

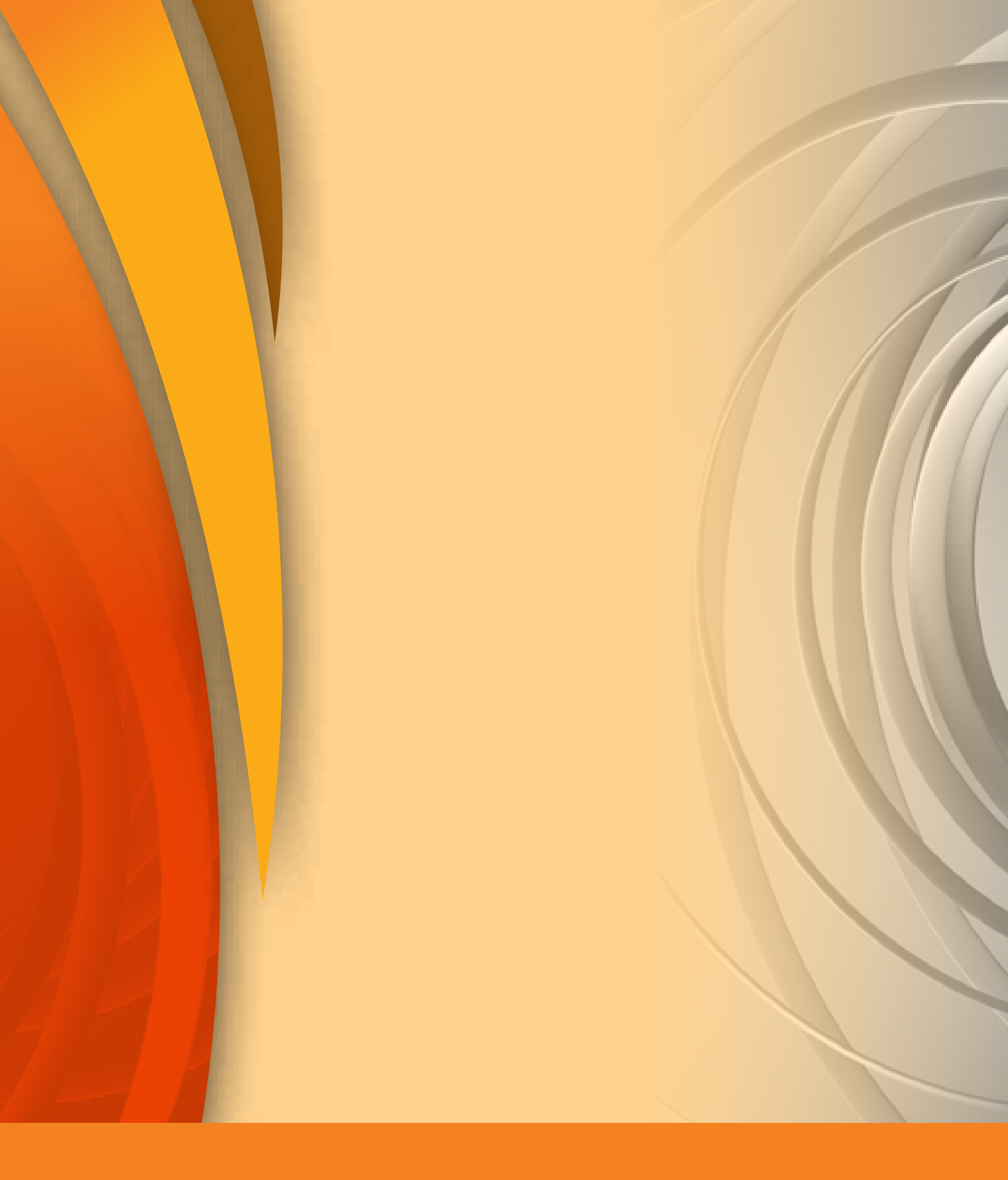
ANNUAL REPORT

for the financial year

2014/15



Cooperative Governance
Traditional Affairs



ANNUAL REPORT

for the financial year

2014/15



cooperative governance

Department:
Cooperative Governance
REPUBLIC OF SOUTH AFRICA

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Department of Traditional Affairs
can be read on the reverse side of this book**



Chapter 1
Part A: General Information

1.1 Contact Information

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1.2 List of Abbreviations/Acronyms

Acronyms	Full Definition
AG	Auditor-General
AOSIS	African Online Scientific Information System
APP	Annual Performance Plan
AU	African Union
BCM	Buffalo City Municipality
CFOs	Chief Executive Officers
CIPs	Comprehensive Infrastructure Plans
COGHSTAs	Cooperative Governance Human Settlements and Traditional Affairs
CoGTA	Cooperative Governance and Traditional Affairs
CRLRC	Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities
CSIR	Council for Scientific and Industrial Research
CTLDC	Commission on Traditional Leadership Disputes and Claims
CWP	Community Work Programme
DAFF	Department of Agriculture, Forestry and Fisheries
DCOG	Department of Cooperative Governance
DG	Director-General
DGRV	German Co-operative and Raiffeisen Confederation
DM	Disaster Management
DM	District Municipality
DoRA	Division of Revenue Act
DPSA	Department of Public Service and Administration
DRA	Division of Revenue Act
DTA	Department of Traditional Affairs
DTI	Department of Trade and Industry
DWA	Department of Water Affairs
EC	Eastern Cape
ECD	Early Childhood Development
ENE	Estimates of National Expenditure
FBS	Free Basic Services
FBSA	Fire Brigade Service Act
FET	Further Education and Training
FS	Free State
G&IGR	Governance and Intergovernmental Relations
GIS	Geographic Information System
HCM	Human Capital Management

Acronyms	Full Definition
HR	Human Resource
ICT	Information Communication Technology
IDDR	International Day for Disaster Reduction
IDP	Integrated Development Programme
IGR	Intergovernmental Relations
IGRF	Inter-Governmental Relations Framework
IMSI	Intergovernmental Monitoring, Support and Intervention Bill
IT	Information Technology
IUDF	Integrated Urban Development Framework
KPA	Key Performance Area
KSDLM	King Sabata Dalindyebo Local Municipality
KZN	Kwa-Zulu Natal
LED	Local Economic Development
LGLN	Local Government Learning Network
LGSETA	local Government Sector Education and Training Authority
LGTAS	Local Government Turnaround Strategy
LOGOLA	Local Government Leadership Academy
M&E	Monitoring and Evaluation
MBD	Municipal Demarcation Board
MEC	Members of Executive Committee
MIG	Municipal Infrastructure Grant
MinMEC	Ministers and Members of Executive Council
MISA	Municipal Infrastructure Support Agent
MoUs	Memorandum of Understanding
MPAC	Municipal Public Accounts Committees
MPRA	Municipal Property Rates Act
MSA	Municipal Systems Act
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NCBCF	National Capacity Building Coordinating Forum
NDMC	National Disaster Management Centre
NDP	National Development Plan
NDRMET	National Disaster Risk Management Education and Training
NFSF	National Fire Services Framework
NGO's	Non-Government Organisations

Acronyms	Full Definition
NHTL	National House of Traditional Leaders
NIRP	National Inventory Research Project
NMCCMC	National Municipal Capacity Coordination and Monitoring Committee
NT	National Treasury
NW	North West
PAAP	Post Audit Action Plan
PAJA	Promotion of Administrative Justice Act
PMGS	Provincial and Municipal Government Support
PMU	Project Management Unit
POA	Programme of Action
PSI	Public Service Infrastructure
PSP's	Professional Service Providers
SA	South Africa
SAB	South African Breweries
SACN	South African Cities Network
SADC	Southern African Development Countries
SALGA	South African Local Government Association
SANCO	South African National Civic Organisation
SAPS	South Africa Police Services
SARS	South African Revenue Services
SASRIA	South African Special Risks Insurance Association
SIU	Special Investigation Unit
SMART	Specific, Measurable, Attainable, Realistic, Timely
SMS	Senior Management Staff
TLGFA	Traditional Leadership Governance Framework Act
TOR	Terms of Reference
TSUs	Technical Support Units
UCLGA	United Cities and Local Government of Africa
WC	Western Cape

1.3 Foreword by the Minister

This period marks an important milestone in the development and maturation of our system of local government. As we enter the next phase of developmental local government, we are guided by the strides we have made towards democratizing local governance, the restoration of the dignity of our people through the delivery of basic services and the cultivation of an environment that is conducive for doing business and promoting job creation within municipalities. We also enter this phase fully cognisant of the challenges facing local government – both self-imposed failures and challenges that are dictated by the external environment, such as the global economic meltdown.

Our assessment of the state of local government, conducted in the 2014/15 year, revealed that while much has been achieved in the 15-year existence of the local government system, some serious challenges still persist. The delivery of basic services needs improvement in many municipalities. Efforts need to be made to bring about political stability and improved governance. To restore trust and strengthen the relationship between municipalities and communities, credible ways and systems of citizen engagement need to be instituted. The diagnosis further indicated that while about a third of municipalities are doing well, the other third is at risk and the rest require targeted support to make them functional.

This Annual Report represents our effort to address the weaknesses we have diagnosed, with the express intent to improve the performance of municipalities that were classified as “at risk” and “dysfunctional”. Our immediate goal is to provide hands-on support and interventions to ensure the migration of all dysfunctional municipalities to better performing levels. Following the launch of the Back-to-Basics programme by President JG Zuma during the Presidential Local Government Summit in September 2014, we have engaged with municipalities, provincial governments and national

Mr. P Gordhan, MP
Minister for Cooperative
Governance
and Traditional Affairs



sector departments on strategies to eliminate dysfunctionality in local government.

We are beginning to witness some positive shifts in municipal governance and management broadly, which signal that with the acceleration of the Back-to-Basics programme, we are able to propel local government to greater heights. We continue to provide support and good governance packages to specific municipalities such as Malamulele, Mogalakwena, Makana, Nelson Mandela Bay Metro, Buffalo City and Oudtshoorn, to restore and maintain stability. We vigilantly monitor legislative compliance to ensure that municipalities employ and attract qualified and committed personnel to take responsibility for rendering services to communities in municipalities.

The recently released municipal audit outcomes for 2013/14 confirm our view that with greater effort and stronger intergovernmental cooperation, the negative narrative around municipal financial management capabilities, can be reversed in favour of good governance and better stewardship of the public resources in local government.

I am also pleased to include the first annual report of the Department of Traditional Affairs in accordance with Treasury Regulations and the Public Finance Management Act. This is a significant milestone for the Ministry since the Department of Traditional Affairs is now able to produce its own financial statements.



We recognise the important role played by traditional leaders in rural areas. It is therefore fundamental that they collaborate and cultivate harmonious relations with municipalities to advance development and service delivery. In this regard, we are finalising regulations for the participation of traditional leaders in municipal councils, informed by Section 81 of the Municipal Structures Act. This will provide uniform norms and standards across provinces, and strengthen the participation of traditional leaders in local government structures. We call upon councillors to engage local houses and traditional councils to discuss programmes impacting on rural communities. This will indeed promote and advance social cohesion, development and service delivery. We envisage finalising the regulations during the 2015/16 financial year. Our goal is to increase the number of municipalities with harmonious relations with traditional councils for improved service delivery.

We continue with the campaign on zero initiation deaths. In the past few years, we have witnessed various forms of abuse, ranging from physical abuse to deaths of initiates mainly due to illegal practices and commercialisation of this custom. The following are basic requirements for the establishment of initiation schools, which we will monitor closely with our traditional leaders, the Houses of Traditional Leadership and provinces:

- Registered schools with permits.
- Recognized surgeons.
- Pre-screened initiates.
- Consent by parents, guardians and the initiates.
- Guardianship, custodianship and accountability expected from traditional leaders.

We have furthermore, developed a National Initiation Policy towards regulating the practice of initiation. The policy is currently being taken through the Cabinet process. We envisage drafting legislation in 2015/16. The policy is already being implemented by various provinces from 2015/16.

The Traditional Affairs Bill has been finalised. In this current financial year, it will be resubmitted to Cabinet and subsequently tabled in Parliament. Once the Bill is enacted, it will among others provide for the establishment of specific Khoi-San structures, as well as the integration of recognised Khoi-San leaders into existing traditional leadership structures. The Bill will also strengthen the developmental role of the institution of traditional leadership.

We have made significant strides over the last year in confronting the challenges facing the institution of traditional leadership in the 21st century. Through this we aim to ensure that traditional leaders remain a cornerstone of our modern democracy.

We remain committed to the principle of a responsive and accountable local government, a local government by the people, for the people.

A handwritten signature in black ink that reads "Pravin Gordhan".

Mr. P Gordhan, MP

MINISTER FOR COOPERATIVE GOVERNANCE
AND TRADITIONAL AFFAIRS

1.4 Deputy Minister's Statement

The past year has been momentous for local government. The entire sector came together at a Presidential Local Government Summit convened by President Zuma in September 2014, took stock of the state of local government and adopted the Back to Basics programme.

The Back to Basics programme is a plan of action to ensure that local government realises its constitutional mandate by putting people first, ensuring delivery of basic services, good governance and sound financial management while building strong institutions.

Despite phenomenal progress in expanding access to basic services, South Africa still faces the triple challenges of poverty, unemployment and inequality. Our National Development Plan (NDP) places local government at the centre of addressing these challenges. For this reason, the Community Work Programme (CWP) continues to be a vitally important government programme entrusted to CoGTA to implement.

CWP provides employment of at least two days a week to the unemployed to engage in socially useful work. Among its core beneficiaries are women and young people.

In the financial year ending March 2015 the CWP created 202 634 work opportunities. Government is committed to expand the CWP to every municipality in the country and to create one million work opportunities by 2019.

Our National Development Plan also places the imperative of transforming apartheid spatial patterns and the effective management of urbanization at its core.

By 2050 eight in ten South Africans will live in urban areas. CoGTA has been tasked by Cabinet to co-ordinate the formulation of government's Integrated Urban Development Framework (IUDF) in line with the vision of



Mr. A Nel, MP
Deputy Minister for
Cooperative Governance

the NDP. The IUDF offers a new deal for South Africa's towns and cities.

The NDP envisages that by 2030, South Africa should start enjoying: "Liveable, safe, resource-efficient cities and towns that are socially integrated, economically inclusive and globally competitive, where residents actively participate in urban life."

This vision is based on the imperatives of:

- **Access:** To ensure people have access to social and economic services, opportunities and choices.
- **Growth:** To harness urban dynamism for inclusive, sustainable economic growth and development.
- **Governance:** To enhance the capacity of the state and its citizens to work together to achieve social integration.
- **Spatial transformation:** To forge new spatial forms in settlement, transport, social and economic areas.

Last year, Cabinet approved a draft Integrated Urban Development Framework for public consultation. Cabinet expects to approve a final policy by the end of 2015.

The success or failure of the IUDF will mean the difference between being a nation united in our diversity, or being a people living together separately.

