JULY 2019 - COGTA02/07/2019	Committee resolved: that a report on the 2017/18 Municipal Audit Outcomes be presented to the Committee	Report in terms of section 131 of the Municipal Finance Management Act was submitted to Legislature on 31 May 2019.
12 JULY 2019 - COGTA03/07/2019	Committee resolved: That a list of current water projects in the Province be presented at the next meeting of the Committee.	The list of current projects in the province were presented to the Committee in the meeting held on 25 October 2019.

DATE OF THE MEETING - RESOLUTION NO.	MATTERS RAISED / RESOLUTION TAKEN	DEPARTMENTAL RESPONSES
12 JULY 2019 - COGTA04/07/2019	Committee resolved: that the department should table a report on the ongoing forensic investigation, both departmental and Municipal investigations.	<p>1. MUNICIPAL INVESTIGATIONS</p> <p>The Department reported that investigations in terms of Section 106 of the systems were underway at the following 6 municipalities and 2 Agencies:</p> <ul style="list-style-type: none"> • Edumbe Municipality, • Umzumbe Municipality, • Msunduzi Municipality, • Zululand District Municipality, • Ugu District Municipality, • Mandeni Municipality, • Uthukela Water Board & Harry Gwala Development Agency. <p>Investigation reports were being finalised and under review at eDumbe Municipality, Umzinyathi Municipality, Hlabisa Municipality and Msunduzi Municipality.</p> <p>2. DEPARTMENTAL INVESTIGATION</p> <p>The Department further reported there were two (2) Departmental investigations that were in progress, both were conducted by Provincial Treasury's Forensic Unit. The details are as follows;</p> <ul style="list-style-type: none"> • Investigation relating to allegations of fraud within implementing agents. • Allegations relating to maladministration, fraud and corruption against senior officials.
12 JULY 2019 - N/A	Mtubatuba ward 6, there is no water. What is the reason for this?	<p>The Department reported that there was no water at ward 6 primarily due to a lack of operations and maintenance capacity on the part of Umkhanyakude. There was a problem with a faulty transformer and broken filters. The situation was exacerbated by very low Umfolozi River levels. The low flow of Mfolozi river was due to insufficient levels at the command reservoirs at Bhoboza to sufficiently pump water for the submersible pumps at Bhoboza to Nkodibe elevated tanks. This affects the entire Mtubatuba area including St Lucia community. The Umkhanyakude implemented a project through their Water Service linfastructure Grant programme which will focus on</p>

DATE OF THE MEETING - RESOLUTION NO.	MATTERS RAISED / RESOLUTION TAKEN	DEPARTMENTAL RESPONSES
		NKODIBE and NKOMBOSE areas in Ward 6.
12 JULY 2019 - N/A	What is representation of women in senior management?	The Department reported that there were fifty-five (55) filled SMS posts in the department. Women SMS members occupy thirty-one (31) of the total filled SMS posts and 24 SMS post are filled by males.
12 JULY 2019 - N/A	Report on the functionality of all disaster centers	<p>The KwaZulu-Natal Provincial Disaster Management Centre is Operational. This has also been confirmed by the July 2019 assessment report tabled by the National Disaster Management Centre at the Cogta National Portfolio Committee where the Centre scored 10/10. Indeed, the Centre is compliant with most of the critical operational indicators. However, the inadequacy of staff members and the lack of Information Management and Communication System is a cause for concern.</p> <p>Municipal Disaster Management Centres</p> <p>Status of the Districts/Metro Disaster Management Centres</p> <p>The status of all 10 district municipalities is at a moderate level (a score between 50% - 74%). It is only the eThekweni Metro that achieved a green status (a score between 75% - 100) in terms of compliance requirements as legislated. It is important to note that compliance with key indicators may not necessarily or automatically translate to perfect functionality, for example the eThekweni Metro significantly meets key requirements of the disaster management centre but has challenges on issues such as adequate staff and coordination of internal and external stakeholders to deal with disasters before, during and after they happen. This may have a negative impact on effective functionality.</p> <p>Status of the Local Disaster Management Centres</p> <p>The assessment indicates that 28 (65%) of municipalities have serious challenges as their scores are below 50%. Whereas, the status of 15 (35%) of Municipalities is considered to be moderate.</p> <p>Organs of States</p> <p>The report also focused on 21 Organs of State within the</p>

DATE OF THE MEETING - RESOLUTION NO.	MATTERS RAISED / RESOLUTION TAKEN	DEPARTMENTAL RESPONSES
		Province of KwaZulu-Natal. The analysis found that disaster management is not functional in 48% (10) of the Organs of State and these organs do not comply with Disaster Management Legislation. Only 24% (5) of the organs of State have functional disaster management and 29% (6) are partially compliant with the disaster management legislation.
12 JULY 2019 - N/A	Can Cogta provide a policy that covers Izinduna and Amakhosi?	<p>It was reported that the Senior Traditional Leaders (amaKhosi) and headmen/headwomen (Izinduna) are Public Office Bearers. They are appointed in terms KwaZulu Natal Traditional Leadership and Governance Act No. 5 of 2005.</p> <p>The National Department of Traditional Affairs is currently workig on the formulation of job descriptions for Izinduna.</p>
12 JULY 2019 - N/A	What is the Conditional Grant for disaster?	<p>As a custodian of Disaster Management in the Province of KwaZulu-Natal (since October 2017 to April 2019 disasters) Cogta through its PDMC has facilitated the mobalisation of disaster grants of more than 800 million Rands. The National Treasury has approved the allocation of grants (over MTEF) to the affected municipalities and sectors to implement their respective disaster recovery and rehabilitation projects. The summary of allocations is as follows:</p> <ul style="list-style-type: none"> • R 405 052 000,00 (October 2017 eThekwini and Ugu Disasters) • R 41 822 209,00 (April 2018 Mtubatuba Disasters) • R 10 800 000,00 (January 2019 Jozini Disasters) • R 68 000 000, 00 (December 2018 – January 2019) Disasters Ilembe, uGu, uMzinyathi, uThukela, King Cetshwayo, Amajuba, Zululand and Harry Gwala. • R 172 810 000, 00 (April 2019 Disasters) uGu, Ilembe, Harry Gwala King Cetshwayo, Umkhanyakude and eThekwini. • Drought grant allocation: R 122 366 000.00 (Umzinyathi (Msinga Lm), Msunduzi, Umgungundlovu, Harry Gwala, King Cetshwayo, Uthukela and Umkhanyakude.

DATE OF THE MEETING - RESOLUTION NO.	MATTERS RAISED / RESOLUTION TAKEN	DEPARTMENTAL RESPONSES
		It must be noted that these grants are directly allocated to affected Government Departments and Agencies as well as the Municipalities. The Provincial Disaster Management Centre conducts Joint Operations Committee meetings on monthly basis to monitor the progress on implementation of projects. Monthly reports are consolidated for submission to the Department and the National COGTA.
10 OCT 2019 - COGTA05/10/2019	Committee resolved: that the department should present a detailed report on forensic investigations so that the Committee can track progress thereof.	Forensic investigation reports were presented to the Committee on 30 January 2020
10 OCT 2019 - COGTA06/10/2019	Committee resolved: that the department should present the action plan which responds to the issues raised by the AG at the next meeting of the Committee.	The Action Plan was presented to the Committee on 30 January 2020.
10 OCT 2019 - COGTA07/10/2019	Committee resolved: that the department should present the District Coordinating Model to the Committee at the next meeting.	The presentation on the District Development Model was presented at the Portfolio Committee meeting which was held on 30 January 2020.
30 JAN 2020 - COGTA09/01/2020	Committee resolved: that a breakdown presentation be made at the next meeting of the Committee on how the department is going to achieve this target of assisting Municipalities in getting clean audits.	The presentation was done at the Portfolio Committee meeting which took place on 20 March 2020.
30 JAN 2020 - COGTA10/01/2020	Committee resolved: that monthly statements of the department be submitted to the Committee every month	The monthly statements were presented to the Committee. The committee was further advised that the January 2020 statement was currently under review and will be submitted to the Committee on 03 April 2020.
30 JAN 2020 - COGTA11/01/2020	Committee resolved: That an updated report on the Fraud and Risk Plan be presented at the next meeting of the Committee.	The Fraud and Risk Plan was presented to the Committee on 20 March 2020.
30 JAN 2020 - COGTA12/01/2020	Committee resolved: that the report on the Traditional Courts Bill be referred to caucuses for further consultation before the finalization of the negotiating mandate.	The resolution was actioned by the Committee.

DATE OF THE MEETING - RESOLUTION NO.	MATTERS RAISED / RESOLUTION TAKEN	DEPARTMENTAL RESPONSES
30 JAN 2020 - COGTA13/01/2020	Committee resolved: that copies of the submissions received on the Traditional Courts Bill be circulated to the Committee.	The resolution was actioned by the Committee.
30 JAN 2020 - COGTA14/01/2020	Committee resolved: That the priorities of the Committee will be identified after receiving a presentation on the final APP for 2020/21.	The final Annual Performance Plan was submitted and presented at the Portfolio Committee which was held on 20 March 2020.

8. SCOPA RESOLUTIONS

SCOPA RESOLUTIONS FOR THE 2019/20 FINANCIAL YEAR

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
Discussed on 16 October 2019.	86/2018	Qualification matter	<p>Noting that:</p> <ol style="list-style-type: none"> 1) Included in goods and services is an amount of R312.74 million for allowance payment to Izinduna. 2) During the audit of Izinduna, it was noted that 37 of Izinduna were paid amounts in excess of the annual proclamation. 3) Letters for the acknowledgement of debt have been issued to Izinduna who were identified by the Auditor-General as having received overpayments. <p>The committee resolved: That the accounting officer reports to the committee by <u>31 January 2019</u> on:</p> <ol style="list-style-type: none"> 1. Control measures put in place to ensure that the correct stipends are paid to Izinduna. 2. Progress regarding the 	<ol style="list-style-type: none"> 1) A Deputy Director: Conditions of Service was appointed in June 2019, which bolstered capacity in the Remunerations Sub-directorate. This has enabled the sub-directorate to reduce the number of indebted Izinduna from 37 to 9. Furthermore, the HOD has directed that all Izinduna payments must be verified by the CD: HRM&D before any payment is captured on PERSAL. 2) The recovery process for the 37 cases identified in the AG report started in January 2019. Of the 37, there are 28 cases (R135 715.28) which have been fully recovered by the Department as at 30 September 2019. <p>The remaining 9 cases comprise of 2 cases of 'in-service debts' and 7 cases of 'out of service debts'.</p>	No - in progress

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			cost recovery plan in relation to Izinduna who had been overpaid.	<p>a. The 2 cases of 'in-service debts' are currently being deducted from the respective Izinduna salaries on a monthly basis with 1 induna's debt expected to be fully recovered in November 2019 and the remaining induna's debt to be fully recovered on or before 28 February 2020. The remaining total balance of this historic debt as at 30 September 2019 was R29 810.84.</p> <p>b. The 7 cases of 'out of service debts' remains uncollected and the following debt management measures have been implemented:</p> <p>i. each debtor has been served with a Departmentally generated internal formal letter advising him/her of the total amount owing and request to negotiate instalment repayment terms but a 'nil debt recovery response' was received;</p> <p>ii. subsequent to a receipt of 'nil debt recovery response' the Department then employed the services of an independent debt tracing agent whose recommendations were to refer this to the state attorney's office for further handling;</p> <p>iii. The files would then be referred to Departmental Legal</p>	

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
				Services for processing and submission to the state attorney's office. Further developments would be reported as progress in the future.	
Discussed on 16 October 2019.	87/2018	Expenditure management	<p>Noting that:</p> <p>a. As disclosed in note 21 to the annual financial statements effective steps were not taken to prevent irregular expenditure as required by section 38(1) (c) (ii) of the PFMA and Treasury 9.1.1.</p> <p>b. Irregular expenditure has increased from R59.569 million in 2016/17 to R139.120 million in 2017/18.</p> <p>c. The majority of the irregular expenditure was a result of competitive bidding process not having been followed.</p> <p>d. In some instances, payments to suppliers were not made within 30 days or within an agreed period, as required by Treasury regulation 8.2.3.</p> <p>e. The department has requested a condonation of irregular expenditure from Provincial Treasury in May 2018. A meeting has been scheduled between the HOD and The Provincial Accountant General to deliberate on the delays encountered by the Department on this matter.</p> <p>f. Action against officials identified for wrong doing is in the process of being taken and irregular expenditure incurred during 2017/18 financial year is being investigated by the</p>	<p>1) The Accounting Officer instituted an investigation on irregular expenditure that was incurred in the following prior years:</p> <p>2001/2002 till 2013/14 (R 4 504 042) 2014/15 (R55 840 502) 2015/16 (R64 663 498) 2016/17 (R59 557 538).</p> <p>The investigation found that there was no loss and that the department received value for money from the transactions that were found to be irregular expenditure.</p> <p>The Accounting Officer took disciplinary action against 7 officials who did not take effective steps to prevent a recurrence of irregular expenditure.</p> <p>All the 7 officials were issued with written warnings which will endure for 12 months.</p> <p>2) The department introduced more measures to prevent a recurrence of irregular expenditure are as follows:</p> <p>a) Comprehensive Standard Operating Procedures for Supply Chain and Management of Bid Committees have been developed and approved. The SCM Standard Operating Procedures are currently being implemented by the department.</p> <p>b) The department has introduced a control of</p>	No - in progress

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>Internal Control Unit of the Department.</p> <p>The Committee resolves:</p> <p>That the Accounting Officer reports to the Committee by <u>31 January 2019</u> on:</p> <ol style="list-style-type: none"> 1) Action taken against officials who did not take effective steps to prevent irregular expenditure. 2) The measures that have been instituted by the Department to prevent a recurrence of irregular expenditure. 3) The progress made regarding the condonation of irregular expenditure over the last three financial years. 4) The progress made by the Internal Control Unit in the investigation of irregular expenditure incurred during 2017/18 financial year 	<p>conducting compliance reviews for each and every bid considered by the bid committees. The intention is to perform an independent review in order determine if a fair, equitable, transparent and cost effective process is followed before recommending for an appointment to the HOD.</p> <p>c) SCM officials and bid committees received further training on Supply Chain Management Procedures and a refresher training course for all bid committees, project managers and acquisition staff which was conducted in 10th of July 2019 and 13th of August 2019 with the assistance of the Provincial Treasury and the DTI.</p> <p>d) The Department is now implementing the SMART GOV suite of solutions with a view to automating the contract management process and the system since 1 March 2019.</p> <p>e) Formal training was conducted for officials from various business units on the SMART GOV system.</p> <p>f) Contract management has improved within the department as the system helps to track project timeframes and ensures that there are no overpayments against each contract. It is envisaged that the</p>	

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
				<p>introduction of the system will reduce contract related AG queries.</p> <p>g) The Assistant Director: Contract Management was appointed on the 01st of April 2019. Moreover, an official with a legal background has been seconded to the Contract Management Unit to augment and provide necessary capacity.</p> <p>h) The tax status as per CSD print out is attached to all purchase orders and tax matters are verified before each order is signed.</p> <p>i) Irregular expenditure has been reduced by 29% in the 2018/19 financial year and the majority of it was recurring contracts from previous years.</p> <p>3) The Accounting Officer sent a submission requesting for condonation of irregular expenditure of prior years starting from 2001/ 2002 to 2013/14; 2014/15; 2015/16 and 2016/17 financial years. This submission was sent to the Provincial Accountant General in May 2018.</p> <p>Subsequent to this submission, and upon not receiving a response, the Accounting Officer has since engaged the HOD: Treasury, National Accountant General and the CARC requesting for their assistance in obtaining a way forward on the request for condonation of prior years' irregular expenditure. There has been only a response in the case of the</p>	

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
				<p>Accounting Officer being authorized to condone an amount of R545 000 as a portion of the irregular expenditure incurred in the period between 2001 and 2013/14. The Accounting Officer has since condoned the amount of R545 000. However, the bulk of the irregular expenditure remains uncondoned.</p> <p>The department was subsequently invited to a workshop hosted by Provincial Treasury in June 2019 where the 2019 Framework on Irregular Expenditure was presented by National Treasury and all provincial departments were informed that the condoning of irregular expenditure has been delegated to the Provincial Treasuries.</p> <p>The department awaits a formal response from Provincial Treasury.</p> <p>To date the department has completed investigations on irregular expenditure for the following years:</p> <p>(To be condoned by Provincial Treasury as per the 2019 Framework in Irregular Expenditure)</p> <p>a) 2001/2002 till 2013/14 (R 4 504 042) less R545 000 already condoned by the Accounting Officer</p> <p>b) 2014/15 (R55 840 502)</p> <p>c) 2015/16 (R64 663 498)</p> <p>d) 2016/17 (R59 557 538)</p> <p>Finalised investigations:</p> <p>e) 2017/18 (R137 702 704.78)</p> <p>f) 2018/19 Q1-Q3 (R21 404 985.38)</p> <p>4) The investigation of irregular expenditure incurred during</p>	

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
				<p>the 2017/18 financial year to the value of (R137 702 704.78) and Q1-Q3 of the 2018/19 financial year to the value of (R21 404 985.38) has been finalised and a report has been issued.</p> <p>a) Transactions with 58 service providers were investigated, 35 of those transactions to the value of R61 398 477.18 were found not to be irregular.</p> <p>b) Twenty-one (21) service providers were confirmed to be irregular expenditure and appropriate action will be taken against 18 officials (6 have left the department) and 2 transactions are still under investigation.</p> <p>c) The HOD will report this to Provincial Treasury for condonation</p>	
Discussed on 16 October 2019.	88/2018 :	Fruitless and wasteful expenditure	<p>Noting that:</p> <ol style="list-style-type: none"> 1. The forensic investigation by the Department's Forensic Unit on traditional council members paid as Izinduna is progressing and the interim report will be finalised at the end of October 2018. 2. The Department has also initiated a disciplinary process where there has been a recommendation to take action against officials who were named in the Investigation Unit report. 3. It is alleged that the former Deputy Director-General instructed 	<ol style="list-style-type: none"> 1) The forensic investigation is being concluded and remedial steps have already been implemented by the Labour Relations Unit. Other preliminary recommendations will be made and implemented within this financial year. 2) The investigation was finalised and found that the circumstances around the purchase of the computers for blind interns was not occasioned by misconduct resulting in the alleged fruitless and wasteful expenditure. The expenditure has since been written off. <p>The Director responsible for instructing the blind interns</p>	Yes

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>Human Resources officials to pay Izinduna sharing izigodi.</p> <p>4. The report of the Internal Control Unit was presented to the former DDG for Traditional Affairs who responded via his attorney refuting the allegations. The matter is now being handled by the department's Legal Services.</p> <p>The Committee resolves:</p> <p>That the Accounting Officer reports to the Committee by <u>31 January 2019</u> on:</p> <ol style="list-style-type: none"> 1. The outcome of the forensic investigation. 2. The progress made in implementing disciplinary action against officials who were named in the Investigation Unit report. 3. Progress made in the matter of the former DDG for Traditional Affairs regarding payment of Izinduna sharing izigodi. 	<p>to remain at home whilst the component was being relocated from Southern Life Plaza to Natalia Building has since left the department and therefore no disciplinary processes were instituted. The file is closed.</p> <p>3) The Labour Relations investigation has been concluded and the findings indicate that there was no misconduct on the part of the former DDG: Traditional Affairs as both the Chief Director: HRM&D and the then MEC were fully aware of the basis for the instruction by the former DDG. A letter to this effect from the Department has been submitted to the former DDG through his legal advisors. The file has been closed.</p>	
Discussed on 16 October 2019.	89/2018 :	Material uncertainty	<p>Noting that:</p> <ol style="list-style-type: none"> a. The MEC for COGTA has submitted a funding proposal for the back pay of Izinduna to the Premier for consideration. b. The legal advice given to the Premier was that the government does not owe any back pay since no contract with Izinduna had existed before the Province started paying them a stipend. c. A Task Team consisting of 	The matter was tabled at the budget forum which was called by the Minister of Finance on 26 September 2019. Further to this the Minister of Finance and Minister of COGTA will meet to discuss the matter.	No - in progress

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>officials from KZN COGTA and the National Department of COGTA has been established and a reports in the process of being prepared for discussion with stakeholders.</p> <p>The Committee resolves:</p> <p>That the Accounting Officer reports to the Committee by <u>31 January 2019</u> on the progress made by the Task Team.</p>		
Discussed on 16 October 2019.	90/2018 :	Revenue for exchange transactions	<p>Noting that:</p> <p>a. The Auditor-General was unable to obtain sufficient and appropriate audit evidence for revenue from exchange transactions due to the fact that, the Auditor-General was denied access to certain premises</p> <p>b. An amount of approximately R11 million is not accounted for</p> <p>The Committee resolves:</p> <p>That the Accounting Authority reports to the Committee by <u>31 January 2019</u> on:</p> <p>1) Measures put in place to allow the Auditor General access to certain premises.</p> <p>2) Disciplinary action taken against those who have denied access to Auditor-General in order to get valid information.</p> <p>3) Assurance that funds are used for what they are intended for.</p>	<p>1) The Auditor General has audited the Traditional Levies and Trust Account in 2018/2019 and an unqualified audit finding with no matters (clean audit) was issued.</p> <p>2) The Department's actions of withholding the stipend and successfully interdicting the TC Secretaries worked in its favour as the AG was able to access all identified TC's during the audit of 2018/19.</p>	Yes
	91/2018 :	Property, plant and equipment	<p>Noting that:</p> <p>Physical assets to the value of R15.8 million could not be accounted for as access to certain premises was denied to</p>	<p>1) The Auditor General has audited the Traditional Levies and Trust Account in 2018/2019 and an unqualified audit finding with no matters (clean audit) was</p>	Yes

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>Auditor General.</p> <p>The Committee resolves:</p> <p>That the Accounting Authority reports to the Committee by 31 January 2019 on:</p> <ol style="list-style-type: none"> 1) Measures put in place to allow the Auditor General access to certain premises for verification purposes. 2) Disciplinary action taken against those who have denied access to auditor General in order to get valid information. 3) Assurance that funds are used for what they are intended for. 	<p>issued.</p> <ol style="list-style-type: none"> 2) The Department's actions of withholding the stipend and successfully interdicting the TC Secretaries worked in its favour as the AG was able to access all identified TC's during the audit of 2018/19. 	
Discussed on 16 October 2019.	92/2018 :	Annual financial statements	<p>Noting that:</p> <ol style="list-style-type: none"> a. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 5 5(1)(b) of the PFMA and section 6.2 of the KZNTLGA. b. Material misstatements of revenue identified by auditors in the submitted financial statements were not corrected and the supporting records could not be provided. c. Irregular expenditure of R139.1 million could not be confirmed. <p>The Committee resolves:</p> <p>That the Accounting Authority reports to the Committee by <u>31 January 2019</u> on:</p> <ol style="list-style-type: none"> 1) Systems in place to ensure that information relevant to the audit is accurate, complete and accessible to 	<ol style="list-style-type: none"> 1) The Auditor General has audited the Traditional Levies and Trust Account in 2018/2019 and an unqualified audit finding with no matters (clean audit) was issued. 2) Withholding the stipend and successfully interdicting the TC Secretaries paid off as the AG was able to access all identified TC's during the audit of 2018/19 and a clean audit opinion was issued. 	Yes

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			the audit team. 2) Action taken against those who have contravened the PFMA and KZNTLGA regulations.		
Discussed on 16 October 2019.	110/2018	Vacancies	<p>Noting:</p> <p>(a) The high number of vacancies which exist in Senior Management positions within departments and public entities and the adverse effect this is having on the findings of the Auditor-General particularly on financial and performance management, compliance with laws and regulations, leadership and governance.</p> <p>(b) Certain departments and public entities were experiencing difficulties in their recruitment processes, including delays due to verification of qualifications and vetting of applicants and having to re-advertise posts repeatedly due to the unavailability of suitable candidates for the position.</p> <p>The Committee resolves: -</p> <p>That the Accounting Officers of the relevant departments and Accounting Authorities report to the Committee by <u>31 January 2019</u> on the following:</p> <p>[1] A list of vacant senior management posts in their</p>	There are seventy-five (75) SMS posts in the department. Fifty-five (55) of these are filled and twenty (20) are vacant. Women SMS members occupy thirty-one (31) of the total SMS posts and twenty-four (24) are filled by males.	No - in progress

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>respective departments.</p> <p>[2] An updated report on a number of filled posts and vacant posts and the anticipated time frame for filling of posts.</p> <p>[3] That the Portfolio Committees monitor the filling of all vacant funded posts in departments, especially key positions and senior management positions.</p>		
Discussed on 16 October 2019.	111/2018	Irregular expenditure	<p>Noting that:</p> <p>(a) Irregular expenditure of R9.917 billion incurred in the 2017/18 financial year was 100% due to non-compliance with SCM legislation.</p> <p>(b) The main areas of non-compliance were:</p> <ul style="list-style-type: none"> • Procurement without a competitive bidding or quotation process • Non-compliance with procurement process requirements • Non-compliance with legislation on contract management <p>The Committee resolves:</p> <p>That Accounting Officers and Accounting Authorities submit a report by <u>31 January 2019</u> on:</p> <p>1) The reasons for the irregular expenditure.</p> <p>2) Who was responsible for making or permitting the</p>	<p>1. The reasons for the irregular expenditure were the following:</p> <ul style="list-style-type: none"> • Goods and services of a transaction value above R500, 000 were procured without inviting competitive bids. This finding was raised for the first time during the 2016/17 audit. The intervention was successful as there was no repeat finding in 2017/18. • These were contracts that were recurring over a number of financial years and the departments' proactively included them in the irregular expenditure register. • Three Quotations were not obtained due to various reasons which the Department has now augmented. • Information Technology (IT) goods and services, classified as "mandatory" were not procured through the State Information Technology Agency (SITA). Upon investigation of irregular expenditure, this 	No - in progress

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>irregular expenditure?</p> <p>3) Steps taken against officials responsible for irregular expenditure.</p> <p>4) Measures put in place to prevent a recurrence.</p> <p>5) An assessment of the effectiveness of the measures put in place.</p>	<p>procurement was found not to be falling under mandatory requirement of the SITA Act.</p> <ul style="list-style-type: none"> Certain request for quotations or tender did not specify the minimum threshold for local production and content in respect of the awards as required by Preferential Procurement Regulation (PPR). Expenditure was incurred on services contract that is not valid or whose contract has been expired. Tenders were awarded without designated official verifying bidder's tax compliance status. <p>2) Seven officials were identified as responsible for permitting irregular expenditure and action was taken against them in the form of written warnings which will remain for 12 months.</p> <p>3) Action will be taken against all officials identified to have contributed to irregular expenditure in the recently finalized investigation report of irregular expenditure for the 2017/18 financial year and Q1-Q3 of the 2018/19 financial year.</p> <p>3) The department introduced more measures to prevent a recurrence of irregular expenditure as listed above under Resolution 87/2018: Expenditure Management – Irregular Expenditure.</p> <p>5) The irregular expenditure was reduced by 29% in 2018/19 financial year and the majority of it was recurring contracts from previous years. This proves that measures put in place are effective.</p>	

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
	112/2018	Fruitless and Wasteful expenditure	<p>Noting that:</p> <p>That the following departments and entities incurred fruitless and wasteful expenditure in the 2017/2018 financial year.</p> <ul style="list-style-type: none"> • Agriculture and Rural Development – R1 311 000 • Education – R169 966 000 • Health – R8 949 000 • Human Settlements – R948 000 • Community Safety and Liaison – R25 000 • Co-operative Governance and Traditional Affairs – R215 000 • Social Development – R2. 825 million <p>The Committee resolves:</p> <p>That the Accounting Officers and Accounting authorities report to the Committee by <u>31 January 2019</u> on the following:</p> <ol style="list-style-type: none"> 1) The reasons for the fruitless and wasteful expenditure incurred. 2) Action taken against those officials responsible for incurring the fruitless and wasteful expenditure and steps taken to recover the monies involved. 3) Measures put in place to ensure that fruitless and wasteful expenditure does not occur in future. 	<p>The department has the following cases which amount to R215 000 relating to 2017/18 and the progress on cases is provided below;</p> <p>a) Two Interns were paid without working amounting to R32 272.08 (17/18). Investigation was completed. However, the responsible official had left the department. Fruitless and Wasteful expenditure has been written off.</p> <p>b) 2 Braille Printers @ R68 963.16 each purchased for the 2 interns that were not used. Investigation was completed. However, the responsible official had left the department. Fruitless and Wasteful expenditure has been written off.</p> <p>c) Eleven cases of no show of officials at booked hotels amounting to R17 813.00 (17/18).</p> <p>Due to numerous attempts to obtain explanations from officials for not utilizing the accommodation booked and EXCO has resolved that debts should be raised against the relevant officials to recover the expenditure incurred and for disciplinary action to be instituted.</p> <p>d) One official did not show for an SMS Competency Assessment R2 381.80 cancellation fee was charged. The debt was raised and the official has paid the money to the Department. Fruitless and Wasteful expenditure has been written off.</p> <p>2) Recovery is underway and disciplinary processes will be instituted against those</p>	No - in progress

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
				<p>who fail to refund the Department.</p> <p>3) An awareness programme has been developed and workshopped to the relevant Branch MANCO's. The content of the material included generic scenario's that features frequently such as no-shows and the relevant measures which must be taken into account to prevent further occurrence of fruitless and wasteful expenditure. The whole purpose of the exercise was that Managers from various business units understand and are made aware of the Department's objectives of reducing and preventing fruitless and wasteful expenditure.</p>	
Discussed on 16 October 2019.	113/2018:	Procurement and contract management	<p>Noting that:</p> <p>(a) Some of the commodities designated for local content and production were procured from suppliers who did not submit declarations on local production and content as required by the preferential procurement regulations of 2017, issued in terms of the PPPFA.</p> <p>(b) Some contracts were extended or modified without the approval of a properly delegated official as required by section 44 of the PFMA and treasury regulations 8.2.1 and 8.2.2.</p>	<p>1) The department introduced more monitoring and control measures as listed above under Resolution 87/2018: Expenditure Management – Irregular Expenditure.</p> <p>2) All officials who were identified by the investigation on irregular expenditure and breach of SCM processes were disciplined</p>	Yes

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>(c) The preference point system was not applied in the procurement of some goods and services above R30 000 as required by section 2(a) of the PPPFA and treasury regulations 16A6.3(b).</p> <p>(d) Some awards were not adjudicated by a bid adjudication committee as required by treasury regulations 16A6.1.</p> <p>The Committee resolves:</p> <p>That the Accounting Officers of the relevant departments and Accounting Authorities of relevant public entities report by <u>31 January 2019</u> on:</p> <p>1) Monitoring and control measures which are in place to ensure that SCM requirements are complied with.</p> <p>2) Disciplinary measures taken against those who appoint service providers without following SCM processes and treasury regulations</p>		
Discussed on 16 October 2019.	114/2018:	Payments not made within 30 days	<p>Noting that:</p> <p>(a) Payables in certain departments and public entities exceeded the required payment term of 30 days from the date of receipt of an invoice, as required by Treasury Regulation 8.2.3.</p> <p>(b) Most departments do not comply with the 30 days' payment policy and the</p>	<p>1) The measures that were put in place are still showing an improvement on payments made within 30 days. The achievements are as follows:</p> <p>a) Jan 2019: 0,00%</p> <p>b) February 2019: 0,62%</p> <p>c) March 2019: 0,37%</p> <p>d) April 2019: 0, 6.8%%</p> <p>e) May 2019: 2,40 %</p> <p>f) June 2019: 0,22%</p>	No - in progress