As we mark the 60th anniversary of the Freedom Charter, the IUDF gives meaning to the Charter's vision that "South Africa belongs to all who live in it."

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Mr. A Nel, MP
DEPUTY MINISTER
FOR COOPERATIVE GOVERNANCE

1.5 Report of the Accounting Officer: Department of Cooperative Governance

The year 2014 witnessed the fifth national elections of the democratic era. The newly-appointed Minister of COGTA, Minister Pravin Gordhan, in his July 2014 budget vote speech spelled out the Back to Basics (B2B) approach as Government's new programme of action to improve the performance of local government. The department, in partnership with other sector departments, provinces and municipalities, is committed to achieving the goals set out in the B2B programme, as we celebrate the 15th year of democratic local government.

Following the launch of the national B2B programme at a Presidential Local Government Summit held in September 2014, the department conducted extensive diagnostic assessments of the state of municipalities in the country. Through this assessment process, the department established that the top third of municipalities are performing very well, the middle third are fairly functional and performance is average, and the bottom third are dysfunctional, and require significant interventions to ensure that they become functional.

COGTA, in conjunction with all the provinces, has established Back to Basics multi-sectoral, provincial task teams. These teams comprise key sector departments and institutions such as Water and Sanitation, Energy, Transport, Rural Development and Land Reform, National and Provincial Treasuries, Environmental Affairs, the South African Local Government Association and the Development Bank of Southern Africa.

During the first phase of B2B implementation, the provincial task teams conducted on-site visits to all municipalities from October to November 2014, with a view to reviewing and confirming the diagnostic assessments that were conducted during August 2014. Municipal action plans and support packages were developed during these visits. The action plans focus on various areas such as governance matters, staffing and human resource issues, financial management and maladmin-

istration, water supply, and infrastructure development and delivery. The majority of provinces have launched the B2B programme.

Unannounced visits to hotspot municipalities were also undertaken by the Minister, Deputy Ministers, MECs and political leadership of various provinces and sector departments to address service delivery and governance issues confronting these municipalities. Some of the municipalities visited were Makana, Nelson Mandela Bay and Buffalo City in the Eastern Cape Province; Moretele in North West Province; Oudtshoorn and Swellendam in Western Cape; Mogalakwena and Thulamela in Limpopo; Randfontein and Johannesburg in Gauteng Province.

Based on the monthly B2B reports received from municipalities and analysed by the Command Centre in COGTA, we have witnessed gradual improvements in municipalities in a number of areas. By holding regular ward committee meetings, the public's involvement in local government processes has increased and so has the trust and confidence in our municipalities. This has been strengthened by reducing response times to service delivery challenges, the holding of regular council meetings, the establishment of sound financial management practices in the awarding of tenders and the fast-tracking of Section 56 appointments, including the positions of the municipal manager and chief financial



Mr. V Madonsela
Director General:
Department for
Cooperative Governance



officer. However, significant challenges remain to be dealt with over the MTEF.

The total allocation for the Municipal Infrastructure Grant (MIG) for the 2014/15 was R14,8 billion. As at 31 March 2015, 100 percent of the allocation was transferred to municipalities to assist in addressing service backlogs, with a special focus on the 27 priority district municipalities. The projects implemented include those dealing with water, sanitation, community or street lighting, road and storm water, solid waste, sport and various other public facilities. In addition, 40 municipalities were assisted in reviewing their indigent policy to facilitate the provision of Free Basic Services.

Strengthening the internal capacity of municipalities for the delivery and maintenance of basic service infrastructure is one of the challenges we face. During the 2014/15 financial year, the Municipal Infrastructure Support Agency (MISA) deployed 53 Technical Consultants to 121 municipalities across the country. In an attempt to enhance municipal technical support and build capacity for the local government sector, MISA deployed 409 Apprentices, 27 Young Professionals, and 67 Experiential Learners to a total of 64 municipalities. A total of 139 trainee Water and Sanitation Process Controllers were also deployed to municipalities to gain work experience, but to also provide much needed support to municipalities.

We continue to work towards professionalising municipal administration and ending the incidence of irregular and inappropriate appointments of senior officials

in local government. The draft Local Government: Municipal Staff Regulations and Guidelines, setting out uniform municipal staff systems and procedures, has been completed. The setting of these uniform standards will strengthen the capacity of municipalities to perform their functions by ensuring that municipalities appoint suitably qualified and competent persons.

The department was successful in facilitating the establishment of ward committees and strengthening their oversight functions in terms of monitoring and reporting of community progress against the Integrated Development Plans (IDPs), Service Delivery Business Improvement Plans (SDBIPs) and ward level service improvement plans. As at 31 March 2015, 4 277 ward committees had been established.

Reducing poverty and unemployment is one of government's priorities. COGTA tackles this through the Community Work Programme (CWP). During 2014/15, the CWP was implemented in 185 sites spread over 159 municipalities and benefitted communities living in more than 2000 wards across the country. The programme largely benefitted 202 447 participants, with women constituting 75% of participants, and youth making up 45%. By the end of the financial year 2014/15, the CWP programme underspent its budget due to the implementation of changes to the new institutional model. The induction of new implementing agents and the re-registration of participants took longer than anticipated. This meant that the inception of new sites and procurement could only start during the third quarter.

The Integrated Urban Development Framework (IUDF), which will guide the management of urban spaces, was approved for public consultation by Cabinet in August 2014. Through the IUDF we aim to reimagine South Africa's urban spaces and create cities that are socially integrated, economically inclusive and globally competitive.

National policy documents developed by the department include the Draft White Paper on Forest Services, the Disaster Management Amendment Bill and the National Fire Safety and Prevention Strategy. This will promote an integrated and coordinated system of disaster management in the country.

In an effort to strengthen measures to prevent and combat fraud and corruption in municipalities, anti-corruption technical working groups were established in all provinces. The outcome of the assessment of forensic reports commissioned by provinces, will assist in terms of facilitating criminal, civil and asset forfeiture actions in collaboration with law enforcement agencies.

In preparation for the fourth democratic local government elections, the number of councillors for each municipal council has been determined by MECs based on the formulae that was published by the Minister in the Government Gazette on 9 September 2014. The Municipal Demarcation Board (MDB) is currently redetermining the boundaries of municipalities that are financially unviable. It is envisaged that final ward boundaries will be handed over to the Independent Electoral Commission in November 2015.

The year 2014/25 has witnessed refreshing winds of change blowing through the local government sector by dint of the implementation of the Back to Basics programme. We would like to thank everyone who dedicated their time and energy to implement our priorities. The sterling leadership by the Honourable Minister Pravin Gordhan and the passion and dedication of employees is demonstrated in the unqualified audit opinion delivered by the Auditor-General. Together we will Move South Africa Forward in the 2015/16 financial year.



Mr Vusi Madonsela

DIRECTOR GENERAL: DEPARTMENT OF
COOPERATIVE GOVERNANCE

1.6 Statement of responsibility and confirmation of the accuracy of the Annual Report

See Annexure E

1.7 Strategic overview

The situation analysis outlines the context and circumstances that the Department will respond to with its programmes during the next five years.

Performance Environment

VISION

An integrated, responsive, accountable and effective system of Cooperative Governance.

MISSION

Our mission is to facilitate cooperative governance throughout all spheres of government in order to build a capable state that fulfills its developmental role through:

- Development of appropriate policies, integrated programmes and regulatory mechanisms;
- Promotion of service delivery support through enabling mechanisms and intergovernmental relations;
- Achievement of social cohesion through the creation of enabling mechanisms for communities to participate in governance; and
- Monitoring and evaluating the implementation of cooperative governance policies and programmes.

VALUES

Guided by the spirit of Batho Pele, our values are:

- Professionalism and integrity;
- Goal orientation;
- Participation; and
- Innovation and Service Excellence.

1.8 Legislative and Other Mandates

Constitutional mandate

CoGTA's mandate is primarily derived from Chapters 3, 5, 6, 7, and 9 of the Constitution of the Republic of South Africa, 1996, hereafter referred to as the Constitution.

- **Chapter 3** - This chapter deals with cooperative government and intergovernmental relations. The Department will have to ensure that we observe and adhere to the principles expressed in this chapter and that we conduct our activities within its parameters.
- **Chapter 5** - This chapter deals with national intervention in provincial administration when a province cannot or does not fulfil its executive obligations in terms of the Constitution or legislation.
- **Chapter 6** - This chapter deals with provincial intervention in local government, in particular when municipalities are unable to fulfil their executive obligation. Chapter 6 is also relevant when a municipality, as a result of financial crisis, breaches its duties to provide basic services in order to meet its financial obligations.
- **Chapter 7** - The chapter deals inter alia with municipalities in cooperative governance. The Department, by legislation, must support and strengthen the capacity of municipalities to manage their own affairs, exercise their powers and perform their functions.
- **Chapter 9** - This chapter deals with those institutions whose role requires strengthening the constitutional democracy of the country. The DCoG has to comply with all legislative frameworks in this chapter in order to conform with legislative frameworks falling under the auspices of institutions such as the Auditor-General and Public Protector.

Our primary mandate is to:

- Develop and monitor the implementation of national policy and legislation seeking to transform and strengthen key institutions and mechanisms of governance to fulfil their developmental role.
- Develop, promote and monitor mechanisms, systems and structures to enable integrated service delivery and implementation within government.
- Promote sustainable development by providing support to and exercising oversight over provincial and local government.

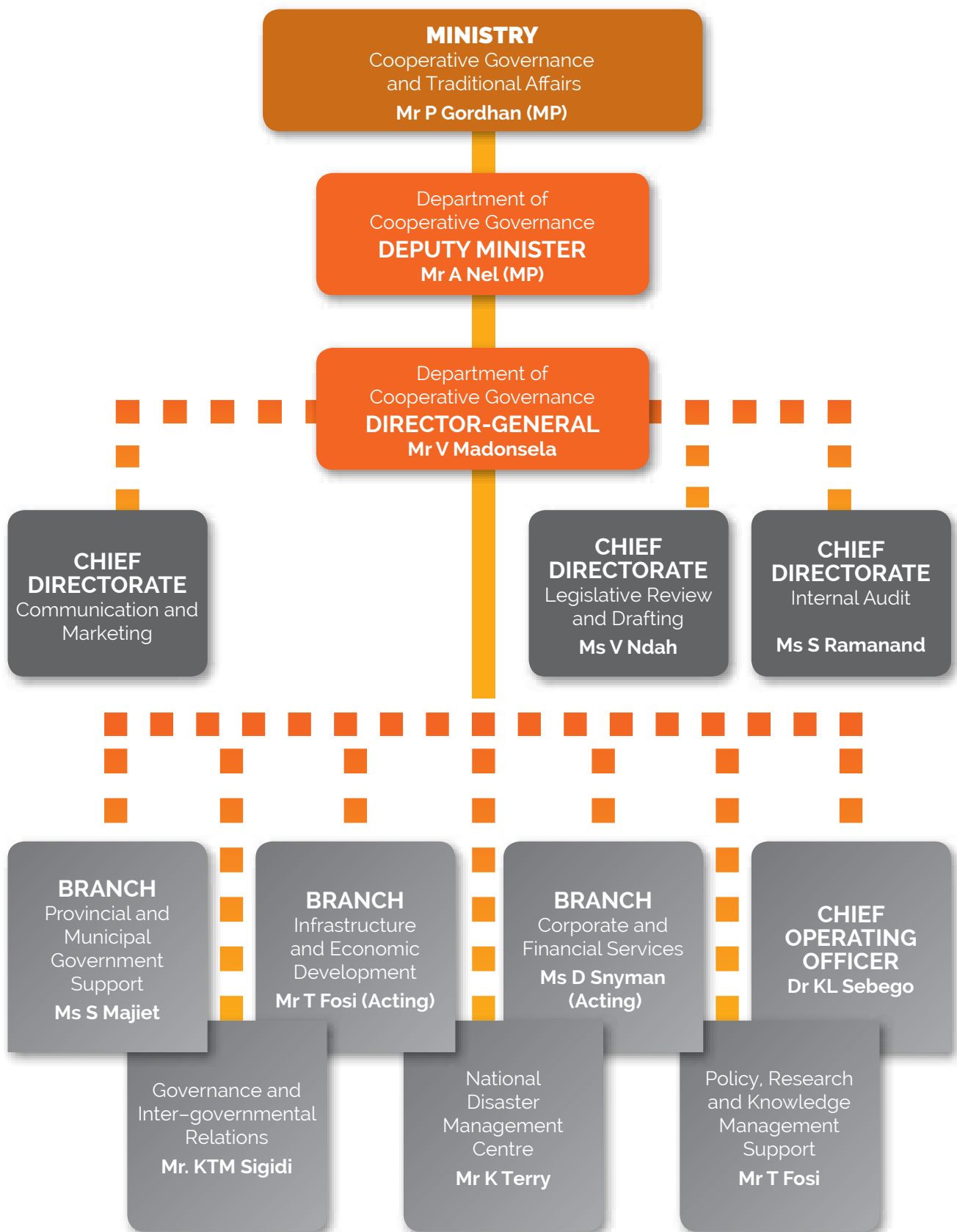
Legislative mandate

As a national department, our function is to develop national policies and legislation with regard to local government and to monitor, inter alia, the implementation of the following:

Name of Legislation	Mandate
Municipal Property Rates Act, 2004 (Act No.6 of 2004)	To regulate the power of a municipality to impose rates on property; to exclude certain properties from rating in the national interest; to make provision for municipalities to implement a transparent and fair system of exemptions, reductions and rebates through their rating policies; to make provision for fair and equitable valuation methods of properties; and to make provision for an objections and appeals process therewith.
Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003)	To secure sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government; to establish treasury norms and standards for the local sphere of government; and to provide for matters connected therewith.
Disaster Management Act, 2002 (Act No. 57 of 2002)	To provide for: <ul style="list-style-type: none"> • An integrated and coordinated disaster management policy, which focuses on preventing or reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective response to disasters and post-disaster recovery. • The establishment of national, provincial and municipal disaster management centres. • Disaster management volunteers. • Matters incidental thereto.
Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)	To provide for the core principles, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities; to ensure universal access to essential services that are affordable to all; to define the legal nature of a municipality as including the local community within the municipal area, working in partnership with the municipality's political and administrative structures; to provide for the manner in which municipal powers and functions are exercised and performed; to provide for community participation; to establish a simple and enabling framework for the core processes of planning, performance management, resource mobilisation and organisational change, which underpin the notion of developmental local government; to provide a framework for local public administration and human resource development; to empower the poor and ensure that municipalities establish service tariffs and credit control policies that take their needs into account, by providing a framework for the provision of services, service delivery agreements and municipal service districts; to provide for credit control and debt collection; to establish a framework for support, monitoring and standard setting by other spheres of government in order to progressively build local government into an efficient, frontline development agency capable of integrating the activities of all spheres of government for the overall social and economic upliftment of communities in harmony with their local natural environment.

Name of Legislation	Mandate
Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998)	To provide for the establishment of municipalities, in accordance with the requirements relating to categories and types of municipality; to establish criteria for determining the category of municipality to be established in an area; to define the types of municipality that may be established within each category; to provide for an appropriate division of functions and powers between categories of municipality; to regulate the internal systems, structures and office-bearers of municipalities; to provide for appropriate electoral systems; and to provide for matters in connection therewith.
The Intergovernmental Relations Framework Act (Act No. 13, of 2005)	The objective of this Act is to facilitate coordination by the three spheres of government in the implementation of policy and legislation. It is a Framework Act, which allows for flexibility between the spheres in meeting the challenges within the conduct and practice of cooperative government. It also provides for the basic architecture of intergovernmental structures and for processes to guide the settlement of intergovernmental disputes.
Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998)	To provide for criteria and procedures for the determination of municipal boundaries by an independent authority; and to provide for matters connected thereto.
Organised Local Government Act, 52 of 1997	To provide for the recognition of national and provincial organisations representing the different categories of municipalities; to determine procedures by which local government may designate representatives to participate in the National Council of Provinces; to determine procedures by which local government may consult with national and provincial government; to determine procedures by which local government may nominate persons to the Financial and Fiscal Commission; and to provide for matters connected therewith.
Fire Brigade Services Act, 99 of 1987	To provide for the establishment, maintenance, employment, coordination and standardisation of Fire Brigade Services; and for matters connected therewith.
Remuneration of Public Bearers Act, 20 of 1998	To provide for a framework determining the salaries and allowances of the President, members of the National Assembly, permanent delegates to the National Council of Provinces, Deputy President, ministers, deputy ministers, traditional leaders, members of provincial Houses of Traditional Leaders and members of the Council of Traditional Leaders; to provide for a framework determining the upper limit of salaries and allowances of Premiers, members of Executive Councils, members of provincial legislatures and members of Municipal Councils; to provide for a framework determining pension and medical aid benefits of office bearers; to provide for the repeal of certain laws; and to provide for matters connected therewith.
Local Government: Cross-Boundary Municipal Act, 29 of 2000	To give effect to section 155(6A) of the Constitution by authorising the provincial executives affected to establish cross-boundary municipalities; to provide for the re-determination of the boundaries of such municipalities under certain circumstances; and to provide for matters connected therewith.

1.9 Organisational Structure for DCoG



1.10 Entities reporting to the Minister

1.10.1 South African Local Government Association (SALGA)

The South African Local Government Association (SALGA) was founded in December 1996 and is mandated by the Constitution to assist in the comprehensive transformation of local government. The Organised Local Government Act (1998) recognises the association as representative of organised local government, and allows organised local government to designate up to 10 part-time representatives to the National Council of Provinces in Parliament and to nominate two representatives to the Financial and Fiscal Commission, which advises government on budget issues. The association participates in intergovernmental structures at a provincial and district level, and is therefore able to influence national and provincial legislation and gauge its impact on local government.

Highlights for 2014/15 Financial Year

During the year under review SALGA participated in intergovernmental structures, including the NCOP where the designation of the part-time representatives to the NCOP improved the visibility of SALGA and provided consistency in terms of representation, advocating and lobbying for the interests of local government. As part of its lobbying mandate, SALGA lobbied the 2014 Budget Forum for Municipal Demarcation Transition Grant for municipalities to be affected by the new proposed municipal demarcation boundaries. The transition grant is to subsidise additional institutional and administrative costs arising from boundary changes to take effect subsequent 2016 Elections.

Through participation in the Infrastructure Grant Review process, SALGA ensured that the issue of renewal (refurbishment, rehabilitation and overall asset manage-

ment) was included in the scope of the review. The Infrastructure Grant Review has reviewed and continues to review ways to maximise existing resources via reforms to capital grants to municipalities, rather than seeking solutions that require additional funds or significant reforms to operating or capacity building grants.

SALGA developed and launched the multidisciplinary Municipal Audit Support Programme (MASP) which is based on 4 pillars: Leadership, Governance, Financial Management and Institutional Capacity to assist all municipalities to maintain good audit outcomes (unqualified with no findings or with findings) and to improve poor audit outcomes (disclaimer, adverse, qualified and audits not finalized) by focusing on the 4 pillars. The MASP is placing particular emphasis on those municipalities with adverse/disclaimer opinions as well as those municipalities whose audits were not finalized by the legislated deadline – these were termed “red zone” municipalities. SALGA also finalized an agreement with a research institute called PARI to perform research into the Red Zone Municipalities. During the financial year, 22 municipalities were assisted and nine of those have migrated from the red zone.

The Water Services Master Classes were conducted during this financial year. As part of a wider package of interventions SALGA developed guidelines to assist municipalities to improve their relationship with mining houses in the delivery of social/rental housing. The guidelines, which plainly set out the legislation and related responsibilities of the mining companies towards the municipality and community, will serve to strengthen the position of municipalities so that they more firmly engage with mining companies and leverage private sector resources for the achievement of development priorities as set out in the IDP. As part of the Dutch Ministry that funds social housing programme to im-

prove the capacity of municipalities to deliver social and rental housing, SALGA undertook a number of projects in 2014/15, targeting the 13 municipalities which have been selected for the delivery of social housing. For three metro municipalities namely, eThekweni, Nelson Mandela and Mangaung, hands on support was provided in the form of policy, strategy development, and project implementation. The overall impact was to strengthen the municipalities to deliver social housing, specifically as a result of technical assistance and advice provided by SALGA and peer learning.

On Electricity matters, SALGA signed a Memorandum of Understanding (MOU) with Eskom on 30 October 2014 to establish a cooperative and collaborative working relationship between Eskom, SALGA (and ultimately, municipalities) to work towards the long term sustainability of electricity reticulation. The MOU highlights the electricity distribution industry issues in general, and the specific operational challenges impacting delivery of electricity to end users that the partnership will address.

During the year under review, SALGA continued to build on its strength as an effective employer organisation. A total number of 1566 cases were recorded during the year under review, including both conciliation, litigation and arbitration. Effective legal representation by SALGA resulted in the long standing Wage Curve dispute being finalized by the Labour Appeal Court in favor of affected municipalities. 274 municipal employees across provinces were trained on Task Job Evaluation (JE), who will then serve in their respective various JE unit structures all municipalities.

SALGA has worked with the Department of Science and Technology (DST) and CSIR in building technical skills in the waste management sector through the development of formal qualifications on waste management. The sector did not have a dedicated qualification and as such two postgraduate degrees specifically on waste management were developed: the BSc Hons (Waste Management) through the University of North West and MSc (Waste Management) through the University of Natal. The first intake of students was 2015 for the BSc Hons and the MSc will commence with the enrolment in 2016 at the University of Natal.

The knowledge sharing and advocacy in renewable energy and energy efficient innovations activities have been undertaken mainly in the form of workshops. Most of these knowledge sharing workshops were structured according to the priorities identified in the SALGA Renewable Energy and Energy Efficient (REEE) strategy for local government, and in particular on:

- i) institutionalisation of the energy mandate (energy strategies),
- ii) municipal own energy efficiency and
- iii) energy access for all.

Around 120 municipalities participated in different energy efficiency and knowledge sharing innovations on energy efficiency and renewable energy. The roll out of the small towns regeneration training programme created an awareness among municipal officials on why and how should small town regeneration be prioritised as vital spaces for regional and local economic development, provided a platform for economic development practitioners to share international and national good practice on implementing sustainable and meaningful small town regeneration approaches, contextualised small towns regeneration as a systematic and holistic approach covering areas such as governance, infrastructure provision, maintenance and financial management, which must find expression in the overall Integrated Development Plan of municipalities, and equipped participants with a practical approach of identifying stakeholders, defining their role(s) and meaningful participation.

The Launch and establishment of the SALGA Centre for Leadership and Governance (SCLG) is another milestone for SALGA. The SCLG will develop municipal leaders who will drive a development agenda through active reflection and thought leadership in the sector. The medium to long term implementation of coherent learning and knowledge programmes through the SALGA Centre for Leadership and Governance should result in improved audit reports from the Auditor General, enhancement and evidence based decision making at a local level and improved decision making at all spheres of government as local leaders take up national and provincial leadership positions. SALGA also facilitated training (Portfolio based training) and Leadership Development Programmes for Councillors and Senior Municipal Officials benefiting a total of 1,149 (Councillors and Senior Municipal) officials.

During the year under review, SALGA's enhanced profiling of local government in continental and global forums and platforms, as well as strengthening local governance and decentralisation globally. SALGA also played a critical role in re-unifying the United Cities and Local Governments of Africa (UCLGA) and are currently leading the Southern African chapter of the organisa-

tion, particularly to strengthen local democracy in our neighbouring countries and support the establishment of local government associations in the SADC region. SALGA played a role in the UCLG and Commonwealth Local Government Forum (CLGF) and other international organisations.

1.10.2 South African Cities Network (SACN)

South African Cities Network (SACN) is an established network of South African cities and partners that encourages the exchange of information, experience and best practices on urban development and city management. It is an initiative of the Minister for Cooperative Governance and Traditional Affairs and nine city municipalities, in partnership with the South African Local Government Association (SALGA). The SACN shares knowledge of large city government experiences within the global and national economic development contexts; and promotes partnerships between or among the spheres of government in the interests of enhancing good city governance in South Africa.

During the year under review, the work of SACN has continued to be informed by the 2011–2016 medium-term strategic framework and business plan, which clearly articulates the three key challenges facing South African local governments as:

- i) The need for qualitative spatial transformation;
- ii) Dealing with city challenges and vulnerabilities that are exacerbated by climate change and rapid urbanisation; and
- iii) The electorate's negative image of local government.

Highlights for 2014/15 Financial Year

Execution of the 2015 National Urban Conference was a key highlight for this financial year, an event which is associated with the concerted production of the next edition of the State of South African Cities Report (2016). This event, the 4th South African Urban Confer-



ence, was convened by the SACN in partnership with the City of Tshwane, the Department of Cooperative Governance (DCOG), the South African Local Government Association (SALGA) and the Dialogue Facility of the European Union Delegation to South Africa. The conference brought together urban sector experts and stakeholders who participated in an interactive and rigorous programme of dialogue and engagement, with the aim of:

- Facilitating urban policy and planning dialogue with key urban development stakeholders, experts and partners (local and international);
- Interrogating and enhancing preliminary data and findings towards the 2016 State of South African Cities Report (SOCR IV);
- Contributing to strengthening of the IUDF; and
- Building up national content towards the ACCSF and 7th AfriCities Summit.

The Conference was received to critical acclaim (as per event evaluation, stakeholder feedback, and media coverage), and was successful in meeting its objectives as above.

Beyond this highlight, SACN's Annual Performance Plan for 2014/15 has been implemented and monitored based

upon SACN two primary categories of output measurement: learning events (which are key outputs of the knowledge sharing and dissemination function), and publications (which are outputs of the knowledge generation function). During the year under review, SACN successfully delivered 84 outputs in the form of 50 knowledge exchange and networking events and 34 knowledge products.

From a substantive perspective, during 2014/15 SACN published research products that focused on key topics such as:

- The roles of transport and human settlement in spatial transformation – exemplified by the two following books:
 - From Housing to Human Settlements – Evolving perspectives (Sep 2014) This publication explores the housing and human settlements context in South Africa and the particular challenges and opportunities that will affect the delivery of sustainable human settlements (SHS). This will be informed by an understanding of the city as a settlement made up of components that together add to its successful functioning and also to its ability to give effect to spatial transformation.
 - How to Build Transit Oriented Cities – Public transport will play an essential role in addressing the spatial and socioeconomic inheritance in South Africa. It will also help define the city of the future. But we have to get this right, as the investment we make now will determine our built environment legacy. There are many lessons to be learnt from all over the world, from the continent, and right here in South Africa. While not aiming to be an exhaustive account, this book begins to reflect on these lessons and opportunities for cities in their pursuit of efficient and integrated public transport that improves mobility, inclusivity and access.
- Environmental issues – energy, emissions, and state of environment reporting.
- Urban vulnerability and governance.
- Urban safety.
- Spatial transformation
- Secondary cities.

SACN played a significant role in driving the drafting of the Integrated Urban Development Framework (IUDF),

which was successfully launched during the year under review. This involvement forms part of SACN's ongoing engagement with stakeholders to deal with urban governance, urban policy and alternative finance of cities, data challenges and reporting systems.

SACN continued to convene Reference Groups as part of its knowledge sharing such as State of Cities Report Reference Group, Cities Expanded Public Works Reference Group, Knowledge Managers Reference Group, Spatial Planning and Land Use Reference Group, City Water Managers Forum, Energy Reference Group, Waste Management Reference Group, Public Transport Reference Group and Human Settlements Reference group.

1.10.3 Municipal Demarcation Board (MDB)

The Municipal Demarcation Board is an independent authority responsible for determining municipal boundaries in terms of Section 155(3) (b) of the Constitution. The independence of MDB is also protected by section 3 of the Local Government Municipal Demarcation Act (1998) and various judgements by the Constitutional Court. In addition to determining and re-determining municipal boundaries, the board is also mandated to delimit wards for local elections and assess the capacity of municipalities to perform their functions.

Highlights for 2014/15 Financial Year

During the 2014/2015 financial year, the Municipal Demarcation Board embarked on the ward delimitation process in preparation for the 2016 local government elections. As a result, a considerable part of the year was dedicated to delimit wards in 224 municipalities that qualify to have wards.

The ward delimitation process commenced in September 2014 and the first draft maps were all completed by November 2014. A participatory process took place in which technical staff of municipalities such as planners, GIS officials and other stakeholders – with the knowledge of the layout of the municipality – were invited to make contributions in the first draft of the ward boundaries. The resultant draft wards were unveiled and released to the public during the ward delimitation process launch held on 09 December 2014, in Hibiscus Coast, KwaZulu-Natal Province.

As part of the stakeholder engagement process, provincial information sharing sessions were held which comprised of Provincial Departments of Cooperative Governance and Traditional Affairs (COGTA), House of Traditional Leaders (HTL), Independent Electoral Commission (IEC), and the South African Local Government Association (SALGA). The sessions were held in Limpopo, Western Cape, Mpumalanga, Free State, North West, Eastern Cape, Northern Cape and Gauteng.

Since the formal launch of the ward delimitation process, the Municipal Demarcation Board (MDB) embarked on ward delimitation public consultation meetings, which were scheduled to start in mid-January 2015. 70% of all municipalities qualifying to have wards were consulted by the end of March 2015. There were initially 224 ward delimitation public consultation meetings scheduled across the country, most of which were conducted as scheduled. As of 18 March 2015, the number of public meetings held in each province are presented as follows: Northern Cape (96.30%), Western Cape (84%), Mpumalanga (77.78%), Free State (75%), North West (57.89%), Gauteng (57.14%), Eastern Cape (56.41%), Limpopo (56%), and Kwazulu-Natal (45.45%).