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>amounts incurred would therefore have constituted unauthorized expenditure had the amounts due been paid in a timely manner.</p> <p>The Committee resolves:</p> <p>That the Accounting Officers of the relevant departments and Accounting Authorities report by <u>31 January 2019</u> on:</p> <ol style="list-style-type: none"> 1) Strategy put in place to ensure that invoices are tracked and that payments are made within the required term of 30 days. 2) Steps taken against officials who are responsible for failure to pay service providers on time. 	<p>g) July 2019: 0,32</p> <p>h) August 2019: 1,07</p> <p>i) September 2019: 0.66</p> <p>Consequence management is implemented on a monthly basis.</p>	
	115/2018:	Consequence management	<p>Noting that:</p> <ol style="list-style-type: none"> (a) Government employees doing business with the state. (b) Notwithstanding the root cause of irregular expenditure and fruitless and wasteful expenditure being non-compliance with SCM Legislation, many Departments are not implementing "Consequence Management" and in some instances transgressions by officials are either not investigated at all, despite findings by the Auditor-General thereon or are not 	<ul style="list-style-type: none"> • During the 2017/2018 financial period, 5 investigations pertaining to allegations of performing remuneration work outside of the public service were concluded within the timeframe. • Out of the 5 allegations, 4 were not sustained by the evidence and 1 was found guilty and issued with a formal warning. • No monies were recovered. • No criminal case was opened and all 5 cases have been accordingly closed. 	Yes

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>dealt with adequately.</p> <p>The Committee resolves:</p> <p>That the Accounting Officers of the relevant departments and Accounting Authorities report by <u>31 January 2019</u> on:</p> <p>[1] Investigations pertaining to transgressions by officials that have been concluded or are in progress.</p> <p>[2] Details of the transgressions investigated.</p> <p>[3] Time frames for completion of pending investigations.</p> <p>[4] Disciplinary steps taken.</p> <p>[5] Steps taken to recover monies/losses and progress thereon.</p> <p>[6] Criminal matters opened and progress thereon.</p>		
Discussed on 16 October 2019.	117/2018	Supply Chain Management	<p>Noting that:</p> <p>(a) Most departments and public entities do not comply with SCM requirements.</p> <p>(b) Procurement is conducted without competitive bidding or quotation processes.</p> <p>(c) There is non-compliance with legislation, procurement requirements and contract management.</p> <p>The Committee resolves:</p> <p>That the Accounting Officers of departments and Accounting Authorities report by <u>31 January 2019</u> on:</p> <p>1) Reasons for non-compliance</p> <p>2) Steps taken against those responsible for non-compliance with SCM</p>	<p>1) The reasons for non-compliance are the same as reported in January 2019.</p> <p>However, the department introduced more compliance measures as listed above under Resolution 87/2018: Expenditure Management – Irregular Expenditure.</p> <p>2) Action was taken against seven officials who were issued with 12 months written warnings.</p>	Yes

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			requirements and steps taken to recover monies lost.		
Discussed on 16 October 2019.	118/2018	Investigations	<p>Noting that:</p> <p>(a) Most departments and public entities have investigations that have been completed or are in progress.</p> <p>(b) Some investigations are referred to Provincial Treasury or to independent investigative firms.</p> <p>(c) Most investigations have been going on for a long period of time without being finalised.</p> <p>The Committee resolves:</p> <p>That the Accounting Officers of departments and Accounting Authorities of public entities report to the Committee by <u>31 January 2019</u> on the following:</p> <p>[1] Investigations which are currently underway in the departments and public entities and the deadline set for completion of these investigations.</p> <p>[2] Investigations which were completed in the 2016/17 and 2017/2018 financial years.</p> <p>[3] Steps taken to implement the recommendations</p>	<p>The updated report on investigations is as stated below:</p> <p>a) The criminal investigation by the HAWKS has been closed as <u>undetected</u> as of 17 May 2019.</p> <p>The HAWKS have confirmed that during the course of their investigation it was established through a Section 205 Search Warrant that one of the fraudulently opened bank accounts had not been accessed since the deposit of approximately R93 273.61 by the Department into this account. The then Director Legal Services, was consulted on a recovery process and it was agreed that it would be more beneficial for the Department to recover the Departments deposit through the Asset Forfeiture Unit. This process was initiated by the HAWKS and is currently on an ongoing process.</p> <p>b) Three of the seven Izinduna were eventually verified as Izinduna and their salaries were reinstated. The other 4 were reported as fruitless and wasteful expenditure and an investigation of all fruitless and wasteful expenditure incurred is</p>	No - in progress

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			contained in the reports on investigations, including the disciplinary and criminal cases initiated and recovery of monies by way of civil proceedings.	<p>ongoing.</p> <p>c) Officials in the Human Resource Administration have been disciplined and sanctioned to Written Warnings. Labour Relations file is closed.</p> <p><u>INGWE FRAUD MATTER</u></p> <p>d) The 2 former employees were found guilty of Fraud and Money Laundering in the Durban Commercial Crime Court on 8 October 2019. Their bail of R50 000.00 each was withdrawn and they were incarcerated (jailed) pending the sentencing process at the same court on 8 November 2019.</p> <p>MEDICAL CERTIFICATE FRAUD MATTER</p> <p>e) The employee was found guilty of Fraud and dismissed from the Public Service. An amount of R11 711.74 was recovered from her benefits by the Department as proceeds of her Fraud. The labour Relations file is closed.</p> <p>TAMPERING WITH A TRIP AUTHORITY</p> <p>f) This disciplinary hearing has been finalised and the employee is sanctioned to two months' suspension without pay and a final written warning.</p> <p>Appeal is currently pending</p>	

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
				in this matter.	
				MISREPRESENTATION IN RESPECT OF OFFICIAL JOURNEYS g) The employee was dismissed at a Disciplinary Hearing. The Labour Relations file is closed.	

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
Discussed on 17 February 2020	33/2019	Material underspending of budget	<p>Noting:</p> <p>That the Department materially underspent its budget on:</p> <ul style="list-style-type: none"> • Programme 1 – Administration by R47.79 million, on; • Programme 3 – Development and Planning by R72.79 million, mainly due to delays in receiving invoices from service providers, and; • Programme 4 – Traditional Institutional Management by R28.07 million, mainly due to the cancellation of the uKuthela Amanzi project, delays in the recognition and installation of amaKhosi and postponement of Traditional Council elections. <p>The Committee resolves: -</p> <p>That the Accounting Officer report to the Committee by <u>31 January 2020</u> on steps taken to address the underlying causes for the underspending and on whether the steps taken will avoid a recurrence of this finding or similar findings of underspending in the 2019/20 financial year.</p>	<p>The department has instituted the following processes and procedures to ensure that under-expenditure/over expenditure is avoided in future:</p> <ul style="list-style-type: none"> • Budget Committee will continue its functions of overseeing the budget. • Early procurement will take place to ensure ample time to complete projects. • The procurement plan is scrutinised on a monthly basis to ensure that where projects have not commenced and planned, the funding is re-allocated to other urgent projects. • A revision of the vacant posts will be undertaken to determine if the posts should still be filled or not. • The contract management unit within SCM will play a more active role in project management. • The names of project managers are included in agreements to ensure more accountability. • Contracts will be scrutinized to ensure that all requirements are met and penalties will be invoked when required. 	No - in progress
Discussed on 17 February 2020	33/2019	Material uncertainty related to financial sustainability	<p>Noting:</p> <p>(a) The material uncertainty relating to the liability of the Department to settle the back pay of Izinduna of R1.38 billion and the ability of the Department to fund this liability.</p> <p>(b) The national task team set up by the Minister of COGTA to deal with the issue of back pay, comprising the</p>	<ul style="list-style-type: none"> • As reported in the last SCOPA hearing which was held on 16 October 2019, the matter was tabled at the budget forum which was called by the Minister of Finance on 26 September 2019 where it was resolved that the Minister of Finance and Minister of COGTA will meet to discuss the matter. • In addition to this, the matter has been referred to the 	No - in progress

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>presidency, national treasury, KZN COGTA and national COGTA has not as yet been able to resolve the matter.</p> <p>(c) A joint letter from KZN COGTA and Provincial Treasury has been written to the National Ministers of COGTA and Finance with the intention of securing a financial guarantee from the National Revenue Fund.</p> <p>(d) The matter was tabled at the budget forum called by the Minister of Finance in September 2019. It was resolved that the Minister of Finance and Minister of COGTA will meet to discuss the matter.</p> <p>The Committee resolves: - That the Accounting Officer report to the Committee by <u>31 January 2020</u> on progress made in resolving the matter.</p>	Ministerial Committee on Budget.	
Discussed on 17 February 2020	34/2019	Commitments to resolve previous audit findings	<p>Noting that:</p> <p>(a) The Department committed to recover unspent transfer payments to municipalities who did not use their grants fully or not at all or not for the intended purpose. The audit finding was raised in 2016/17. The matter is still in progress.</p> <p>(b) The Department committed to setting up debts for all 28 overpaid Izinduna and to do an analysis of overpayments and recover overpaid amounts. The audit finding was raised in 2017/18. The matter is still in progress.</p> <p>The Committee resolves: - That the Accounting Officer report to the Committee by <u>31 January 2020</u> on progress made</p>	<p>a) Transfers to municipalities</p> <ul style="list-style-type: none"> Transfer payments identified for recovery in 2016/17 have primarily been resolved. Umkhanyakude District Municipality has three Grants still outstanding, but the Department is engaging closely with the District to assist in resolving the issue. One grant is in breach and two grants have unpaid savings which are to be paid back to the Department. <p>b) Overpayment of Izinduna</p> <ul style="list-style-type: none"> Of the 37 Izinduna (total owed R 234 075.61), debts were set up and 31 (R 88 292.39) were settled as at 31 December 2019. 01 Izinduna (owing R 48 229.98) has a monthly 	No - in progress

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			in finalising these commitments, time frames for finalisation, challenges experienced and steps taken to address the challenges.	deduction of R 2009.58 which will be paid in full within 24 months. As at 31 December 2019; R24 114.96 has been recovered with a remainder of R24 115.02 for the remaining 12 months • The remaining 05 Izinduna could not be located as they are out of service; however, the Department could recover R3 941.36 from 1 Izinduna who owed R8 033.00. The remaining balance of R115 717.29 is proposed as a written off.	
Discussed on 17 February 2020	35/2019	Directorate for Priority Crime Investigation	<p>Noting that:</p> <p>(a) The Directorate for Priority Crime investigated an allegation of fraud involving the payment of Izinduna allowances covering the period 1 April 2017 to 31 March 2018. The allegation related to the unauthorised changing of Izinduna banking details, irregular payments and the existence of "ghost" Izinduna.</p> <p>(b) The investigation was finalised in May 2019, but no criminal charges followed.</p> <p>The Committee resolves: - That the Accounting Officer report to the Committee by 31 January 2020 on the findings and recommendations of the investigative report and the reasons why no criminal action was instituted.</p>	<p>1. Criminal investigation process</p> <p>Pursuant to the discovery that the department had been defrauded in regard to payment of ghost Izinduna a criminal investigation (reference no. PMB CAS 668/04/2018 Fraud) was opened by the department and the case was investigated by the HAWKS.</p> <p>The HAWKS have reported to the department that they have exhausted every available lead which included the obtaining and executing Section 205 search warrants on all 12 fraudulent bank accounts that were identified. No positive leads could be established as to the identity of the perpetrators who made use of false identification documents and false addresses. The HAWKS have closed the criminal investigation as "undetected" and therefore no criminal charges can be instituted as the perpetrators cannot be identified. The HAWKS confirm that this investigation may be re-opened at any stage should further information come to light.</p> <p>Through the findings of the Section 205 search warrant, the</p>	No - in progress

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
				<p>HAWKS reported that one fraudulent account had not been accessed by the perpetrator/s and the funds that were deposited into this account by the department are still in the account (R93 273.61). The department has requested the HAWKS to recover these funds through the Asset Forfeiture Unit. This process was initiated by the HAWKS and is currently ongoing.</p> <p>2. Internal investigation process</p> <p>The internal investigation was conducted simultaneously with the criminal investigation conducted by the HAWKS as the department was reliant on the outcome of the search warrants. Lifestyle and background checks were done by the HAWKS on two employees that were suspended and this exercise did not produce any tangible evidence that could link the employees to the fraud.</p> <p>The department further conducted a total of 8 polygraph examinations on employees in the Human Resources Administration component and the Ugu district office and the findings could also not link any employee to the fraudulent transactions. The documents that were used clearly showed that this was an externally initiated fraud as department documents were manufactured and an "official" Ugu district office date and bank stamp were also fraudulently created.</p> <p>The suspended employees have since returned to work and the department's internal investigation file is currently pending the finalization of the outstanding payment to Izinduna victims of the fraud and the recovery of the R93 271.61 the</p>	

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)																																				
				<p>Asset Forfeiture Unit.</p> <p>3. Implementation of a disciplinary process The Director: Human Resource Administration, who is the accountable official for HRA and payment of Izinduna was suspended from duty and a disciplinary process was initiated. The charges included acts of gross misconduct and mismanagement which included the losses as a result of the fraudulent activities. However, the Director has since resigned.</p>																																					
Discussed on 17 February 2020	50/2019 (Transversal resolution)	Irregular expenditure	<p>Noting that:</p> <p>(a) The value of irregular expenditure for all provincial departments in the 2018/19 financial year was R11 421 907 billion. The cumulative value of irregular expenditure for all departments as at 31 March 2019 was R41 819 917 billion.</p> <p>(b) The breakdown is as follows:</p> <table border="1"> <thead> <tr> <th>Department</th> <th>2018/19</th> <th>Cumulative value as at 31 March 2019</th> </tr> <tr> <th></th> <th>R'000</th> <th>R'000</th> </tr> </thead> <tbody> <tr> <td>Office of the Premier</td> <td>54 296</td> <td>137 900</td> </tr> <tr> <td>Provincial Legislature</td> <td>5 711</td> <td>5 590</td> </tr> <tr> <td>Agriculture and Rural Development</td> <td>125 360</td> <td>715 757</td> </tr> <tr> <td>Economic Development and Tourism</td> <td>13 063</td> <td>169 442</td> </tr> <tr> <td>Education</td> <td>1 878 809</td> <td>6 571 945</td> </tr> <tr> <td>Provincial Treasury</td> <td>1 226</td> <td>25 706</td> </tr> <tr> <td>Health</td> <td>4 518 835</td> <td>13 444 301</td> </tr> <tr> <td>Human Settlements</td> <td>1 143 626</td> <td>4 794 651</td> </tr> <tr> <td>Community Safety and Liaison</td> <td>3 863</td> <td>19 545</td> </tr> <tr> <td>Sport and Recreation</td> <td>26 847</td> <td>149 469</td> </tr> </tbody> </table>	Department	2018/19	Cumulative value as at 31 March 2019		R'000	R'000	Office of the Premier	54 296	137 900	Provincial Legislature	5 711	5 590	Agriculture and Rural Development	125 360	715 757	Economic Development and Tourism	13 063	169 442	Education	1 878 809	6 571 945	Provincial Treasury	1 226	25 706	Health	4 518 835	13 444 301	Human Settlements	1 143 626	4 794 651	Community Safety and Liaison	3 863	19 545	Sport and Recreation	26 847	149 469	<p>1) The department introduced measures to prevent a recurrence of irregular expenditure are as follows:</p> <p>a) Comprehensive Standard Operating Procedures for Supply Chain and Management of Bid Committees have been developed and approved. The SCM Standard Operating Procedures are currently being implemented by the department.</p> <p>b) The department has introduced a control of conducting compliance reviews for each and every bid considered by the bid committees. The intention is to perform an independent review in order to determine if a fair, equitable, transparent and cost effective process is followed before recommending for an appointment to the HOD.</p> <p>c) SCM officials and bid committees received further training on Supply Chain Management</p>	No - in progress
Department	2018/19	Cumulative value as at 31 March 2019																																							
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Date of the Meeting	Resolution No.	Subject	Details			Response by the department	Resolved (Yes/No)
			Cooperative Governance & Traditional Affairs	67 431	606 828	Procedures and a refresher training course for all bid committees, project managers and acquisition staff which was conducted in 10 th of July 2019 and 13 th of August 2019 with the assistance of the Provincial Treasury and the DTI.	
			Transport	3 403 705	14 107 972		
			Social Development	76 367	722 334		
			Public Works	14 011	40 743		
			Arts and Culture	88 757	307 734		
			TOTAL	11 421 907	41 819 917		
			<p>(c) The main reasons for the irregular expenditure were:</p> <ul style="list-style-type: none"> • Payments made on expired contracts • Fewer than three quotations obtained • Deviations from inviting competitive bids not in accordance with TR 16A6.4 • Non-submission of declaration of interest forms by suppliers • Use of implementing agents • No tax certificates or expired tax certificates • Non-adherence to local content prescripts • Contracts entered into with municipalities – no documentation (Human Settlements) <p>(d) The PFMA provides that an Accounting Officer must take effective steps to prevent irregular</p>			<p>d) The Department is now implementing the SMART GOV suite of solutions with a view to automating the contract management process and the system since 1 March 2019.</p> <p>The department has made major strides in preventing irregular expenditure. Many remedial actions and measures have been taken to address and curb irregular expenditure. As a result, of the total irregular expenditure amounting to R41.34 million that is reflected in the 2018/19 AFS of the department, only a small portion was incurred during the financial year and the rest accumulates from previous years. Thus irregular expenditure occurrences are decreasing. All irregular contracts have also been cancelled and there is close monitoring of SCM processes and contract management to prevent irregular expenditure</p> <p>2. The above interventions have been implemented during the 2019/20 financial year. Officials who have been responsible for causing Irregular Expenditure are disciplined as and when the investigation reports are received.</p>	

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>expenditure, take disciplinary steps against any official who makes or permits irregular expenditure, and recover losses from officials responsible and that any wilful or negligent failure to comply with these prescripts constitutes an act of financial misconduct.</p> <p>(e) The interventions proposed by departments to detect and prevent irregular expenditure in future.</p> <p>The Committee resolves: That the Accounting Officers of all departments report to the Committee by <u>31 January 2020</u> on the following:</p> <p>[1] Progress made in the implementation of the proposed interventions to improve the control environment to detect and prevent irregular expenditure and to avoid a recurrence of the audit findings in relation to irregular expenditure, as well the effectiveness of these interventions.</p> <p>[2] The reasons for these interventions not being implemented in the 2018/19 financial year and in prior years and why such omission does not constitute an act of financial misconduct.</p> <p>[3] Whether irregular expenditure reported in the annual financial statements in 2018/19 and not yet condoned, has been investigated, the outcomes and findings of the investigations, details of disciplinary steps taken against any official/employee</p>	<p>3. The current situation with respect to irregular expenditure incurred by the department is as follows:</p> <ul style="list-style-type: none"> The accumulated amount of irregular expenditure that was disclosed in the department's AFS for 2018/19 financial year was R606 828 million. This is irregular expenditure which has accumulated from 2001 to 2018 and had not been condoned. The Accounting Officer had used the classification submitted by the Provincial Treasury in October 2018 which was recommending that he can condone irregular expenditure amounting to R3 167 032.70 and he condoned this amount. However, this was queried by the AG during the audit of 2018/19 and the Accounting Officer was advised to only condone R544 767 and financials were adjusted to this effect. The department has made several attempts to obtain approval for condonation of historical irregular expenditure, but there has been delays on the part of the Provincial Treasury to process condonation applications from all provincial departments. This was due to confusion that existed as to whether it is the Provincial or the National Treasury that 	

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			responsible for irregular expenditure and where investigations and disciplinary proceedings have not yet been concluded, the reasons and timeframes for anticipated completion.	has condoning authority.	
			[4] In relation to irregular expenditure not yet condoned, steps taken to apply to Provincial Treasury for condonation and progress made and where application has not yet been made, the reasons for this.	<ul style="list-style-type: none"> In May 2019, National Treasury clarified this confusion by issuing an Instruction Note No. 2 of 2019/2020 which is accompanied by an Irregular Expenditure Framework. The Framework confirms the Provincial Treasuries as the condoning authorities of irregular expenditure in their respective provinces. 	
			[5] Steps taken to recover losses from any official responsible for irregular expenditure and progress made in this regard.	<ul style="list-style-type: none"> In May 2018, the Accounting Officer had submitted an application to the Provincial Accountant General for condonation of the irregular expenditure for the following years: 	
			[6] Where irregular expenditure is related to fraud, corruption or other criminal conduct, whether the matter has been reported to the South African Police Service or the Provincial Treasury Internal Audit Services for investigation and progress made in such investigations.	<ul style="list-style-type: none"> ➤ Historical Irregular Expenditure of R7 907 004.19 – 2001/2002 till 2013/2014. Only an amount of R544 767 was authorized for condonation by the Accounting Officer as stated in paragraph 2.4 above. ➤ Irregular Expenditure in relation to the appointment of Destinations Travel CC – R55 840 502.48 – 2014/15 ➤ Irregular expenditure in relation to the appointment of Destinations Travel CC – R64 663 498.59 – 	

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
				<p>2015/16</p> <ul style="list-style-type: none"> ➤ Irregular Expenditure relating to various other SCM transgressions, including Destinations Travel CC – R59 557 538.43 – <p>2016/17</p> <ul style="list-style-type: none"> • The Office of the Provincial Accountant General has informed the Office of the HOD that the review of all the submissions from COGTA has been finalized and the final letter signed by the Provincial Accountant General detailing the outcome of the condonation process will be dispatched to COGTA by Wednesday, 29 January 2020. • Moreover, an application requesting for condonation of irregular expenditure that the department incurred during 2017/18 and 2018/19 was submitted to the Office of the Accountant General on Wednesday, 22 January 2020. The amounts of this irregular expenditure is as follows: <ul style="list-style-type: none"> ➤ 2017/18 irregular expenditure – R72 980 573.18 ➤ 2018/19 irregular expenditure – R3 971 897.31 (for period from April 2018 to February 2019) 	

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
				<p>4. The investigation of irregular expenditure incurred during the 2017/18 financial year and April to February of the 2018/19 financial year has been finalised and a report has been issued.</p> <p><u>2017/18 Irregular Expenditure</u></p> <ul style="list-style-type: none"> ▪ R137 702 740,78 has been investigated and reported. ▪ R64 772 167,60 was found not to be irregular and will be removed from the register. ▪ R72 980 573,18 a submission requesting for condonation from Provincial Treasury has been submitted. <p><u>2018/19 Irregular Expenditure</u></p> <ul style="list-style-type: none"> ▪ R21 404 985,38 has been investigated and reported. ▪ R17 433 088,07 was found not to be irregular and will be removed from the register ▪ R3 971 897,31, a submission requesting for condonation from Provincial Treasury has been submitted. <p>5. The investigations found that the state suffered no loss in any of the transactions that were reported as irregular expenditure; and that the state attained value for money. However, some officials who were involved in the appointment of service providers were found to have been negligent even though no loss to the Department could be proven. Cautionary warnings were issued to officials and for others the disciplinary process is in</p>	

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)																																	
				<p>progress.</p> <p>6. There was no irregular expenditure found to be related to fraud, corruption or other criminal conduct.</p>																																		
Discussed on 17 February 2020	52/2019	Fruitless and wasteful expenditure	<p>Noting that:</p> <p>(a) The following departments and public entities reported fruitless and wasteful expenditure in the 2018/19 financial year, relating to the current year and prior years:</p> <table border="1"> <thead> <tr> <th>Department/ Public Entity</th> <th>R</th> <th>Reasons</th> </tr> </thead> <tbody> <tr> <td>Office of the Premier</td> <td>4 000</td> <td>Interest on late payments</td> </tr> <tr> <td>KZN Gaming & Betting Board</td> <td>656</td> <td>Interest on late payment of invoices</td> </tr> <tr> <td>Royal Household Trust</td> <td>21 000</td> <td>Interest on overdue accounts</td> </tr> <tr> <td>Agriculture and Rural Development</td> <td>58 000</td> <td>Interest, no shows, damage to hired vehicle and catering not used</td> </tr> <tr> <td>ADA</td> <td>3 542</td> <td>Interest on late payment of invoices</td> </tr> <tr> <td>Mjindi Farming (Soc) Ltd</td> <td>8 571</td> <td>Unstated</td> </tr> <tr> <td>KZN Tourism Authority</td> <td>115 000</td> <td>Unstated</td> </tr> <tr> <td>KZN Liquor Authority</td> <td>149 196</td> <td>SARS penalties and Telkom interest</td> </tr> <tr> <td>Education</td> <td>14 249 000</td> <td>Unstated</td> </tr> <tr> <td>Treasury</td> <td>14 000</td> <td>Interest paid to SARS</td> </tr> </tbody> </table>	Department/ Public Entity	R	Reasons	Office of the Premier	4 000	Interest on late payments	KZN Gaming & Betting Board	656	Interest on late payment of invoices	Royal Household Trust	21 000	Interest on overdue accounts	Agriculture and Rural Development	58 000	Interest, no shows, damage to hired vehicle and catering not used	ADA	3 542	Interest on late payment of invoices	Mjindi Farming (Soc) Ltd	8 571	Unstated	KZN Tourism Authority	115 000	Unstated	KZN Liquor Authority	149 196	SARS penalties and Telkom interest	Education	14 249 000	Unstated	Treasury	14 000	Interest paid to SARS	<p>1. Fruitless and wasteful expenditure for prior year 2017/18 has all been resolved.</p> <p>2. After assessment of the root causes of the overpayment of Izinduna, the following steps were taken:</p> <p>a. The Director: Human Resource Administration withdrew the approval function from the Acting Assistant Director and took sole responsibility for approving all payment transactions.</p> <p>b. A Deputy Director: Conditions of Service was appointed in June 2019 which bolstered capacity in the Remunerations Sub-directorate. This has enabled the sub-directorate to reduce the number of indebted Izinduna.</p> <p>c. Payments to Izinduna are reviewed by the Assistant Director and Deputy Director on a monthly basis and certified by the Director.</p> <p>d. Once the pay points have been</p>	Yes
Department/ Public Entity	R	Reasons																																				
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Date of the Meeting	Resolution No.	Subject	Details			Response by the department	Resolved (Yes/No)
			Health	6 089 000	Interest, expired stock medicines, duplicate payment, cancelled bookings, HR matters	<p>separated per district, the District Manager must certify the payroll for his/her district. All backdated appointments of Izinduna where the amount is over the stipend is submitted to the Assistant Director, Deputy Director and Director before being implemented. This is done as and when required - mostly when salary is unfrozen more than a month in the past. with effect from December 2019.</p> <p>e. Monthly reconciliations with supporting documents are compiled for Izinduna payments.</p> <p>3. The action plans above were implemented during the 2019/20 financial year.</p> <p>4. All the 2018/19 Fruitless and Wasteful Expenditure has been investigated as detailed below:</p> <p><u>No Shows</u></p> <p>Debts have been raised against the relevant officials to recover the expenditure incurred and for disciplinary action to be instituted. Letters were sent to officials to sign the acknowledgement of debt forms. All received forms will be sent to Debtors Unit to setup debt accounts for the officials and some cases are to be referred to Labour Relations for investigation and disciplinary action.</p>	
			Human Settlements	502 000	Interest on outstanding levies and legal costs		
			KZN Housing Fund	269 000	Interest on unpaid levies		
			Community Safety & Liaison	4 000	No shows		
			Sport and Recreation	162 000	Services not rendered and payment on expired contract		
			COGTA	1 500 000	Izinduna payments, no shows, interest on outstanding payment, SARS penalties, overpaid salaries, rental vehicle damages		
			Transport	900 000	Construction of P318, annual report reprint, no shows		
			Social Development	441 000	Interest on overdue account, no shows, reconnection fees, after hours booking		

Date of the Meeting	Resolution No.	Subject	Details			Response by the department	Resolved (Yes/No)
			Arts and Culture	5 029 000	Interest on overdue accounts, no shows, legal fees and overpayment to service provider (R4.843 m)	<p><u>Izinduna payments</u></p> <p>During the investigation the following outcomes were discovered:</p> <ul style="list-style-type: none"> During 2017/18 financial year end, the department did not have paper trail when sending and receiving notifications of deceased Izinduna, the officials were reporting telephonically. Thus the investigation of this fruitless and wasteful expenditure could not establish who should be held accountable for the salary overpayments made to deceased Izinduna, due to the non-existence of evidence. The investigation found that there were no proper controls that were implemented by the department before the 2018/19 financial year end for reporting cases of deceased Izinduna, therefore the amount the salary overpayment for 28 Izinduna should be netted off with the pay increment back-pay due to the Izinduna and write off the balance. 	
			TOTAL	29 518 965			
			<p>(b) In most instances the reasons for the fruitless and wasteful expenditure are unacceptable and had the department or public entity exercised adequate care, the expenditure could have been avoided.</p> <p>(c) Certain departments and public entities had stated opening balances on fruitless and wasteful expenditure from prior financial years that had not yet been resolved. In some instances, these balances are substantial.</p> <p>(d) The PFMA provides that the Accounting Officer of a Department and the Accounting Authority of a public entity must take steps to prevent fruitless and wasteful expenditure, take disciplinary steps against an official who makes or permits such expenditure, recover losses from the official responsible and that an Accounting Officer/Accounting Authority commits an act of financial misconduct if they wilfully or negligently fail to comply with any of these provisions.</p>			<p><u>Interest on outstanding payments</u></p> <p>During the audit of the Department as at 31 March 2018, interest on four Telkom accounts was identified and deemed Wasteful and Fruitless Expenditure.</p> <p>The investigation was performed for fruitless and wasteful expenditure and these were the findings:</p> <ul style="list-style-type: none"> The amount of R2 798.99 for interest charged by Telkom SA for September invoice was incorrectly charged and the department will recover 	
			<p>The Committee resolves: That the respective Accounting Officers and Accounting Authorities report to the</p>				

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>Committee by 31 January 2020 on the following:</p> <p>[1] The reasons for the prior years' fruitless and wasteful expenditure not yet being resolved and steps taken to resolve it, with time frames.</p> <p>[2] Steps taken to prevent a recurrence of fruitless and wasteful expenditure. Sufficient particularity must be provided to enable the committee to assess the effectiveness of those steps.</p> <p>[3] The reasons for the steps listed under [2] above not being implemented in the 2018/19 financial year and prior years and why such omission does not constitute an act of financial misconduct.</p> <p>[4] Which officials are responsible for the fruitless and wasteful expenditure, disciplinary steps taken against those officials and the outcomes thereof, as well as steps taken to recover the losses from them. Where no disciplinary steps or steps to recover the loss were taken, detailed reasons must be provided.</p>	<p>the amount charged as an interest.</p> <p>> Department should consider taking disciplinary action against the Director who was responsible for credit management for failing to take appropriate steps against the responsible officials that delayed the payments process resulting in the non-compliance with Treasury regulation.</p> <ul style="list-style-type: none"> The following amounts should be recovered from one official for causing a delay to submit the Telkom invoices to the responsible officials for authorization: R2 508.90 for April; R2 736.00 for August; R2 767.50 for October; R5 646.34 for November; R2 467.29 and R2 706.61 for December; making up a total sum of R 18 832.64. The amount of R2 674.68 should be recovered from another official as the invoice for April was submitted to her and she submitted the invoice late to the payment section. <p><u>SARS penalties</u></p> <p>Investigations on penalties accrued to SARS for the 2017/18 tax year after the reconciliations were completed. The investigation revealed the following outcomes:</p> <ul style="list-style-type: none"> The Interest and penalties that was charged by SARS was for the amendments of tax reconciliation, caused by the re-opening of the previous year's tax returns that were closed for the following years 2014, 2015, 2016, 2017. The re-opening of the tax returns were caused by 	

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
				<p>different things such as paying leave gratuity for the year affected, and some errors were generated by the persal system affecting the tax reconciliation balance submitted to SARS for the years in question.</p> <ul style="list-style-type: none"> The amounts paid for penalties and interest should be written off, as there were caused by the changes in the system. <p><u>Overpaid salaries to an Intern</u></p> <p>The following findings were made by the investigation:</p> <ul style="list-style-type: none"> The paymaster had written on the payroll that the intern had resigned, however no action was taken by the Remunerations Unit. Thus the Remuneration Practitioner will be held accountable for not freezing the salary of the intern after being notified by the paymaster that the intern had resigned. Disciplinary action will be taken against another official for late submission of a resignation letter received on 18 September 2018 and submitted on 30 November 2018. The salary overpayment of R15 306.76 will be recovered from the former intern as she was not entitled to receive the salary. <p><u>Amount paid in excess of proclamation</u></p> <p>During the audit of 2017/18 it was noted that Izinduna were paid amounts in excess of the annual proclamation. And upon investigation of fruitless and wasteful expenditure the following findings were made:</p>	

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
				<ul style="list-style-type: none"> The amount of R8038, 33 overpayment identified by AGSA is incorrectly raised as a fruitless and wasteful expenditure for the 2017/18 financial year end audit, therefore the amount should be removed in the register as classified incorrectly. <p><u>Rental vehicle damages</u></p> <ul style="list-style-type: none"> An official who rented a vehicle through Departmental procedures from Europcar on 01 June 2018 had a stone from a truck hit the windscreen which resulted in a crack on the left hand side. The invoice from Europcar was received by the department in December 2018. An amount of R2 942.01 was paid to Europcar. The investigation established that the official did not crack the vehicle wind screen on purpose, it was an incident that happened outside his control on his way back to the airport when he was returning the car to Europcar. The amount paid for damages to Europcar will be written off. 	
Discussed on 17 February 2020	53/2019	Procurement and Contract Management	<p>Noting that:</p> <p>(a) The audit findings for thirteen departments on Procurement and Contract Management emanating from non-compliance with legislation, which overlap with the findings on irregular expenditure are as follows:</p>	<p>1. Audit Action Plans</p> <p>a) A minimum of three quotations were not obtained:</p> <ul style="list-style-type: none"> ➤ The payment checklist is to be implemented and ➤ Disciplinary procedures will be implemented against officials who did not comply. <p><u>Progress</u></p> <ul style="list-style-type: none"> ➤ The payment check list is completed for each payment 	No - in progress

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<ul style="list-style-type: none"> Contracts were extended without the necessary approval of a properly designated official as required by section 44 of the PFMA and TR 8.2.1 & 8.2.2. Competitive bidding process was not followed. Goods and services of a transaction value above R500 000 were procured without inviting competitive bids and deviations were approved although it was practical to invite competitive bids as required by TR 16A.6.1 & TR16A.6.4. A minimum of three quotations were not obtained. Non-compliance with Preferential Procurement Regulation 8(2) of 2017 on local content and production. Bid documentation did not stipulate the minimum threshold for local content and production. Tax clearance certificates not provided as required by TR 16A9.1(d). Contracts were awarded to bidders who did not submit a declaration on whether they are employed by the State as required by TR 16A8.3. Invitations for competitive bids were not advertised for the minimum period as required by TR 16A6.3(c). Bid committees were not composed as required by TR 16A6.2(a), (b) & (c). Contracts were awarded to bidders based on preferential points not calculated in accordance with the Preferential Procurement Policy Framework Act, 2000. 	<p>and is included in the payment batch.</p> <p>➤ The disciplinary process has been instituted against SCM official.</p> <p>b) <i>Non-compliance with Preferential Procurement Regulation 8(2) of 2017 on local content and production. Bid documentation did not stipulate the minimum threshold for local content and production</i></p> <p><u>Action plan</u></p> <p>➤ SCM will review SCM policy to incorporate local content requirements as prescribed by the Preferential Procurement Regulations. In respect of infrastructure construction, the department has approved the infrastructure policy to guide implementation and enforce compliance</p> <p>➤ Investigate the entire population of awards for quarter 1, 2 & 3 2019/2020 FY</p> <p>➤ Investigations for quarter 4 will be completed by March 2020.</p> <p>➤ Include and ensure the checklist prescribe applicability of local production content</p> <p>➤ SCM staff and Bid Committees will be trained on the implementation of the checklist to enhance compliance with SCM requirements.</p> <p><u>Progress</u></p> <p>➤ SCM Policy has been updated with all changes in</p>	

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<ul style="list-style-type: none"> Contracts were awarded to bidders based on pre-qualification criteria that were not stipulated or were different from those stated in the bid invitation in contravention of Preferential Procurement Regulation 4(1) & (2). SCM processes were not followed by Municipalities performing work on behalf of the Department. <p>(b) Non-compliance could have been avoided if management regularly monitored compliance and implemented appropriate controls and processes.</p> <p>(c) Provincial Treasury has identified support interventions following the 2018/19 audit outcomes. Departments are to submit detailed audit action plans to Treasury by 31 October 2019, which will be reviewed and discussed with all accounting officers, and which Treasury will monitor and report progress on to accounting officers quarterly.</p> <p>The Committee resolves: That all Accounting Officers report to the Committee by <u>31 January 2020</u> on the following:</p> <p>[1] Detailed audit action plans submitted to Provincial Treasury specifically to address findings on procurement and contract management plus a progress report on the effectiveness of the audit plans.</p> <p>[2] Steps implemented to ensure risk assessment processes and reviews are adequate to ensure that key compliance risks are mitigated and responded to in good time to</p>	<p>legislation which includes local content as required by PPR of 2011. In addition to that, a separate policy for infrastructure has been developed and approved in accordance with National Treasury instruction note 4 of 2015/2016 and the Infrastructure standard.</p> <p>➤ SCM uses a checklist that verifies applicability of local production content and therefore the risk of re-occurrence is minimised.</p> <p>➤ The compliance checklist does include the applicability of local production content and is being used by SCM.</p> <p>➤ SCM staff and bid committees were trained on the PPR of 2017 and local production content in order to enhance compliance with SCM prescripts. The training was conducted during the month of August 2019.</p> <p>c) <i>Tax Clearance Certificate</i></p> <p><u>Action plan</u></p> <p>➤ A checklist to be developed for the submission for approval of purchase order. The checklist will include the requirement of service providers having a valid Tax Clearance Certificate.</p> <p>➤ To attach a new tax clearance certificate when payment is made. No payment will be made without a valid tax clearance certificate.</p> <p><u>Progress</u></p> <p>➤ CSD report is updated daily. CSD/PIN is generated and printed at initiation stage as well as at the stage of appointment. It is attached</p>	

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			prevent a recurrence.	<p>to the purchase order before approval.</p> <p>d) <i>Contracts were awarded to bidders who did not submit a declaration on whether they are employed by the State as required by TR 16A8.3.</i></p> <p><u>Action plan</u></p> <ul style="list-style-type: none"> ➤ CSD currently performs validation of 1,5 million National and Provincial Government employees that are on PERSAL and 127 506 employees from the municipalities in 9 provinces. The responsibility of updating the employee information has been decentralised by the HOD Provincial Treasury to all Accounting Officers of organisations. ➤ The Municipal employee information will be uploaded on the Central Supplier Database. ➤ The investigation was completed and a report was issued on 12 March 2018. ➤ In the 2 cases investigated, it is submitted that there is no evidence of the employees having performed work or having received remunerative benefits and it was recommended by Labour Relations that the cases be disposed of. The HOD approved this submission. ➤ The Department will write letters to the Accounting Officers of the other Departments informing them of the officials that did business with COGTA. ➤ SCM to compile a file of supporting evidence and provide to Legal Services for 	

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
				<p>investigation.</p> <ul style="list-style-type: none"> ➤ Legal Services to write letters to the identified suppliers, requesting them to provide reasons for the finding, that is, directors/owners who have been identified as "in-service of other state institutions". Disciplinary processes against employees who had not disclosed will be instituted. <p><u>Progress</u></p> <ul style="list-style-type: none"> ➤ Legal services prepared the letters and signed by the HOD to the suppliers and to the respective departments whose employees were found to be doing business with the state. No responses have yet been received. <p>e) <i>Invitations for competitive bids were not advertised for the minimum period as required by TR 16A6.3(c).</i></p> <p><u>Action plan</u></p> <ul style="list-style-type: none"> ➤ A deviation signed by the Accounting Officer was provided to AG with reasons for advertising for a lesser period. The Department will comply with the 21 days for advertising unless it is an emergency where a deviation will be sought. ➤ Internal Control to perform classification reviews of irregular expenditure - condonation ➤ Consequence management will be actioned with the accountable official after an independent investigation has been concluded. <p><u>Progress</u></p>	

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
				<ul style="list-style-type: none"> ➤ Monitoring controls are implemented to ensure that all SCM requirements have been complied with before expenditure is approved for payment including proper monitoring over the SCM compliance checklist. ➤ Director Internal Control received the list of irregular expenditure for classification on condonation and prepared a report. ➤ The disciplinary processes have commenced in respect of officials who were cited in the investigation reports. <p>2. Risk assessments are conducted on an annual basis prior commencement of the financial year to ensure pro-active approach and alignment of action plans with the budget allocated. The progress of agreed action plans is reported on a quarterly basis in Governance, Risk and Ethics Committee (GREC) and CARC meetings (tabling of top 20 risk register) and overdue action plans are highlighted for Management attention and immediate intervention.</p> <p>The progress of the Department Risk register from Critical to insignificant is reported via the Improvement Plan Report on a quarterly basis that is tabled at the GREC and CARC meetings.</p>	
Discussed on 17 February 2020	54/2019	Forensic Investigations	<p>Noting that:</p> <p>The Provincial Internal Audit Services has completed the forensic investigations listed below and has made recommendations which are either still in progress or are yet to be implemented by the</p>	<p>COGTA FR30/2016 (COEGA)</p> <ul style="list-style-type: none"> ✓ The amount of R26 763 056.04 which was declared by the forensic investigation as irregular was declared as such in the 2018/19 AFS. ✓ Consequence management 	No - in progress

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)																		
			<div> <div>relevant departments:</div> <table> <tr> <th>Department</th> <th>Ref No.</th> <th>Recommendations</th> </tr> <tr> <td>COGTA</td> <td>FR30/2016</td> <td>Disciplinary action yet to be instituted</td> </tr> <tr> <td>COGTA</td> <td>FR22/2016</td> <td>Improvement on Traditional Council governance issues recommended</td> </tr> <tr> <td>COGTA</td> <td>FR09/2017</td> <td>Disciplinary action yet to be instituted</td> </tr> <tr> <td>COGTA</td> <td>FR12/2018</td> <td>Investigation delayed as insufficient documentation provided by Department</td> </tr> <tr> <td>COGTA</td> <td>FR34/2018</td> <td>Investigation delayed as insufficient documentation provided by Department</td> </tr> </table> <div> <p>The Committee resolves: That the Accounting Officers of the relevant departments report to the Committee by <u>31 January 2020</u> on:</p> <p>(i) The steps taken to implement the recommendations, progress made therein, the reasons for any delays and where no steps are being contemplated, a detailed explanation supported by legal opinion.</p> <p>(ii) Where forensic investigations are being delayed due to insufficient documentation or information being provided by Departments, an explanation as well as a report on action taken</p> </div> </div>	Department	Ref No.	Recommendations	COGTA	FR30/2016	Disciplinary action yet to be instituted	COGTA	FR22/2016	Improvement on Traditional Council governance issues recommended	COGTA	FR09/2017	Disciplinary action yet to be instituted	COGTA	FR12/2018	Investigation delayed as insufficient documentation provided by Department	COGTA	FR34/2018	Investigation delayed as insufficient documentation provided by Department	<p>is being prepared against the identified officials.</p> <p>COGTA FR22/2016 (MBHENSE TC) ✓ There were disputes on Ubukhosi bakwaMbhense which have now been resolved and the TC is being supported to implement the necessary controls and systems. The new TC members who will start after the February 2020 TC Elections will be capacitated.</p> <p>COGTA FR09/2017 (DIGES) ✓ The Department has received the report and has declared the irregular payment as irregular expenditure. Disciplinary action will resume.</p> <p>COGTA FR12/2018 (IMPLEMENTING AGENTS) ✓ Required information has been submitted to Provincial Treasury. Letters have been sent to the respective implementing agents requesting them to furnish required information to PIAS.</p> <p>COGTA FR34/2018 ✓ The Provincial Treasury confirmed at the last CARC meeting in December 2019 that all the requested documents had been received and the preliminary investigation had begun.</p>	
Department	Ref No.	Recommendations																					
COGTA	FR30/2016	Disciplinary action yet to be instituted																					
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Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			against the guilty officials and steps taken to remedy the default.		
Discussed on 17 February 2020	55/2019	Internal Investigations	<p>Noting that: Several departments have conducted internal investigations in the 2018/19 financial year relating to various alleged irregularities spanning, in some cases, over more than one financial year. Some of these investigations have been concluded while some are still in progress.</p> <p>The Committee resolves: That Accounting Officers, by 31 January 2020:</p> <p>[1] Provide copies of all reports of investigations that have been completed in the 2018/19 financial year to the Committee.</p> <p>[2] Report to the Committee on progress made in the implementation of the recommendations contained in the reports, including disciplinary cases that have been initiated against officials and the outcomes thereof, criminal cases that have been opened, civil proceedings that have been commenced to recover monies and blacklisting of service providers.</p> <p>[3] Where investigations are still in progress, provide a report on the anticipated date of completion, challenges experienced in conducting or finalising the investigations and steps taken to address the challenges</p>	<p>There are 5 forensic investigations, with 1 completed and 4 still ongoing.</p> <p>1. Investigation on various activities where SCM procedures and recruitment procedures were allegedly not followed in the following matters:</p> <ol style="list-style-type: none"> Installation of Amakhosi Appointment of Outside Broadcasting The appointment of Diges Group and allowing them to continue with the project of drilling boreholes despite a directive of the Bid Appeals Tribunal to stop the bid process pending the appeal. <p>The investigation is completed and disciplinary action was recommended against relevant officials from the Finance and HR Units. The Director: HRA was suspended and have since resigned.</p> <p>The Diges matter was also investigated by PAIS which reached the same conclusion that there were transgressions committed which require disciplinary action. Both reports will be used to institute disciplinary action against identified officials.</p> <p>2. This forensic investigation was recommended by the investigation report on Irregular Expenditure for 2016/17. The IE investigation found that there was loss and no value for money incurred by the</p>	No - in progress

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
				<p>department on the transaction between the department and Howard Electrical in the Mthaniya and Msobotsheni electricity installation project and recommended that the Accounting Officer institute an independent forensic investigation to determine if there was any maladministration, fraud or criminal activities involved. The investigation is not completed yet.</p> <p>3. Forensic investigation for the appointment and payments made to Thabethe Cebekhulu Attorneys who were appointed to provide support and capacity to each of the District Development Agencies. This forensic investigation was also recommended by an initial irregular expenditure investigation to determine if there was any maladministration and/or fraudulent and criminal activities. The investigation is not completed yet.</p> <p>4. Alleged irregular payments made to service providers for services not rendered to TC's, discrepancies in TC Trust account deposits and records on cash book in the Zululand district.</p> <p>5. Alleged bribery of Izinduna by departmental officials in the eThekweni district.</p>	
Discussed on 17 February 2020	56/2019	Risk Management	<p>Noting:</p> <p>The report of the Provincial Audit and Risk Committee on the lack of adequate risk management in some departments and the slow progress made in the implementation of risk mitigation plans, particularly in addressing risks classified as critical and</p>	<p>1) All outstanding Risk mitigation plans are reported via a risk register to the following structures: EXCO, Governance, Risk and Ethics Management Committee (GREC), Departmental MANCO and branch MANCOs.</p>	

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>major.</p> <p>The Committee resolves: That the Accounting Officers of the relevant departments report to the Committee by <u>31 January 2020</u> on the following:</p> <p>[1] The steps taken to implement all outstanding risk mitigation plans identified in the 2018/19 departmental risk registers.</p> <p>[2] A progress report on the implementation of the 2019/20 departmental risk mitigation plans, particularly those relating to critical and major risks and steps taken to ensure a speedy implementation of risk mitigation plans.</p> <p>[3] Steps taken to capacitate the departmental risk management function, including risk management training for members of the risk management committee.</p> <p>[4] Progress made in linking risks to departmental performance indicators.</p>	<p>Resolutions are taken by these structures and this is where decisions are made on how the outstanding mitigation plans would be implemented. Reports of non-compliance with resolutions on mitigation plans are also escalated to the Accounting officer where consequence management is implemented.</p> <p>2) All critical and major risks identified by the Department are tabled at EXCO, Governance, Risk and Ethics Management committee, Departmental MANCO and branch MANCOs. This process has ensured that there is some movement in implementation of identified mitigation measures and in turn reducing the risks; and has seen the Department moving from 3 identified as high to 1.</p> <p>The Departmental risk management function has had an additional Risk management officer. Plans are also on the way to fill more posts within this function.</p> <p>The Department has an integrated Risk management training plan which the Provincial Internal Audit services (PIAS) plays a role in. The plan includes the training plans for the Governance, Risk and Ethics management committee. The committee has also received refresher training on the Risk Management policy and Strategy and as well as the BCM training which was provided by PIAS.</p> <p>The process of linking the</p>	

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
				<p>crafting of the Departmental Annual Performance plan and the chosen strategies to implement the mandate of the Department risks linked to those chosen strategies are identified, assessed and responded to depending on their residual risk level.</p> <p>The same process takes place at crafting of activities as per the individual branches business plans where activities based risks are identified, assessed and responded to.</p>	
Discussed on 17 February 2020	57/2019	Consequence Management	<p>Noting that:</p> <p>(a) During the prior year audit (2017/18 financial year), the Auditor-General reported on findings relating to transgressions by officials or other role players for management to investigate.</p> <p>(b) During the current year audit (2018/19 financial year) the Auditor-General reported that some Departments had not investigated all of some of those matters or had not done so properly.</p> <p>(c) In the current year audit (2018/19 financial year), the Auditor-General identified further transgressions for management to investigate.</p> <p>The Committee resolves: That the Accounting Officers of the relevant departments report to the Committee by <u>31 January 2020</u> on the following:</p> <p>[1] The reasons for their failure to investigate and resolve all matters reported by the Auditor-General for investigation in the 2017/18 audit.</p> <p>[2] The steps taken to investigate and resolve all</p>	<p>1) The AG had recommended investigation of irregular expenditure in 2017/18 and 2018/19. The investigation has since been finalized for 2017/18 and 3 quarters of 2018/19 irregular expenditure. Disciplinary processes are in progress.</p> <p>2) Application for condonation has been submitted to Provincial Treasury.</p> <p>3) Incidents of fruitless and wasteful expenditure during these financial years have also been investigated and disciplinary processes are in progress.</p>	No - in progress

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>the 2017/18 as well as the 2018/19 matters reported by the Auditor-General for investigation and time frames for finalisation thereof.</p> <p>[3] The findings and recommendations, as well as the outcomes of each investigation, including disciplinary steps taken, civil proceedings commenced for recovery of losses, criminal cases opened where relevant and steps taken to “blacklist” suppliers, where applicable.</p>		
Discussed on 17 February 2020	58/2019	Predetermined Objectives	<p>Noting:</p> <p>(a) The material findings of the Auditor-General on the usefulness and reliability of the reported performance information of some Departments.</p> <p>(b) The root cause was the lack of proper performance management systems and processes and the failure by management to perform adequate verifications to ensure a complete performance report was supported by reliable information.</p> <p>(c) In some Departments this is a recurring finding where management has failed to implement action plans to address audit findings in previous financial years.</p> <p>The Committee resolves: That the Accounting Officers of the relevant departments report to the Committee by <u>31 January 2020</u> on measures implemented to address the audit findings and to prevent a recurrence, with timeframes for implementation.</p>	The Department did not receive findings on predetermined objectives, but received a clean audit on performance information.	N/A
Discussed on 17 February 2020	59/2019	Filling of critical posts	<p>Noting: That vacancies exist in critical management posts within departments and the adverse effect this is having on audit findings, particularly on compliance with legislation, internal controls and financial</p>	<p>✓ The department identified 131 critical posts to be filled in the financial year 2019/20.</p> <p>✓ A total of 62 posts have been filled in the period 1 April to 23 January 2020.</p>	No - in progress

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>and performance management.</p> <p>The Committee resolves:</p> <p>That the Accounting Officers of the relevant departments report to the Committee by <u>31 January 2020</u> on progress made in the filling of critical posts and the time frames for the filling of those posts.</p>	<p>✓ The remaining 69 posts are at various stages of filling as listed:</p> <ul style="list-style-type: none"> ○ 8 applications have been finalised ○ 11 posts are in the process of obtaining approval from Treasury and Premier ○ 11 posts are awaiting final approval of the MEC ○ 9 posts are in the screening process ○ 10 posts at shortlisting stage ○ 7 posts at interview stage ○ 9 posts are to be advertised or re-advertised and ○ 4 posts are have been put on hold 	
Discussed on 17 February 2020	60/2019	Material misstatements in annual financial statements	<p>Noting that:</p> <p>(a) The annual financial statements submitted for auditing by some departments were not prepared in accordance with the prescribed financial reporting framework. Material misstatements identified by the auditors were corrected in some instances, resulting in the financial statements receiving an unqualified audit opinion, but in others they were not corrected resulting in a qualified audit opinion.</p> <p>(b) This has been a recurring finding of the Auditor-General over an extended period.</p> <p>(c) It is the responsibility of the Accounting Officer to prepare financial statements in accordance with generally recognised accounting practices in terms of section 40 of the</p>	There were no material findings on this matter	N/A

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			PFMA and the wilful or negligent failure to do so constitutes financial misconduct in terms of section 81.		
Discussed on 17 February 2020	61/2019	Expenditure Management	<p>Noting:</p> <p>(a) The findings of the Auditor-General that some departments are not making payment within 30 days or within an agreed upon period after receipt of invoices, as required by Treasury Regulation 8.2.3.</p> <p>(b) This constitutes a contravention of section 38(1)(f) of the PFMA which provides that the accounting officer must pay all money owing by the department within the prescribed or agreed period.</p> <p>(c) An accounting officer commits an act of financial misconduct if she/he wilfully or negligently fails to comply with a requirement of section 38 of the PFMA.</p> <p>The Committee resolves: That all relevant Accounting Officers submit a report to the Committee by 31 January 2020 on the reasons for non-payment of invoices within 30 days with sufficient particularity to enable the Committee to determine whether an act of financial misconduct was committed, the steps taken to address this audit finding and measures put in place to prevent a recurrence.</p>	<p><u>Reasons for non-payment</u></p> <p>All invoices that are not paid within 30 days in terms of National Treasury Instruction note of 2011/2012 are investigated and reason of late payment are recorded and reported to Provincial Treasury.</p> <p>Upon investigating each case; the Department is able to determine whether the underlining reasons were because of internal deficiencies or outside the control of the Department.</p> <p>All cases which are considered to have been due to internal deficiencies, are then referred to Labour Relations for further investigation and action to be taken where necessary.</p> <p><u>Measures put in place to prevent recurrence</u></p> <p>The Department has implemented the following mitigating measures in order to improve the processing of invoices within 30 days during the current financial year:</p> <p>a) Reconfigured the Departmental structure by moving Creditors Management function from Supply Chain Management to Financial Accounting, this means that there are now separate Directors responsible for order processing and for invoice processing;</p> <p>b) Established a central email address for receiving supplier invoices, namely invoices@kzncogta.gov.za;</p> <p>c) Through staff rotation, allocated more suitably</p>	No - in progress

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
				<p>qualified staff under the Creditors Management function; and</p> <p>d) Implementing weekly reports that assist in tracking invoices and ageing of invoices which have not been paid.</p>	
Discussed on 17 February 2020	62/2019	Commitments on audit findings and related matters	<p>Noting that: Accounting Officers of some departments have made commitments in the current year audit (2018/19) and in prior year audits to resolve audit findings and related matters such as transfer payments, procurement, supply chain management, expenditure management, IT, vacancies, annual financial statements and internal control deficiencies, some of which have not yet been resolved.</p> <p>The Committee resolves: That the Accounting Officers of the relevant departments report to the Committee by <u>31 January 2020</u> on the reasons for the commitments being unresolved, the steps taken to resolve the commitments and time frames for finalisation thereof.</p>	<p>Commitment 1</p> <p>1. The Accounting Officer will together with Provincial Treasury continue with the planned initiatives to recover the remaining transfer payments to the municipalities that have not utilized their grants fully or not at all or not for intended purposes.</p> <p><u>Status as per AG report presented to the Department</u></p> <p>1. The department has written letters to the municipalities that are required to pay back the unspent transfer payment however not all municipalities have responded and paid back the money, the commitment remains in progress.</p> <p><i>(commitment remains in progress pending the repayment of unspent amount)</i></p> <p><u>Current Status – January 2020</u></p> <p>In terms of procedure, letters are written to Municipalities which are in Breach or have unspent Savings giving them an opportunity to rectify. If no response is received or an inadequate response, the Agreement of Grant is cancelled and the Municipality is put on the Red Flag List.</p> <p>This effectively means that no further transfers will be effected to the Municipality until such time as the issue is resolved either through repayment or evidence of expenditure in line with the</p>	No - in progress

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
				<p>approved Business Plan.</p> <p>Two Municipalities remain on the Red Flag list namely:</p> <ul style="list-style-type: none"> ➤ Umkhanyakude District Municipality and Ndwedwe Municipality. ➤ One additional Municipality that has been added to the list is Mpofana Municipality. <p>The following Municipalities have been removed from the Red Flag List:</p> <ul style="list-style-type: none"> ➤ Nongoma Municipality ➤ Inkosi Langalibalele Municipality ➤ Alfred Duma Municipality ➤ Ray Nkonyeni Municipality ➤ Harry Gwala Municipality and ➤ uPhongolo Municipality <p>Commitment 2</p> <p>HR will request the setting up of debts of all the 28 overpaid Izinduna.</p> <p><u>Status as per AG report presented to the Department</u></p> <p>The process of setting up of Izinduna debt is in progress, the department has issued letters of debt acknowledgement to all Izinduna that were overpaid.</p> <p><i>(commitment remains in progress pending debt repayment by Izinduna)</i></p> <p><u>Current Status – January 2020</u></p> <p>Of the 37 Izinduna (total owed R 234 075.61), debts were set up and 31 (R 88 292.39) were settled as at 31 December 2019.</p> <p>One Izinduna (owing R</p>	

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
				<p>48 229.98) has a monthly deduction of R 2009.58 which will be paid in full within 24 months.</p> <p>As at 31 December; R24 114.96 has been recovered, with a remainder of R 24 115.02 for the remaining 12 months</p> <p>The remaining 05 Izinduna could not be located as they are out of service; however, the Department could recover R 3 941.36 from 1 Induna who owed R 8 033.00. The remaining balance of R 115 717.29 is proposed as a written off.</p> <p>Commitment 3</p> <p>Full population analysis of the overpayment will be done and the recovery of any amount overpaid instituted.</p> <p><u>Status as per AG report presented to the Department</u></p> <p>An external service provider was appointed to perform the data analytics relating to over/under payments on the full population of Izinduna. The fieldwork has been completed however the final report has not yet been finalized.</p> <p><u>Current Status – January 2020</u></p> <p>The full population analysis of all Izinduna payments was finalized last year and overpaid and underpaid Izinduna have been either paid or deductions made. Only 466 Izinduna cases remain and these will be resolved before year end.</p>	
Discussed on 17 February 2020	70/2019	Unauthorised expenditure	<p>Noting that:</p> <p>(a) The Department incurred unauthorised expenditure of R210 000 in the 2018/19 financial year that relates to expenditure</p>	<p>The expenditure of R210 000 relating to SALGA for R60 000 and Tembe Traditional Council for R150 000 has been referred to Provincial Treasury and will be</p>	

Date of the Meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<p>incurred not in accordance with the purpose of the vote or main division within the vote.</p> <p>(b) The expenditure relates to transfer payments made (new transfers and subsidies introduced) without prior approval from Provincial Treasury.</p> <p>(c) Due to under-spending the vote of the Department as a whole was not overspent.</p> <p>The Committee resolves: That the Accounting Officer of the Department report to the committee by <u>31 January 2020</u> giving a detailed explanation for the over-expenditure before it can be approved.</p>	<p>tabled at the SCOPA.</p> <p>Moreover, the following were reviewed to prevent the same risk recurring:</p> <ul style="list-style-type: none"> ✓ Payment checklist ✓ Financial Delegation 	



9. PRIOR MODIFICATIONS TO AUDIT REPORTS

The table below is an illustration of the matters raised by the AG that resulted in the Department receiving a **Financially Unqualified Opinion** with findings on compliance:

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter																					
Effective and appropriate steps were not taken to prevent irregular expenditure of R41,34 million, as disclosed in note 23 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was as a result of the department not obtaining the required price quotations.	2016/17	<p>The closing balance as per audited financials as at 31 March 2019 for irregular expenditure was R 606 827 718.15. Submissions to Provincial Treasury have been made and the reconciliation is detailed below. It should be noted that the reconciliation also includes errors that have been identified and when rectified the prior year balance in the Annual Financial Statements should be reflected as R517,619,621.95.</p> <table> <tr> <th>No.</th><th>Description</th><th>Amount</th></tr> <tr> <td>1.</td><td>Submitted to Provincial Treasury</td><td>R237,691,279.85</td></tr> <tr> <td>2.</td><td>Under investigation</td><td>R183,367,093.32</td></tr> <tr> <td>3.</td><td>To be submitted to Provincial Treasury</td><td>61,248.78</td></tr> <tr> <td>4.</td><td>Not irregular as per investigation reports</td><td>R82,264,513.17</td></tr> <tr> <td>5.</td><td>Duplicates identified during reconciliation</td><td>R21,287,495.31</td></tr> <tr> <td>6.</td><td>Omission identified during reconciliation</td><td>R13,702,719.26</td></tr> </table>	No.	Description	Amount	1.	Submitted to Provincial Treasury	R237,691,279.85	2.	Under investigation	R183,367,093.32	3.	To be submitted to Provincial Treasury	61,248.78	4.	Not irregular as per investigation reports	R82,264,513.17	5.	Duplicates identified during reconciliation	R21,287,495.31	6.	Omission identified during reconciliation	R13,702,719.26
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6.	Omission identified during reconciliation	R13,702,719.26																					
Effective steps were not taken to prevent fruitless and wasteful expenditure of R988 000 as disclosed in note 24 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the fruitless and wasteful expenditure was caused by overpayments of stipends to iziNduna	2018/19	<p>After assessment of the root causes of the overpayment of Izinduna, the Director: Human Resource Administration withdrew the approval function from the Acting Assistant Director and took sole responsibility for approving all payment transactions.</p> <p>a) A Deputy Director: Conditions of Service was appointed in June 2019 which bolstered capacity in the Remunerations Sub-directorate. This has enabled the sub-directorate to reduce the number of indebted Izinduna.</p> <p>b) Furthermore, the HOD has directed that all Izinduna payments must be verified by the CD: HRM&D before any payment is captured on PERSAL.</p> <p>All 2018/19 and 2019/20 Fruitless and Wasteful Expenditure has been investigated.</p>																					

10. INTERNAL CONTROL UNIT

The Department is committed to improved internal controls and risk management. It manages internal controls by setting objectives and by ensuring that the required control mechanisms and activities are in place. During the year under review, the Department continually assessed and evaluated internal controls to assure that the existing control activities are effective, efficient, transparent and updated when necessary.