During the year under review, MDB received requests from the Minister of COGTA, in line with Section 22 of the Local Government: Municipal Demarcation Act 27 of 1998, to consider redetermination of outer boundaries of some municipalities in order to improve their financial viability. This is the first request of this nature since the inception of the Municipal Demarcation Board and it certainly lifts the bar with regard to the performance of the MDB at a time that is already characterised by intense activity as a result of the ward delimitation

process. The request for redetermination of the municipal boundaries affected municipalities in seven (7) provinces, namely Eastern Cape, KwaZulu Natal, Limpopo, Mpumalanga, Northern Cape, North West and Free State in the 2014/2015 financial year.

After receiving the complete list of the municipalities to be considered for redetermination, MDB proceeded to publish section 26 notices, i.e. to indicate the intention to consider the matters, and invite written representation and views within 21 days after the publication of the notice. A total of 207 submissions from the public were received before the end of March 2015.

During the year under review, the MDB rendered advice to established planning and transformation structures. Presentations on the ward delimitation process were made to various forums including Technical Presidential Coordination Council and MinMEC. The Board worked with the Financial and Fiscal Commission which led to the Minister of Finance committing to Municipal Demarcation Transitional Grant for all municipalities affected by amalgamations and categorisation. A model/framework for the cost structure of the implementation of major redeterminations is being developed in conjunction with FFC, SALGA and National Treasury.

A nation-wide ward delimitation consultation process launch event was held on 09 December 2014, in Hibiscus Coast Local Municipality, KwaZulu-Natal Province. Officials in all the 224 metropolitan and local municipalities qualifying to have wards were invited, together with all the stakeholders in local government, including COGTA, IEC, SALGA, and the surrounding communities. The information packs were distributed consisting of maps of draft wards, and documentation on the criteria for drafting the wards, and the schedule of public consultation meetings which were to commence in January 2015. An exhibition was held in collaboration with SALGA at its National Members Assembly as well as national media briefing to clarify the mandate and roles of MDB. During 2014/2015 a five year Communication and Brand Management Strategy was approved by the Board with the aim to position the Board in line with its new vision and mission and to enhance public participation and stakeholder engagement.



Chapter
Part B: DCOG
Performance Information

2

2.1 Auditor General's Report: Predetermined Objectives

The Auditor General audited the reported information on predetermined objectives against the criteria for usefulness and reliability. The findings and other legal regulatory requirements are outlined in the Auditor General's report. (See Part E)

2.2 Overview of Departmental Performance

2.2.1 Service Delivery Environment

Local government is a primary site for the delivery of services in South Africa. Since 1994 tremendous progress has been made to deliver water, electricity, sanitation and refuse removal - at rates of delivery unprecedented anywhere in the world. Together with many other initiatives such as the introduction of social grants, the government has made real inroads in alleviating poverty.

Despite these **advances in service delivery** since 1994, the pace of improvement in services and the quality of services provided do not in many cases match the expectations of many citizens. There are **an increasing number of service delivery protests**. The core of the demands expressed in service delivery protests centre around electricity, water; housing; and road demands. Other matters raised during service delivery protests include allegations of corruption, nepotism, tender irregularities, cadre deployment, not attending to grievances raised by communities, poor communication and responses to the community, and poor representation by ward councillors.

In recent years, a new generation of challenges in service provision has become evident. These include the ability of municipalities to sustain these services in the face of economic pressures, increase in demand or operational and maintenance problems, as well as ensur-

ing quality and reliability. The President has acknowledged that it is impossible to correct all the distortions and social engineering of the colonial period overnight or in only 18 years.

In 2014 COGTA did **a review** of South Africa's 278 municipalities, which revealed that the top third of municipalities manage to do the basics right and perform their functions at least adequately. Within this group, there are a small group of top performers that are doing extremely well.

The middle third of municipalities reviewed are relatively functional, but there remain some worrying signs of poor performance or decline. This middle group can be classed as 'at risk', since if left unchecked these could presage a further decline.

The bottom third of municipalities are failing our people dramatically and the basic mechanisms to perform their functions are not in place. These municipalities require urgent intervention in order to correct the decay in the system.

The DCoG mandate is **to improve coordination** across the three spheres of Government and to make sure that provinces and municipalities carry out their service de-

livery and development functions effectively. The NDP has identified a need for greater stability and cohesion within and across the three spheres of government, and also between government and the people. To achieve this, we need to considerably improve service delivery across all spheres of government, in the face of huge capacity and resource constraints. The warning signs intrinsic to **the service delivery protests** reflect thus at the core of DCoG's mandate. In order to improve service delivery through cooperative governance:

- all provinces have established Back to Basics multi-sectoral Provincial Task Teams;
- MECs present reports on B2B implementation at MinMecs where their challenges and requests for assistance are addressed;
- MECs also indicate how municipalities in their provinces are performing;
- Unannounced and planned visits are made to municipalities and Council sittings by the Ministry, and or MECs; and
- Sectoral departments e.g. Water; Public Works and Energy were invited to join all the provincial teams.

Service delivery depends on **sound municipal finance**. There are many ways in which good financial governance can be measured. The annual audits, regular budget reviews and the Section 71 National Treasury reports all assist in such financial monitoring. One way is to look at the way municipalities spend the Municipal Infrastructure grant:

- Over the last three municipal financial years (July 2011/12- June 2013/14) the number of municipalities achieving 100% expenditure on their MIG funding has increased from 110 – 130.
- The municipalities spending less than 51% of their allocation have decreased from 31 to 16 municipalities over the same period.

Concomitant with this collapse are problems associated with **municipal governance, capacity and financial viability**. The low rate of collection of revenue continues to undermine the ability of municipalities to deliver services to communities. In September 2014, the consumer debt to municipalities stood at R98, 9 billion. This debt comprised R 5,5 billion by national

and provincial departments, R22,8 billion by business, R60 billion by households and the remainder by other debtors. The arrear debt by national and provincial departments has accumulated over time, as a result of disputes over municipal invoices. Cogta in collaboration with the Department of Public Works has conducted an audit and verified contested invoices. This exercise has resulted in affected government departments paying a total amount of R1,5 billion to relevant municipalities between September and 31 December 2014. In the second phase the remaining contested invoices will be dealt with.

Public participation is of vital importance in the effective functioning of municipalities. Many municipalities lack a culture of public service, and there are slow or inadequate responses to service delivery challenges, which are in turn linked to the breakdown of trust between Councils and communities. Social distance by our public representatives is reflected in inadequate public participation and poorly functioning ward councillors and committees. It will be critical to strengthen **participative democracy** in our municipalities. To this effect COGTA is facilitating the establishment of ward committees and strengthening their oversight function in terms of monitoring and reporting to community progress against Integrated Development Plans (IDPs), Service Delivery Business Improvement Plans (SDBIPs) and ward level service improvement plans. As at 31 March 2015, 4277 ward committees had been established.

This is compounded **by widespread instances of rent seeking and corruption** amongst public representatives and business, reflecting a broader breakdown in the values and good governance principles. According to the Special Investigating Unit it is estimated that 20-25% of state procurement expenditure, amounting to roughly R30 billion a year, is wasted through overpayment or corruption. Municipalities have been found to be most prone to corruption where there are systemic weaknesses and acute skill shortages. Improving the overall capacity and functioning of the public service, particularly in relation to financial systems and controls, information systems, and overall management capability might be the single most effective way of



detering corruption. For the Department of Cooperative Governance this means that systems to detect and act against corruption should be strengthened and that there should be greater cooperation across the spheres of government in dealing with corruption.

The lack of professionalism in municipal governance remains a serious challenge. There are for too many instances both *of inappropriate placements and skills* not measuring up to requirements. The emphasis for 2014-15 was to focus on:

- The filling of critical senior manager posts;
- Developing a record of dismissed staff and staff who resigned prior to finalisation of disciplinary proceedings. The database will serve as a central repository of information pertaining to disciplinary proceedings, which will assist in fast tracking disciplinary cases and serve as a tool to enable municipalities to “blacklist” staff members who have been dismissed for misconduct.

One of the findings of the National Planning Commission’s diagnostic analysis was that the *spatial and gender patterns of development and underdevelopment remain deeply entrenched*. In this regard the Department of Cooperative Governance should play a role to strengthen spatial planning in municipalities to improve the balance between location of jobs and

people. Despite the introduction of integrated planning in the White Paper on Local Government and the Municipal Systems Act, integration remains a challenge.

Dealing with this challenge requires a shift in thinking. Firstly, Integrated Development Plans should not be seen as local government plans, but rather as the expression of all of us, both government and non-government partners at a local space. Secondly, it is important to appreciate the hierarchy of plans and their relationship to each other. Long Term Municipal Growth Strategies and Spatial Development Frameworks provide a framework for sector specific interventions which requires municipalities to develop credible plans that provide certainty and guide all role players. Lastly, horizontal alignment at municipal level is important to ensure maximum impact through balancing short term needs and long-term needs. Going forward, the Department will strengthen their support to municipalities to develop IDPs that reflect intergovernmental planning and spatial convergence and improve the quality of life of their residents.

2.2.2 Service Delivery Improvement Plan

Main Service	Beneficiaries	Current/Actual standard of Service	Desired standard of service	Actual achievement
Support municipalities to implement the MIG programme and improve expenditure	Municipalities	Quarterly reports in the prescribed format as per the Division of Revenue Act (DoRA). (Municipalities are not reporting accurately and timeously)	All MIG receiving Municipalities report on required reporting template (DoRA) on time and accurately	All MIG receiving municipalities report on required reporting template (DoRA) on time and accurately. Where municipalities failed to submit reports the province (in terms of the role of provinces as outlined in the MIG framework) supported the municipalities ensuring that both financial and non-financial performance information are reported on in subsequent months.
Improve expenditure on the MIG	Municipalities	Monthly expenditure reports as per prescribed format (DoRA) Municipalities not reporting accurately and timeously	All MIG receiving Municipalities report on required reporting template (DoRA) on time and accurately	All MIG receiving municipalities report on required reporting template (DoRA) on time and accurately. Where municipalities failed to submit reports the province (in terms of the role of provinces as outlined in the MIG framework) supported the municipalities ensuring that both financial and non-financial performance information are reported on in subsequent months.
	Municipalities	<ul style="list-style-type: none"> Provisions of the Grant enacted through the DoRA MIG allocations Gazetted over Medium Term Expenditure Framework (MTEF) Quarterly transfers made according to payment schedule Non-financial progress not released regularly to stakeholders and sectors	<ul style="list-style-type: none"> MIG allocations Gazetted Transfers made according to payment schedule and non-financial progress Quarterly non-financial report released on DCoG website and data provided to sectors 	<ul style="list-style-type: none"> The 2014/15 MIG allocations were gazetted by the National Treasury in a Government notice of 9 May 2014. This followed a process of consultation with municipalities and provinces on the 2014/15 MIG payment schedule as required in terms of section 23(c) of the 2014 Division of Revenue Bill. All the MIG transfers for 2014/15 were made according to payment schedule and amended payment schedule processes approved by the National Treasury in terms of the 2014 Division of Revenue Act.

Main Service	Beneficiaries	Current/Actual standard of Service	Desired standard of service	Actual achievement
<p>Improve expenditure on the MIG</p>		<ul style="list-style-type: none"> Annual DoRA workshops Annual allocation letters to MIG municipalities MIG policy and DoRA framework Industry guide on unit cost guide MIG workshops and meetings with provinces and municipalities 	<ul style="list-style-type: none"> Annual DoRA workshops Quarterly MIG workshop with Provinces Annual allocation letters to MIG municipalities annually MIG DoRA framework Update of the Industry guide on unit cost MIG quarterly newsletter MIG; workshops and meetings 	<ul style="list-style-type: none"> The Department held MIG workshops with Provinces and sector departments in August 2014 and March 2015 District wide planning sessions (local municipalities included) with provinces and sector departments held in March – April 2014 and October – December 2014 to better inform the utilisation of 2014/15 and 2015/16 allocations respectively. The 2015/16 MIG annual allocation letters were not sent to municipalities to inform their budget processes as the Bill had not been enacted by 29 May 2015. The 2015/16 MIG DoRA framework was developed with inputs from sector departments responsible for MIG and provincial COGHSTAs. The Department provided the National Treasury with input to the MIG DoRA framework in December 2015 which was published in the Division of Revenue Bill, 2015.
		<ul style="list-style-type: none"> Submit monthly expenditure report to National Treasury by the 20th of every month Limited quarterly performance information received (incorrect format and inadequate quality) from municipalities Limited annual performance information received (incorrect format and inadequate quality) from municipalities 	<ul style="list-style-type: none"> Accurate and timely monthly reporting by municipalities Accurate and timely quarterly reporting (45th day after the quarter) to National Treasury and Sectors Improve timely receipt of annual performance report from municipalities to improve on quality of annual performance report submitted to National Treasury by DCoG 	<ul style="list-style-type: none"> The Department submitted monthly expenditure reports to treasury by the 15th of every month and an annual report to National Treasury Improvements are being made on reporting processes to generate quarterly reports to include non-financial information.

2.2.3 Organizational environment

The operationalisation of the Back to Basics approach within the Department of Cooperative Governance (DCoG) requires some fundamental changes in the way that DCoG functions to create a more responsive, service orientated local government that meets the basic needs of the people. Back to Basics is premised on a more integrated concept of how the three spheres of government work, which requires a more hands-on, interventionist approach to service delivery issues confronting Local Government. The Back to Basics approach requires that DCOG reviews the role and structure of the Department and optimally configures itself to deliver on its mandate.

The Department is currently in the process of re-organising the functions within the organisational structure to respond to the Back to Basics approach.

2.2.4 Key Policy Developments and Legislative Changes

The decision to develop an Integrated Urban Development Framework (IUDF) is informed by several factors, for example the 6th World Urban Forum recommendations on the development of national urban policies, the challenges raised by the National Development Plan and the Census 2011 outcomes that indicated significant population growth in the urban areas.

Furthermore, during the 14 February 2013 State of the Nation Address (SONA), the President emphasized the

need for an IUDF as one of the key tools for implementing the National Development Plan (NDP) and also to support municipalities to manage urbanisation.

The objective of the IUDF is to provide an interdepartmental and intergovernmental approach to attain integrated urban development. It is a policy process and a framework to understand why urban divides remain stubbornly in place, with an eye to promoting effective instruments to change this legacy, and promote resilient and inclusive urban settlements.

The IUDF aims to among others:

- Provide a framework that will guide all stakeholders in government, civil society and the private sector to participate in creating the “urban future we want”;
- Identify policy priorities and interventions to ensure that all levels of government and components of the state contribute to the progressive integration of urban development investments in order to realise the urban dividend;
- Propose interventions to overcome entrenched apartheid spatial patterns and also strengthen urban and rural linkages;
- Identify sector-specific policies and possible revised regulatory arrangements to facilitate more resilient and inclusive patterns of urban development;
- Propose methods to improve performance of existing financial instruments to accelerate infrastructure provisioning and integrated service delivery;
- Mobilise new sources of private sector investment and international funds for urban development; and
- Contribute to harmonising existing legal and institutional frameworks, and contribute to public dialogue and the unlocking of citizen energies for developing their communities and local environments.