The departmental Risk Register was revised and updated throughout the year. The Risk Management Implementation Plan was developed and reported on a quarterly basis.

Internal audits were conducted to ensure that systems and controls are in place and adequately implemented. The Audit Improvement Strategy for the findings raised in the Internal Audit Reports was compiled in order to monitor the implementation of Management Action Plans.

Auditor General's Audit Improvement Strategy was also compiled and monitored to ensure that all findings raised were addressed. In the 2019/20 financial year the Internal Control Unit introduced the review of all Bids for compliance, all Bids were scrutinised by internal control before the Accounting Officer signed to award the bids. This assisted in the reduction of instances of Irregular Expenditure stemming from not following SCM processes.

Fruitless and Wasteful Expenditure was investigated by the Internal Control unit and reports for all transactions investigated were provided to the Accounting Officer with recommendations for improvements in the system controls as well as any consequence management where necessary.

Irregular Expenditure transactions were also investigated for 2017/18 2018/19 and 2019/20; and an application for condonation was submitted to the Provincial Accountant General for 2017/18 and 2018/19.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

1. Key activities and objectives of the Internal Audit

The PIAS exists as an independent, objective assurance and consulting service designed to add value and improve the KZNPG's operations. It helps the KZNPG departments to enhance and protect organisational values by providing risk-based and objective assurance, advise and insight thereby accomplish its objective by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes.

2. summary of audit work done

PIAS-Assurance Services had completed 20 audits assignments planned for the year in terms of the annual internal audit operational plan as approved by the Cluster Audit and Risk Committee. These audits included full scope reviews as well as follow up reviews on both previous internal audit reports and the AG reports. Full scope audit assignments conducted for the current financial year included audits on Supply Chain Management, Transfer Payments, Interim Financial Statement reviews, Performance information, Contract management, Local Governance support, Traditional Councils and IT reviews on Cyber security.

3. key activities and objectives of the Audit Committee

Internal Controls, Accounting Systems & Internal Audit
Review of the internal audit reports to manage critical risks and to ensure the adequacy and effectiveness of the departmental internal control structure including:
<ul style="list-style-type: none"> • Financial and internal controls, • Accounting systems and reporting and • Corporate governance
Review any significant matters reported by the internal auditors and the extent to which the recommendations have been implemented by management; and provide any additional recommendations to Accounting Officers.
Direct the Accounting Officer to provide status reports detailing the progress made in implementing the Committee's recommendations.
Through PIAS reports, evaluate IT governance systems and the related internal controls.
Ensure that the relevant departmental management demonstrates accountability over internal control functions.
Consider the fact and potential of any limitation on the scope of internal audit, and if there is, report to the MEC for Finance via the Provincial Audit & Risk Committee.
Fraud Prevention
Ensure that the Accounting Officer develops and implement strategies, policies, procedures and systems to prevent and detect fraud and corruption
Ensure that the Accounting Officer demonstrates some pro-activeness in maintaining anti-fraud and corruption strategies to protect the Provincial assets entrusted to them
Review and evaluate the effectiveness of such strategies, policies/procedures.
Should a report to the Audit Committee, whether from the PIAS or any other source, implicate the Accounting Officer in fraud, corruption or negligence, the chairperson of the CARC must promptly report this to the relevant executive authority via the Chairperson of PARC.
Financial Statements
Ensure that the timing and nature of reports from the external auditor(s) are in accordance and comply with the requirements of the PFMA.
Consider key matters arising in the AGSA management report and audit report (including illegal acts or irregularities) and satisfy themselves that they are being properly followed up and resolved.
Consider the reports and function of the External Audit Steering committee to ensure that external audits are performed efficiently and that management co-operates with the AGSA.
Comment on its evaluation of the annual financial statements, the interim financial reports, the preliminary announcement of the AGSA report and any other announcement regarding the KZNPG's results or other financial information to be made public, prior to the submission to and approval by the Accounting Officer and/or Executive Authority.
Consider any accounting treatments, significant unusual transactions, or accounting judgments, which could be contentious to ensure that these are properly addressed.
In line with TR 3.1.13 (b), comment on the quality of IYM and monthly/quarterly reports submitted in terms of the PFMA and DoRA.
Risk Oversight

<p>The Committee is an integral component of the risk management process and shall oversee:</p> <ul style="list-style-type: none"> • Financial reporting risks • Fraud risk as it relates to financial reporting • IT risk as it relates to financial reporting • All other strategic and operational risks that may impede the department from achieving their business objectives. <p>Review the procedures for identifying business risks and mitigating their impact on the department.</p> <p>Ensure that the Accounting Officer and Accounting Authority maintains and regularly reviews the system of risk management within their areas of responsibilities.</p> <p>Review the results of the risk assessment to determine the material risks to which the departments may be exposed and evaluate strategies to mitigate those risks.</p> <p>Ensure that the Accounting Officer has incorporated reputational and ethical risks and opportunities in the risk management process.</p>
Combined Assurance
<p>Ensure a coordinated approach to all assurance activities, and in particular the CARC shall:</p> <ul style="list-style-type: none"> • Ensure that the combined assurance model relevant to the department is appropriate to address all the significant risks facing the department. • Monitor the relationship between the external and internal assurance providers. • Comment on the effectiveness of the combined assurance model.
Integrated Reporting
<p>Review the integrated report, including the financial statements, and should have regard to all factors and risks that may impact on the integrity of the integrated report, and in particular the Committee must:</p> <ul style="list-style-type: none"> • Have regard to all factors that may impact on the integrity of the integrated/ annual report, including factors that may predispose management to present a misleading picture, significant judgements and reporting decisions made, monitoring or enforcement actions by a regulatory body, any evidence that brings into question previously published information; forward looking statements or information. <ul style="list-style-type: none"> a) Review disclosure of sustainability issues in the integrated report to ensure that it does not conflict with the financial information. b) Comment in the annual financial report on the financial statements, the accounting practices and the effectiveness of the internal financial controls. c) Consider whether the content of the summarised information provides a balanced view.
Ethics
<p>Review the internal audit reports on compliance with the ethical code of conduct and policies of the Department based on the number of statutory, common law and other requirements which cover the ethical behaviour of senior management, and officials of the Departments.</p> <p>Identify through PIAS reports, any violation of ethical conduct, environmental and social issues.</p> <p>Provide advice on any identified potential conflict of interest.</p>
Reporting Responsibilities
<p>The Committees must report and make recommendations to the Accounting Officer on a regular basis (TR 3.1.12) – preferably quarterly.</p> <p>The Committees should engage with Accounting Officers of respective departments at least on a quarterly basis.</p> <p>The Committees may communicate any concerns they deem necessary to the executive authorities, Head of Provincial Treasury and the AG SA (TR 3.1.15).</p>

4. Attendance of Audit Committee meetings by members of the Audit Committee Members

The PARC and GSCID CARC consists of the members listed hereunder who have met as reflected below, in line with the approved terms of reference.

Name	Qualifications	Internal or External member	If Internal, position in the Department	Date Appointed	Date Contract Renewed	No. of PARC meetings attended	No. of CARC meetings attended
Mr S P Simelane (Acting Chairperson of PARC and ESID CARC)	CA(SA)	External	N/A	23 February 2015	30 October 2015	10 of 10	4 of 4
Mr M Tarr (ESID CARC)	MSc Agricultural Economics	External	N/A	01 May 2018	-	10 of 10	4 of 4
Mr V Ramphal (ESID CARC)	CA(SA)	External	N/A	23 February 2015	30 October 2015	10 of 10	4 of 4
Mr P Christianson	CA(SA)	External	N/A	23 February 2015	30 October 2015	9 of 10	N/A
Ms T Njozela	MBA	External	N/A	23 February 2015	30 October 2015	9 of 10	N/A
Mr D O'Connor	CA(SA)	External	N/A	23 February 2015	30 October 2015	10 of 10	N/A
Ms N Sithole	CA (SA)	External	N/A	01 May 2018	RESIGNED 07 October 2019	3 of 10	N/A

* refers to PARC members who did not serve on the GSCID CARC

12. AUDIT COMMITTEE REPORT

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

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

The 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, and is pleased to present its report for the financial year ended 31 March 2020.

The Provincial Audit and Risk Committee (PARC) is the shared audit and risk committee for the provincial departments, and is further sub-divided into three Cluster Audit & Risk Committees (CARC's) that provide oversight of key functions to the KZN Provincial Government Departments. The Department of Cooperative Governance & Traditional Affairs is served by the Governance State Capacity and Institutional Development (GSCID) Cluster Audit & Risk Committee.

The Committee has adopted appropriate formal terms of reference contained in its Audit and Risk Committee Charter and has regulated its affairs in compliance with this charter, and reports that it has discharged all of its responsibilities as contained therein.

1. The Effectiveness of Internal Control

The Committee has reviewed the reports of the Provincial Internal Audit Service (PIAS), 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 in the following areas:

- Municipal Support
- Supply Chain Management
- Traditional Councils
- Budget Management.
- Expenditure Management

The Committee considered the appropriateness of managements' planned interventions to improve the overall control environment and advised management to implement these remedial actions timeously, to avoid the recurrence of audit findings.

2. Effectiveness of Internal Audit

PIAS activities were reviewed by the Committee during the PARC and CARC monitoring processes. The Committee evaluated PIAS' reports detailing the assessment of the adequacy and effectiveness of controls designed to mitigate the risks associated with the operational and strategic activities of the department.

The PIAS planned to perform thirteen (15) audit assignments for the period under review, but two (2) IT audits were rolled over to the 2020/21 financial year with the formal approval of the Audit Committee as a result of the migration process that was not finalized by the Department.

The Committee is satisfied that PIAS performed effectively during the period under review. During the 2020/21 financial year, the Committee will continue to monitor the progress made by the PIAS against its operational plans in order to ensure that it continues to fulfil its mandate and add value to the Department.

3. Risk Management

The responsibilities of the Committee with respect to risk management are formally defined in its Charter. For the period under review, the Committee's responsibilities have been focused, amongst other things, on the quarterly review of the Department's risk register and monitoring progress against the Risk Management Operational Plan.

As at the end of the 19/20 financial year, the Department's risk register status was as follows:

Focus areas	Risk Grouping					
	Total	Critical	Major	Modera te	Minor	Insignific ant
No of identified risks	70	2	10	9	47	2
No of agreed action plans	30	2	14	14	0	0
No of completed action plans action	10	2	4	4	0	0
No of outstanding action plans action	20	0	10	10	0	0
% outstanding of actions	67%	100%	71%	22%	N/A	N/A

The Committee noted that although the Department has implemented 67% of the overall risk remedial actions, the Committee remains concerned with the failure by the Department to timely mitigate risks classified as major. The Department is urged to 1) ensure the completion of all risk mitigation plans, particularly risks classified as critical and major with a period of three to six months as required by the Provincial Risk Management Framework; and 2) ensure updating of the risk register with the strategic risks which should be identified and assessed as part of the Department's 2020/25 strategic plan and 2020/21 annual performance plan processes.

With regard to the risk-related improvement plans, the Department is commended on having completed 100% of its Occupational Health and Safety (OHS) improvement action plans. With the current focus being on compliance with the OHS Act due to the COVID-19 pandemic, the Department is strongly advised to extend their OHS and COVID-19 control measures at all its offices.

With regard to the current COVID-19 pandemic, the Department is urged to ensure continued compliance with prescribed COVID-19 and OHS control measures in all of its offices and to put the necessary contingency measures to minimise the negative impact the pandemic might have on the achievement of the Department's service delivery obligations.

4. Quality of in year management and monthly/quarterly reports

The Committee was satisfied with the content and quality of quarterly reports in respect of in year management and quarterly performance, prepared and issued by the Accounting Officer of the Department during the year under review in terms of the PFMA and the Division of Revenue Act. The Committee continues to note the significant uncertainty related to the financial sustainability of the Department, due to the fact that current commitments amounting to R1.47 billion to settle the payback of allowances to iziNduna which exceed the total budgeted revenue.

Based on the reports of the PIAS and the Auditor General, the Committee noted with concern the material underspending of budget on programme 3 due to delays on receipt of invoices from the service providers. The Department has been urged to implement the appropriate improvement strategies in order to address the identified shortcomings with immediate effect.

5. Evaluation of Financial Statements

The Committee has:

- Reviewed and discussed the Annual Financial Statements, including the audit report, with the Accounting Officer, Auditor General and PIAS;
- Reviewed the Auditor General's Management Report
- Reviewed the Department's processes for compliance with legal and regulatory provisions, where concerns have been noted Budget management.
- Reviewed the conclusion on the usefulness and reliability of performance information resulting from the external audit of the Department.

6. Forensics Investigations

During the 2019/20 financial year, the Committee noted that there were six (6) forensic investigations, all relating to alleged conflict of interest, supply chain management and procurement irregularities and the mismanagement of funds, which the department had referred to the PIAS for investigation. Forensic reports were completed and issued to the department in respect of three (3) of these investigations, ie. Phase 1 investigations were finalised. Three (3) investigations are currently in-progress.

In respect of the three (3) completed Phase 1 investigations, the Committee further noted that:

- Two (2) of these matters recommended criminal action and these are currently under criminal investigation with the South African Police Service (SAPS);
- Three (3) of these matters also recommended disciplinary proceedings. The department has finalised the disciplinary action in respect of one (1) matter and one (1) disciplinary proceeding is still underway. In respect of the third matter where disciplinary actions were recommended, the Accounting Officer recommended that another department should institute disciplinary proceedings as the official had transferred to that department.

The department and the PIAS are urged to promptly finalise the outstanding investigations and work together to implement recommendations made in the finalised investigations.

7. Auditor General's Report

The Committee has monitored the implementation of corrective action plans to address the audit issues raised by the Auditor General in the prior year. The Committee has met with the Auditor General of South Africa to discuss and evaluate the issues that emanated from the current regulatory audit.

The Committee will ensure that corrective actions in respect of the detailed findings emanating from the current regulatory audit continue to be monitored on a quarterly basis through the CARC processes.

The Committee concurs and accepts the conclusion of the Auditor General's unqualified audit opinion on the Annual Financial Statements, and is of the opinion that the Audited Annual Financial Statements be accepted and read together with the report of the Auditor General. The Committee commends the Department on obtaining an unqualified audit opinion with no findings.

8. 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 support they have provided to enable us to compile this report.



Mr SP Simelane

Acting Chairperson: Provincial Audit and Risk Committee
Department of Cooperative Governance and Traditional Affairs
12 October 2020



13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion <i>(include a discussion on your response and indicate what measures have been taken to comply)</i>
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	This is not applicable to COGTA.
Developing and implementing a preferential procurement policy?	Yes	The SCM Policy implements preferential procurement initiatives in line with latest Preferential Procurement Regulations of 2017. The department apply measures of preference by introducing pre-conditions that advances preferential procurement preferences.
Determining qualification criteria for the sale of state-owned enterprises?	No	This is not applicable to COGTA
Developing criteria for entering into partnerships with the private sector?	No	This is not applicable to COGTA
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	This is not applicable to COGTA

PART D

HUMAN RESOURCE MANAGEMENT



1. INTRODUCTION

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

2. OVERVIEW OF HUMAN RESOURCES

The Department prescribes to the value of investing in staff as a valued asset and implements a health and wellness programme that is underpinned by the following policies:

HIV/Aids and TB Management Policy.
Health and Productivity Management Policy.
Wellness Management Policy.

A policy Framework on “Work and Play” that was approved by COHOD is being implemented at all Cogta Offices through wellness classes, departmental sports day, interdepartmental games and club championships which has seen the department excel. In terms of the aforementioned policies the department undertakes a quarterly health and wellness risk assessment, posting information, educational and communication material on the intranet, the provision of continuous clinical care and support through the wellness centre under the supervision of a professional nurse, the access and provision of professional services for employees in need of psychological or related assistance, workshops the management of sexual harassment in the workplace and financial wellness advocacy. The wellness assessments which also includes cancer identification tests such as pap smears and prostate tests has been a vital and important tool in recognizing early warning health risks and referrals are promptly instituted to negate further risks. Chronic diseases of lifestyle including diabetes and hypertension which is caused by unhealthy dietary patterns, physical inactivity and substance abuse has been prioritized together with decreasing and managing the HIV & AIDS and TB rate through the structured primary prevention wellness programmes to create a healthier and productive workforce. As per the NSP 2017-2022 which encourages testing through the 90-90-90 programme, the departments testing rate is over 50% during wellness screening sessions with 167 staff members declaring their HIV status. They are managed by the resident nurse. Employees also receive professional support as part of the Employee Assistance Programme (743 employees have been referred since the inception of the programme circa 2007). Moreover, 44 employees have been workshopped on the management of sexual harassment in the workplace. About 25 employees have attended financial literacy workshops.

The Employee Performance Management & Development System Policy is in operation for employees (excluding SMS). The SMS Handbook is utilised to manage the performance of Senior Managers. The Department seeks to ensure that all employees sign performance agreements, undertake midyear reviews of performance and undergo annual performance assessments. A process is in place whereby the Performance Agreements of Senior, Middle and Junior Managers are aligned to the Annual Performance Plan. This validation is undertaken by the Departmental Moderating Committee. This process ensures that there is a common purpose and direction at all strategic levels.

Should any employee be underperforming then they are required to sign a performance improvement plan that deals with specific gaps found during the reviews and assessments. The Department does recognise those employees who perform above average and the Departmental Moderating Committee makes recommendation for the rewarding of such employees. Financial Disclosures are rendered as per the DPSA and Provincial Policy. A compliance rate of 100% was achieved in respect of all eDisclosures as prescribed by the ministerial directive and 100% for other levels as per Provincial Policy

The development of a capable public service is a commitment that the Department underpins through the skills development programmes. The management cadre is developed mainly through the competency assessments that are undertaken as well as skills needs that are identified and contained in their performance agreements. Such skills gaps are subsequently addressed through training programmes. At levels other than at senior management skills are identified and developed through the Employee Performance Management System and the performance agreements entered into between employee and supervisor. The personal development plan is part of the agreement and plays an integral part in the identification and addressing of skills needs. Each year employees are able to make application for participation in the departments bursary programme. There are currently 47 employees participating in the programme.

To grow the management cadre in the Department by ensuring that skills sets are developed it has been concluded that some form of competency assessments for developmental purposes should be conducted. The intention is that skills gaps would be addressed and that the movement of these levels of employees to the next level would be facilitated in a better manner. This matter will be dealt with in the FY2020/2021 Annual Performance Plan. Many employees have benefited from skills development as expounded in the tables in this report as well as the bursary programme. The Annual Performance Plan requires that Orientation/Induction sessions be held on the quarterly basis for employees and newcomers. These sessions cover the departmental structure, ethics, sexual harassment, challenges facing persons living with disabilities, Public Service Code of Conduct, Back to Basics as well as health and wellness matters.

The Department is committed to the development of unemployed youth. As part thereof Cogta offers bursaries to unemployed, disadvantaged youth particularly women and persons from rural areas. After graduation such youth are able to participate in the internship programme. There are currently 158 youth participating in the bursary programme. The Department is currently operating an Internship Programme where qualified unemployed young graduates are deployed as Interns to municipalities. Such Interns will bring their academic learning into the municipal space and obtain the experience as they work in the operations of the municipalities. 500 unemployed youth graduates will benefit from this programme.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1. Personnel related expenditure

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

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

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

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	420 978.00	182 299.00	963.00	0.00	43.30	427.00
Development & planning	599 574.00	122 393.00	0.00	0.00	20.10	222.00
Local governance	317 429.00	236 078.00	0.00	0.00	76.80	444.00
Traditional institutional management	628 818.00	153 785.00	0.00	0.00	24.40	38.00
Total	1 966 799.00	694 555.00	963.00	0.00	35.30	124.00

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

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
01 Lower skilled (Levels 1-2)	1 116.00	0.10	6.00	186 000.00
02 Skilled (Levels 3-5)	35 286.00	3.10	139.00	253 856.00
03 Highly skilled production (Levels 6-8)	310 602.00	27.60	896.00	346 654.00
04 Highly skilled supervision (Levels 9-12)	203 108.00	18.00	252.00	805 984.00
05 Senior management (Levels >= 13)	68 865.00	6.10	53.00	1 299 340.00
09 Other	1 885.00	0.20	1.00	1 885 000.00
10 Contract (Levels 1-2)	1 507.00	0.10	10.00	150 700.00
11 Contract (Levels 3-5)	23 157.00	2.10	94.00	246 351.00
12 Contract (Levels 6-8)	21 177.00	1.90	53.00	399 566.00
13 Contract (Levels 9-12)	8 440.00	0.70	10.00	844 000.00
14 Contract (Levels >= 13)	3 008.00	0.30	2.00	1 504 000.00
18 Contract Other	18 425.00	1.60	438.00	42 066.00
19 Periodical Remuneration	18 669.00	1.70	485.25	38 473.00
20 Abnormal Appointment	385 582.00	34.20	3 165.50	121 808.00
TOTAL	1 100 828.00	97.70	5 604.75	196 410.00

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

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	154 241.00	83.60	1 101.00	0.60	3 584.00	1.90	6 314.00	3.40
Development & planning	87 228.00	81.90	0.00	0.00	1 753.00	1.60	2 778.00	2.60
Local governance	206 165.00	79.00	0.00	0.00	7 500.00	2.90	14 565.00	5.60
System & institutional development	8 891.00	86.70	0.00	0.00	134.00	1.30	119.00	1.20
Traditional institutional management	156 446.00	27.70	30.00	0.00	2 164.00	0.40	5 289.00	0.90
Total	612 972.00	54.40	1 131.00	0.10	15 135.00	1.30	29 065.00	2.60

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

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
01 Lower skilled (Levels 1-2)	852.00	76.30	6.00	0.50	90.00	8.10	70.00	6.30
02 Skilled (Levels 3-5)	26 248.00	73.90	296.00	0.80	2 079.00	5.90	2 746.00	7.70
03 Highly skilled production (Levels 6-8)	253 591.00	80.20	310.00	0.10	9 724.00	3.10	20 728.00	6.60

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
04 Highly skilled supervision (Levels 9-12)	176 131.00	81.40	82.00	0.00	2 420.00	1.10	4 609.00	2.10
05 Senior management (Levels >= 13)	60 649.00	82.50	0.00	0.00	755.00	1.00	662.00	0.90
09 Other	1 669.00	82.60	0.00	0.00	0.00	0.00	16.00	0.80
10 Contract (Levels 1-2)	1 481.00	97.70	25.00	1.60	0.00	0.00	0.00	0.00
11 Contract (Levels 3-5)	22 689.00	95.90	181.00	0.80	43.00	0.20	138.00	0.60
12 Contract (Levels 6-8)	20 730.00	96.10	230.00	1.10	26.00	0.10	96.00	0.40
13 Contract (Levels 9-12)	7 825.00	85.40	0.00	0.00	0.00	0.00	0.00	0.00
14 Contract (Levels >= 13)	2 824.00	89.00	0.00	0.00	0.00	0.00	0.00	0.00
18 Contract Other	18 196.00	97.90	0.00	0.00	0.00	0.00	0.00	0.00
19 Periodical Remuneration	18 660.00	99.90	0.00	0.00	0.00	0.00	0.00	0.00
20 Abnormal Appointment	1 427.00	0.40	0.00	0.00	0.00	0.00	0.00	0.00
Total	612 972.00	54.40	1 131.00	0.10	15 135.00	1.30	29 065.00	2.60

3.2. Employment and Vacancies

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

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

This information is presented in terms of three key variables:

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

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

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

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	1 048.00	414.00	60.50	66.00
Development & planning	734.00	512.00	30.20	373.00
Local governance	1 358.00	570.00	58.00	9.00
Traditional institutional management	36.00	12.00	66.70	0.00
System & Institutional Development	647.00	446.00	31.10	297.00
Total	3 823.00	1 954.00	48.90	745.00

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

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
01 Lower Skilled (Levels 1-2), Permanent	63.00	6.00	90.50	2.00
02 Skilled (Levels 3-5), Permanent	444.00	139.00	68.70	22.00
03 Highly Skilled Production (Levels 6-8), Permanent	1 984.00	896.00	54.80	275.00
04 Highly Skilled Supervision (Levels 9-12), Permanent	615.00	252.00	59.00	2.00
05 Senior Management (Levels >= 13), Permanent	109.00	53.00	51.40	0.00
09 Other, Permanent	439.00	439.00	0.00	435.00
10 Contract (Levels 1-2), Permanent	10.00	10.00	0.00	0.00
11 Contract (Levels 3-5), Permanent	94.00	94.00	0.00	8.00
12 Contract (Levels 6-8), Permanent	53.00	53.00	0.00	0.00
13 Contract (Levels 9-12), Permanent	10.00	10.00	0.00	0.00
14 Contract (Levels >= 13), Permanent	2.00	2.00	0.00	1.00
TOTAL	3 823.00	1 954.00	48.90	745.00

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

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative Related, Permanent	1 313.00	727.00	44.60	441.00
All Artisans In The Building Metal Machinery Etc., Permanent	4.00	3.00	25.00	0.00
Architects Town And Traffic Planners, Permanent	25.00	19.00	24.00	0.00
Auxiliary And Related Workers, Permanent	2.00	2.00	0.00	0.00
Building And Other Property Caretakers, Permanent	14.00	3.00	78.60	2.00
Cartographers And Surveyors, Permanent	5.00	2.00	60.00	0.00
Cartographic Surveying And Related Technicians, Permanent	64.00	19.00	70.30	0.00
Cleaners In Offices Workshops Hospitals Etc., Permanent	44.00	23.00	47.70	5.00
Client Inform Clerks(Switch Receipt Inform Clerks), Permanent	11.00	5.00	54.50	0.00
Communication And Information Related, Permanent	45.00	13.00	71.10	0.00
Community Development Workers, Permanent	925.00	405.00	56.20	0.00
Engineering Sciences Related, Permanent	3.00	1.00	66.70	0.00
Engineers And Related Professionals, Permanent	12.00	2.00	83.30	0.00
Finance And Economics Related, Permanent	69.00	41.00	40.60	0.00
Financial And Related Professionals, Permanent	85.00	33.00	61.20	1.00
Financial Clerks And Credit Controllers, Permanent	59.00	28.00	52.50	1.00
Food Services Aids And Waiters, Permanent	27.00	11.00	59.30	0.00
General Legal Administration & Rel. Professionals, Permanent	8.00	3.00	62.50	0.00
Head Of Department/Chief Executive Officer, Permanent	4.00	1.00	75.00	0.00
Human Resources & Organisation Development & Relate Prof, Permanent	29.00	12.00	58.60	0.00
Human Resources Clerks, Permanent	34.00	15.00	55.90	0.00
Human Resources Related, Permanent	86.00	37.00	57.00	0.00
Information Technology Related, Permanent	10.00	4.00	60.00	0.00

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Library Mail And Related Clerks, Permanent	59.00	22.00	62.70	0.00
Light Vehicle Drivers, Permanent	16.00	11.00	31.30	8.00
Material-Recording And Transport Clerks, Permanent	1.00	0.00	100.00	0.00
Messengers Porters And Deliverers, Permanent	53.00	22.00	58.50	8.00
Mining Geology & Geophysical & Related Technicians, Permanent	19.00	7.00	63.20	0.00

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Motor Vehicle Drivers, Permanent	2.00	1.00	50.00	0.00
Natural Sciences Related, Permanent	3.00	3.00	0.00	0.00
Operational Planning, Permanent	1.00	0.00	100.00	0.00
Other Administration & Related Clerks And Organisers, Permanent	186.00	66.00	64.50	0.00
Other Administrative Policy And Related Officers, Permanent	59.00	17.00	71.20	0.00
Other Information Technology Personnel., Permanent	1.00	0.00	100.00	0.00
Other Occupations, Permanent	274.00	274.00	0.00	272.00
Professional Nurse, Permanent	2.00	1.00	50.00	0.00
Regulatory Inspectors, Permanent	10.00	5.00	50.00	0.00
Risk Management And Security Services, Permanent	1.00	1.00	0.00	0.00
Road Workers, Permanent	1.00	1.00	0.00	0.00
Safety Health And Quality Inspectors, Permanent	4.00	2.00	50.00	0.00
Secretaries & Other Keyboard Operating Clerks, Permanent	105.00	39.00	62.90	0.00
Security Guards, Permanent	23.00	10.00	56.50	1.00
Security Officers, Permanent	2.00	1.00	50.00	0.00
Senior Managers, Permanent	111.00	56.00	49.50	2.00
Trade Labourers, Permanent	4.00	4.00	0.00	4.00
Trade Related, Permanent	8.00	2.00	75.00	0.00
Total	3 823.00	1 954.00	48.90	745.00

3.3 Filling of SMS Posts

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

Table 3.3.1 SMS post information as on 31 March 2020

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 15	4	3	75	1	25
Salary Level 14	18	14	78	4	22
Salary Level 13	48	34	71	14	29
Total	71	52	73	19	27

Table 3.3.2 SMS post information as on 30 September 2019

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 15	4	2	50	2	50
Salary Level 14	27	19	71	8	29
Salary Level 13	48	38	79	10	21
Total	80	60	75	20	28

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

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 15	4	3	75	1	25
Salary Level 14	18	14	78	4	22
Salary Level 13	48	34	71	14	29
Total	71	52	73	19	27

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2019 and 31 March 2020

Reasons for vacancies not advertised within six months
Due to the cost cutting there has been a delay in getting the approval to fill the vacant posts.

Reasons for vacancies not filled within six months
Due to the cost cutting there has been a delay in getting the approval to fill the vacant posts.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2019 and 31 March 2020

Reasons for vacancies not advertised within six months
Due to the cost cutting there has been a delay in getting the approval to fill the vacant posts.

Reasons for vacancies not filled within six months
Due to the cost cutting there has been a delay in getting the approval to fill the vacant posts.

1.4 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 were evaluated before they were filled. The following table summarises the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

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

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
01 Lower Skilled (Levels 1-2)	73	0	0	0	0	0	0
02 Skilled (Levels 3-5)	538	0	0	0	0	0	0
03 Highly Skilled Production (Levels 6-8)	2037	0	0	0	0	0	0
04 Highly Skilled Supervision (Levels 9-12)	625	0	0	0	0	0	0
05 Senior Management Service Band A	78	0	0	0	0	0	0

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
06 Senior Management Service Band B	28	0	0	0	0	0	0
07 Senior Management Service Band C	4	1	25	0	0	0	0
08 Senior Management Service Band D	1	0	0	0	0	0	0
09 Other	439	0	25	0	0	0	0
TOTAL	3823	1	0.02	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 2019 and 31 March 2020

Gender	African	Asian	Coloured	White	Total
Female	13.00	1.00	0.00	0.00	14.00
Male	4.00	0.00	0.00	0.00	4.00
Total	17.00	1.00	0.00	0.00	18.00

Employees with a disability	0
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The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. 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 2019 and 31 March 2020

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

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

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

Gender	African	Asian	Coloured	White	Total
Female	0.00	0.00	0.00	0.00	0.00
Male	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00

Employees with a disability	0.00	0.00	0.00	0.00	0.00
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- The table below indicate that there were no cases where the salary levels were higher than those determined by job evaluation:

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

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



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

Salary band	Number of employees at beginning of period- 1 April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
01 Lower Skilled (Levels 1-2) Permanent	7.00	0.00	1.00	14.30
02 Skilled (Levels 3-5) Permanent	139.00	17.00	20.00	14.40
03 Highly Skilled Production (Levels 6-8) Permanent	930.00	7.00	39.00	4.20
04 Highly Skilled Supervision (Levels 9-12) Permanent	249.00	13.00	14.00	5.60
05 Senior Management Service Band A Permanent	35.00	5.00	3.00	8.60
06 Senior Management Service Band B Permanent	14.00	1.00	2.00	14.30
07 Senior Management Service Band C Permanent	3.00	0.00	2.00	66.70
08 Senior Management Service Band D Permanent	1.00	1.00	0.00	0.00
09 Other Permanent	34.00	451.00	15.00	44.10
10 Contract (Levels 1-2) Permanent	11.00	0.00	1.00	9.10
11 Contract (Levels 3-5) Permanent	91.00	10.00	6.00	6.60
12 Contract (Levels 6-8) Permanent	55.00	5.00	8.00	14.50
13 Contract (Levels 9-12) Permanent	10.00	3.00	4.00	40.00
17 Contract Band D Permanent	1.00	0.00	0.00	0.00
TOTAL	1 580.00	514.00	115.00	7.30

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

Critical occupation	Number of employees at beginning of period- April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative Related Permanent	337.00	462.00	39.00	11.60
All Artisans In The Building Metal Machinery Etc. Permanent	3.00	0.00	0.00	0.00
Architects Town And Traffic Planners Permanent	20.00	0.00	1.00	5.00
Auxiliary And Related Workers Permanent	2.00	0.00	0.00	0.00
Building And Other Property Caretakers Permanent	6.00	0.00	3.00	50.00
Cartographers And Surveyors Permanent	2.00	0.00	0.00	0.00
Cartographic Surveying And Related Technicians Permanent	21.00	0.00	2.00	9.50
Cleaners in Offices Workshops Hospitals Etc. Permanent	27.00	0.00	4.00	14.80
Client Inform Clerks(Switchboard Reception Inform Clerks) Permanent	5.00	1.00	1.00	20.00
Communication And Information Related Permanent	15.00	2.00	4.00	26.70
Community Development Workers Permanent	418.00	0.00	10.00	2.40
Engineering Sciences Related Permanent	1.00	0.00	0.00	0.00
Engineers And Related Professionals Permanent	2.00	0.00	0.00	0.00
Finance And Economics Related Permanent	39.00	2.00	1.00	2.60
Financial And Related Professionals Permanent	35.00	0.00	2.00	5.70
Financial Clerks And Credit Controllers Permanent	30.00	0.00	2.00	6.70
Food Services Aids And Waiters Permanent	12.00	0.00	1.00	8.30
General Legal Administration & Rel. Professionals Permanent	4.00	0.00	0.00	0.00
Head Of Department/Chief Executive Officer Permanent	2.00	0.00	1.00	50.00

Critical occupation	Number of employees at beginning of period-April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Human Resources & Organisation Development & Relate Prof Permanent	11.00	0.00	1.00	9.10
Human Resources Clerks Permanent	15.00	1.00	2.00	13.30
Human Resources Related Permanent	36.00	1.00	0.00	0.00
Information Technology Related Permanent	4.00	0.00	0.00	0.00
Library Mail And Related Clerks Permanent	25.00	0.00	3.00	12.00
Light Vehicle Drivers Permanent	3.00	8.00	0.00	0.00
Messengers Porters And Deliverers Permanent	21.00	4.00	3.00	14.30
Mining Geology & Geophysical & Related Technicians Permanent	7.00	0.00	0.00	0.00
Motor Vehicle Drivers Permanent	2.00	0.00	1.00	50.00
Natural Sciences Related Permanent	3.00	0.00	0.00	0.00
Other Administration & Related Clerks And Organisers Permanent	66.00	3.00	8.00	12.10
Other Administrative Policy And Related Officers Permanent	16.00	0.00	1.00	6.30
Other Occupations Permanent	271.00	8.00	7.00	2.60
Professional Nurse Permanent	1.00	0.00	0.00	0.00
Regulatory Inspectors Permanent	4.00	0.00	0.00	0.00
Risk Management And Security Services Permanent	1.00	0.00	0.00	0.00
Road Workers Permanent	1.00	0.00	0.00	0.00
Safety Health And Quality Inspectors Permanent	1.00	1.00	0.00	0.00
Secretaries & Other Keyboard Operating Clerks Permanent	44.00	2.00	4.00	9.10
Security Guards Permanent	8.00	4.00	2.00	25.00
Security Officers Permanent	1.00	0.00	0.00	0.00
Senior Managers Permanent	52.00	15.00	11.00	21.20
Trade Labourers Permanent	4.00	0.00	0.00	0.00
Trade Related Permanent	2.00	0.00	0.00	0.00
Total	1 580.00	514.00	115.00	7.30

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

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

Termination Type	Number	% of Total Resignations
01 Death, Permanent	14.00	12.20
02 Resignation, Permanent	56.00	48.70
03 Expiry of contract, Permanent	18.00	15.70
06 Discharged due to ill health, Permanent	1.00	0.90
07 Dismissal-misconduct, Permanent	4.00	3.50
09 Retirement, Permanent	22.00	19.10
TOTAL	115.00	100.00
Total number of employees who left as a % of total employment	5.90%	

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

Occupation	Employees 1 April 2019	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative related	337.00	6.00	1.80	143.00	42.40
All artisans in the building metal machinery etc.	3.00	0.00	0.00	3.00	100.00
Architects town and traffic planners	20.00	0.00	0.00	9.00	45.00
Auxiliary and related workers	2.00	0.00	0.00	0.00	0.00
Building and other property caretakers	6.00	0.00	0.00	3.00	50.00
Cartographers and surveyors	2.00	0.00	0.00	2.00	100.00
Cartographic surveying and related technicians	21.00	0.00	0.00	11.00	52.40
Cleaners in offices workshops hospitals etc.	27.00	0.00	0.00	14.00	51.90
Client inform clerks (switchboard reception inform clerks)	5.00	0.00	0.00	0.00	0.00
Communication and information related	15.00	0.00	0.00	4.00	26.70

Occupation	Employees 1 April 2019	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Community development workers	418.00	0.00	0.00	344.00	82.30
Engineering sciences related	1.00	0.00	0.00	1.00	100.00
Engineers and related professionals	2.00	0.00	0.00	1.00	50.00
Finance and economics related	39.00	1.00	2.60	22.00	56.40
Financial and related professionals	35.00	1.00	2.90	20.00	57.10
Financial clerks and credit controllers	30.00	0.00	0.00	10.00	33.30
Food services aids and waiters	12.00	0.00	0.00	4.00	33.30
General legal administration & rel. Professionals	4.00	0.00	0.00	2.00	50.00
Head of department/chief executive officer	2.00	0.00	0.00	0.00	0.00
Human resources & organisation development & relate prof	11.00	1.00	9.10	2.00	18.20
Human resources clerks	15.00	0.00	0.00	3.00	20.00
Human resources related	36.00	2.00	5.60	11.00	30.60
Information technology related	4.00	0.00	0.00	3.00	75.00
Library mail and related clerks	25.00	0.00	0.00	11.00	44.00
Light vehicle drivers	3.00	0.00	0.00	2.00	66.70
Messengers porters and deliverers	21.00	0.00	0.00	12.00	57.10
Mining geology & geophysical & related technicians	7.00	0.00	0.00	6.00	85.70
Motor vehicle drivers	2.00	0.00	0.00	1.00	50.00
Natural sciences related	3.00	0.00	0.00	0.00	0.00

Occupation	Employees 1 April 2019	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Other administration & related clerks and organisers	66.00	1.00	1.50	28.00	42.40
Other administrative policy and related officers	16.00	0.00	0.00	7.00	43.80
Other occupations	271.00	1.00	0.40	0.00	0.00
Professional nurse	1.00	0.00	0.00	0.00	0.00
Regulatory inspectors	4.00	0.00	0.00	3.00	75.00
Risk management and security services	1.00	0.00	0.00	0.00	0.00
Road workers	1.00	0.00	0.00	0.00	0.00
Safety health and quality inspectors	1.00	0.00	0.00	0.00	0.00
Secretaries & other keyboard operating clerks	44.00	0.00	0.00	29.00	65.90
Security guards	8.00	0.00	0.00	1.00	12.50
Security officers	1.00	0.00	0.00	0.00	0.00
Senior managers	52.00	4.00	7.70	20.00	38.50
Trade labourers	4.00	0.00	0.00	4.00	100.00
Trade related	2.00	0.00	0.00	0.00	0.00
Total	1 580.00	17.00	1.10	736.00	46.60

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

Salary Band	Employees 1 April 2019	Promotion s to another salary level	Salary bands promotions as a % of employees by salary level	Progression s to another notch within a salary level	Notch progression as a % of employees by salary bands
01 Lower Skilled (Levels 1-2), Permanent	7.00	0.00	0.00	2.00	28.60
02 Skilled (Levels 3-5), Permanent	139.00	0.00	0.00	84.00	60.40
03 Highly Skilled Production (Levels 6-8), Permanent	930.00	1.00	0.10	473.00	50.90
04 Highly Skilled Supervision (Levels 9-12), Permanent	249.00	11.00	4.40	143.00	57.40
05 Senior Management (Levels ≥ 13), Permanent	53.00	5.00	9.40	20.00	37.70
09 Other, Permanent	34.00	0.00	0.00	1.00	2.90
10 Contract (Levels 1-2), Permanent	11.00	0.00	0.00	0.00	0.00
11 Contract (Levels 3-5), Permanent	91.00	0.00	0.00	8.00	8.80
12 Contract (Levels 6-8), Permanent	55.00	0.00	0.00	4.00	7.30
13 Contract (Levels 9-12), Permanent	10.00	0.00	0.00	1.00	10.00
14 Contract (Levels ≥ 13), Permanent	1.00	0.00	0.00	0.00	0.00
TOTAL	1 580.00	17.00	1.10	736.00	46.60

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 2020

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
01 - Senior Officials And Managers	23.00	0.00	1.00	4.00	22.00	1.00	4.00	3.00	58.00
02 - Professionals	191.00	1.00	12.00	8.00	329.00	4.00	17.00	10.00	572.00
03 - Technicians And Associate Professionals	282.00	1.00	13.00	9.00	434.00	7.00	21.00	11.00	778.00
04 - Clerks	45.00	1.00	7.00	0.00	105.00	4.00	7.00	6.00	175.00
05 - Service Shop And Market Sales Workers	12.00	1.00	1.00	0.00	3.00	0.00	0.00	0.00	17.00
07 - Craft And Related Trade Workers	5.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.00
08 - Plant And Machine Operators And Assemblers	12.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12.00
09 - Labourers And Related Workers	281.00	0.00	0.00	0.00	56.00	0.00	0.00	0.00	337.00
TOTAL	851.00	4.00	34.00	21.00	949.00	16.00	49.00	30.00	1 954.00
Employees with disabilities	9.00	0.00	3.00	1.00	14.00	0.00	3.00	3.00	33.00

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
01 Top Management, Permanent	2.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	3.00
02 Senior Management, Permanent	16.00	0.00	1.00	3.00	20.00	1.00	5.00	4.00	50.00
03 Professionally qualified and experienced specialists and mid-management, Permanent	84.00	2.00	19.00	15.00	95.00	6.00	23.00	8.00	252.00
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	451.00	1.00	9.00	1.00	394.00	7.00	16.00	17.00	896.00
05 Semi-skilled and discretionary decision making, Permanent	62.00	0.00	2.00	1.00	71.00	0.00	2.00	1.00	139.00
06 Unskilled and defined decision making, Permanent	3.00	0.00	0.00	0.00	3.00	0.00	0.00	0.00	6.00
07 Not Available, Permanent	160.00	0.00	2.00	0.00	275.00	1.00	1.00	0.00	439.00
08 Contract (Top Management), Permanent	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
09 Contract (Senior Management), Permanent	0.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	1.00
10 Contract (Professionally Qualified), Permanent	4.00	0.00	0.00	0.00	6.00	0.00	0.00	0.00	10.00
11 Contract (Skilled Technical), Permanent	22.00	0.00	0.00	0.00	30.00	0.00	1.00	0.00	53.00
12 Contract (Semi-Skilled), Permanent	44.00	1.00	1.00	0.00	46.00	1.00	1.00	0.00	94.00
13 Contract (Unskilled), Permanent	2.00	0.00	0.00	0.00	8.00	0.00	0.00	0.00	10.00
TOTAL	851.00	4.00	34.00	21.00	949.00	16.00	49.00	30.00	1 954.00

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
01 Top Management, Permanent	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
02 Senior Management, Permanent	2.00	0.00	0.00	0.00	2.00	1.00	0.00	1.00	6.00
03 Professionally qualified and experienced specialists and mid-management, Permanent	7.00	1.00	0.00	0.00	4.00	0.00	0.00	1.00	13.00
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	6.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	7.00
05 Semi-skilled and discretionary decision making, Permanent	8.00	0.00	1.00	0.00	7.00	0.00	1.00	0.00	17.00
07 Not Available, Permanent	166.00	0.00	4.00	0.00	279.00	1.00	1.00	0.00	451.00
09 Contract (Senior Management), Permanent	0.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	1.00
10 Contract (Professionally qualified), Permanent	1.00	0.00	0.00	0.00	2.00	0.00	0.00	0.00	3.00
11 Contract (Skilled technical), Permanent	2.00	0.00	0.00	0.00	3.00	0.00	0.00	0.00	5.00
12 Contract (Semi-skilled), Permanent	9.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	10.00
TOTAL	202.00	1.00	5.00	1.00	299.00	2.00	2.00	2.00	514.00
Employees with disabilities	4.00	0.00	0.00	0.00	9.00	0.00	1.00	0.00	14.00

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
01 Top Management, Permanent	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	1.00
02 Senior Management, Permanent	4.00	0.00	1.00	1.00	13.00	0.00	4.00	1.00	24.00
03 Professionally qualified and experienced specialists and mid-management, Permanent	46.00	1.00	10.00	9.00	61.00	3.00	18.00	6.00	154.00
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	147.00	0.00	6.00	0.00	299.00	5.00	9.00	8.00	474.00
05 Semi-skilled and discretionary decision making, Permanent	33.00	0.00	1.00	0.00	50.00	0.00	0.00	0.00	84.00
06 Unskilled and defined decision making, Permanent	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00
07 Not Available, Permanent	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	1.00
10 Contract (Professionally qualified), Permanent	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	1.00
11 Contract (Skilled technical), Permanent	1.00	0.00	0.00	0.00	3.00	0.00	0.00	0.00	4.00
12 Contract (Semi-skilled), Permanent	3.00	0.00	0.00	0.00	5.00	0.00	0.00	0.00	8.00
TOTAL	236.00	1.00	18.00	10.00	434.00	8.00	31.00	15.00	753.00
Employees with disabilities	1.00	0.00	2.00	0.00	3.00	0.00	2.00	1.00	9.00

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

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
01 Top Management, Permanent	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00
02 Senior Management, Permanent	3.00	0.00	0.00	1.00	1.00	0.00	0.00	0.00	5.00
03 Professionally qualified and experienced specialists and mid-management, Permanent	5.00	0.00	0.00	0.00	7.00	1.00	0.00	1.00	14.00
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	22.00	0.00	0.00	1.00	11.00	0.00	0.00	5.00	39.00
05 Semi-skilled and discretionary decision making, Permanent	9.00	0.00	0.00	0.00	10.00	0.00	1.00	0.00	20.00
06 Unskilled and defined decision making, Permanent	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	1.00
07 Not Available, Permanent	7.00	0.00	2.00	0.00	6.00	0.00	0.00	0.00	15.00
10 Contract (Professionally qualified), Permanent	2.00	0.00	0.00	0.00	2.00	0.00	0.00	0.00	4.00
11 Contract (Skilled technical), Permanent	2.00	0.00	0.00	0.00	5.00	1.00	0.00	0.00	8.00
12 Contract (Semi-skilled), Permanent	3.00	0.00	0.00	0.00	3.00	0.00	0.00	0.00	6.00

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
13 Contract (Unskilled), Permanent	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
TOTAL	56.00	0.00	2.00	2.00	46.00	2.00	1.00	6.00	15.00
Employees with disabilities	1.00	0.00	0.00	0.00	3.00	0.00	0.00	0.00	4.00

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

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Dismissal	01	0	0	0	01	0	0	0	02
Final written warning	03	0	0	0	01	0	0	0	04
No outcome	01	0	0	0	01	0	0	0	02
Suspended without payment	02	0	0	0	01	0	0	0	03
Total	07	0	0	0	04	0	0	0	11

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

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	20	0	1	5	21	0	4	3	54
Professionals	201	0	12	8	335	4	17	10	587
Technicians and associate professionals	139	1	12	10	191	8	20	11	392
Clerks	46	1	12	0	115	5	8	9	190
Service and sales workers	11	1	0	0	2	0	0	0	14
Skilled agriculture and fishery workers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Plant and machine operators and assemblers	05	0	0	0	0	0	0	0	5
Elementary occupations	279	0	0	0	62	0	0	0	341
Total	706	3	31	23	726	17	49	33	1588
Employees with disabilities	6	0	2	2	12	0	2	3	27

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 2019

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	00	00	00	00
Salary Level 16	01	01	01	02
Salary Level 15	04	03	03	8.2
Salary Level 14	10	14	14	20.4
Salary Level 13	34	32	32	69.4
Total	49	52	52	100

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 May 2019

Reasons
Not Applicable

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

Reasons
Not Applicable

1.8 Performance Rewards

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

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

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African, Female	151.00	935.00	16.10	2 968.79	19 661.00
African, Male	99.00	842.00	11.80	2 063.40	20 842.00
Asian, Female	20.00	46.00	43.50	624.01	31 200.00
Asian, Male	13.00	31.00	41.90	450.16	34 628.00
Coloured, Female	7.00	16.00	43.80	128.80	18 399.00
Coloured, Male	1.00	4.00	25.00	10.11	10 111.00
Total Blacks, Female	178.00	997.00	17.90	3 721.59	20 908.00
Total Blacks, Male	113.00	877.00	12.90	2 523.67	22 333.00
White, Female	14.00	27.00	51.90	328.24	23 446.00
White, Male	8.00	20.00	40.00	304.01	38 001.00
Employees with a disability	7.00	33.00	21.20	128.33	18 333.00
TOTAL	320.00	1 954.00	16.40	7 005.84	21 893.00

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

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
01 Lower Skilled (Levels 1-2)	3.00	6.00	50.00	20.47	6 824.00	50.00
02 Skilled (Levels 3-5)	49.00	139.00	35.30	461.49	9 418.00	35.30
03 Highly Skilled Production (Levels 6-8)	101.00	896.00	11.30	1 640.45	16 242.00	11.30
04 Highly Skilled Supervision (Levels 9-12)	110.00	252.00	43.70	4 127.13	37 519.00	43.70

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	
09 Other	0.00	439.00	0.00	0.00	0.00	0.00
10 Contract (Levels 1-2)	5.00	10.00	50.00	29.85	5 969.00	50.00
11 Contract (Levels 3-5)	30.00	94.00	31.90	287.17	9 572.00	31.90
12 Contract (Levels 6-8)	19.00	53.00	35.80	315.70	16 616.00	35.80
13 Contract (Levels 9-12)	2.00	10.00	20.00	77.75	38 873.00	20.00
TOTAL	319.00	1 899.00	16.80	6 960.00	21 818.00	16.80

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

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Financial Clerks And Credit Controllers	7.00	28.00	25.00	83.27	11 896.00
Human Resources Clerks	4.00	15.00	26.70	45.47	11 367.00
Security Officers	1.00	1.00	100.00	10.42	10 416.00
Human Resources & Organisation Development & Relate Prof	4.00	12.00	33.30	87.73	21 932.00
Messengers Porters And Deliverers	6.00	22.00	27.30	48.73	8 122.00
All Artisans In The Building Metal Machinery Etc.	0.00	3.00	0.00	0.00	0.00
Risk Management And Security Services	0.00	1.00	0.00	0.00	0.00
Safety Health And Quality Inspectors	0.00	2.00	0.00	0.00	0.00
Finance And Economics Related	13.00	41.00	31.70	503.34	38 718.00
Natural Sciences Related	3.00	3.00	100.00	94.29	31 429.00
Other Administration & Related Clerks And Organisers	22.00	66.00	33.30	280.19	12 736.00

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Auxiliary And Related Workers	2.00	2.00	100.00	15.09	7 543.00
Other Occupations	0.00	274.00	0.00	0.00	0.00
Financial And Related Professionals	4.00	33.00	12.10	67.86	16 964.00
Building And Other Property Caretakers	1.00	3.00	33.30	8.16	8 159.00
Architects Town And Traffic Planners	13.00	19.00	68.40	588.97	45 306.00
Administrative Related	122.00	727.00	16.80	3 100.52	25 414.00
Communication And Information Related	7.00	13.00	53.80	152.32	21 760.00
Secretaries & Other Keyboard Operating Clerks	16.00	39.00	41.00	247.69	15 481.00
Cleaners In Offices Workshops Hospitals Etc.	15.00	23.00	65.20	105.24	7 016.00
Library Mail And Related Clerks	7.00	22.00	31.80	82.86	11 836.00
Human Resources Related	20.00	37.00	54.10	537.18	26 859.00
Head Of Department/Chief Executive Officer	0.00	1.00	0.00	0.00	0.00
Mining Geology & Geophysical & Related Technicians	4.00	7.00	57.10	173.22	43 306.00
Trade Labourers	0.00	4.00	0.00	0.00	0.00
Regulatory Inspectors	0.00	5.00	0.00	0.00	0.00
General Legal Administration & Rel. Professionals	2.00	3.00	66.70	98.90	49 451.00
Cartographic Surveying And Related Technicians	1.00	19.00	5.30	7.69	7 687.00
Road Workers	0.00	1.00	0.00	0.00	0.00
Other Administrative Policy And Related Officers	8.00	17.00	47.10	131.61	16 451.00
Professional Nurse	1.00	1.00	100.00	27.56	27 558.00
Senior Managers	1.00	56.00	1.80	45.84	45 840.00

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Client Inform Clerks(Switchboard Reception Inform Clerks)	0.00	5.00	0.00	0.00	0.00
Engineers And Related Professionals	0.00	2.00	0.00	0.00	0.00
Cartographers And Surveyors	0.00	2.00	0.00	0.00	0.00
Trade Related	1.00	2.00	50.00	7.14	7 136.00
Light Vehicle Drivers	2.00	11.00	18.20	17.82	8 911.00
Engineering Sciences Related	1.00	1.00	100.00	51.06	51 062.00
Motor Vehicle Drivers	0.00	1.00	0.00	0.00	0.00
Security Guards	5.00	10.00	50.00	39.41	7 883.00
Food Services Aids And Waiters	4.00	11.00	36.40	27.32	6 830.00
Community Development Workers	21.00	405.00	5.20	285.22	13 582.00
Information Technology Related	2.00	4.00	50.00	33.74	16 872.00
TOTAL	320.00	1 954.00	16.40	7 005.84	21 893.00

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

Salary band	Beneficiary Profile			Cost		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	1.00	38.00	2.60	45.84	45 839.90	0.10
Band B	0.00	13.00	0.00	0.00	0.00	0.00
Band C	0.00	2.00	0.00	0.00	0.00	0.00
Band D	0.00	2.00	0.00	0.00	0.00	0.00
Total	1.00	55.00	1.80	45.84	45 839.90	0.10

3.9 Foreign Workers

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2019 and 31 March 2020

Salary band	01 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% Change
Highly skilled production (Levels 6-8)	1.00	14.30	1.00	14.30	0.00	0.00
Highly skilled supervision (Levels 9-12)	3.00	42.90	2.00	28.60	- 1.00	0.00
Other	1.00	14.30	2.00	28.60	1.00	0.00
Senior management (Levels 13-16)	2.00	28.60	2.00	28.60	0.00	0.00
TOTAL	7.00	100.00	7.00	100.00	0.00	0.00

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

Major occupation	01 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% Change
Other occupations	1.00	14.30	1.00	14.30	0.00	0.00
Professionals and managers	5.00	71.40	5.00	71.40	0.00	0.00
Technicians and associated professionals	1.00	14.30	1.00	14.30	0.00	0.00
TOTAL	7.00	100.00	7.00	100.00	0.00	0.00

1.10 Leave utilisation

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

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

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Contract (Levels 1-2)	55.00	74.50	8.00	1.30	7.00	30.00
Contract (Levels 3-5)	303.00	69.30	52.00	8.10	6.00	270.00
Contract (Levels 6-8)	108.00	82.40	19.00	3.00	6.00	145.00
Contract (Levels 9-12)	7.00	42.90	2.00	0.30	4.00	19.00
Contract Other	95.00	46.30	25.00	3.90	4.00	36.00
Highly skilled production (Levels 6-8)	2 142.50	88.30	259.00	40.50	8.00	3 118.00
Highly skilled supervision (Levels 9-12)	1 249.00	84.10	167.00	26.10	7.00	3 718.00
Lower skilled (Levels 1-2)	6.00	100.00	2.00	0.30	3.00	4.00
Other	36.00	100.00	1.00	0.20	36.00	291.00
Senior management (Levels 13-16)	273.00	96.00	26.00	4.10	11.00	1 269.00
Skilled (Levels 3-5)	626.00	88.00	79.00	12.30	8.00	545.00
TOTAL	4 900.50	85.40	640.00	100.00	8.00	9 445.00

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

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Contract (Levels 3-5)	72.00	100.00	3.00	17.60	24.00	66.00
Highly skilled production (Levels 6-8)	532.00	100.00	7.00	41.20	76.00	858.00
Highly skilled supervision (Levels 9-12)	252.00	100.00	3.00	17.60	84.00	738.00
Senior management (Levels 13-16)	80.00	100.00	2.00	11.80	40.00	426.00
Skilled (Levels 3-5)	331.00	100.00	2.00	11.80	166.00	221.00
TOTAL	1 267.00	100.00	17.00	100.00	75.00	2 308.00

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

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

Salary band	Total days taken	Average per Employee	Number of Employees using Annual Leave
Contract (Levels 1-2)	164.00	16.00	10.00
Contract (Levels 13-16)	4.00	4.00	1.00
Contract (Levels 3-5)	1 507.00	18.00	85.00
Contract (Levels 6-8)	688.00	16.00	43.00
Contract (Levels 9-12)	66.00	11.00	6.00
Contract Other	520.00	8.00	63.00
Highly skilled production (Levels 6-8)	10 348.25	18.00	570.00
Highly skilled supervision (Levels 9-12)	4 244.00	18.00	232.00
Lower skilled (Levels 1-2)	76.00	19.00	4.00
Other	19.00	19.00	1.00
Senior management (Levels 13-16)	692.00	14.00	51.00
Skilled (Levels 3-5)	2 376.00	20.00	120.00
TOTAL	20 704.25	17.00	1 186.00

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

Salary Band	Total Days of Capped Leave Taken	Average Number of Days Taken per Employee	Average Capped Leave per Employee as at End of Period	Number of Employees using Capped Leave
Contract (Levels 1-2)	0.00	0.00	0.00	0.00
Contract (Levels 13-16)	0.00	0.00	0.00	0.00
Contract (Levels 3-5)	0.00	0.00	0.00	0.00
Contract (Levels 6-8)	0.00	0.00	0.00	0.00
Contract (Levels 9-12)	0.00	0.00	0.00	0.00
Contract Other	0.00	0.00	0.00	0.00

Salary Band	Total Days of Capped Leave Taken	Average Number of Days Taken per Employee	Average Capped Leave per Employee as at End of Period	Number of Employees using Capped Leave
Highly skilled production (Levels 6-8)	73.00	8.00	84.00	9.00
Highly skilled supervision (Levels 9-12)	28.00	9.00	64.00	3.00
Lower skilled (Levels 1-2)	0.00	0.00	60.00	0.00
Other	0.00	0.00	0.00	0.00
Senior management (Levels 13-16)	0.00	0.00	61.00	0.00
Skilled (Levels 3-5)	4.00	4.00	75.00	1.00
TOTAL	105.00	8.00	76.00	13.00

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

Table 3.10.5 Leave pay outs for the period 1 April 2019 and 31 March 2020

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
ANNUAL - DISCOUNTING WITH RESIGNATION (WORK DAYS)	1 213.00	32.00	37 906.00
ANNUAL - DISCOUNTING: UNUSED VACATION CREDITS (WORK DAYS)	95.00	2.00	47 500.00
ANNUAL - GRATUITY: DEATH/RETIREMENT/MEDICAL RETIREMENT(WORK	1 123.00	31.00	36 226.00
CAPPED - GRATUITY: DEATH/RETIREMENT/MEDICAL RETIREMENT(WORK	3 561.00	25.00	142 440.00
TOTAL	5 992.00	90.00	

3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Elementary Occupations	<ul style="list-style-type: none"> • Compulsory Protective wear and uniforms • Trained first-aiders per Cogta site to handle minor injuries. • First-aid kits per Cogta Site. • Condom Dispensers at all Cogta sites

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		Mr Des Beykirch –Director: 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: 4 Permanent staff 1 Contract staff • Annual Budget: R3 740 000 (G&S)
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		<p>As per EHW Strategic Framework</p> <ul style="list-style-type: none"> • HIV, AIDS, STI's and TB Management • Wellness Management • Health and Productivity Management
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		<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 • Training and Development

Question	Yes	No	Details, if yes
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	Yes		<ul style="list-style-type: none"> • HIV, AIDS, STI's and TB Policy • Wellness management Policy • Health and Productivity Management Policy • Sexual Harassment Policy • Bereavement Policy • Sports and Recreation Policy • Employee Health and Wellness Strategic Framework (2008) • BCEA 75(1997) • NSP 2017-2022
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
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 when required. • Approximately 700+ staff members attend wellness screening every quarter. More than 20% of attendees Staff undergo HCT. About 167 employees who have disclosed their status are supported by the wellness centre. • More than 80% of staff that attended the World AIDS day event in Amajuba District tested for HIV.