2.3 Strategic Outcome Orientated Goals

In 2010 government introduced its approach to achieve results by identifying twelve (12) Outcomes. Each Ministry and Department is responsible for a specific outcome through a performance agreement that became known as a Delivery Agreement. The Minister for Cooperative Governance and Traditional Affairs is responsible for the Delivery Agreement on Outcome 9: *A responsive, accountable, effective and efficient local government system.*

To achieve the vision of an integrated, responsive and effective system of Cooperative Governance, the DCoG has identified the following seven (7) strategic goals:

- **Strategic Goal 1:** Develop policies and legislation to lead the building of capable, developmental and economically viable local governance institutions (municipal and traditional councils);
- **Strategic Goal 2:** Deepen participatory democracy through common standards and practices of accountability and good governance.
- **Strategic Goal 3:** Support planning and coordination efforts across all spheres of government in partnership with all sector departments, local government agencies, traditional institutions and organs of civil society.
- **Strategic Goal 4:** Foster sustainable infrastructure development and maintenance to ensure basic services delivery and local economic development.
- **Strategic Goal 5:** Engage and support institutions of traditional affairs and leadership to transform society and play a developmental role, in partnership with government, and in line with the Constitution towards the realization of the National Development Plan.
- **Strategic Goal 6:** Monitor and Evaluate the performance of provincial departments of local government and traditional councils.
- **Strategic Goal 7:** Strengthen the capacity of the department to deliver on its mandate.

These strategic goals are defined for the period 2011-15, given the strategic focus on delivering the outputs of the Delivery Agreement on Outcome 9. These goals are therefore directly in line with the outputs of the Delivery Agreement, and replace the strategic priorities set in the strategic plan 2009-14 which were:

- i) Contribute to building the Developmental State in National, Provincial and Local Government that is efficient, effective and responsive;
- ii) Strengthen Accountability and Clean Government;
- iii) Accelerate Service Delivery and support the vulnerable;
- iv) Foster Development Partnerships, Social Cohesion and community mobilisation; and
- v) Strengthen the capacity and capability of the department to deliver on its mandate.



2.4 Performance Information by Programme

2.4.1 Programme 1: Administration

Purpose

The purpose of administration is to provide for the management, leadership and administration of the department. This programme includes the Office of the Director-General (DG); Office of the Chief Operating Officer (COO); Corporate and Financial Services.

Objectives and measures

- i) Improve information reliability and availability to support the strategic goals of the department by 2019;
- ii) Roll-out and monitor the implementation of the local government performance management system by 31 March 2016; and
- iii) Develop and implement an integrated monitoring and evaluation system for provincial departments of local government and municipalities by 2019

Service delivery objectives and indicators

HUMAN CAPITAL MANAGEMENT

The sub-programme Human Capital Management is mainly responsible for overall workforce planning and management to ensure that **CoGTA** cultivates a diverse, competent and well managed staff complement capable of and committed to the delivery of high quality services. Key to this aim is to ensure balance by the recruitment of the right quality and quantity of staff, and their optimum utilisation, resulting in a multi skilled, representative and flexible work force.

The sub-programme provided support throughout the Department by facilitating the development of job profiles and conducting job evaluations in line with the Pub-

lic Service Act requirements. Several employee wellness sessions, such as financial wellness, ear and eye tests, HIV and AIDS were organised by the sub-programme including the introduction of a partnership with the South African National Blood Services (SANBS). Seventy (70) **CoGTA** employees participated in the Nelson Mandela (Unite4Mandela) sport and cultural day on 24 November 2014 organised by the Department of Sports and Recreation, the Department of Arts and Culture, Tom Jenkins and Athletic Gauteng North.

Seventy one vacant, funded posts were filled with the support of the various line function managers.

All SMS members disclosed their financial interests before the due date and the information was submitted to the Public Services Commission on time.

A number of information sessions were held with staff members to communicate the available service benefits and to ensure a better understanding of them.

During the 2014/15 Financial Year, the Directorate: Human Resource Development implemented training programmes namely, Computer Packages (basic, intermediate and advance), Basic Project Management, Evidence Based Policy Implementation, Sexual Harassment Countermeasures, Finance for non-Finance Managers, Policy Development, Financial Management Workshops and a workshop on People with Disabilities. The Directorate also conducted orientation programmes for newly appointed employees and Compulsory Induction Programmes (CIP) for both level 1 to 5 and 6 to 12 staff members. A total number of 337 staff members were trained in the above mentioned interventions during the 2014/15 financial year. The Department awarded 39 staff members with bursaries to study towards qualifications in line with the Departmental Strategic Plan. The Directorate further facilitated the achievement of

equity in the Department by ensuring 50 percent representation of women at senior management level and improved representation of people with disabilities to 1.2 %. The programme institutionalised the 8 Principles Action Plan for Promoting Women Empowerment and Gender Equality. To encourage meritorious achievement, performance rewards were granted to all qualifying staff members in the Department during the year under review. Quarterly performance management and development sessions were conducted to ensure that individual performance is linked to the broader overall objectives of the Department.

CORPORATE PLANNING AND GOVERNANCE

The sub-programme provided strategic management support, and directed the system of corporate governance with a view to achieving the long term strategic goals of the department. In this connection, the sub-programme facilitated the alignment of departmental plans to Government objectives as outlined in the National Development Plan and Medium Term Strategic Framework; the development of the five year Strategic Plan 2015-19 and Annual Performance Plan 2015/16; the development of the monthly and quarterly performance reports, as well as the Annual Report 2013/14; coordinated the departmental quarterly performance reviews, and provided a gap analysis of performance as an early warning mechanism with the intention of enriching management decision making on the future direction of projects. Support was also provided to branches to ensure that the performance targets and indicators are well defined, and adhere to the Smart Criteria as outlined in the Framework for Managing programme Performance Information, and the Framework for Strategic Planning and the Annual Performance Plan by National Treasury.

MONITORING AND EVALUATION

During the period under review, the sub-programme in collaboration with the Department of Performance Monitoring and Evaluation conducted Performance Managements System assessments in North West province using the Local Government Improvement Model (LGIMM) moderation process. Feedback was given to

all municipalities who participated in this process and support plans for struggling municipalities were developed. Municipal self-assessments were conducted by 30 municipalities in Gauteng, Eastern Cape, North West, Limpopo, Free State and Mpumalanga provinces. All 30 municipalities were trained on how to use the Local Government Management Information (LGMIM) tool.

The development of the 2014 – 2019 Medium Term Strategic Framework (MTSF) Chapter on Outcome 9 was a result of an extensive consultation process undertaken by CoGTA and the Department of Planning, Monitoring and Evaluation (DPME) and various relevant sector departments such as National Treasury. The main purpose of the consultations was to confirm the actions, milestones, targets, roles and responsibilities of key role players towards implementation of the MTSF. The MTSF Chapter on Outcome 9 was approved by Cabinet on 23 July 2014. Two progress reports, covering the periods April – September 2014 and October – December 2014, on the implementation of the MTSF Chapter were presented at the Technical Implementation Forums, Ministerial Implementation Forums and Cabinet meetings.

INTERNAL AUDIT AND RISK MANAGEMENT

During the 2014/15 financial year Internal Audit developed a risk based Internal Audit Plan which was adopted and approved by the Audit Committee. The Internal Audit Unit had serious capacity constraints during the period under review which impacted on the achievement of the operational plan. Nevertheless the Unit conducted a number of internal audits and ad hoc assignments and provided recommendations for improvement to the Department. The Unit also played a major role in facilitating the MPAT process to ensure that the Department complies with the key performance standards set by the Department of Performance Monitoring and Evaluation. Internal Audit also assisted the Department with the verification of irregular expenditure, to ensure that there is compliance with Supply Chain Management policies and other relevant legislations and prescripts and to ensure that irregular expenditure is fully disclosed in the Annual Financial Statements. Furthermore

the Unit conducted site visits on the Community Work Programme in all provinces to provide management with reasonable assurance that the internal controls put in place are working as intended.

Risk management is a continuous, proactive and systematic process, undertaken by a department's Executive Authority, Accounting Officer, Management and other personnel. This process is applied in strategic planning and across the department, and is designed to identify potential risks that may affect the department. Risks identified are managed and monitored to be within its risk tolerance, and to provide reasonable assurance regarding the achievement of department objectives.

The department has a risk management policy and strategy in place which has been approved by the Accounting Officer and is reviewed on a regular basis.

In line with the departmental risk management strategy, annual risk assessments are conducted both at a strategic and operational level. The assessments are conducted in line with the strategic objectives of the department. Management further identifies new and/or emerging risks on a quarterly basis, and develops mitigation measures for managing such risks.

The business continuity framework and strategy were developed and approved during this period. Fraud risks were also identified and monitored. Ethics and fraud prevention awareness programmes were implemented in accordance with the awareness plan for 2014/15.

INTERNATIONAL AND DONOR RELATIONS

The Department participated in strategic multilateral and continental forums such as the African Union Specialised Technical Committee (STC) on Decentralisation, Public Administration and Urban Development and the Commonwealth Local Government Forum, and other learning exchange platforms on disaster management in furtherance of South Africa's foreign policy objectives of contributing towards the African development process and maintaining strategic relations with countries of the North. In addition, the Department continued to support the decentralization

and local government establishment processes of South Africa's strategic partners, such as the Democratic Republic of Congo (DRC) and the State of Palestine. In this regard, the Department hosted a learning exchange visit by officials of the Palestine Municipal Development Lending Fund (MLDF) in partnership with the Development Bank of South Africa and the Ethekwini Municipality. The Department continues to play a key role in the implementation of the Tri-partite Memorandum of Understanding between the DRC, Angola and South Africa aimed at post-conflict reconstruction and the establishment of peace and stability in the DRC.

Important partnerships with donors and development cooperation partners were initiated to leverage resources for the implementation of key projects during the period under review. The department signed a Memorandum of Agreement (MOA) with the Japan International Cooperation Agency (JICA) for funding and technical assistance in the area of Waste Management. This support included a financial grant of R920 000 and the short term deployment of Japanese experts to assess the waste management system of the Mahikeng Local Municipality, which served as a pilot municipality for the implementation of the MoA. This support on the improvement of waste management practices will be extended to other municipalities. In addition, the European Union's Dialogue Facility approved a financial grant of 119.840 Euro to support Policy Dialogues on the Integrated Urban Development Framework.

SERVICE DELIVERY ACHIEVEMENTS

Strategic Objective	Actual Achievement 2013/14	Planned Target 2014/15	Indicators	Actual Achievement 2014/15	Deviation from Actual Achievement	Comment on Deviations
Improve availability and reliability of information to support the strategic goals of the department.	97% availability of critical systems and services achieved by March 2014 Hardware upgraded and network links installed to ensure redundancy and backup for high availability	Manage and consolidate information into a single database	ICT infrastructure and systems integrated by target date	Not achieved. A comprehensive assessment was conducted in the 1st quarter on all applications, systems and database architectures needed for the design phase of the consolidated platform. The assessment will be used to inform the reconfigured project.	The initiative to consolidate the departmental information into a single database has not been achieved and has been halted in order to incorporate data needs of the Back to Basics Campaign which amongst others requires monthly reporting.	This project has been reconfigured to cater for both internal and external information.
Roll-out and monitor the implementation of the local government performance management system by 31 March 2019	Performance Management System (PMS) assessments have been conducted in 4 (four) provinces (Free State, Mpumalanga, Limpopo and Northern Cape)	Provinces supported with PMS implementation by 31 March 2015	PMS implementation programme rolled out to identified provinces by target date	Achieved The department in collaboration with the Department of Planning Monitoring and Evaluation (DPME) conducted Performance Management System assessments in North West province using the Local Government Improvement Model (LGIMM) moderation process. Feedback was given to all municipalities who participated in the LGIMM process and support plans for struggling municipalities were developed. Municipal self-assessments were conducted by 30 municipalities in the following provinces; Gauteng, Eastern Cape, North West, Limpopo, Free State and Mpumalanga. All 30 municipalities were trained on how to use the Local Government Management Information (LGMIM) tool.	-	-

Strategic Objective	Actual Achievement 2013/14	Planned Target 2014/15	Indicators	Actual Achievement 2014/15	Deviation from Actual Achievement	Comment on Deviations
Establish and implement an evaluation system for municipal service delivery	Terms of Reference were developed and advertisements placed for the appointment of a service provider	Monitoring and Reporting System for Local Government designed by March 2015	Monitoring and reporting system for local government designed by target date	Not Achieved Terms of references were developed and the tender was advertised in the government bulletin. During the process of awarding the tender to the preferred service provider a decision was taken to put the project on hold.	The project on the design of the Monitoring and Reporting System for Local Government is put on hold for purposes of considering information nuances as per the B2B initiative. The project will commence in the first part of the new financial year after the assessment of all electronic systems within the department and the revision and finalisation of the terms of reference	
	A sector workshop was convened and the second draft of the Local Government Indicators was developed and used to consult municipalities in 8 provinces. Inputs were received from municipalities through the provinces and consolidated into the proposed indicators.	Local Government indicators finalized by March 2015	Local Government indicators finalized by target date	Partially achieved The Draft Local Government indicators were finalised in the first quarter and consulted on with all provinces and municipalities. Technical indicator description were then done in the 2nd quarter. Due to introduction of the Back to Basics programme, the scope of the project changed. Instead, monthly reporting indicators for Back to Basics were developed and municipalities are required to report on these indicators on a monthly basis as prescribed through Circular 47 of 2014.	As part of ensuring the proper reporting on the performance of municipalities, draft technical indicators descriptions were developed in consultation with relevant line function managers.	The monthly reports on the Back to Basics indicators would then also shape and inform the finalisation of core local government indicators which would be regulated through the Local Government Planning and Performance Regulations, currently under review.

PROGRAMME 1: SUB PROGRAMME BUDGET AND ACTUAL EXPENDITURE

The expenditure and variance versus the final appropriation is provided below:

Sub-Programme Name	2014/2015			2013/2014		
	Final Appropriation	Actual Performance	(Over) Under Expenditure	Final Appropriation	Actual Performance	(Over) Under Expenditure
Ministry	33 305	33 305	-	36 735	36 735	-
Management	16 673	16 668	5	15 686	15 741	-55
Chief Operating Officer	12 181	11 905	276	11 802	11 802	-
Corporate Services	85 476	85 360	116	80 695	80 641	54
Financial Services	22 013	22 013	-	27 412	27 030	382
Communication & Liaison	9 321	9 321	-	15 743	15 743	-
Legislation, Review & Drafting	11 130	11 130	-	6 564	6 564	-
Internal Audit & Risk Management	8 619	8 619	-	8 743	8 743	-
Office Accommodation	43 307	43 307	-	44 499	44 499	-
Total	242 025	241 628	397	247 879	247 498	381

2.4.2 Programme 2: Policy Research and Knowledge Management

Purpose

The purpose of this programme is to manage, facilitate and coordinate intergovernmental relations and development planning support across government.