Question	Yes	No	Details, if yes
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 Unit Reporting • Office of the Premier Monthly reporting • Operational Plans for Office of the Premier and DPSA: <ul style="list-style-type: none"> ➤ HIV, AIDS, STI's and TB Policy ➤ Wellness management Policy ➤ Health and Productivity Management Policy • Departmental Wellness Committee Meeting • SMT tool populated for the Office of the Premier and DPSA • Implementation Review Report (4 Quarters) + Annual Report) to OTP and DPSA

1.12 Labour Relations

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

Subject matter	Date
Total number of Collective agreements	None

Notes

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

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

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

Outcomes of disciplinary hearings	Number	% of total
DISMISSAL	2	18.18%
FINAL WRITTEN WARNING	4	38.36%
NO OUTCOME	2	18.18%
SUSPENDED WITHOUT PAYMENT	3	27.27%
TOTAL	11	100%

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

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

Type of misconduct	Number	% of total
FRAUD	2.00	15.38%
CONTRAVENES ANY CODE OF CONDUCT	2.00	15.38%
PERFORMS POORLY OR INADEQUATELY	2.00	15.38%
CONTRAVENES AN ACT, REGULATION OR LEGAL OBLIGATION	1.00	7.69%
INTIMIDATES OR VICTIMISES EMPLOYEES	1.00	7.69%
WITHOUT PERMISSION POSSESSES OR WRONGFULLY USES STATE PROPERTY	4.00	30.77%
UNDER THE INFLUENCE OF ALCOHOL	1.00	7.69%
TOTAL	13.00	100%

Table 3.12.4 Grievances lodged for the period 1 April 2019 to 31 March 2020

Grievances	Number	% of Total
Number of grievances resolved	20	50%
Number of grievances not resolved	20	50%
Total number of grievances lodged	40	100%

Table 3.12.5 Disputes lodged with Councils for the period 1 April 2019 to 31 March 2020

Disputes	Number	% of Total
Number of disputes upheld	0	0
Number of disputes dismissed	19	100%
Total number of disputes lodged	19	100%

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

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

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

Number of people suspended	4
Number of people who's suspension exceeded 30 days	4
Average number of days suspended	272,25
Cost of suspension(R'000)	R 2 483 354.39

1.13 Skills development

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

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

Occupational category	Gender	Number of employees as at 1 April 2019	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	28	0	10	3	13
	Male	26	0	9	2	11
Professionals	Female	366	0	12	4	16
	Male	221	0	15	2	17
Technicians and associate professionals	Female	230	0	18	1	19
	Male	162	0	16	1	17
Clerks	Female	137	0	15	2	17
	Male	53	0	8	3	11
Service and sales workers	Female	2	0	0	0	0
	Male	12	0	1	0	1
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	5	0	1	0	1
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	5	0	1	0	1
Elementary occupations	Female	62	0	4	0	4
	Male	279	0	6	0	6
Sub Total	Female	826	0	59	10	69
	Male	763	0	57	8	65
Total		1589	0	116	18	134

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

Occupational category	Gender	Number of employees as at 1 April 2018	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	28	0	7	7	14
	Male	26	0	6	6	12
Professionals	Female	366	0	5	4	9
	Male	221	0	3	3	6
Technicians and associate professionals	Female	230	0	10	6	16
	Male	162	0	8	6	14
Clerks	Female	137	0	7	3	10
	Male	53	0	8	3	11
Service and sales workers	Female	2	0	0	0	0
	Male	12	0	0	0	0
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	5	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	5	0	0	1	1
Elementary occupations	Female	62	0	1	1	2
	Male	279	0	0	1	1
Sub Total	Female	826	0	30	21	51
	Male	763	0	25	20	45
Total		1589	0	55	41	96

1.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2019 and 31 March 2020

Nature of injury on duty	Number	% of total
Required basic medical attention only	0.00	0.00
Temporary Total Disablement	0.00	0.00
Permanent Disablement	0.00	0.00
Fatal	0.00	0.00
Total	0.00	0.00

1.15 Utilisation of Consultants

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

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

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

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Professional services for the renovations, alterations and repairs at the new Ixopo District Offices	2	365	R 646 833.60
Conduct an Investigation at Zululand District Municipality	2	90	R 1 599 075.00
Investigation at Uthukela and Alfred Duma Municipalities on Maladministration, Fraud and Corruption	1	90	R 2 150 000.00
Demarcation Boundries, Creation and characterisation of Izigodi	1	180	R 496 000.00
Review and finalisation of the AFS	1	30	R 76 800.00
Conduct Situation Analysis on Collections by the Traditional Councils	1	30	R 495 000.00
Develop the Provincial Small Town Socio- Economic Revitalization Strategy	1	365	R 2 828 218.00
Investigation at Zululand Municipality on Maladministration, Fraud and Corruption	1	90	R 1 300 000.00
Investigation at Msunduzi Municipality on Maladministration, Fraud and Corruption	1	90	R 1 928 199.25

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Investigation at Mandeni Municipality on Maladministration, Fraud and Corruption	1	90	R 1 521 680.00
Investigation at Ugu Municipality on Maladministration, Fraud and Corruption	1	90	R 993 600.00
Design, manage and inspect construction quality at Abaqulusi	1	1080	R 1 532 360.16
Professional Services for the renovations at Mayville	1	30	R 230 000.00
Governance Resource to support Msunduzi LM	2	150	R 375 500.00
Financial Resource to support Msunduzi LM	1	150	R 492 000.00
Rendering support to Municipalities on Governance matters	1	180	R 426 058.50
Roll out the National Certificate Local Government Councillor Practices	2	365	R 497 835.00
Assist the Internal Control Business Unit in executing its Assurance duties	1	120	R 339 200.00
Appointment of a service provider to assess LED Functionality in Municipalities	2	90	R 460 000.00
Electrical Engineering Consultant for the Jozini Electrification Project	1	1080	R 1 382 932.50
Development of a Strategic Corridor Development Plan	1	540	R 1 824 278.93
#Press for Women in Leadership Training Programme	2	180	R 499 000.00
Human Resource Services at Municipal Infrastructure	1	90	R 697 187.50
Conduct an Investigation at Umgungundlovu Municipality	1	90	R 776 941.23
Financial Expert at Mpofana Municipality	1	180	R 477 500.00
Undertake the Drafting of the Provincial Spatial Development Framework	1	540	R 2 587 500.00
Review Irregular Expenditure	1	60	R 454 600.00
Technical Support at Mpofana Municipality	1	150	R 500 000.00

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
28	34	6585	R27 588 299.67

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

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Professional services for the renovations, alterations and repairs at the new Ixopo District Offices	100.00%	100.00%	2
Conduct an Investigation at Zululand District Municipality	100.00%	100.00%	2
Investigation at Uthukela and Alfred Duma Municipalities on Maladministration, Fraud and Corruption	100.00%	100.00%	1
Demarcation Boundaries, Creation and characterisation of Izigodi	100.00%	100.00%	1
Review and finalisation of the AFS	100.00%	100.00%	1
Conduct Situation Analysis on Collections by the Traditional Councils	100.00%	100.00%	1
Investigation at Zululand Municipality on Maladministration, Fraud and Corruption	100.00%	100.00%	1
Investigation at Msunduzi Municipality on Maladministration, Fraud and Corruption	100.00%	100.00%	1
Investigation at Mandeni Municipality on Maladministration, Fraud and Corruption	100.00%	100.00%	1
Investigation at Ugu Municipality on Maladministration, Fraud and Corruption	100.00%	100.00%	1
Professional Services for the renovations at Mayville	100.00%	100.00%	1
Governance Resource to support Msunduzi LM	100.00%	100.00%	2
Financial Resource to support Msunduzi LM	100.00%	100.00%	1
Roll out the National Certificate Local Government Councillor Practices	100.00%	100.00%	2
Assist the Internal Control Business Unit in executing its Assurance duties	100.00%	100.00%	1
Appointment of a service provider to assess LED Functionality in Municipalities	100.00%	100.00%	2
#Press for Women in Leadership Training Programme	100.00%	100.00%	2
Human Resource Services at Municipal Infrastructure	100.00%	100.00%	1
Conduct an Investigation at Umgungundlovu Municipality	100.00%	100.00%	1
Financial Expert at Mpofana Municipality	100.00%	100.00%	1
Undertake the Drafting of the Provincial Spatial Development Framework	100.00%	100.00%	1
Review Irregular Expenditure	100.00%	100.00%	1
Technical Support at Mpofana Municipality	100.00%	100.00%	1

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2019 and 31 March 2020

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

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
NIL	NIL	NIL	NIL

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

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

1.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2019 and 31 March 2020

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

PART E
FINANCIAL INFORMATION



1. REPORT OF THE AUDITOR GENERAL

Department of Cooperative
Governance and Traditional
Affairs

Audit report for the year ending
31 March 2020

Report of the auditor-general to the KwaZulu-Natal Provincial Legislature on vote no. 11: Department of Cooperative Governance and Traditional Affairs

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Cooperative Governance and Traditional Affairs set out on pages 219 to 312, which comprise the appropriation statement, statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Cooperative Governance and Traditional Affairs as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) as prescribed by the National Treasury and the requirements of the Public Finance Management Act, 1999 (Act No.1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2019 (Act No. 16 of 2019) (DoRA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the department in accordance with sections 290 and 291 of the *Code of ethics for professional accountants* and parts 1 and 3 of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* of the International Ethics Standards Board for Accountants (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Material uncertainty relating to funding for back pay of allowances

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.
7. I draw attention to note 26 to the financial statements, which indicates that the department has a liability to settle the back pay of allowances amounting to R1,47 billion at 31 March 2020 relating to *iziNduna*. The department was in negotiations with provincial and national treasuries as well as the provincial cabinet to seek funding. This matter indicates that a material uncertainty exists that may cast significant doubt on the department's ability to fund this liability.

Emphasis of matter

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

Material underspending of budget

9. As disclosed in note 4.1 to the appropriation statement, the department materially underspent its budget on programme 3 – development and planning by R24,48 million, mainly due to the delays experienced on the project 'assessment of the state of infrastructure' in the province, that also resulted in the end date of the project being extended.

Other matters

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

Unaudited supplementary schedules

11. The supplementary information set out on pages 299 to 312 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of accounting officer for the financial statements

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with MCS and the requirements of the PFMA and DoRA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
13. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters

relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

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

Report on the audit of the annual performance report

Introduction and scope

16. In accordance with the Public Audit Act of South Africa 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
17. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

18. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for programme 3 - development and planning, presented on pages 65 to 71 of the annual performance report of the department for the year ended 31 March 2020.
19. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
20. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme.

Other matters

21. I draw attention to the matters below.

Achievement of planned targets

22. Refer to the annual performance report on pages 39 to 75 for information on the achievement of planned targets for the year and explanations provided for the under-/overachievement of a significant number of targets.

Adjustment of material misstatements

23. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of programme 3. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

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

25. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

26. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in the auditor's report.
27. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
28. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained during the audit or otherwise appears to be materially misstated.
29. The other information I obtained prior to the date of this auditor's report is the accounting officer's report. The member of the executive council's (MEC) foreword and the audit committee's report are expected to be made available to me after 30 September 2020.
30. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.
31. After I receive and read the MEC's foreword and audit committee's report, and if I conclude that there is a material misstatement, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

32. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my

objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

Other reports

33. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
34. The provincial internal audit unit for departments conducted nine investigations from 1 January 2010 to 31 March 2020. These investigations related to allegations of irregularities in supply chain management, unauthorised changing of a service provider's bank details, diverting of catering services, abuse of official vehicles and subsistence and travel claims as well as allegations of maladministration against senior officials in the department. Of the nine investigations conducted, seven were finalised and concluded on and two were still in progress. The accounting officer had commenced with legal and disciplinary action against officials on the seven finalised investigations.
35. The Directorate for Priority Crime Investigation, investigated an allegation of fraud involving the payment of *iziNduna* allowances, which covered the period 1 April 2017 to 31 March 2018. The allegation related to the unauthorised changing of *iziNduna*'s banking details, numerous irregular payments as well as the existence of a significant number of 'ghost' *iziNduna*. The investigation was concluded on 17 May 2019 and there were no criminal proceedings that followed.

Auditor - General

Pietermaritzburg
30 September 2020



Auditing to build public confidence

Annexure – Auditor-general's responsibility for the audit

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

Financial statements

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

Communication with those charged with governance

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

ANNUAL FINANCIAL STATEMENTS FOR KZN COGTA

For the year ended
31 March 2020



2. ANNUAL FINANCIAL STATEMENTS

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**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11**

**APPROPRIATION STATEMENT
for the year ended 31 March 2020**

Appropriation per programme									
2019/20					2018/19				
Programme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration	412 851		8 127	420 978	420 978	-	100.0%	431 497	383 702
2. Local Governance	325 993		-8 559	317 429	317 429	5	100.0%	297 438	284 954
3. Development and Planning	597 502		26 554	624 056	599 574	24 482	96.1%	495 853	420 397
4. Traditional Institutional Management	655 104		-26 122	628 982	628 818	164	100.0%	500 577	475 732
TOTAL	1 991 450	-	-	1 991 450	1 966 799	24 651	98.8%	1 725 365	1 564 785
Reconciliation with statement of financial performance									
ADD				4 780				9 828	
Departmental receipts									
Actual amounts per statement of financial performance (total revenue)				1 996 230				1 753 193	
Actual amounts per statement of financial performance (total expenditure)					1 996 799				1 564 785

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11**

**APPROPRIATION STATEMENT
for the year ended 31 March 2020**

Appropriation per economic classification									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	1 739 046	-124 874	-67 583	1 546 589	1 522 213	24 376	98.4%	1 357 931	1 304 378
Compensation of employees	706 771	4 206	-17 910	693 067	693 065	2	100.0%	657 298	657 237
Salaries and wages	624 532	4 206	-15 573	613 165	612 405	760	99.9%	578 104	579 813
Social contributions	82 239	-	-2 337	79 902	80 660	-758	100.9%	79 194	77 424
Goods and services	1 032 250	-129 080	-49 733	853 437	829 063	24 374	97.1%	700 548	647 055
Administrative fees	3 513	-1 213	-74	2 226	2 143	83	96.3%	3 297	2 807
Advertising	17 370	-	12 757	30 127	23 745	6 382	78.8%	19 517	17 228
Minor assets	1 030	-5	-44	981	966	15	98.5%	427	631
Audit costs: External	9 626	-795	-	8 831	8 695	136	98.5%	7 793	8 113
Bursaries: Employees	450	-	-	450	152	298	33.8%	626	283
Catering: Departmental activities	4 065	-1 722	250	2 593	2 508	85	96.7%	4 417	2 220
Communication	13 445	-557	1 987	14 875	14 844	31	99.8%	12 154	12 408
Computer services	33 798	-	-	33 798	32 128	1 670	95.1%	46 188	39 760

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2020

	284 012	-94 639	-20 157	169 216	127 506	41 710	75.4%	73 613	60 866
Consultants: Business and advisory services									
Legal services	9 384	-689	2 399	11 094	11 069	25	99.8%	5 690	6 428
Contractors	59 913	-2 279	-7 904	49 730	47 385	2 345	95.3%	58 809	36 253
Agency and support / outsourced services	6 313	-	-	6 313	7 101	-788	112.5%	4 973	3 779
Fleet services	16 251	-	-	16 251	18 552	-2 301	114.2%	13 720	14 381
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	500	-
Inventory: Food and food supplies	1 480	-	-312	1 168	2 636	-1 468	225.7%	3 444	2 402
Inventory: Materials and supplies	802	-	-	802	1 682	-880	209.7%	17 116	1 205
Inventory: Other supplies	8 326	-	-	8 326	27 612	-19 286	331.6%	6 019	34 458
Consumable supplies	3 009	-375	-2	2 632	2 961	-329	112.5%	2 315	2 381
Consumable: Stationery, printing and office supplies	7 251	-120	153	7 284	12 903	-5 619	177.1%	10 452	15 009
Operating leases	24 239	-1 155	-90	22 994	19 468	3 526	84.7%	24 539	21 324
Property payments	37 416	-	-	37 416	41 591	-4 175	111.2%	37 859	33 517
Transport provided: Departmental activity	-	-	-	-	55	55	-	-	-
Travel and subsistence	52 234	-13 680	-2 270	36 284	36 878	-594	101.6%	47 101	43 740
Training and development	1 260	-	-	1 260	962	298	76.3%	1 361	419
Operating payments	436 576	-11 851	-36 426	388 299	385 331	2 968	99.2%	297 689	287 436
Venues and facilities	100	-	-	100	-	100	-	500	-

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Rental and hiring	387	-	387	190	197	49.1%	429	7
Interest and rent on land	25	-	85	85	-	100.0%	85	86
Interest	25	-	85	85	-	100.0%	85	86
Transfers and subsidies	180 064	128 743	369 139	369 436	-297	100.1%	215 814	187 275
Provinces and municipalities	145 515	27 600	222 819	222 819	-	100.0%	156 462	150 612
Provinces	490	-	1 199	1 199	-	100.0%	511	511
Provincial agencies and funds	490	-	1 199	1 199	-	100.0%	511	511
Municipalities	145 025	27 600	221 620	221 620	-	100.0%	155 951	150 101
Municipal bank accounts	142 025	27 600	218 620	218 620	-	100.0%	155 951	150 101
Municipal agencies fund	3 000	-	3 000	3 000	-	100.0%	-	-
Departmental agencies and accounts	20 000	-12 000	20 000	20 000	-	100.0%	20 000	60
Departmental Agencies	20 000	-12 000	20 000	20 000	-	100.0%	20 000	60
Public Corporations And Enterprise	-	29 000	29 000	29 000	-	100.0%	-	-
Public Corporations	-	29 000	29 000	29 000	-	100.0%	-	-
Other transfers to Public	-	29 000	29 000	29 000	-	100.0%	-	-
Non profit institutions	200	84 143	84 343	84 343	-	100.0%	24 218	24 368
households	14 349	-	12 977	13 274	-297	102.3%	15 134	12 235
Social benefits	8 313	-	8 786	8 524	262	97.0%	5 919	6 211

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Other transfers to households	6 036	-	-1 845	4 191	4 750	-559	113.3%	9 215	6 024
Payments for capital assets	72 340	-3 869	7 251	75 722	75 150	572	99.2%	151 620	73 132
Buildings and other fixed structures	12 544	-	-701	11 843	11 455	388	96.7%	25 928	6 746
Buildings	12 544	-	-701	11 843	11 455	388	96.7%	25 928	6 746
Machinery and equipment	59 614	-3 869	8 001	63 746	63 663	83	99.9%	125 692	66 386
Transport equipment	42 751	-	2 857	45 608	45 462	146	99.7%	109 247	11 016
Other machinery and equipment	16 863	-3 869	5 144	18 138	18 201	-63	100.3%	16 445	55 370
Intangible assets	182		-49	133	32	101	24.1%		
	1 991 450			1 991 450	1 966 799	24 651	98.8%	1 725 365	1 564 785

APPROPRIATION STATEMENT
for the year ended 31 March 2020

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DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2020

	8 831	8 695	136	98.5%	7 793	8 113
Audit costs: External	8 831	-	-	-	-	-
Bursaries: Employees	450	-	298	33.8%	626	283
Catering: Departmental activities	432	-	-37	108.6%	248	169
Communication	6 986	-	-457	106.5%	7 804	8 280
Computer services	33 798	-	1 670	95.1%	46 019	39 760
Consultants: Business and advisory services	2 589	-	-590	122.8%	6 957	3 370
Legal services	6 610	4 484	25	99.8%	5 690	6 428
Contractors	8 686	-	856	90.1%	7 224	4 416
Agency and support / outsourced services	95	-	-386	506.3%	373	278
Fleet services	16 251	-	-2 301	114.2%	13 720	14 381
Consumable supplies	11	-	-	100.0%	-	-
Consumable: Stationery, printing and office supplies	6 265	-	-4 765	176.1%	9 210	13 927
Operating leases	20 835	-	2 925	86.0%	21 216	19 508
Property payments	36 506	-	-4 389	112.0%	34 105	32 136
Transport provided: Departmental activity	-	-	-55	-	-	-
Travel and subsistence	11 636	-	-274	102.3%	14 854	14 902
Training and development	1 260	-	298	76.3%	1 361	419
Operating payments	545	-	466	14.5%	761	278

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Rental and hiring	284	-	284	87	197	30.6%	225	-
Interest and rent on land	25	-	85	85	-	100.0%	68	69
Interest (Incl. interest on unitary payments (PPP))	25	-	85	85	-	100.0%	68	69
Transfers and subsidies	11 095	-	9 959	9 960	-1	100.0%	12 932	10 381
Provinces and municipalities	490	-	1 199	1 199	-	100.0%	511	511
Provinces	490	-	1 199	1 199	-	100.0%	511	511
Provincial agencies and funds	490	-	1 199	1 199	-	100.0%	511	511
Households	10 605	-	8 760	8 761	-1	100.0%	12 421	9 870
Social benefits	4 569	-	4 569	4 011	558	87.8%	3 206	3 846
Other transfers to households	6 036	-	4 191	4 750	-559	113.3%	9 215	6 024
Payments for capital assets	25 679	-	28 564	28 444	120	99.6%	41 784	9 540
Buildings and other fixed structures	-	-	148	148	-	100.0%	3 614	-
Buildings	-	-	148	148	-	100.0%	3 614	-
Machinery and equipment	25 679	-	28 416	28 296	120	99.6%	38 170	9 540
Transport equipment	23 601	-	26 458	26 311	147	99.4%	32 705	7 470
Other machinery and equipment	2 078	-	1 958	1 985	-27	101.4%	5 465	2 070
	412 851	-	420 978	420 978	-	100.0%	431 497	383 702

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2020

1.1 Office of the MEC									
2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	18 644	-	-91	18 553	18 553	-	100.0%	20 021	18 803
Compensation of employees	12 618	-	-583	12 035	12 035	-	100.0%	10 629	10 629
Goods and services	6 026	-	492	6 518	6 518	-	100.0%	9 392	8 174
Transfers and subsidies	-	-	-	-	56	(56)	-	98	98
Households	-	-	-	-	-	-	-	-	56
Payments for capital assets	169	-	-120	49	49	-	100.0%	188	127
Machinery and equipment	169	-	-120	49	49	-	100.0%	188	127
	18 813	-	-211	18 602	18 602	-	100.0%	20 209	18 986

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2020

1.2 Corporate Services		2019/20					2018/19		
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	357 433	-	6 469	363 902	364 021	-119	100,0%	356 760	344 978
Compensation of employees	181 200	-	-10 932	170 268	170 268	-	100,0%	166 400	166 393
Goods and services	176 208	-	17 341	193 549	193 668	-119	100,1%	190 292	178 516
Interest and rent on land	25	-	60	85	85	-	100,0%	68	69
Transfers and subsidies	11 095	-	-1 136	9 959	9 960	-1	100,0%	12 932	10 325
Provinces and municipalities	490	-	709	1 199	1 199	-	100,0%	511	511
Provinces	490	-	709	1 199	1 199	-	100,0%	511	511
Households	10 605	-	-1 845	8 760	8 761	-1	100,0%	12 421	9 814
Payments for capital assets	25 510	-	3 005	28 515	28 395	120	99,6%	41 596	9 413
Buildings and other fixed structures	-	-	148	148	148	-	100,0%	3 614	-
Machinery and equipment	25 510	-	2 857	28 367	28 247	120	99,6%	37 982	9 413
Payments for financial assets	-	-	-	-	-	-	-	1,648	1,648
	394 038	-	8 338	402 376	402 376	-	100,0%	411 288	364 716

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Programme 2: Local Governance									
2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Municipal Administration	69 744	-	1 834	71 578	71 578		100,0%	48 259	47 052
2. Municipal Finance	19 659	-	-1 593	18 066	18 066	-	100,0%	22 653	19 845
3. Public Participation	192 327	-	-735	191 592	191 593	-1	100,0%	192 315	183 830
4. Capacity Development	15 389	-	-4 206	11 183	11 183	-	100,0%	11 162	11 092
5. Municipal Performance, Reporting & evaluation	10 326	-	-354	9 972	9 966	6	99,9%	8 600	9 254
6. IDP COORDINATION	18 548	-	-3 505	15 043	15 043	-	100,0%	14 449	13 881
Total for sub programmes	325 993	-	-8 559	317 434	317 429	5	100,0%	297 438	284 954
Economic classification									
Current payments	319 504	-	-9 598	309 906	309 917	-11	100,0%	277 739	265 613
Compensation of employees	241 544	2 926	252	244 722	244 720	2	100,0%	216 302	215 801
Salaries and wages	206 680	2 926	252	209 858	208 553	1 305	99,4%	183 597	182 700
Social contributions	34 864	-	-	34 864	36 167	-1 303	103,7%	32 705	33 101
Goods and services	77 960	-2 926	-9 850	65 184	65 197	-13	100,0%	61 437	49 812

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Administrative fees	574	-	574	680	-106	118,5%	773	754
Advertising	387	-	387	348	39	89,9%	681	426
Minor assets	156	-44	112	91	21	81,3%	48	110
Catering: Departmental activities	1 057	250	1 307	1 645	-338	125,9%	1 667	1 489
Communication	4 833	1 987	6 820	6 668	152	97,8%	3 319	3 771
Consultants: Business and advisory services	24 043	-5 033	16 084	15 342	742	95,4%	12 793	10 129
Contractors	28 029	-5 814	22 215	20 441	1 774	92,0%	24 472	16 823
Agency and support / outsourced services	6 218	-	6 218	6 620	-402	106,5%	4 600	3 501
Consumable supplies	14	-	14	169	-155	1207,1%	54	123
Consumable: Stationery, printing and office supplies	529	-	529	1 173	-644	221,7%	467	639
Operating leases	1 017	-90	927	593	334	64,0%	935	1 005
Travel and subsistence	10 220	-994	9 226	10 768	-1 542	116,7%	11 099	10 796
Training and development	-	-	-	-	-	-	-	-
Operating payments	783	-112	671	659	12	98,2%	329	239
Venues and facilities	100	-	100	-	100	-	-	-
Rental and hiring	-	-	-	-	-	-	200	7
Transfers and subsidies	6 178	533	6 711	6 711	-	100,0%	8 886	9 162
Provinces and municipalities	4 350	-	4 350	4 350	-	100,0%	8 650	8 650
Municipalities	4 350	-	4 350	4 350	-	100,0%	8 650	8 650

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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Municipal bank accounts	4 350	-	4 350	4 350	-	100,0%	8 650	8 650
Households	1 828	-	533	2 361	-	100,0%	236	512
Social benefits	1 828	-	533	2 361	-	100,0%	236	512
Other transfers to households	-	-	-	-	-	-	-	-
Payments for capital assets	311	-	506	817	16	98,0%	10 813	10 179
Machinery and equipment	311	-	506	817	16	98,0%	10 813	10 179
Transport equipment	-	-	-	-	-	-	4 900	3 546
Other machinery and equipment	311	-	506	817	16	98,0%	5 913	6 633
Total	3 25 993	-	-8559	3 17 434	5	100,0%	297 438	284 954

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APPROPRIATION STATEMENT
for the year ended 31 March 2020

2.1 Municipal Administration									
2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	68 560	-	1 179	69 739	69 723	16	100.0%	46 192	44 980
Compensation of employees	40 370	2 926	1 179	44 475	44 475	-	100.0%	28 794	28 794
Goods and services	28 190	-2 926	-	25 264	25 248	16	99.9%	17 398	16 186
Transfers and subsidies	1 062	-	104	1 166	1 166	-	100.0%	2 011	2 011
Provinces and municipalities	-	-	-	-	-	-	-	2 000	2 000
Households	1 062	-	104	1 166	1 166	-	100.0%	11	11
Municipalities	-	-	-	-	-	-	-	2 000	2 000
Payments for capital assets	122	-	551	673	689	-16	102.4%	56	81
Machinery and equipment	122	-	551	673	689	-16	102.4%	56	61
	69 744	-	1 834	71 578	71 578	-	100.0%	48 259	47 052

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for the year ended 31 March 2020

2.3 Public Participation									
2019/20									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	2018/19	
								Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	191 650	-	-1 013	190 637	190 638	-1	100.0%	180 940	172 725
Compensation of employees	157 637	-	613	158 250	158 250	-	100.0%	150 286	150 267
Goods and services	34 013	-	-1 626	32 387	32 388	-1	100.0%	30 654	22 458
Transfers and subsidies	660	-	240	900	900	-	100.0%	1 225	1 501
Provinces and municipalities	-	-	-	-	-	-	-	1 000	1 000
Households	660	-	240	900	900	-	100.0%	225	501
Municipalities	-	-	-	-	-	-	-	1 000	1 000
Payments for capital assets	17	-	38	55	55	-	100.0%	10 150	9 604
Machinery and equipment	17	-	38	55	55	-	100.0%	10 150	9 604
	192 327	-	-735	191 592	191 593	-1	100.0%	192 315	183 830

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for the year ended 31 March 2020

2.4 Capacity Development									
2019/20							2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	15 372	-	-4 221	11 151	11 151	-	100.0%	11 095	11 080
Compensation of employees	8 622	-	-560	8 062	8 062	-	100.0%	5 981	5 981
Goods and services	6 750	-	-3 661	3 089	3 089	-	100.0%	5 114	5 099
Transfers and subsidies	-	-	15	15	15	-	100.0%	-	-
Households	-	-	15	15	15	-	100.0%	-	-
Payments for capital assets	17	-	-	17	17	-	100.0%	67	12
Machinery and equipment	17	-	-	17	17	-	100.0%	67	12
	15 389	-	-4 206	11 183	11 183	-	100.0%	11 162	11 092

APPROPRIATION STATEMENT
for the year ended 31 March 2020

2.5 Municipal Performance, Reporting & evaluation

2.5 Municipal Performance, Reporting & evaluation									
2019/20							2018/19		
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	10 287	-	-354	9 933	9 932	1	100.0%	8 474	9 202
Compensation of employees	8 929	-	140	9 069	9 068	1	100.0%	7 362	7 362
Goods and services	1 358	-	-494	864	864	-	100.0%	1 112	1 840
Transfers and subsidies	6	-	-	6	6	-	100.0%	-	-
Households	6	-	-	6	6	-	100.0%	-	-
Payments for capital assets	33	-	-	33	28	5	84.8%	126	52
Machinery and equipment	33	-	-	33	28	5	84.8%	126	52
	10 326	-	-354	9 972	9 966	6	99.9%	8 600	9 254

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2.6 IDP Co-ordination									
	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	14 198	-	-3 505	10 693	10 693	-	100.0%	11 515	10 859
Compensation of employees	9 318	-	29	9 347	9 346	1	100.0%	9 100	8 618
Goods and services	4 880	-	-3 534	1 346	1 347	-1	100.1%	2 415	2 241
Transfers and subsidies	4 350	-	-	4 350	4 350	-	100.0%	2 650	2 650
Provinces and municipalities	4 350	-	-	4 350	4 350	-	100.0%	2 650	2 650
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	4 350	-	-	4 350	4 350	-	100.0%	2 650	2 650
Machinery and equipment	-	-	-	-	-	-	-	284	372
	18 548	-	-3 505	15 043	15 043	-	100.0%	14 449	13 881

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Programme 3: Development and Planning									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Spatial Planning	44 655	-	20	44 675	44 728	-53	100.1%	43 681	46 387
2. Land use Management	28 667	-	1 498	30 165	30 252	-87	100.3%	23 299	21 566
3. Local Economic Development	160 869	-	18 677	179 546	179 204	342	99.8%	170 038	144 104
4. Municipal Infrastructure	311 260	-	10 181	321 441	297 264	24 177	92.5%	193 617	159 448
5. Disaster Management	52 051	-	-3 822	48 229	48 126	103	99.8%	65 218	48 892
6.									
Total for sub programmes	597 502	-	26 554	624 056	599 574	24 482	96.1%	495 853	420 397
Economic classification									
Current payments	390 329	-56 600	-22 481	311 248	286 894	24 354	92.2%	231 489	223 445
Compensation of employees	114 021	1 280	-503	114 798	114 798	-	100.0%	108 112	106 184
Salaries and wages	100 672	1 280	630	102 582	103 144	-562	100.5%	95 684	94 681
Social contributions	13 349	-	-1 133	12 216	11 654	562	95.4%	12 428	11 503

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APPROPRIATION STATEMENT
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	276 308	-57 880	-21 978	196 450	172 096	24 354	87.6%	123 360	117 244
Goods and services									
Administrative fees	583	-	-	583	374	209	64.2%	726	693
Advertising	104	-	-	104	97	7	93.3%	488	350
Minor assets	609	-	-	609	580	29	95.2%	202	252
Catering: Departmental activities	813	-	-	813	394	419	48.5%	1 252	562
Communication	1 004	-	35	1 039	733	306	70.5%	571	357
Consultants: Business and advisory services	222 026	-56 600	-14 883	150 543	108 985	41 558	72.4%	53 713	47 367
Contractors	15 842	-	-	15 842	16 129	-287	101.8%	18 172	13 323
Agency and support / outsourced services	-	-	-	-	-	-	-	2	-
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	500	-
Inventory: Food and food supplies	1 480	-	-312	1 168	2 636	-1 468	225.7%	3 444	2 402
Inventory: Materials and supplies	791	-	-	791	1 671	-880	211.3%	17 116	1 205
Inventory: Other supplies	8 326	-	-	8 326	27 612	-19 286	331.6%	6 019	34 458
Consumable supplies	427	-	-	427	623	-196	145.9%	275	285
Consumable: Stationery, printing and office supplies	287	-	170	457	700	-243	153.2%	604	443
Operating leases	1 232	-	-	1 232	965	267	78.3%	1 295	811
Property payments	901	-	-	901	696	205	77.2%	3 743	1 381
Travel and subsistence	11 190	-	-814	10 376	9 019	1 357	86.9%	13 995	12 422

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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**APPROPRIATION STATEMENT
for the year ended 31 March 2020**

	10 590	-1 280	-6 174	3 136	779	2 357	24.8%	745	933
Operating payments									
Venues and facilities	-	-	-	-	-	-	-	500	-
Interest and rent on land	-	-	-	-	-	-	-	17	17
Interest	-	-	-	-	-	-	-	17	17
Transfers and subsidies									
Provinces and municipalities	161 473	56 600	49 035	267 108	267 416	-308	100.1%	169 599	143 632
Municipalities	140 675	27 600	48 995	217 270	217 270	-	100.0%	147 301	141 451
Municipal bank accounts	140 675	27 600	48 995	217 270	217 270	-	100.0%	147 301	141 451
Departmental agencies and accounts	137 675	27 600	48 995	214 270	214 270	-	100.0%	147 301	141 451
Departmental agencies	3 000	-	-	3 000	3 000	-	100.0%	-	-
Non-profit institutions	20 000	-	-	20 000	20 000	-	100.0%	20 000	60
Households	-	-	-	-	-	-	-	1 055	1 055
Social benefits	798	-	40	838	1 146	-308	136.8%	1 243	1 066
Public corporations and private enterprises	798	-	40	838	1 146	-308	136.8%	1 243	1 066
Public corporations	-	29 000	-	29 000	29 000	-	100.0%	-	-
Other transfers to public corporations	-	29 000	-	29 000	29 000	-	100.0%	-	-
Payments for capital assets	45 700	-	-	45 700	45 264	436	99.0%	94 765	53 320

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Buildings and other fixed structures	12 544	-	-849	11 695	11 307	388	96.7%	22 314	6 746
Buildings	12 544	-	-849	11 695	11 307	388	96.7%	22 314	6 746
Machinery and equipment	32 974	-	898	33 872	33 925	-53	100.2%	72 451	46 574
Transport equipment	19 150	-	-	19 150	19 151	-1	100.0%	71 642	-
Other machinery and equipment	13 824	-	898	14 722	14 774	-52	100.4%	809	46 574
Software and other intangible assets	182	-	-49	133	32	101	24.1%	-	-
Total	597 502	-	26 554	624 056	599 574	24 482	96.1%	495 853	420 397

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for the year ended 31 March 2020

3.1 Spatial Planning									
2019/20								2018/19	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	27 486	-	-29	27 457	27 457	-	100.0%	25 664	28 264
Compensation of employees	22 802	-	-234	22 568	22 568	-	100.0%	18 918	21 661
Goods and services	4 684	-	205	4 889	4 889	-	100.0%	6 746	6 603
Transfers and subsidies	17 100	-	-	17 100	17 100	-	100.0%	17 800	17 800
Provinces and municipalities	17 100	-	-	17 100	17 100	-	100.0%	17 800	17 800
Municipalities	17 100	-	-	17 100	17 100	-	100.0%	17 800	17 800
Payments for capital assets	69	-	49	118	171	-53	144.9%	217	323
Machinery and equipment	69	-	49	118	171	-53	144.9%	217	323
	44 655	-	20	44 675	44 728	-53	100.1%	43 681	46 387

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3.2 Land use Management		2019/20						2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	28 170	-	1 507	29 677	29 667	10	100.0%	22 736	21 043
Compensation of employees	25 647	-	1 507	27 154	27 155	-1	100.0%	18 264	16 551
Goods and services	2 523	-	-	2 523	2 512	11	99.6%	4 472	4 492
Transfers and subsidies	50	-	40	90	297	-207	330.0%	563	523
Provinces and municipalities	-	-	-	-	-	-	-	-	60
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Households	50	-	40	90	297	-207	330.0%	563	463
Payments for capital assets	447	-	-49	398	288	110	72.4%	-	-
Machinery and equipment	297	-	-	297	288	9	97.0%	-	-
Software and other intangible assets	150	-	-49	101	-	101	-	-	-
	28 667	-	1 498	30 165	30 252	-87	100.3%	23 299	21 566

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3.3 Local Economic Development									
	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	77 703	-	-2 029	75 674	75 674	-	100.0%	83 276	79 025
Compensation of employees	33 962	1 280	4 345	39 587	39 587	-	100.0%	42 509	40 871
Goods and services	43 741	-1 280	-6 374	36 087	36 087	-	100.0%	40 767	38 154
Transfers and subsidies	70 622	-	21 500	92 122	92 168	-46	100.0%	65 436	59 485
Provinces and municipalities	70 000	-	21 500	91 500	91 500	-	100.0%	63 701	57 851
Non-profit institutions	70 000	-	21 500	91 500	91 500	-	100.0%	63 701	57 851
Households	622	-	-	622	668	-46	107.4%	1 055	1 055
Payments for capital assets	12 544	-	-794	11 750	11 362	388	96.7%	21 326	5 594
Buildings and other fixed structures	12 544	-	-849	11 695	11 307	388	96.7%	21 035	5 467
Machinery and equipment	-	-	55	55	55	-	100.0%	291	127
	160 869	-	18 677	179 546	179 204	342	99.8%	170 038	144 104

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3.4 Municipal Infrastructure									
	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	227 153	-56 600	-18 108	152 445	128 019	24 426	84.0%	55 374	50 500
Compensation of employees	18 162	-	-3 225	14 937	14 937	-	100.0%	19 133	18 271
Goods and services	208 991	-56 600	-14 883	137 508	113 082	24 426	82.2%	36 224	32 212
Interest and rent on land	-	-	-	-	-	-	-	17	17
Transfers and subsidies	51 652	56 600	27 495	135 747	135 802	-55	100.0%	82 800	62 824
Provinces and municipalities	31 575	27 600	27 495	86 670	86 670	-	100.0%	62 800	62 800
Municipalities	31 575	27 600	27 495	86 670	86 670	-	100.0%	62 800	62 800
Public corporations and private enterprises	-	29 000	-	29 000	29 000	-	100.0%	-	-
Public corporations	-	29 000	-	29 000	29 000	-	100.0%	-	-
Departmental agencies and accounts	20 000	-	-	20 000	20 000	-	100.0%	20 000	-
Households	77	-	-	77	132	-55	171.4%	-	24

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	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Payments for capital assets	32 455	-	794	33 249	33 443	-194	100.6%	55 443	46 124
Machinery and equipment	32 423	-	794	33 217	33 411	-194	100.6%	55 443	46 124
Software and other intangible assets	32			32	32	-	100.0%	-	
	311 260	-	10 181	321 441	297 264	24 177	92.5%	193 617	159 448

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3.5 Disaster Management									
	2019/20							2018/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	29 817	-	-3 822	25 995	26 077	-82	100.3%	44 439	44 613
Compensation of employees	13 448	-	-2 896	10 552	10 551	1	100.0%	9 288	8 830
Goods and services	16 369	-	-926	15 443	15 526	-83	100.5%	35 151	35 783
Transfers and subsidies	22 049	-	-	22 049	22 049	-	100.0%	3 000	3 000
Provinces and municipalities	22 000	-	-	22 000	22 000	-	100.0%	3 000	3 000
Municipalities	22 000	-	-	22 000	22 000	-	100.0%	3 000	3 000
Households	49	-	-	49	49	-	100.0%	-	-
Payments for capital assets	185	-	-	185	-	185	-	17 779	1 279
Buildings and other fixed structures	-	-	-	-	-	-	-	1 279	1 279
Machinery and equipment	185	-	-	185	-	185	-	16 500	-
	52 051	-	-3 822	48 229	48 126	103	99.8%	65 218	48 892

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Programme 4: Traditional Institutional Management									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Sub programme									
1. Traditional Institutional Administration	584 957	-	-32 113	552 844	552 844	-	100.0%	409 035	398 784
2. Traditional Resource Administration	70 147	-	5 991	76 138	75 974	164	99.8%	91 542	76 948
Total for sub programmes	655 104	-	-26 122	628 982	628 818	164	100.0%	500 577	475 732
Economic classification									
Current payments	653 136	-68 274	-41 882	542 980	542 828	152	100.0%	471 922	451 539
Compensation of employees	157 388	-	-6 144	151 244	151 244	-	100.0%	155 855	158 230
Salaries and wages	145 436	-	-6 144	139 292	138 956	336	99.8%	142 678	145 544
Social contributions	11 952	-	-	11 952	12 288	-336	102.8%	13 177	12 686
Goods and services	495 748	-68 274	-35 738	391 736	391 584	152	100.0%	316 067	293 309
Administrative fees	1 344	-1 213	-74	57	-	57	-	606	-

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2020

for the year ended 31 March 2020									
2019/20									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Minor assets	100	-	-100	-	-	-	-	-	-
Catering: Departmental activities	1 763	-1 722	-	41	-	41	-	1 250	-
Communication	622	-557	-35	30	-	30	-	460	-
Computer services	-	-	-	-	-	-	-	169	-
Consultants: Business and advisory services	35 354	-35 113	-241	-	-	-	-	150	-
Legal services	2 774	-689	-2 085	-	-	-	-	-	-
Contractors	7 356	-2 279	-2 090	2 987	2 985	2	99.9%	8 941	1 691
Consumable supplies	388	-375	-2	11	-	11	-	186	-
Consumable: Stationery, printing and office supplies	170	-120	-17	33	-	33	-	171	-
Operating leases	1 155	-1 155	-	-	-	-	-	1 093	-
Property payments	9	-	-	9	-	9	-	11	-
Travel and subsistence	19 188	-13 680	-954	4 554	4 689	-135	103.0%	7 153	5 620
Operating payments	424 658	-10 571	-30 140	383 947	383 814	133	100.0%	295 854	285 986
Rental and hiring	-	-	-	-	-	-	-	4	-
									2018/19

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2020

2019/20									2018/19
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	1 318	72 143	11 900	85 361	85 349	12	100.0%	24 397	24 100
Non-profit institutions	1 318	72 143	11 900	85 361	85 349	12	100.0%	24 397	24 100
Households	1 118	-	-100	1 018	1 006	12	98.8%	1 234	787
Social benefits	1 118	-	-100	1 018	1 006	12	98.8%	1 234	787
Departmental agencies and accounts	-	-12 000	12 000	-	-	-	-	-	-
Departmental agencies	-	-12 000	12 000	-	-	-	-	-	-
Payments for capital assets	650	-3 869	3 860	641	641	-	100.0%	4 258	93
Machinery and equipment	650	-3 869	3 860	641	641	-	100.0%	4 258	93
Other machinery and equipment	650	-3 869	3 860	641	641	-	100.0%	4 258	93
Total	655 104	-	-26 122	628 982	628 818	164	100.0%	500 577	475 732

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2020

4.1 Traditional Institutional Administration									
	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	584 007	-52 937	-43 522	487 548	487 548	-	100.0%	396 389	386 180
Compensation of employees	104 047	-	-8 025	96 022	96 022	-	100.0%	86 042	93 040
Goods and services	479 960	-52 937	-35 497	391 526	391 526	-	100.0%	310 347	293 140
Transfers and subsidies	300	52 937	11 900	65 137	65 137	-	100.0%	12 402	12 551
Non-profit institutions	200	64 937	-	65 137	65 137	-	100.0%	12 253	12 403
Households	100	-	-100	-	-	-	-	149	148
Departmental agencies and accounts	-	-12 000	12 000	-	-	-	-	-	-
Payments for capital assets	650	-	-491	159	159	-	100.0%	244	53
Machinery and equipment	650	-	-491	159	159	-	100.0%	244	53
I	584 957	-	-32 113	552 844	552 844	-	100.0%	409 035	398 784

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2020

4.2 Traditional Resource Administration									
2019/20							2018/19		
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	69 129	-15 337	1 640	55 432	55 280	152	99.7%	75 533	65 359
Compensation of employees	53 341	-	1 881	55 222	55 222	-	100.0%	69 813	65 190
Goods and services	15 788	-15 337	-241	210	58	152	27.6%	5 720	169
Transfers and subsidies	1 018	19 206	-	20 224	20 212	12	99.9%	11 995	11 549
Non-profit institutions	-	19 206	-	19 206	19 206	-	100.0%	10 910	10 910
Households	1 018	-	-	1 018	1 006	12	98.8%	1 085	639
Payments for capital assets	-	-3 869	4 351	482	482	-	100.0%	4 014	40
Machinery and equipment	-	-3 869	4 351	482	482	-	100.0%	4 014	40
	70 147	-	5 991	76 138	75 974	164	99.8%	91 542	76 948

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11**

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2020

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 and Annexure 1A, 1B, 1F and 1G to the 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	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Administration	420 978	420 978	-	0%
Local Governance	317 434	317 429	5	0.0%
Development and Planning	624 056	599 574	24 482	3.9%

Explanation of variance: The year-end under expenditure relates to the non-receipt of invoices relating to the assessment of the state of infrastructure as the project end date was extended.

Traditional Institutional Management	628 982	628 818	164	0.0%
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4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	693 067	693 065	2	100%
Goods and services	853 437	829 063	24 374	97%
Interest and rent on land	85	85	-	-
Transfers and subsidies				
Provinces and municipalities	222 819	222 819	-	100%
Departmental agencies and accounts	20 000	20 000	-	100%

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11**

NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2020

Public Corporations and Private enterprise	29 000	29 000	-	100%
Non-profit institutions	84 343	84 343	-	100%
Households	12 977	13 274	(297)	102%
Payments for capital assets				
Buildings and other fixed structures	11 843	11 455	388	97%
Machinery and equipment	63 746	63 663	83	100%
Software and other intangible assets	133	32	101	24%
Payments for financial assets				

Explanation of variance: The over expenditure is mainly due to the payment of leave gratuities due to staff exits within the department. The year-end under expenditure relates to the non-receipt of invoices relating to the Provincial Disaster management grant. The nature of the professional fees is such that it cannot be fully expended until all projects have reached project close out. Projects were largely delayed due to COGTA procurement processes being cancelled and the work being handed over to Department of Public Works for implementation. Project site hand overs took place during February and March 2020.1 project has reached practical completion, while 7 projects are at works stage and one at contractor appointment stage. Final professional fee payments are earmarked for July 2020.

4.3 Per conditional grant	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
EPWP Integrated Grant for Provinces	3858	3858	-	100
Provincial Disaster Recovery Grant	675	288	387	43%

Explanation of variance: The year-end under expenditure relates to buildings and other fixed structures due to the non-receipt of invoices as projected in the Departments cash flow projections which is mainly attributed to the progress of the project on the ground for the Disaster Management Grant.

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11**

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
REVENUE			
Annual appropriation	1	1 991 450	1 725 365
Departmental revenue	2	4 780	9 828
TOTAL REVENUE		1 996 230	1 735 193
EXPENDITURE			
Current expenditure			
Compensation of employees	3	693 064	657 237
Goods and services	4	829 064	647 055
Interest and rent on land	5	85	86
Total current expenditure		1 522 213	1 304 378
Transfers and subsidies			
Transfers and subsidies	6	369 436	187 275
Total transfers and subsidies		369 436	187 275
Expenditure for capital assets			
Tangible assets	7	75 117	73 132
Intangible assets	7	32	-
Total Expenditure for Capital Assets		75 149	73 132
TOTAL EXPENDITURE		1 966 798	1 564 785

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11**

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2020

SURPLUS/(DEFICIT) FOR THE YEAR	29 432	170 408
Reconciliation of Net Surplus/(Deficit) for the year		
Voted funds	24 653	160 580
Annual appropriation	24 265	149 965
Conditional Grants	32 387	10 615
Departmental revenue and NRF Receipts	13 4 779	9 828
SURPLUS/(DEFICIT) FOR THE YEAR	29 432	170 408

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11**

**STATEMENT OF FINANCIAL POSITION
as at 31 March 2020**

	Note	2019/20 R'000	2018/19 R'000
ASSETS			
Current assets		16 592	93 815
Unauthorised expenditure	8	210	210
Cash and cash equivalents	9	4 631	83 312
Prepayments and advances	10	382	383
Receivables	11	11 369	9 910
Non-current assets		14 513	15 603
Receivables	11	14 513	15 603
TOTAL ASSETS		31 105	109 418
LIABILITIES			
Current liabilities		26 230	106 722
Voted funds to be surrendered to the Revenue Fund	12	24 652	100 790
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	(43)	732
Payables	14	1 621	5 200
Non-Current Liabilities			
Payables	14	1 790	
TOTAL LIABILITIES		28 020	106 722
NET ASSETS		3 085	2 696

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

STATEMENT OF FINANCIAL POSITION
as at 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
Represented by:			
Recoverable revenue		3 085	2 696
TOTAL		3 085	2 696



**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11**

**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2020**

NET ASSETS		2019/20	2018/19
	Note	R'000	R'000
Recoverable revenue			
Opening balance		2 696	1 842
Transfers		389	854
Debts recovered (included in departmental receipts)		(488)	(391)
Debts raised		877	1 245
Closing balance		3 085	2 696
TOTAL		3 085	2 696

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11**

**CASH FLOW STATEMENT
for the year ended 31 March 2020**

	Note	2019/20 R'000	2018/19 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		1 996 229	1 672 445
Annual appropriated funds received	1.1	1 991 450	1 665 365
Departmental revenue received	2.1,2.4	4 699	7 008
Interest received	2.2	80	72
Net (increase)/decrease in working capital		(5 037)	1 060
Surrendered to Revenue Fund	15	(106 344)	(64 735)
Current payments		(1 522 128)	(1 304 292)
Interest paid	5	(85)	(86)
Payments for financial assets		-	-
Transfers and subsidies paid	6	(369 436)	(187 065)
Net cash flow available from operating activities	15	(6 801)	117 327
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	8	(75 149)	(73 132)
Proceeds from sale of capital assets	2.3		2 748
(Increase)/decrease in non-current receivables	11	1 090	
Net cash flows from investing activities		(74 059)	(70 384)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		389	854
Increase/ (decrease) in non-current payables	14	1 790	
Net cash flows from financing activities		2 179	854
Net increase/(decrease) in cash and cash equivalents		(78 681)	47 797
Cash and cash equivalents at beginning of period		83 312	35 515
Cash and cash equivalents at end of period	16	4 631	83 312

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

Annual Appropriation

1.1 Annual Appropriation

	2019/20			2018/19	
	Final Appropriation	Actual Funds Received	Funds not requested/not received	Final Appropriation	Appropriation received
	R'000	R'000	R'000	R'000	R'000
Administration	420 978	420 978		431 497	421 629
Local Governance	317 434	317 434		282 989	271 073
Development and Planning	624 056	624 056		494 631	484 486
Traditional Institutional Management	628 982	628 982		516 248	488 177
Total	1 991 450	1 991 450	-	1 725 365	1 665 365

The department commenced paying iziNduna as per Provincial Executive decision from December 2016 in line with the Presidential proclamation which was effective from 1 April 2016. The President signs the Public Office bearers' proclamations on an annual basis. There are four proclamations that have been signed to date with the first being effective from 1 April 2013. The effect of commencing to pay iziNduna as public office bearers only from 2016 resulted in a historic liability to the value of R1,472 billion as disclosed in note 26.

The Department has presented this financial situation to the Cogta Portfolio Committee as well as the Finance Portfolio Committee with an aim of securing a resolution for National Treasury to appropriate additional funding. A letter was written to the MEC Finance by the Department with an intention of securing a financial guarantee for this liability. A memorandum was written to the Provincial Executive structure as well as to the MINCOMBUD to secure a future allocation of the required funds. A joint letter from Provincial Cogta and Provincial Treasury has been written to the National Ministers of Cogta and Finance with the intention of securing a financial guarantee from the National Revenue Fund."

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

1.2 Conditional grants

	<i>Note</i>	2019/20 R'000	2017/18 R'000
Conditional grants	32		
Total grants received		4 533	15 880
		<hr/>	<hr/>
Provincial grants included in Total Grants received		675	11 328

** It should be noted that the conditional grants received are included in the amounts per the final appropriation above

1. Departmental revenue

	<i>Note</i>	2019/20 R'000	2018/19 R'000
Sales of goods and services other than capital assets	2.1	1 554	1 540
Interest, dividends and rent on land	2.2	80	72
Sales of capital assets	2.3		2 748
Transactions in financial assets and liabilities	2.4	3 146	5 468
Departmental revenue collected		4 780	9 828
		<hr/>	<hr/>

2.1 Sales of goods and services other than capital assets

	<i>Note</i>	2018/19 R'000	2017/18 R'000
Sales of goods and services produced by the department	2	1 544	1 539
Sales by market establishment		754	775
Other sales		790	764
Sales of scrap, waste and other used current goods		10	1
Total		1 554	1 540
		<hr/>	<hr/>

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

2.2	Interest, dividends and rent on land			
		Note	2019/20	2018/19
		2	R'000	R'000
	Interest		80	72
	Total		80	72
2.3	Sale of capital assets			
		Note	2019/20	2018/19
		2	R'000	R'000
	Tangible assets		-	2 748
	Machinery and equipment		-	2 748
	Total		-	2 748
2.4	Transactions in financial assets and liabilities			
		Note	2019/20	2018/19
		3	R'000	R'000
	Receivables		3 146	319
	Other Receipts including Recoverable Revenue		-	5 149
	Total		3 146	5 468
3.	Compensation of employees			
3.1	Salaries and Wages			
		Note	2019/20	2018/19
			R'000	R'000
	Basic salary		506 329	477 519
	Performance award		7 577	8 659
	Service Based		985	596
	Compensative/circumstantial		7 701	6 166
	Periodic payments		2	52
	Other non-pensionable allowances		89 809	86 821
	Total		612 403	579 813

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

3.2	Social contributions			
		<i>Note</i>	2019/20 R'000	2018/19 R'000
	Employer contributions			
	Pension		51 260	49 182
	Medical		29 188	28 089
	UIF		35	33
	Bargaining council		134	120
	Insurance		44	–
	Total		80 661	77 424
	Total compensation of employees		693 064	657 237
	Average number of employees		1 690	1 641
4.	Goods and services			
		<i>Note</i>	2019/20 R'000	2018/19 R'000
	Administrative fees		2 144	2 807
	Advertising		23 745	17 228
	Minor assets	4.1	966	631
	Bursaries (employees)		152	283
	Catering		2 507	2 220
	Communication		14 847	12 408
	Computer services	4.2	32 128	39 760
	Consultants: Business and advisory services		127 506	60 866
	Legal services		11 069	6 428

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

Contractors		47 384	36 253
Agency and support / outsourced services		7 101	3 779
Audit cost – external	4.3	8 695	8 113
Fleet services		18 553	14 381
Inventory	4.4	31 930	38 065
Consumables	4.5	15 864	17 390
Operating leases		19 469	21 325
Property payments	4.6	41 590	33 517
Rental and hiring		189	7
Transport provided as part of the department activities		55	-
Travel and subsistence	4.7	36 878	43 740
Training and development		962	419
Other operating expenditure	4.8	385 330	287 435
Total		829 064	647 055

4.1	Minor assets		
		Note	
		4	
		2019/20	2018/19
		R'000	R'000
	Tangible assets	966	631
	Machinery and equipment	966	631
	Total	966	631
4.2	Computer services		
		Note	
		4	
		2019/20	2018/19
		R'000	R'000
	SITA computer services	20 201	16 217
	External computer service providers	11 927	23 543
	Total	32 128	39 760

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

4.3	Audit cost – External			
		Note	2019/20	2018/19
		4	R'000	R'000
	Regularity audits		8 695	8 113
	Total		8 695	8 113
<hr/>				
4.4	Inventory			
		Note	2019/20	2018/19
		4	R'000	R'000
	Food and food supplies		2 636	2 402
	Materials and supplies		1 682	1 205
	Other supplies	4.4.1	27 612	34 458
	Total		31 930	38 065
<hr/>				
4.4.1	Other supplies			
		Note	2019/20	2018/19
			R'000	R'000
	Assets for Distribution		25 942	33 468
	Machinery and equipment		25 942	33 468
	Other Assets for distribution		-	
	Other		1 670	990
	Total		27 612	34 458
<hr/>				
4.5	Consumables			
		Note	2019/20	2018/19
		4	R'000	R'000
	Consumable supplies		2 962	2 381
	Uniform and clothing		628	189
	Household supplies		1 665	1 599
	Building material and supplies		218	183
	Communication accessories		1	
	IT consumables		14	1
	Other consumables		436	409
	Stationery, printing and office supplies		12 902	15 009
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**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

Total		15 864	17 390
<hr/>			
4.6	Property payments		
	<i>Note</i>	2019/20	2018/19
	4	R'000	R'000
	Municipal services	18 242	15 573
	Property maintenance and repairs	6 426	5 875
	Other	16 922	12 069
	Total	41 590	33 517
<hr/>			
4.7	Travel and subsistence		
	<i>Note</i>	2019/20	2018/19
	4	R'000	R'000
	Local	36 286	39 250
	Foreign	592	4 490
	Total	36 878	43 740
<hr/>			
4.8	Other operating expenditure		
	<i>Note</i>	2019/20	2018/19
	4	R'000	R'000
	Professional bodies, membership and subscription fees	4	10
	Resettlement costs		38
	Other	385 326	287 387
	Total	385 330	287 435
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Included in other operating expenditure under other is expenditure for Honoraria for the payment of iziNduna amounting to R383 813 565. (R391 315 less R7 501 which was transferred to Traditional and Levies which does not relate to salaries.)

5.	Interest and rent on land		
	<i>Note</i>	2019/20	2018/19
		R'000	R'000
	Interest paid	85	86

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Total	85	86
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6. Transfers and Subsidies

	<i>Note</i>	2019/20 R'000	2018/19 R'000
Provinces and Municipalities	33,34	222 819	150 612
Department agencies and accounts	<i>Annexure 1B</i>	20 000	60
Public corporations and Private enterprise	<i>Annexure 1D</i>	29 000	
Non-Profit institutions	<i>Annexure 1F</i>	84 343	24 368
Households	<i>Annexure 1G</i>	13 275	12 235
Total		369 437	187 275

7. Expenditure for capital assets

		2019/20 R'000	2018/19 R'000
Tangible assets		75 117	73 132
Building and Other fixtures	29.3	11 455	6 746
Machinery and Equipment	28	63 662	66 386
Intangible assets	28.1	32	-
Software		32	-
Total		75 149	73 132

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

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	75 117	-	75 117
Buildings and other fixed structures	11 455	-	11 455
Machinery and equipment	63 662	-	63 662
Intangible assets	32	-	32
Software	32	-	32

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Total	<u>75 149</u>	<u>-</u>	<u>75 149</u>
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7.2 Analysis of funds utilised to acquire capital assets – 2018/19

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	73 132	-	73 132
Buildings and other fixed structures	6 746	-	6 746
Machinery and equipment	66 386	-	66 386
Total	<u>73 132</u>	<u>-</u>	<u>73 132</u>

8. Unauthorised Expenditure

8.1 Reconciliation of unauthorised expenditure

	<i>Note</i>	2019/20 R'000	2018/19 R'000
Opening balance		210	-
Prior period error		-	-
As restated		210	-
Unauthorised expenditure-discover in the current year(as restated)		-	210
Closing balance		<u>210</u>	<u>210</u>
Analysis of closing balance			
Unauthorised expenditure awaiting		210	210
Unauthorised expenditure awaiting		-	-
Total		<u>210</u>	<u>210</u>

8.2 Analysis of unauthorised expenditure awaiting authorisation per

Transfers and subsidies	210	210
Total	<u>210</u>	<u>210</u>

8.3 Analysis of unauthorised expenditure awaiting authorisation per type

Unauthorised expenditure incurred not in accordance with the purpose of the vote or main	210	210
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Total		<u>210</u>	<u>210</u>
		2019/20	2018/19
		R'000	R'000
9.	Cash and Cash equivalents		
	Consolidated Paymaster General Account	4 626	83 305
	Disbursement	5	2
	Cash on hand		5
	Total	4 631	83 312
10.	Prepayments and advances		
	Note	2019/20	2018/19
		R'000	R'000
	Travel and subsistence	5	6
	Advances paid (Not expensed)	10.1	377
	Total	383	383
10.1	Advances paid (Not expensed)		
	Note	Balance as at 1 April 2019	Less: Amount expensed in current year R'000
		Add or Less: Other R'000	Add: Current Year advances R'000
		Balance as at 31 March 2020 R'000	
	10	R'000	R'000
	Public entities	377	-
	Total	377	-
	Note	Balance as at 1 April 2018	Less: Amount expensed in current year R'000
		Add or Less: Other R'000	Add: Current Year advances R'000
		Balance as at 31 March 2019 R'000	
	10	R'000	R'000
	Public entities	3 024	(2 647)
	Total	3 024	(2 647)

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11. Receivables

		Current	2019/20 Non- current	Total	Current	2018/19 Non- current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
	<i>Note</i>						
Claims recoverable	11.1	2 589	186	2 775	4 320	1 564	5 884
Recoverable expenditure	11.2	4 046	9 937	13 983	3 176	9 907	13 083
Staff debt	11.3	198	527	725	345	472	817
Other receivables	11.4	4 536	3 863	8 399	2 069	3 660	5 729
Total		11 369	14 513	25 882	9 910	15 603	25 513

11.1 Claims recoverable

	<i>Note 11/4 and Annex 4</i>	2019/20 R'000	2018/19 R'000
Provincial departments		615	-
Public entities		2 160	5 884
Total		2 775	5 884

11.2 Recoverable expenditure (disallowance accounts)

	<i>Note 11</i>	2019/20 R'000	2018/19 R'000
(Group major categories, but list material items)			
Payment Fraud		8 506	8 505
Salary Reversal		2 044	3 029
Debt Suspense		148	148
Medical Aid		3	3
Deduction Disallowance		40	61
Tax Recoveries		52	-
ACB Recalls		1 221	1 263
Pension Fund		14	14
Pension Recoverable		39	39

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Online Travel		1 916	21
Total		13 983	13 083

11.3	Staff debt			
		Note 15	2019/20 R'000	2018/19 R'000
	(Group major categories, but list material items)			
	Arrears on House Rent		21	30
	Bursary Debt		318	507
	Leave Without Pay		10	16
	Overpaid Salary		115	1
	Tax Debt		6	20
	Telephone		5	6
	Vehicle Damage		246	237
	Fruitless and Wasteful expenditure		4	
	Other (Potential izinduna and Ex employees		-	-
	Total		725	817

11.4	Other receivables			
		Note 11	2019/20 R'000	2018/19 R'000
	(Group major categories, but list material items)			
	Ex-Employees		6 309	4 998
	External Debtors		2 090	730
	Appeal Board		-	1
	Other (potential izinduna and ex-employees		-	-
	Total		8 399	5 729

11.5	Impairment of receivables			
		Note	2019/20 R'000	2018/19 R'000
	Estimate of impairment of receivables		8 400	1 302

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Total		8 400	1 302
<hr/>			
12. Voted funds to be surrendered to the Revenue Fund			
	Note	2019/20 R'000	2018/19 R'000
Opening balance		100 790	53 569
Prior period error		-	-
As restated		100 790	53 569
Transfer from statement of financial performance (as restated)		24 652	160 580
Add: unauthorised expenditure current year	8	-	210
Voted funds not requested/not received	1.1	-	(60 000)
Paid during the year		(100 790)	(53 569)
Closing balance		24 652	100 790
<hr/>			
13. Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund			
	Note	2019/20 R'000	2018/19 R'000
Opening balance		732	2 070
Transfer from Statement of Financial Performance (as restated)		4 779	9 828
Paid during the year		(5 554)	(11 166)
Closing balance		(43)	732
<hr/>			
14. Payables – current			
	Note	2019/20 R'000	2019/18 R'000
Clearing accounts	14.1	1 621	5,200
Total		1 621	5,200
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14.1 Clearing accounts

Description (Identify major categories, but list material amounts)	Note 14	2018/19 R'000	2017/18 R'000
ACB Recalls		1 166	2 666
Appeal Board Deposits			49
Bargaining Councils			-
Salary Reversal		142	1 183
Tax Recoveries			1
Income Tax		245	1 018
Pension Fund		28	264
Deduction Disallowance			7
Medical Aid		38	11
Garnishee		2	1
Total		1 621	5 200

14.2

	Note	One to two years R'000	Two to Three years R'000	More than 3 year R'000	Total R'000
Payables non current					
Other Payables	14.2.1	-	1 790	-	1 790
Total		-	1 790	-	1 790

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14.2.1 Other Payables

	<i>Note</i>	2019/20	2018/19
	14	R'000	R'000
(Identify major categories, but list material amounts)			
ACB Recalls		969	-
Appeal Board Deposits		49	-
Salary Reversal		508	-
Pension Fund		264	-
Total		1 790	-

15. Net cash flow available from operating activities

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		29 431	170 408
Add back non cash/cash movements not deemed operating activities		(36 232)	(53 081)
(Increase)/decrease in receivables		(1 459)	(4 036)
(Increase)/decrease in prepayments and advances		1	2 641
Increase/(decrease) in payables – current		(3 579)	2 665
Proceeds from sale of capital assets			(2 748)
Expenditure on capital assets		75 149	73 132
Surrenders to Revenue Fund		(106 344)	(64 735)
Voted funds not requested/not received			(60 000)

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Net cash flow generated by operating activities		(6 801)	117 327
16. Reconciliation of cash and cash equivalents for cash flow purposes			
	<i>Note</i>	2019/20 R'000	2018/19 R'000
Consolidated Paymaster General account		4 626	83 305
Disbursements		-	2
Cash on hand		5	5
Total		4 631	83 312
17. Contingent liabilities and contingent assets			
17.1 Contingent liabilities			
	<i>Note</i>	2019/20 R'000	2018/19 R'000
Liable to Nature			
Housing loan guarantees Employees	<i>Annex 3A</i>	16	16
Claims against the department	<i>Annex 3B</i>	4 307	4 307
Intergovernmental payables (unconfirmed balances)	<i>Annex 5</i>	2 102	7 369
Total		6 425	11 692
18. Commitments			
	<i>Note</i>	2019/20 R'000	2018/19 R'000
Current expenditure			
Approved and contracted			189 787
Approved but not yet contracted			711
			190 498
Capital expenditure			
Approved and contracted		109 088	97 320
Approved but not yet contracted		109 088	97 320

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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Total Commitments	109 088	287 818
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The standard requires capital commitment disclosure only
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19. Accruals and payables not recognised

19.1 Accruals

			2019/20 R'000	2018/19 R'000
Listed by economic classification			Total	Total
	30 Days	30+ Days		
Goods and services	15 333	-	15 345	29 296
Transfers and subsidies	-	-	-	-
Capital assets	12	-	12	32
Total	15 345	-	15 345	29 328

	<i>Note</i>	2019/20 R'000	2018/19 R'000
Listed by programme level			
Administration		7 469	19 657
Local Governance		6 772	5 452
Development and Planning		443	3 682
Traditional Institutional Management		661	537
Total		15 345	29 328

19.2 Payables not recognised

			2019/20 R'000	2018/19 R'000
Listed by economic classification			Total	Total
	30 Days	30+ Days		
Goods and services	54 648	20 720	75 368	100 756
Capital assets	2 024		2 024	
Total	56 672	20 720	77 392	100 756

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	2019/20	2018/19
	R'000	R'000
Listed by programme level		
Administration	46 607	8 136
Local Governance	4 887	2 748
Development and Planning	2 960	3 074
Traditional Institutional Management	22 938	86 798
Total	77 392	100 756

Included in the above totals are the following:

Confirmed balances with other departments

Total

Note	2019/20	2018/19
	R'000	R'000
Annex 5	2 137	872
Total	2 137	872

20. Employee benefits

	Note	2019/20	2018/19
		R'000	R'000
Leave entitlement		49 848	39 707
Service bonus		15 564	15 381
Capped leave commitments		30 636	32 470
Other		1 182	2 268
Total		97 230	89 826

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 2020 was R103 567.41 and relates to pro-rata leave balances.