Objectives and measures

The programme seeks to achieve the following objectives:

- i) Enhance the regulatory, institutional and support framework for Local Government across provinces and municipalities by 2019;
- ii) Review and develop policy and assess impact of internal legislation and sector legislation on Provincial and Local Government;
- iii) Facilitate and coordinate alignment of various development planning instruments within and across the three spheres;
- iv) Deepen participatory democracy by strengthening gender equity in local government;
- v) Creation of an enabling environment for economic development to stimulate competitive, inclusive and sustainable economies by March 2019.

Service delivery objectives and indicators

The programme is divided into three Sub-Programmes:

INTERGOVERNMENTAL RELATIONS

The Intergovernmental Relations Unit's strategic objective was to review and develop policy, and assess the impact of internal legislation and sector legislation on provincial and local government. The sub-programme in the financial year under review focused on finalising the assessment of the IGR structures at national and provincial level, and producing a comprehensive

Synthesis Report. The assessments were conducted in terms of the effective administration of the Intergovernmental Relations Framework Act (2005), and the assessment cycle is now complete. Intergovernmental coordination is an essential element of monitoring the implementation of Back to Basics, and the IGR structures are playing a key role in this regard.

The Unit also monitored the impact of nine S139 interventions, by holding engagement sessions with officials and appointed Administrators in the selected municipalities under intervention. A consolidated Report was then compiled detailing the root causes of the interventions in these nine (9) municipalities; the impact of the intervention in terms of restoring good governance and service delivery; and then a key focus on what has worked and what has not worked in terms of the more sustainable application of S139 interventions going forward. The Back to Basics approach will also assist to guide the management of dysfunctional municipalities going forward.

POLICY AND RESEARCH

Policy and Research Methods provides technical policy and research support to the department aimed at improving the service delivery performance of municipalities, fostering compliance with legislation, and conducting research on key challenges facing local government. Research alerts, highlighting events in the municipal and provincial environment regarding service delivery, local economic development and public participation matters are also provided to the department. Profiles of municipalities are developed and updated in support of political visits.

URBAN DEVELOPMENT

The Urban Development Unit's strategic objective is to provide an interdepartmental and inter-governmental

tal approach to attain integrated urban development. During this financial year, the draft Integrated Urban Development Framework was approved by Cabinet for public consultation. The public consultation process started in October 2014 and will be completed in June 2015. Consultation sessions were held in various provinces. Lever specific sessions were held in conjunction with several partners. The Draft was also presented at various structures and meetings, to encourage inputs and recommendations for improvement.

Through the support of the European Union Dialogue Facility, the draft document has also been peer reviewed to, among others, benchmark the principles outlined in the Draft IUDF with international practices, assess synergy of the various levers and priorities as well as to propose recommendations for the implementation plan. The Department further partnered with the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) to review the draft on the inclusion of vulnerable groups. The reviews and consultations will be finalised in June 2015, and the recommendations incorporated into the revised document.

DEVELOPMENT PLANNING

The Development Planning Unit's strategic objectives are to facilitate and coordinate alignment of various development planning instruments within and strengthen intergovernmental planning across the three spheres of government by 2019. The sub-programme in this financial year supported 4 provinces to develop IDP support plans by 31 March 2015. In addition, 25 municipalities were supported through training and development of Geographic Information Systems (GIS).

LOCAL ECONOMIC DEVELOPMENT

A shortened, edited and more precise National LED Framework 2014-2019 was completed. The National

LED Strategic Implementation and Action Plan (SIAP) has been completed which will serve as a national action plan that spells out cross-sector plans on LED, indicators and targets, how the plans are to be implemented, roles of different role-players and the resources required, as well as monitoring and evaluation frameworks for the next five years. The activities under the SIAP are also directly linked to the Key Focus Areas of the Back to Basics Programme. It sets out the specific activities to be undertaken by the various role players at different levels with indicators, milestones or targets as well as timeframes including municipalities, national and provincial government, private sector, academia, civil society, non-governmental organisations and state owned agencies.

Through interdepartmental collaborations the Unit in partnership with the GIZ has been able to develop a decision making tool to assist municipalities to make an informed decision on whether a Municipal Entity is the most appropriate mechanism for implementing a specific service delivery or economic development function. Fourteen (14) municipalities have participated in the LED capacity building programme offered through the University of Johannesburg in partnership with the Department of Trade and Industry. The programme focuses on Municipal LED Maturity Assessment and training in response to the recommendations of the assessment. These municipalities include Siyathemba; John Taolo; Alfred Nzo, Tswelopele; Rustenburg; Kgetleng; Moopgophong; Waterberg; Fetakgomo; Gariiep; Westonaria; Koukamma; Randfontein and Umgungundlovu.

SERVICE DELIVERY ACHIEVEMENTS

Strategic Objective	Actual Achievement 2013/14	Planned Target 2014/15	Indicators	Actual Achievement 2014/15	Deviation from Actual Achievement	Comment on Deviations
Review and develop policy and assess impact of internal legislation and sector legislation on Provincial and LG	The Assessment Phase was not finalised and the Report is still under development	Report on the assessment of National and Provincial IGR structures produced by 31 March 2015	Report on the assessment of National and Provincial IGR structures produced by target date	Achieved Assessment Framework developed, Interviews and questionnaires were completed, Minl Reports on structures prepared and consolidated into Final Synthesis Report on functionality in terms of the IGRFA.	-	
		A report on the impact of S139 interventions compiled by 31 March 2015.	Impact of Section 139 interventions in municipalities assessed by target date	Achieved A comprehensive report on the impact of section 139 interventions, and lessons learned, in 9 municipalities, produced by March 2015.	-	
Enhance the regulatory, institutional and support framework for LG across provinces and municipalities by 2019	4 Research papers were developed. The topics were: <ul style="list-style-type: none"> • Service Delivery Protests (also updated in the 4th quarter for the DM's seminar) • Trends on compliance and lessons on good governance from the audit outcomes of LG 2011/12 • Municipal Financial Management and Audit performance outcomes • Progress with service delivery 	Research on identified strategic areas conducted	Research on identified strategic areas conducted	Achieved 4 Research papers were developed. The topics were: <ul style="list-style-type: none"> • Status quo in District Municipalities • Profiles of 44 District Municipalities • Report on options / strategies to strengthen District Municipalities and • Report on the implications of proposed reforms to strengthen Districts. 	-	

Strategic Objective	Actual Achievement 2013/14	Planned Target 2014/15	Indicators	Actual Achievement 2014/15	Deviation from Actual Achievement	Comment on Deviations
Facilitate and coordinate alignment of various development planning instruments within and across the three spheres	Strategic levers of the draft IUDF have been finalised. The implementation framework is in the process of being finalised.	IUDF Implementation Plan developed by 31 March 2015	Integrated Urban Development Framework (IUDF) Implementation Plan developed by target date	Partially Achieved The draft IUDF was approved by Cabinet in September 2014 for public consultation. Consultation process started in October 2014 and will be completed in June 2015.	The draft IUDF and Implementation Plan not yet revised for approval by Cabinet.	The consultation framework was revised due to the number of sessions to be concluded as per the stakeholder strategy and requests from various stakeholders.
	New project	4 provinces supported to develop IDP support plans by 31 March 2015	Number of provinces supported in the development of IDP support plans by target date	Achieved 4 provinces were supported to develop IDP support plans by 31 March 2015	-	-
Creation Of An Enabling Environment For Economic Development To Stimulate Competitive, Inclusive and Sustainable Economies	The framework document has been concluded as the basis for a comprehensive strategy for the country During the fourth quarter TORs for the strategy were developed	National LED Strategic Implementation and Action Plan developed and implemented	National LED Strategic Implementation and Action Plan developed and implemented by target date	Partially Achieved A completed draft Strategic Implementation and Action Plan for National and Provincial Government, NGOs, Civil Society, Business and Academia has been completed. Stakeholder consultations are planned in provinces on the draft document for consolidation and submission to MinMec	Delays in procurement affected the targets of the project.	The project will be concluded during quarter 1 of the 2015/16 financial year
		Private sector collaborative partnerships facilitated to roll-out support plans in municipalities	Collaborative Partnerships facilitated between the Private Sector and Local Government	Achieved Catalytic Business Ventures were facilitated - with Anglo American, Impala Platinum, IDC and DBSA to support the Business Development Programme for the identified municipalities.	-	-

PROGRAMME 2: SUB PROGRAMME BUDGET AND ACTUAL EXPENDITURE

The expenditure and variance versus the final appropriation is provided below:

Sub-Programme Name	2014/2015			2013/2014		
	Final Appropriation	Actual Performance	(Over) Under Expenditure	Final Appropriation	Actual Performance	(Over) Under Expenditure
Management: Research and Policy	4 151	3 404	747	3 038	3 038	-
Policy Methods and Research	7 792	6 759	1 033	5 857	5 837	20
Knowledge and Information Management	8 308	8 308	-	7 289	6 578	711
Total	20 251	18 471	1 780	16 184	15 453	731

2.4.3 Programme 3: Governance and Intergovernmental Relations

Purpose

Manage, promote and facilitate an effective system of intergovernmental fiscal relations in support of municipalities, to deliver sustainable infrastructure for increased access to basic services, improve audit outcomes, and implement the Municipal Property Rates Act.

Objectives and measures

The programme seeks to achieve the following objectives:

- i) Manage the implementation of the Municipal Property Rates Act (MPRA) by implementing the regulatory framework, monitoring and supporting municipalities regarding compliance with the MPRA by March 2019;
- ii) Implement initiatives to improve financial sustainability, revenue management and audit outcomes in Local Government;
- iii) Strengthen the capacity of municipalities to deliver sustainable infrastructure and increase access to basic services, including provision of free basic services to the poor by 31 March 2019; and
- iv) Effectively manage the Municipal Infrastructure Grant (MIG) programme by March 2019.

Service delivery objectives and indicators

MUNICIPAL AUDIT OUTCOME AND REVENUE MANAGEMENT

During the year under review a Local Government Audit Response Plan based on the 2012/13 local government audit outcomes was developed and implementation monitored through provincial Intergovernmental Relations structures. Credit control and debt collection

policies of 12 municipalities' were evaluated. The gaps identified during the evaluation process were provided as guidance for municipalities to implement during future budget processes. Six Feasibility study reports on revenue enhancement through the public & private partnership on smart meter have been completed. 24 municipalities were monitored and assisted to recover outstanding debt by government departments.

MUNICIPAL PROPERTY RATES ACT

During the year under review, 40 municipalities were monitored and assessed with respect to compliance with the Municipal Property rates Act (MPRA) and guidance (by way of findings and recommendations) was provided to 29 non-complying municipalities. The assessment indicated that 11 municipalities were in compliance. To address recurring weaknesses and challenges identified in respect of similar work undertaken in 2012/13 and 2013/14 financial years (on 24 and 30 municipalities respectively), Circular No. 6 (of 10 April 2014) accompanied by specimen property rates by-law, and a resolution for levying rates, (which provided guidance on implementation of relevant sections of the Act) was issued to all 234 municipalities (with power to levy property rates) and provinces. Secondly, Circular No. 8 (of 19 December 2014) which provided guidance to provinces and all 234 municipalities regarding the correct application of section 80 of the Act (condoning of municipal non-compliance with actions that must be done within specific stipulated time frames) was also issued. In addition, Circular No. 7 (of 15 December 2014) communicating critical provisions of the Municipal Property Rates Amendment Act (2014) and related matters, which require explanation to facilitate implementation, was issued to all 234 municipalities and provinces.



MUNICIPAL INFRASTRUCTURE DEVELOPMENT COORDINATION

To facilitate Infrastructure Development collaboration between various stakeholders on municipal infrastructure development through the Inter-Ministerial Task Team on Basic Services and the administration of the Municipal Infrastructure Grant (MIG) which is aimed at funding infrastructure to assist in addressing service backlogs, with a special focus on 27 prioritised District Municipalities in terms of the Medium Term Strategic Framework 9.

The total allocation of the MIG grant for the 2014/15 financial year is R14, 8 billion. As at 31 March 2015, 100 percent of the allocation was transferred and 59 percent was reported as spent. The expenditure can be broken down as follows in terms of the sectors: 32 percent on water, 19 percent on sanitation, 1 percent on community lighting, 33 percent on roads and storm water, 1 percent on solid waste, 4 percent on sport and recreation, 7 percent on public facilities (cemeteries, libraries, community halls, taxi ranks etc.) 2 percent on uncategorised projects and 2 percent on the project management units.

In terms of the 27 District Municipalities, as at end March 2015, they have spent 57 percent (R7, 5 billion) of their allocation of R13,2 billion. A bal-

ance of R5, 7 billion is still to be spent in the last three months of the financial year.

As at 31 March 2015 the following projects were in various stages of pre-implementation and implementation specifically in the 27 District Municipalities: 349 water projects, 171 sanitation projects, 45 community or street lighting projects, 768 roads and storm water projects, 28 Solid waste projects, 133 sport projects and 380 other public facilities such as cemeteries, community halls, taxi ranks and libraries.

FREE BASIC SERVICES COORDINATION

During the year under review support to 40 municipalities was completed. Recommendations and actions were agreed upon with each municipality for implementation. The reviews of all Indigent Policies and Registers were completed. The specific recommendations on the review and update of Indigent Policies and Registers, based on gaps identified, were packaged in guidelines for municipalities to implement.

SERVICE DELIVERY ACHIEVEMENTS

The table below provides actual progress against planned targets per sub-programme as well as reasons for variance on targets that were either partially achieved or not achieved.