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21. Lease commitments

21.1 Operating leases

2019/20	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	20 142	1 005	21 147
Later than 1 year and not later than 5 years	-	-	6 095	436	6 531
Total lease commitments	-	-	26 237	1 441	27 678

2018/19	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	14 148	1 993	16 141
Later than 1 year and not later than 5 years	-	-	2 567	1 436	4 003
Total lease commitments	-	-	16 715	3 429	20 144

21.2 Finance leases **

2019/20	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	3 729	3 729
Later than 1 year and not later than 5 years	-	-	-	748	748
Total lease commitments	-	-	-	4 477	4 477

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2018/19	Specialise d military equipment	Land	Buildings and other fixed structures	Machiner y and equipme nt	Total
	R'000	R'00 0	R'000	R'000	R'000
Not later than 1 year	-	-	-	3 533	3 533
Later than 1 year and not later than 5 years	-	-	-	2 351	2 351
Later than five years	-	-	-	5 884	5 884
Total lease commitments	-	-	-	3 533	3 533

22. Irregular expenditure

22.1 Reconciliation of irregular expenditure

	<i>Note</i>	2019/20 R'000	2018/19 R'000
Opening balance		606 828	539 942
Prior period error	22.5	(90 048)	-
As restated		516 780	539 942
Add: Irregular expenditure – relating to prior year		-	26 096
Add: Irregular expenditure – relating to current year	22.2	742	41 335
Less: Prior year amounts condoned	22.4	(213 558)	(545)
Closing balance		303 964	606 828
Analysis of awaiting condonation per age classification			
Current year		742	41 335
Prior years		303 222	565 493
Total		303 964	606 828

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

Incident	Disciplinary steps taken/criminal proceedings	2019/20 R'000
SCM procedures not followed	Under Investigation	742
Total		742

22.3 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2019/20 R'000
SCM processes not followed	under Investigation	1603
Total		1603

22.4 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2019/20 R'000
Split invoices	KZN Provincial Treasury	3 303
Competitive bidding process not followed	KZN Provincial Treasury	2 063
SCM processes not followed	KZN Provincial Treasury	193 914
Bidding Process not followed	KZN Provincial Treasury	14 278
Total		213 558

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22.5 Prior period error	<i>Note</i>	2018/19 R'000
Nature of prior period error		
Relating to 2016/18 <i>[affecting the opening balance]</i>		(90 048)
Incorrect classification into irregular		(90 048)
Relating to 2017/18		-
Understated Irregular expenditure in 2016/17		-
Total		(90 048)

23 Fruitless and wasteful expenditure

23.1 Reconciliation of fruitless and wasteful expenditure

	<i>Note</i>	2019/20 R'000	2018/19 R'000
Opening balance		3 548	2 191
Prior period error	23.4	57	-
As restated		3 605	2 191
Fruitless and wasteful expenditure – relating to prior year		-	512
Fruitless and wasteful expenditure – relating to current year		11	988
Less: Amounts recovered		(11)	
Less: Amounts written off	23.2	(104)	(143)
Closing balance		3 501	3 548

During the 2019/20 financial year an amount of R11000 was recovered from employees relating to no shows where reservations were made by the Department.

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23.2 Details of fruitless and wasteful expenditure-written off in the current year

Incident	Disciplinary steps taken/criminal proceedings	2019/20
Over payment of intern salary for 3 months while the intern living with a disability were waiting for a specialised software to be purchased.	Written off	33
Sars penalties as a result of reconciliation amendments	Written off	68
Damages on windscreen of vehicle whilst official was on duty using a hired car	Written off	3
Total		104

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

Incident	Disciplinary steps taken/criminal proceedings	2019/20 R'000
No show at hotel	Under investigation	13
Payment exceeding contract value	Under investigation	66
Interest on over due accounts	Under investigation	44
Overpaid salary of Izinduna	Under investigation	1 905
Total		2 028

23.4 Prior period error

Note

**2018/19
R'000**

Nature of prior period error: Relating to 2018/19 (affecting the opening balance)	57
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Incorrect calculations	30
Incorrectly classified as Fruitless and wasteful Expenditure	27
Total	57

24 Related party transactions

Relates to Traditional Levies and Trust Account for Current and Transfer Payments to the value of R84 342 573,15 in relation to the support given to the institution of traditional leadership. The department seconded Mr MP Duze to Mhlathuze Water as the interim CEO, Mr GN Dlamini to Department of Agriculture as a Deputy Director General, Mr KW Kuhn and Mr SM Siganga seconded to Department of Economic Development, Tourism and Environmental Affairs.

25 Key management personnel

	No. of Individuals	2019/20 R'000	2018/19 R'000
Political office bearers (provide detail below)	2	2 132	1,978
Officials:			
Level 16	1	2 132	2 066
Level 15	3	4 005	3 570
Level 14	16	19 430	20 931
Family members of key management personnel	3	1,043	1 080
Total		28 733	29 625

26 Provisions

	Note	2019/20 R'000	2018/19 R'000
Back pay for iziNduna		1 472 166	1 375 856
Total		1 472 166	1 375 856

The provision disclosed in the current financial year relates to the back pay for Induna's salaries in line with the proclamation of public office bearers (headmen) effective since the 01 April 2013. The number of appointed Induna for the period of 39 months was unknown since there were no verifications from date of proclamation. The cabinet resolution was taken in the previous financial year to remunerate Induna as per the proclamation.

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26.1 Reconciliation of movement in provisions – 2019/20

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance	1 375 856	-	-	1 375 856
Increase in provision	96 310	-	-	96 310
Change in provision due to change in estimation of inputs	-	-	-	-
Closing balance	1 472 166	-	-	1 472 166

Reconciliation of movement in provisions – 2018/19

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance	1 281 918	-	-	1 281 918
Increase in provision	89 838	-	-	89 838
Change in provision due to change in estimation of inputs	4 100	-	-	4 100
Closing balance	1 375 856	-	-	1 375 856

The department commenced paying iziNduna as per Provincial Executive decision from December 2016 in line with the Presidential proclamation which was effective from 1 April 2016. The President signs the Public Office bearers' proclamations on an annual basis. There are four proclamations that have been signed to date with the first being effective from 1 April 2013. The effect of commencing to pay iziNduna as public office bearers only from 2016 resulted in a historic liability to the value of R1 472 165 billion.

The Department has presented this financial situation to the Cogta Portfolio Committee as well as the Finance Portfolio Committee with an aim of securing a resolution for National Treasury to appropriate additional funding. A letter was written to the MEC Finance by the Department with an intention of securing a financial guarantee for this liability. A memorandum was written to the Provincial Executive structure as well as to the MINCOMBUD to secure a future allocation of the required funds. A joint letter from Provincial Cogta and Provincial Treasury has been written to the National Ministers of Cogta and Finance with the intention of securing a financial guarantee from the National Revenue Fund.

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27 Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance R'000	Value adjustment s R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	198 483	-	63 662	117 245	144 900
Transport assets	79 857	-	45 461	56 382	68 936
Computer equipment	50 546	-	3 293	178	53 661
Furniture and office equipment	16 084	-	302	39	16 347
Other machinery and equipment	51 996	-	14 606	60 646	5 956
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	198 483	-	63 662	117 245	144 900

27.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Cash R'000	Non-cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
MACHINERY AND EQUIPMENT	63 662	-	-	-	63 662
Transport assets	45 461	-	-	-	45 461
Computer equipment	3 293	-	-	-	3 293
Furniture and office equipment	302	-	-	-	302
Other machinery and equipment	14 606	-	-	-	14 606
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	63 662	-	-	-	63 662

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27.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash Received Actual R'000
MACHINERY AND EQUIPMENT	-	117 245	117 245	-
Transport assets	-	56 382	56 382	-
Computer equipment	-	178	178	-
Furniture and office equipment	-	39	39	-
Other machinery and equipment	-	60 646	60 646	-
	-	-	-	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	117 245	117 245	-

27.3 Movement for 2018/19

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

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	139 515	-	66 386	7 418	198 483
Transport assets	75 378	-	11 016	6 537	79 857
Computer equipment	43 666	-	7 328	448	50 546
Furniture and office equipment	15 749	-	485	150	16 084
Other machinery and equipment	4 722	-	47 557	283	51 996
	-	-	-	-	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	139 515	-	66 386	7 418	198 483

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27.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2020

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	-	-	15 538	-	15 538
Additions	-	-	-	966	-	966
Disposals	-	-	-	(575)	-	(575)
TOTAL MINOR ASSETS				15 929		15 929

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	-	-	-
Number of minor assets at cost	-	-	-	-	-	-
TOTAL NUMBER OF MINOR ASSETS	-	-	-	-	-	-

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

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machine ry and equipme nt R'000	Biologica l assets R'000	Total R'000
Opening balance	-	-	-	15 665	-	15 665
Prior period error	-	-	-	-	-	-
Additions	-	-	-	631	-	631
Disposals	-	-	-	758	-	758
TOTAL MINOR ASSETS	-	-	-	15 538	-	15 538

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	Specialised military assets	Intangibl e assets	Heritage assets	Machine ry and equipme nt	Biologica l assets	Total
Number of R1 minor assets	-	-	-	10 820	-	10 820
Number of minor assets at cost	-	-	-	10 483	-	10 483
TOTAL NUMBER OF MINOR ASSETS	-	-	-	21 303	-	21 303

28 Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE PERIOD ENDED 31 MARCH 2020

28.1 Movement

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Cash	Non-cash	Developm ent work in progress current cost	Received current	Total
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	32	-			32
TOTAL INTANGIBLE CAPITAL ASSETS	32				32

29

Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Value adjustment s	Additions	Disposal s	Closing Balance
	R'000		R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	82 226			1 780	80 446
Dwellings	510	-	-		510
Non-residential buildings	38 276	-	-		38 276
Other fixed structures	43 440	-		1 780	41 660
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	82 226			1 780	80 446

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29.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	-	-	-	-	-
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	-	-	-
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	-	-	-	-	-

29.2

Movement for 2018/19

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

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	135,967	-	2 489	56 230	82 226
Dwellings	280	-	230	-	510
Non-residential buildings	36,017	-	2 259	-	38 276
Other fixed structures	99,670	-	-	56 230	43 440
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	135,967	-	2 489	56 230	82 226

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2.93. Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2020

	<i>Note Annexure 7</i>	Opening balance 1 April 2019 R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contract s terminat ed R'000	Closing balance 31 March 2020 R'000
Buildings and other fixed structures		85 712	11 455	-	97 167
TOTAL		85 712	11 455	-	97 167

	Number of projects		2019/20 Total R'000
Age analysis on ongoing projects	Planned, Construction not started	Planned, Construction started	
1 to 3 Years		6	6 965
Longer than 5 years	-	5	90 202
Total	-	11	97 167

	2019/20 R'000	2018/19 R'000
Accruals and payables not recognised relating to Capital WIP		
Drought Relief		2 442
Total	-	2 442

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2019

NOTE	Opening Balance 1 april 2018 R'000	Prior Period error R'000	Current Period Tear WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing Balance 31 March 2019 R'000
Annexure	R'000	R'000	R'000	R'000	R'000
Buildings and other fixtures	81 455	-	6 746	2 489	85 712
Total	81 455	-	6 746	2 489	85 712

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Age analysis on ongoing projects	Number of projects		2019/20 Total R'000
	Planned, Construction not started	Planned, Construction started	
1 to 3 Years	5	9	85 712
Total	5	9	85 712

29.4 S42 Immovable assets

Assets to be transferred in terms of S42 of the PFMA – 2019/20

	Number of assets	Value of assets R'000
BUILDINGS AND OTHER FIXED STRUCTURES	172	80,446
Dwellings	4	510
Non-residential buildings	35	38,276
Other fixed structures	133	41,660
TOTAL	172	80,446

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

	Number of assets	Value of assets R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	82 226
Dwellings		510
Non-residential buildings		38 276
Other fixed structures		43 440
TOTAL		82 226

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30 Principal-agent arrangements

30.1 Department acting as the principal

	Fee paid	
	2019/20	2018/19
	R'000	R'000
Independent Development Trust	1 681	1 287
Total	1 681	1 287

The Department appointed the Independent Development Trust as an Implementing agent for the construction and rehabilitation of Traditional Administrative Centres.

31 Prior period errors

31.1 Correction of prior period errors

	Note	2018/19		
		Amount before error correction 2017/18	Prior period error 2017/18	Restated Amount 2017/18
		R'000	R'000	R'000
Other: (E.g. Irregular expenditure, Fruitless and wasteful expenditure, etc.)				
Correction of Irregular Expenditure opening balance.	22.5	606 828	(90 048)	516 780
Rounding of Fruitless & Wasteful Expenditure opening balance.	23.4	3 548	30	3 578
Inventory Opening Balance	Annexure 6	1 561	(227)	1 334
Net effect		611 937	(90 245)	521 692

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32 STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF PROVINCE/ GRANT	GRANT ALLOCATION					SPENT				2018/19					
	Division of Revenue Act	Roll Overs	Adjust- ments	Other Adjust- ments	Total Availabl e	Amount received by depart- ment	R'000	Amount spent by depart- ment	R'000	Under / (Oversp ending)	% of available funds spent by department	Division of Revenue Act	R'000	Amount spent by depart ment	R'000
EPWP	3 858	-	-	-	3 858	3 858	3 858	3 858	-	-	100%	4 552	4 552	4 552	
Integrated Grant for Provinces	-	675	-	-	675	675	288	387	43%	-	713				
Provincial Disaster Recovery Grant	3 858	675	-	-	4 533	4 533	4 146	387		4 552	5 265				

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33 STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT			2018/19
	Division of Revenue Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld R'000	Re-allocations by National Treasury or Department %	Amount received by department R'000	Amount spent by department R'000	% of available funds spent by department %	
Summary by province											
Kwazulu-Natal	525	-	(35)	490	1 199	-	490	525	1 199	-	511
TOTAL	525	-	(35)	490	1 199	-	490	525	1 199	-	511
Summary by grant											
Vehicle licences	525	-	(35)	490	1 199	-	490	525	1 199	-	511
1. Vehicle licences Kwazulu-Natal	525	-	(35)	490	1 199	-	490	525	1 199	-	511

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34 STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld R'000	Re-allocations by National Treasury or National Department %
Umdoni	750	-	-	750	750	-	-
Umkhumbini	-	-	10 000	10 000	10 000	-	-
Ugu DM	550	-	18 085	18 635	18 635	-	-
uMngeni	1 000	-	(1 000)	-	-	-	-
Mpofana	1 000	-	(1 000)	-	-	-	-
Impendle	1 250	-	(250)	1 000	1 000	-	-
Mkhambathini	750	-	(750)	-	-	-	-
Richmond	500	-	10 000	10 500	10 500	-	-
uMngungundlovu DM	2 050	-	2 000	4 050	4 050	-	-
Okhahlamba	500	-	10 000	10 500	10 500	-	-
Alfred Duma	500	-	15 000	15 500	15 500	-	-

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Uthukela	550	-	17 000	17 550	17 550	-	-
Msinga	-	-	2 325	2 325	2 325	-	-
Umvoti	-	-	800	800	800	-	-
Umkhanyakude	2 500	-	1 600	4 100	4 100	-	-
Newcastle	2 500	-	17 500	20 000	20 000	-	-
Amajuba DM	550	-	3 910	4 460	4 460	-	-
eDumbe	-	-	19 500	19 500	19 500	-	-
Abaqulusi	500	-	(500)	-	-	-	-
Nongoma	2 000	-	(2 000)	-	-	-	-
Zululand DM	1 800	-	1 650	3 450	3 450	-	-
Mtubatuba	-	-	14 000	14 000	14 000	-	-
Umkhanyakude	1 600	-	(1 600)	-	3 000	-	-
Nkandla	-	-	500	500	500	-	-
King Cetshwayo	550	-	1 000	1 550	1 550	-	-
Mandeni	3 500	-	(2 750)	750	750	-	-

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KwaDukuza	-	-	5 000	5 000	5 000	-	-
Maphumulo	-	-	7 000	7 000	7 000	-	-
Ilembe DM	550	-	8 650	9 200	9 200	-	-
Greater Kokstad	-	-	15 500	15 500	15 500	-	-
Ubuhlebezwe	500	-	6 000	6 500	6 500	-	-
Harry Gwala District Municipality	-	-	15 000	15 000	15 000	-	-
Dr Nkosazana Dlamini Zuma	500	-	-	500	500	-	-
TOTAL	26 450	-	192 170	218 620	221 620	-	-

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STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				SPENT				2018/19	
	DoRA and other transfers R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld R'000	Re-allocations by National Treasury or National Department %	Amount received by municipality R'000	Amount spent by municipality R'000	Unspent funds R'000	% of available funds spent by municipality %	Division of Revenue Act R'000	Actual transfer R'000	
eThekweni	-	-	-	-	-	-	-	-	-	-	0%	1 000	1 000	
Umdoni	750	-	-	750	750	-	-	750	-	750	0%	1 000	1 000	
Umzumbi	-	-	10 000	10 000	10 000	-	-	10 000	1 511	8 489	15%	-	-	
Ugu	550	-	18 085	18 635	18 635	-	-	18 635	-	18 635	0%	1 400	1 400	
uMngeni	1 000	-	(1 000)	-	-	-	-	-	-	-	0%	2 700	7 901	
Mpofana	1 000	-	(1 000)	-	-	-	-	-	-	-	0%	-	7 000	
Impendle	1 250	-	(250)	1 000	1 000	-	-	1 000	-	1 000	0%	-	-	
Mkhambathini	750	-	(750)	-	-	-	-	-	-	-	0%	-	-	
Richmond	500	-	10 000	10 500	10 500	-	-	10 500	480	10 020	5%	2 000	2 000	
uMgungundlovu	2 050	-	2 000	4 050	4 050	-	-	4 050	-	4 050	0%	1 800	1 800	

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Okhahlamba	500	-	10 000	10 500	10 500	-	10 500	-	10 500	0%	2 000	2 000
Alfred Duma	500	-	15 000	15 500	15 500	-	15 500	-	15 500	0%	3 400	3 400
Uthukela	550	-	17 000	17 550	17 550	-	17 550	38	17 512	0%	500	8 000
Msinga	-	-	2 325	2 325	2 325	-	2 325	1 195	1 130	51%	-	-
Umvoti	-	-	800	800	800	-	800	-	800	0%	-	5 000
Umkhanyakude	2 500	-	1 600	4 100	4 100	-	4 100	-	4 100	0%	450	450
Newcastle	2 500	-	17 500	20 000	20 000	-	20 000	8 603	11 397	43%	-	-
Amajuba	550	-	3 910	4 460	4 460	-	4 460	-	4 460	0%	400	400
eDumbe	-	-	19 500	19 500	19 500	-	19 500	-	19 500	0%	3 000	3 000
Abaqulusi	500	-	(500)	-	-	-	-	-	-	0%	-	-
Nongoma	2 000	-	(2 000)	-	-	-	-	-	-	-	-	-
Zululand	1 800	-	1 650	3 450	3 450	-	3 450	-	3 450	0%	300	300
Mtubatuba	-	-	14 000	14 000	14 000	-	14 000	1 368	12 632	10%	6 750	11 750
Mkhanyakude	1 600	-	(1 600)	-	-	-	-	-	-	0%	-	-
Nkandla	-	-	500	500	500	-	500	-	500	0%	-	-
King Cetshwayo	550	-	1 000	1 550	1 550	-	1 550	-	1 550	0%	2 300	2 300
Mandeni	3 500	-	(2 750)	750	750	-	750	-	750	0%	-	-
Kwadukuza	-	-	5 000	5 000	5 000	-	5 000	-	5 000	0%	5 000	5 000

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Maphumulo	-	-	7 000	7 000	-	-	7 000	0%	5 000	5 000
Ilembe DM	550	-	8 650	9 200	-	-	9 200	0%	6 000	22 000
Greater Kokstad	-	-	15 500	15 500	-	-	15 500	0%	5 000	5 000
Ubuhlebezwe	500	-	6 000	6 500	-	-	6 500	92%	5 000	5 000
Harry Gwala DM	-	-	15 000	15 000	-	-	15 000	0%	-	-
Dr Nkosazana Dlamini Zuma	500	-	-	500	-	-	500	0%	500	500
TOTAL	26 450	-	192 170	218 620	-	-	218 620	0%	104 400	150 101

National Departments are reminded of the DORA requirements to indicate any re-allocations by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a municipality or, where appropriate, into the CPD account of a municipality as well as indicate the funds utilised for the administration of the receiving officer.

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ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2018/19
	Adjusted Appropriati on	Roll Overs	Adjustmen ts	Total Available	Actual Transfer	% of Available funds Transferr ed	
	R'000	R'000	R'000	R'000	R'000	%	
Municipal Infrastructure Support Agent	20 000	-	-	20 000	20 000	100%	-
South African Local Government Association	-	-	-	-	-	-	60
TOTAL	20 000	-	-	20 000	20 000	100%	60

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ANNEXURE 1D
STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATION AND PRIVATE ENTERPRISES

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2018/19	
	Adjusted Appropriati on R'000	Roll Overs R'000	Adjustmen ts R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferr ed %	Final Appropriati on R'000	Actual Transfer R'000
Public Corporations								
Transfers								
Mhlatuze water	-	-	29 000	29 000	29 000	100%	-	-
TOTAL	-	-	29 000	29 000	29 000	100%	-	-

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ANNEXURE 1F
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				EXPENDITURE		2018/19	
	Adjusted Appropriation Act	Roll overs	Adjust -ments	Total Available	Actual Transfer	% of Available funds transferred	Final Appropriation	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
NON-PROFIT INSTITUTIONS								
Transfers								
Traditional Councils	200	-	84 143	84 343	84 343	100%	24 218	24 368
TOTAL	200	-	84 143	84 343	84 343	100%	24 218	24 368

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ANNEXURE 1G
STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE		2018/19	
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	Final Appropriation R'000	Actual Transfer R'000
HOUSEHOLDS								
Transfers								
Employee Social Benefits	7 017	-	-	7 017	8 524	97%	5 919	6 211
Bursaries (Non Employees)	11 714	-	-	11 714	4 751	30%	9 111	5 920
Claims against the State	-	-	-	-	-		104	104
TOTAL	18 731	-	-	18 731	13 275		15 134	12 235

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ANNEXURE 1J
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2019/20	2018/19
	R'000	R'000
Made in kind		
Tembe Traditional Council	-	250
South African Local Government Association	-	60
TOTAL	-	310

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

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount R'000	Opening balance 1 April 2018 R'000	Guarantees draw downs during the year R'000	Guarantees repayments/ cancelled/ reduced during the year R'000	Revaluation due to foreign currency movements R'000	Closing balance 31 March 2019 R'000	Revaluations due to inflation rate movements R'000	Accrued guaranteed interest for year ended 31 March 2019 R'000
Standard Bank	Housing	16	16	-	-	-	16	-	-
	TOTAL	16	16	-	-	-	16	-	-

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ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2020

Nature of Liability	Opening Balance 1 April 2019 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelled/ reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2020 R'000
Claims against the department					
Collision: KZN 45836 and ND 659-885: EN Ngcobo	3	-	-	-	3
Collision: KZN 46000 and NUZ 1755 V50(15/16)	32	-	-	-	32
Collision: KZN 45822 and ND 610-817 V52(15/15)	19	-	-	-	19
Collision: KZN 45956 and ND 307-738 V1(15/16)	17	-	-	-	17
Collision: KZN45959 and ND 237453 V18 (17/18)	17	-	-	-	17
Collision: KZN 45918 and NK 4514 V8 (13/14)	82	-	-	-	82
Collision: KZN 45930 and BTM681B and TAYLIN-ZN	210	-	-	-	210
Thebethe Cebekhulu Attorney v KZN COGTA	1 676	-	-	-	1 676
Pholisani Capital (Pty) Ltd	2 251	-	-	-	2 251
TOTAL	4 307	-	-	-	4 307

Contingent liabilities were identified by Loss Control with claims against the department from 13/14 financial year to 31 March 2019. These cases were reviewed by Legal Services and referred to the State Attorney at the Department of Justice to deal with the matter and to provide the department with feedback to process or reject the claim and advise on steps to follow. If there is negligence on the part of the official (in terms of Treasury Regulations 12. Management of losses and claims), the matter is referred to Labour Relations for investigation and to sought advice on the steps to be followed in dealing with the official. If the recovery of money is recommended for damages, then a debt has to be acknowledged by the official and a debt account setup for the official to pay back the money. Additional Case referred by Legal Services awaiting a trial date.

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ANNEXURE 4
CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000
Department of Agriculture	592				592	
Department of Public Works	-	23	-	-	23	-
	592	-	23	-	615	-
Department of Agriculture	592				592	
Other Government Entities						
Traditional Levies and Trust Account	192	5 342	1 422	-	1 614	5 342
Umhlathuze Water	-	-	546	542	546	542
	192	5 342	1 968	542	2 160	5 884
	784	5 342	1 991	542	2 775	5 884

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

ANNEXURE 5
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2020
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Department of Transport	677	-	-	1 993	677	1 993
Department of Public Works	-	651	1 179	5 004	1 179	5 655
Department of Arts & Culture	-	61	6	-	6	61
Department of Social Development	-	20	-	-	-	20
Department of Health	1 036	-	917	-	1 953	-
Office of the Premier	51	837	-	-	51	837
KZN Provincial Treasury	-	221	-	372	-	593
National COGTA	-	16	-	-	-	16
Department of Human settlements	373	-	-	-	373	-
TOTAL	2 137	1 806	2 102	7 369	4 239	9 175

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

ANNEXURE 6
INVENTORIES

Inventories	Note	Quantity	2019/20 R'000	Quantity	2018/19 R'000
Opening balance		1 055	1 561	1 785	2 674
Add/(Less): Adjustments to prior year balance			(227)		
Add: Additions/Purchases – Cash		7 165	6 590	9 135	31 640
Add: Additions - Non-cash		-	-		
(Less): Disposals		(7 098)	(7 082)		
(Less): Issues			-	(9 865)	(32 753)
Add/(Less): Received current, not paid (Paid current year, received prior year)		-	-	-	-
Add/(Less): Adjustments		-	-	-	-
Closing balance		1 122	842	1 055	1 561

Include discussion where deemed relevant

ANNEXURE 7
MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance R'000	Current Year Capital WIP R'000	Ready for use (Asset register) / Contract terminated R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	85 712	11 455	-	97 167
Dwellings	247	-	-	247
Non-residential buildings	85 465	11 455	-	96 920
Other fixed structures				
TOTAL	85 712	11 455	-	97 167

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

	Opening balance R'000	Prior period error R'000	Current Year Capital WIP R'000	Ready for use (Asset register) / Contract terminated R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	81 455			(2 489)	85 712
Dwellings			477	(230)	247
Non-residential buildings	81 455		6 269	(2 259)	85 465
TOTAL	81 455		6 746	(2 489)	85 712

2017/18 buildings and other fixed structures restated in terms of economic classification. Incorrectly included 2016/17 ready for use assets to the value of R569,410.06 removed from the 2017/18 opening balance. Assets to the value of R707,942.05 added to the 2017/18 ready for use assets.



NOTES

[illegible]

NOTES

[illegible]

GROWING KWAZULU-NATAL TOGETHER



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