Strategic Objective	Actual Achievement 2013/14	Planned Target 2014/15	Indicators	Actual Achievement 2014/15	Deviation from Actual Achievement	Comment on Deviations
Implement initiatives to improve financial sustainability, revenue management and audit outcomes in Local Government.	New project	A Local Government Audit Response Plan based on the 2013/14 local government audit outcomes developed, implemented monitored and a report produced by 31 March 2015 through provincial IGR structures.	Local Government Audit response plan developed, implemented and a report produced by target date	Achieved The implementation of the audit outcomes response plan was monitored and a report produced. The 2013/14 national audit response plan was also produced.	-	-
	-	Framework for improving the level of assurance provided by key role players in municipal financial management and governance developed and approved	Framework for improving the level of assurance provided by key role players in municipal financial management and governance developed and implemented	Achieved The framework was regarded as insufficient to address the policy gap. A legislative review is necessary. The project was therefore included into the Local Government Laws Amendment Bill process.	The project related to the development and approval of a Framework for improving the level of assurance provided by key role players in municipal financial management and governance has been incorporated to form part of the legislative review through the Local Government Laws Amendment Bill	-
	-	A support programme to strengthen the functionality of MPAC's developed by 30 June 2014 and implemented by 31 March 2015	Initiatives to strengthen the financial management assurance and oversight to local government developed and implemented by target date.	Achieved Training was conducted in March 2015 targeting 4 provinces: Gauteng; Northern Cape; Mpumalanga and Free State.	-	-

Strategic Objective	Actual Achievement 2013/14	Planned Target 2014/15	Indicators	Actual Achievement 2014/15	Deviation from Actual Achievement	Comment on Deviations
Implement initiatives to improve financial sustainability, revenue management and audit outcomes in Local Government	30 Credit control and debt collection policies have been assessed; municipalities have been informed of policy gaps identified.	Municipality specific initiatives to improve revenue management and debt collection developed and implemented in 20 municipalities by 31 March 2015	Initiatives to improve revenue management and debt collection in specific municipalities developed and implemented by target date.	Achieved 12 municipalities' credit control and debt collection policies were evaluated and guidance on how to implement the gaps identified was provided; 6 Feasibility study reports on revenue enhancement public private partnerships, and smart meter projects have been completed; 24 municipalities were monitored on payment of outstanding debt by government departments	-	-
	new	Develop and implement an action plan for the improvement of the City of Johannesburg Metro's billing challenges	Develop and implement action plans for improving the billing systems of Metropolitan Municipalities	Achieved An action plan was developed stipulating key focus areas in the improvement of the CoJ billing challenges. CoJ had to prioritise funding for the implementation of the plan as these were not affordable by the department.	-	-

Strategic Objective	Actual Achievement 2013/14	Planned Target 2014/15	Indicators	Actual Achievement 2014/15	Deviation from Actual Achievement	Comment on Deviations
Manage the implementation of the MPRA by implementing the regulatory framework, and monitoring municipalities regarding compliance with the Act.	30 municipalities monitored and assessed with respect to compliance with the MPRA and guidance provided to non-compliant municipalities	40 municipalities monitored, and assessed pertaining to compliance with the MPRA and guidance provided to non-complying municipalities by 31 March 2015	Number of municipalities monitored, assessed and guided to comply with MPRA by target date.	Achieved 40 municipalities were monitored and assessed pertaining to compliance with the MPRA and guidance on how to address the non-compliance was provided to 29 non-complying municipalities. The assessment found 11 municipalities to be in compliance.	-	-
Strengthen the capacity of municipalities to deliver sustainable infrastructure and increase access to basic services, including provision of free basic services to the poor	Total municipalities supported are 61. Capacity building workshops convened with municipal managers for FBS and councillors responsible for FBS in FS, EC, KZN, and NW & NC. The workshops capacitated municipalities with mechanisms to provide FBS to poor households. Reports for all workshops detailing achievements are available	40 municipalities supported on mechanism to provide FBS by 31 March 2015	Identified municipalities supported on mechanisms to provide FBS by target date	Achieved Support to 40 municipalities completed; high level recommendations and actions agreed upon with each municipality for implementation.	-	-

Strategic Objective	Actual Achievement 2013/14	Planned Target 2014/15	Indicators	Actual Achievement 2014/15	Deviation from Actual Achievement	Comment on Deviations
	None	Phase 1: Draft report on data collection produced by 31 March 2015	Evaluation on the FBS program conducted by target date	Not Applicable	This project was discontinued and removed from the APP in Q2, to avoid undue duplication with the assessments of municipalities (i.e. Back to Basics profiles).	-
	New indicator	MIG projects and Water Infrastructure Backlogs aligned	Number of Municipalities supported to improve planning for improved spending and Infrastructure backlog eradication	Partially achieved MIG projects and water infrastructure projects aligned in 17 of 27 targeted districts	10 district municipalities not achieved are subject to DWS completing backlogs studies	The process to align MIG projects will be finalised by July 2015
	New indicator	MIG Performance monitoring and reporting systems developed by 31 March 2015	Improved MIG performance monitoring and reporting	Partially Achieved The system has been developed. It requires consultation with provinces prior to implementation	New approach developed and introduced to provinces on 12 March 2015. Needs further consultation with provinces and introduction to municipalities.	The MIG reporting needs to be supported by a proper process whereby municipalities are accountable for monthly, quarterly and annual reports.
Effectively manage the Municipal Infrastructure Grant	128 municipalities were supported to implement the MIG programme	Municipalities spending less than 80% of MIG in previous financial year, supported	Percentage of municipalities supported to improve MIG expenditure by target date	Achieved Special intervention meetings were held with municipalities who are spending less than 80% of MIG. Municipalities were also supported through the monthly progress meetings	-	-

PROGRAMME 3: SUB PROGRAMME BUDGET AND ACTUAL EXPENDITURE

The expenditure and variance versus the final appropriation is provided below:

Sub-Programme Name	2014/2015			2013/2014		
	Final Appropriation	Actual Performance	(Over) Under Expenditure	Final Appropriation	Actual Performance	(Over) Under Expenditure
Management: Governance	15 466	15 466	-	9 800	9 799	1
Intergovernmental Coordination	6 319	6 319	-	4 986	4 986	-
Intergovmntl Fiscal Relation	12 425	12 425	-	26 858	15 629	11 229
Governance and Public Participation	2 977	2 977	-	3 577	3 509	68
South African Local Government Association	26 904	26 904	-	25 999	25 999	-
Municipal Demarcation Board	44 230	44 230	-	42 152	42 152	-
South African Cities Network	6 071	6 071	-	13 909	13 888	21
United Cities and Local Government of Africa	5 594	3 209	2 385	3 208	-	3 208
Local Government Equitable Share	44 490 145	41 592 070	2 898 075	40 595 010	38 964 252	1 630 758
Total	44 610 131	41 709 671	2 900 460	40 725 499	39 080 214	1 645 285

2.4.4 Programme 4: National Disaster Management Centre (NDMC)

Purpose

Promote an integrated and coordinated system of disaster management with special emphasis on prevention, mitigation and preparedness by national, provincial and municipal organs of state, statutory functionaries and other role players involved in disaster management and communities. This programme is also responsible for the administration and oversight of fire services legislation.

Objectives and measure

The programme seeks to achieve the following objectives:

- i) Support the establishment and operation of effective fire services and disaster management by:
 - enhancing the fire services legislative framework by developing a draft Fire Services White Paper by March 2016, to ensure that the legislation is responsive to the changing conditions in the sector; and
 - introducing the Disaster Management Amendment Bill to Parliament, by March 2016.
- ii) Create public awareness of disaster reduction by rolling out the disaster risk reduction advocacy and awareness programmes, such as International Day for Disaster Reduction in provinces, by March 2016.
- iii) Develop and implement a monitoring and evaluation framework to improve and strengthen the system of disaster management and fire services, by March 2016.

Service delivery objectives and indicators

LEGISLATION, POLICY AND COMPLIANCE MANAGEMENT

The Chief Directorate: Legislation, Policy and Compliance Management develops disaster management and fire services policies, legislative frameworks and guidelines derived from the Disaster Management Act, 2002; the

National Disaster Management Framework, 2005, and the Fire Brigade Services Act, 1987. The Chief Directorate also provides support to stakeholders on the implementation of the policies and frameworks across the sectors and spheres of government.

In 2014/15, the Chief Directorate: Legislation, Policy and Compliance Management, in executing this mandate,

- Developed three national policy documents which include,
 - The Draft White Paper on Fire Services, approved by the Minister for submission to Cabinet. As part of this process, the unit extensively engaged with fire services stakeholders in all spheres of government and the private sector to obtain inputs and support for the draft White Paper on Fire Service;
 - The Disaster Management Amendment Bill, approved by Cabinet for submission to Parliament; and
 - The National Fire Safety and Prevention Strategy.
- Developed two organisational policy documents which include,
 - The Disaster Management Legislative Compliance Framework, and
 - The Procedure for the development of disaster management guidelines.
- Supported response efforts, more particularly to the earthquake in the North West province and the floods in Malawi.
- Supported the development of response plans for specific hazards more notably the preparations for incidents at the Pelindaba nuclear complex.
- Organised and hosted a national fire safety seminar with a view to provide a platform for sharing good practices amongst fire safety and prevention practitioners.
- Prepared a draft National Action Plan for the implementation of the Urban Search and Rescue Framework.
- Prepared and signed a Memorandum of Understanding (MOU) between the NDMC and the Fire



Protection Association of Southern Africa (FPASA), for purposes of cooperation on fire services matters.

- Provided support to various provincial governments on the organisational arrangements required for the establishment of a fire services focal point at a provincial level.

PLANNING, COORDINATION, INTERVENTION AND SUPPORT

The Chief Directorate develops and implements disaster management operational systems; coordinates disaster management capacity building and strategic research across all three spheres of government and provides for the allocation of disaster response, relief and rehabilitation funding when there has been a disaster.

Since the beginning of the financial year 2014/15, our country has experienced numerous disastrous occurrences resulting from hazards such as drought, fires, floods, severe storms, etc., which have resulted in significant losses to property and lives and the destruction on ecosystems. The following amounts were transferred to the relevant provinces/municipalities: R10 867 000, R181 312 970 and R85 951 000 for Municipal Disaster Grant, Municipal Disaster Recovery Grant and Provincial Disaster Grant, respectively.

EDUCATION AND TRAINING PROGRAMMES

Fostering partnerships with institutions of higher learning to promote disaster management education and training programmes:

The Department of Cooperative Governance (DCoG), through the National Disaster Management Centre partnered with Univen through their School of Environmental Sciences, to host a national conference under the theme “Disaster Risk Science and Management: South Africa’s Response in a Changing Global Environment”, in March 2015. The conference was two-phased, i.e.: Pre-Conference – hosted at Univen main campus from the 25th – 27th of March 2015 and the main conference – held at Protea Hotel, The Ranch Resort in Polokwane

The main conference brought together specialists, academics, government departments, public entities and private organisations with the sole purpose of sharing information and experiences. The conference further afforded disaster management practitioners and professionals an opportunity to engage in robust discussions towards ensuring curricula relevance in institutions of higher learning; with focus on disaster management. The theme of the main conference was aligned to the standing memorandum of understanding between the University of Venda and National Disaster Management Centre, which encourages the introduction and launch of a Bachelor’s Degree programme in Disaster Risk Sciences. It is anticipated that this degree programme will be offered by the University of Venda from the 2016 academic year.



ADVOCACY AND PUBLIC AWARENESS PROGRAMMES

During 2014/2015 financial year, the Directorate facilitated the implementation of advocacy and awareness campaigns in nine (9) Provinces through both oversight (National Capacity Building Coordinating Forum Meetings), visits and support of provincial events, including the commemoration of the International Day of Disaster Reduction (IDDR).

The NDMC disaster risk reduction initiatives implemented in 2014/15 contributed to building individual, institutional and environmental capacities in all three spheres of government. The disaster risk reduction and capacity building initiatives enhanced the implementation of international and national frameworks (International Day for Disaster Reduction) as well as community-based disaster risk reduction. Communities were capacitated on how to reduce their disaster risks, thus increasing preparedness towards safe-guarding social, economic and environmental assets; with greater emphasis on saving lives.

Commemoration of the International Day of Disaster Reduction (IDDR) "Older Persons and Disasters" in three Provinces

Support was provided towards the hosting of the 2014 IDDR commemorations in the Eastern Cape, Gauteng and North West provinces. The theme for national IDDR "Older Persons and Disasters" was also launched at these events.

The national commemoration of the 2014 IDDR was held in Bojanala Platinum District Municipality - North West Province from 13 to 14 October 2014. The South

African 2014 IDDR commemoration was honoured by the presence of United Nations International Strategy for Disaster Reduction (UNISDR) delegate from the office of the UN Secretary General, Ms Sharon Rusu, who participated in the event and delivered a message of support from the United Nations.

The political leadership of the North West led by the Hon. Premier, S Mahumapelo signed the provincial declaration and adopted the provincial strategy on disaster risk reduction as guided by the UNISDR Ten Essentials. The premier also committed to the implementation of some of the ten steps through the provincial Setsokotsane programme.

The commemoration was concluded on the second day (14th October 2014) with an outdoor public event led by the Honourable Deputy Minister, Mr Nel, Honourable Premier of North West, Mr Mahumapelo, Deputy Minister for Water and Sanitation, Ms Tshwete, Traditional Leaders and Councillors. Following the outdoor public engagements on "The Older Persons and Disasters", a National Pledge was signed.

INTELLIGENCE AND INFORMATION MANAGEMENT SYSTEMS

The Chief Directorate guides the development of a comprehensive information management and communication system and establishes integrated communication links with all disaster management role players.

EARLY WARNINGS & CAPABILITY MANAGEMENT SYSTEMS

The Early Warnings and Capability Systems Directorate conducts its operational planning in terms of spe-

cific clauses within the Disaster Management Act 57 of 2002. In compliance with legislative requirements, the Directorate produces an annual Indicative Risk and Vulnerability Profile for various hazards, maintains and improves a spatial interface (GIS) to assist the disaster management fraternity and is responsible for dissemination of early warnings for pending disaster events.

During the 2014/15 financial year, the Directorate undertook to produce a National Indicative Risk and Vulnerability profile for windstorms, and this was done in partnership with the South African Weather services. In addition, the Directorate also commissioned the Council for Scientific and Industrial Research (CSIR) Meraka Institute to quantify the hazard relating to snowfall in South Africa. This was a first attempt at quantifying a hazard using multi-temporal satellite imagery and statistical analysis.

In addition to the above, the directorate was also involved in updating its spatial interface repository of information to support both local and provincial disaster management functions and issuing early warnings for specific severe weather related events.

MONITORING AND EVALUATION

Section 21 of the Disaster Management Act requires the establishment of mechanisms for monitoring, measuring and evaluation of disaster management plans, prevention efforts, mitigation, response and recovery by organs of state and other key role players involved in disaster management. In this regard the Performance Monitoring and Evaluation Chief Directorate is responsible for ensuring that an integrated system to monitor and evaluate the effectiveness of disaster management and fire services is developed and implemented in the country. During the 2014/15 financial year, the chief directorate developed, consulted and adopted the Disaster Management M&E Implementation plan, Key Performance Indicators (KPIs) for the NDMC, Sector Departments, Provincial Disaster Management Centres and Municipalities as well as Reporting tools.

SERVICE DELIVERY ACHIEVEMENTS

The table below indicates actual progress against planned targets per sub-programme as well as reasons for variance on targets that were not achieved.

Strategic Objective	Actual Achievement 2013/14	Planned Target 2014/15	Indicators	Actual Achievement 2014/15	Deviation from Actual Achievement	Comment on Deviations
Coordination of effective fire services by enhancing the legislative framework for fire services to respond to changing conditions by March 2019	Draft White Paper on Fire Services was submitted for processing to the Office of the Minister	Final Draft White Paper on Fire Services developed and submitted to the Minister by 31 March 2015	Fire Services legislation reviewed by target date	<p>Achieved</p> <ul style="list-style-type: none"> White Paper integrated key issues from the B2B Programme Approved by the Minister for further processing through Cabinet structures Draft White Paper will form basis for the Draft Bill on Fire Services 	-	-

Strategic Objective	Actual Achievement 2013/14	Planned Target 2014/15	Indicators	Actual Achievement 2014/15	Deviation from Actual Achievement	Comment on Deviations
Promote a culture of (DRR) disaster risk reduction to build community resilience by March 2019	<p>A National Disaster Management capacity building action plan for the year 2013/14 was developed, approved, implemented and monitored.</p> <p>Advocacy and awareness campaigns were rolled-out in the following provinces: Mpumalanga, North West, Limpopo, Gauteng, Free State, Eastern Cape and KwaZulu-Natal. Northern Cape and Western Cape were supported in developing advocacy materials and concepts.</p> <p>The International Day for Disaster Reduction (IDDR) under the theme “<i>Living with Disability and Disasters</i>”, was commemorated from 14-15 October 2013 in Limpopo Province. Country position paper on disaster-disability mainstreaming was developed and will be consulted in 2014/15 with the aim of having it ratified by 31 March 2015.</p>	National DM Advocacy and public awareness annual plan, implemented and national report produced by 31 March 2015	Advocacy and awareness plan on DRR developed and implemented by target date	<p>Achieved</p> <ul style="list-style-type: none"> National DM Advocacy and public awareness plan developed and adopted by the National Capacity Building Coordinating Forum (NCBCF) <p>Achieved</p> <ul style="list-style-type: none"> The National IDDR was commemorated in Rustenburg, hosted by the Bojanala Platinum District Municipality and the Rustenburg LM Public awareness programmes implemented in 5 Provinces (EC; KZN; MP; NW & WC) on floods, Basic Emergency, Safety & Fire Education (BESAFE); severe weather awareness and fires in informal settlements Public awareness programme facilitated through hosting of the NCBCF meeting that assessed implementation of the NCBCF Action Plan Advocacy conducted through engagements with Municipalities on DM plans – B2B diagnostic exercise at municipalities 	-	-

Strategic Objective	Actual Achievement 2013/14	Planned Target 2014/15	Indicators	Actual Achievement 2014/15	Deviation from Actual Achievement	Comment on Deviations
Develop Disaster Management and Fire Services Monitoring and Evaluation System to ensure improved disaster management and fire services coordination by 2019	<p>The DM M&E Framework was developed and presented to the National Disaster Management Advisory Forum on the 19th of March 2014. Further inputs were requested for the implementation process for the next financial year.</p> <p>The framework was also presented at the Advisory Forums in Northern Cape and Free State.</p>	Report on the implementation of M&E Framework produced by 31 March 2015	Monitoring and Evaluation systems for DM and Fire Services developed by target date	<p>Achieved</p> <ul style="list-style-type: none"> DM M&E Implementation Plan was developed, adopted by the NDMAF and approved by HOC. Key Performance Indicators (KPIs) for NDMC, Sector Departments, PDMCs and Municipalities developed, consulted upon and adopted. Reporting tools developed, and adopted by PDMC. Presented to the provincial workshops of the three provinces targeted for support. Presented to SALGA and some of the PDMC Advisory forums. Reporting tools were circulated to all PDMCs to be used for quarterly reports. Performance reports received from 3 provinces and their municipalities that were included during the pilot phase. The report on the implementation of the DM M&E Framework was developed and approved by the Head of Centre. 	-	-

PROGRAMME 4: SUB PROGRAMME BUDGET AND ACTUAL EXPENDITURE

The expenditure and variance versus the final appropriation is provided below:

Sub-Programme Name	2013/2014			2012/2013		
	Final Appropriation	Actual Performance	(Over) Under Expenditure	Final Appropriation	Actual Performance	(Over) Under Expenditure
Management: Head Of Disaster	19 740	17 851	1 889	5 507	5 507	-
Legislation, Policy and Compliance Management	5 021	5 021	-	7 267	7 267	-
Planning Coordination and Support	41 619	41 619	-	10 990	10 990	-
Intelligence And Information Systems Management	9 830	9 830	-	17 735	17 411	324
Disaster Relief	560 952	121 483	439 469	534 600	264 344	270 256
Municipal Disaster Recovery Grant	194 253	190 102	4 151	118 340	118 340	-
Total	831 415	385 906	445 509	694 439	423 859	270 580

2.4.5 Programme 5: Provincial and Municipal Government Support

Purpose

The purpose of the programme is to improve vertical and horizontal coordination and alignment between the three spheres of government; promote public participation in governance through regulatory mechanisms; and provide oversight, intervention and support programmes to provinces, municipalities and associated institutions.

Objectives and measures

- i) Strengthen the professionalization and performance of local government;
- ii) Strengthen the functionality of ward committees to enhance community participation;
- iii) Facilitate and coordinate alignment of various development planning instruments within and across the three spheres;
- iv) Deepen participatory democracy through strengthening gender equity in local government; and
- v) Strengthen Anti-corruption capabilities and promote ethical behaviour/conduct and accountability by March 2019

Service delivery objectives and indicators

This Programme is divided into seven sub-programmes:

LOCAL GOVERNMENT SUPPORT AND INTERVENTION

▪ Municipal Demarcation – current and future commitments

The most pressing need in terms of local government was to review governance structures to better serve the needs of our people, including municipal structures. The

review revealed that there are municipalities which are struggling to deliver services because of insufficient revenue and inadequate governance arrangements.

The Back-to-Basics programme analysed municipalities across the country and concluded that approximately one-third of all municipalities were dysfunctional. The following four indicators were then used to assess the sustainability / viability of municipalities:

- i) Economic viability;
- ii) Tax sustainability;
- iii) Financial viability; and
- iv) Dependence on inter-governmental transfers.

All of the above options required serious consideration, as the implications for the redetermination of boundaries could have differing consequences for municipalities. Some municipalities are not viable and cannot fully contribute to changing people's lives. A possible solution lies in eradicating some municipalities or merging others to create viable delivery structures that can change the quality of lives of people within their jurisdiction. After consulting all MECs responsible for local government in the provinces, a request was made to the Municipal Demarcation Board in terms of section 22(2) of the Municipal Demarcation Act.

As part of our integrated approach we are constantly reviewing the municipal boundaries to improve governance, address challenges in unviable municipalities and ensure that communities are better served. Common weaknesses in such municipalities include poor accountability and oversight, and inadequate management systems.

This process should therefore be seen as the first phase towards addressing non-viable municipalities; a subsequent phase will follow immediately after the 2016 municipal elections.

It must be reiterated that the final assessment and decision on any determination or redetermination of municipal boundaries rests with the MDB.

Neither the Ministry nor the Department have any legislative authority to make any decision in this regard. However, the relevant legislation does permit the Minister to make recommendations to the MDB for its consideration.

▪ **Preparations for the 2016 Municipal Elections**

Preparations are underway by all stakeholders to prepare for the fourth democratic elections of all municipal councils, which must be held within 90 days of 18 May 2016. The number of councillors for each municipal council has been determined by MECs based on formulae that was published in the Government Gazette on 9 September 2014.

The MDB is presently engaged with the delimitation of wards, and it is envisaged that final ward boundaries will be handed over to the IEC by the MDB during November 2015. The IEC will then begin with their preparations across the country for the holding of elections.

As it is likely that there may be changes to some ward boundaries, we encourage all voters to make sure that they confirm where they are registered to vote. All persons who are eligible to vote are urged to register at their electoral offices to enable them to express their choice of councillor in the 2016 elections.

▪ **Local Government: General Laws Amendment Bill**

Work has begun towards the enactment of legislation that will amend various pieces of legislation that the Department is responsible for administering. The draft Bill that was developed is based on inputs made by various stakeholders. The content of the Bill will be finalised and processed through the relevant structures in the 2015 / 2016 financial year.

▪ **Draft Local Government: Municipal Staff Regulations**

The development of the draft Local Government: Municipal Staff Regulations and Guidelines setting out uniform municipi-

pal staff systems and procedures in fulfilment of the Minister's regulatory powers have been completed. The draft Regulations are a culmination of protracted and intensive consultations involving key stakeholders, including labour and have been certified by the Chief State Law Advisor.

The setting of these uniform standards will strengthen the capacity of municipalities to perform their functions by ensuring that municipalities appoint suitably qualified and competent persons. It will reduce the concentration of persons with critical skills in affluent municipalities, at the expense of smaller municipalities by allowing horizontal mobility within local government. These regulations represent government's resolve to professionalise municipal administration and will go a long way to ensuring that the high incidence of irregular and inappropriate appointments is ended. The regulations empower municipalities to move progressively towards the upliftment of communities through the provision of basic services to communities.

THE REGULATIONS ON APPOINTMENT AND CONDITIONS OF EMPLOYMENT OF SENIOR MANAGERS ROLLED-OUT

- The Minister published the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers ("the Regulations") on 17 January 2014 (Notice No. 21) (Government Gazette No.37245) for promulgation. The Department conducted workshops to ensure consistent interpretation of the regulations by municipalities and provinces, to provide support on the implementation of the regulations. Workshops targeted provincial and municipal officials responsible for municipal human resources, performance management system (PMS) and the Integrated Development Plan (IDP).
- A total of 227 out of 278 municipalities attended the workshops, which constitutes more than 82%. A total of 51 municipalities could not attend. A total audience of 1198 local government executives, provincial and municipal officials were work-shopped on the implementation of

the Regulations (consisting of mayors, deputy mayors, mayoral committee members, councillors, municipal managers, managers directly accountable to municipal managers, HR Directors/ Managers, HR Practitioners, etc). The roll-out of the Regulations is part of COGTA's commitment to provide hands-on support to strengthen the capacity of municipalities to perform their functions.

LOCAL GOVERNMENT: COMPETENCY FRAMEWORK AND COMPETENCY ASSESSMENT BATTERIES

The Regulations on Appointment and Conditions of Employment of Senior Managers incorporates the Local Government: Competency Framework for Senior Managers that prescribes the skills, expertise, competencies (including competency descriptors and achievement levels) and qualifications for senior managers. The competency framework consists, on the one hand, of critical leading competencies that drive the strategic intent and direction of local government, and on the other, core competencies that drive the execution of the leading competencies.

In order to give effect to the Competency Framework, the competency assessment batteries have been developed and piloted in sampled municipalities nationally. The competency assessment batteries have been validated and the Content Validity Index (CVI) of the batteries provided evidence of acceptable content in assessing the various competencies. The main purpose of the competency assessment batteries is developmental, selection and performance-based assessments. The implementation of the competency assessment batteries will ensure that municipalities employ competent senior managers, capable of identifying challenges besetting the new system of local government, and propose solutions to such challenges. This will ensure that municipalities appoint senior managers who will provide and direct a vision for local government; and plan, manage, monitor and evaluate specific programmes and projects, in order to deliver on government priorities.

A Competency Assessment Centre has been established within the Department in fulfilment of government's resolve to professionalise local public admin-

istration and strengthen the capacity of municipalities to perform their functions. The main purpose of the Competency Assessment Centre is to oversee the implementation of the Competency Framework and Assessment Batteries, including operations in all provinces and municipalities. The following model has been endorsed to set-up the structure of the Competency Assessment Centre based on the envisaged workload in each province:

- 1x National Project Manager
- 3x National Project Coordinators
- 9x Provincial Coordinators
- 8x Metropolitan Municipality Coordinators

▪ Record of dismissed staff

The Regulations on the appointment and conditions of employment of senior managers, passed on 17 January 2014, outlines the various categories of misconduct and associated sanctions. The consequence or sanction for financial misconduct, corruption or fraud is that the person may not be employed in another municipality for ten years. A similar sanction is applicable for gross misconduct involving elements of dishonesty or gross negligence. If found guilty of misconduct for sexual assault, sexual harassment or discrimination, the sanction of eight and five years applies, respectively. If found guilty of contravening the Code of Conduct for Municipal Staff, the person will be barred from employment in a municipality for a period of two years. These hefty sanctions demonstrate government's seriousness about consequences for municipal staff found guilty of misconduct.

A record of dismissed staff, and staff who resigned prior to finalisation of disciplinary proceedings developed indicates that so far, 2665 disciplinary and dismissal cases have been captured on the database.

The record will promote good governance and ethical conduct in local government. The database will serve as a central repository of information pertaining to disciplinary proceedings, which will assist in fast tracking disciplinary cases and serve as a tool to enable municipalities to "blacklist" staff members who have been dismissed for misconduct. This record supports government's resolve to root out corruption in the public sector, and will prohibit the employment of municipal



employees dismissed for misconduct in any municipality for a prescribed period (the period ranges between 2-10 years).

ANTI-CORRUPTION UNIT

As a way of strengthening measures to prevent and combat fraud and corruption in municipalities, Anti-Corruption Technical Working Groups were established (ACTWG) in provinces. However, in provinces where structures similar to the ACTWG already existed, these structures were aligned and strengthened. The ACTWGs were established to ensure that the fight against corruption and the promotion of ethics is intensified, fully coordinated and integrated with synergies between elements of prevention and enforcement.

The department also conducted an assessment of forensic reports commissioned by Provinces and in terms of Section 106 of the Local Government Municipal Systems Act and those initiated by municipalities for the period April 2009 to October 2014. The outcome of the assessment will assist in terms of facilitating criminal, civil, asset-forfeiture actions emanating from the recommendations of forensic reports. In instances where fraud, corruption and maladministration have been identified, such matters are being referred to law enforcement agencies.

A consolidated progress report on allegations of corruption and related offences reported through the Na-

tional Anti-Corruption Hotline was prepared and submitted to the Public Service Commission. All provinces were requested to provide feedback on cases referred to them.

COORDINATION AND FACILITATION OF CAPACITY BUILDING INITIATIVES

The Department of Cooperative Governance and Traditional Affairs has continued to coordinate and facilitate capacity building initiatives through a National Municipal Capacity Coordination and Monitoring Committee (NMCCMC) and Local Government Learning Network, inclusive of all stakeholders active in local government capacity building. It has also been actively preparing for the new term of office commencing in 2016 to 2020, by addressing the maintenance of the GAPSKILL (web based skills audit tool); ensuring that the National Capacity Building Framework, Strategy and Capacity Building Sector Plans are revised to inform appropriate programmes.

These sector plans aim to strengthen the department's ability to coordinate all capacity building initiatives directed at local government, and the potential of a Local Government Learning Centre is being explored, in partnership with the Department of Higher Education and Training, as a possible vehicle to effectively achieve this coordination.

The establishment of a Learning Centre will ensure that CoGTA plays a central role in overseeing the content, effectiveness and efficiency of local government training and development initiatives, with DHET and LGSETA providing the framework within which formal qualifications for the sector will occur, while CoGTA ensures that more practical learning is addressed. At the initial phase, the following key departments will play a central role: CoGTA and DHET, as well as Treasury (through its Capacity Building Programme), DPSA (through the National School of Government), DPME, LGSETA and SALGA.

SERVICE DELIVERY ACHIEVEMENTS

The table below provides actual progress against planned targets per sub-programme, as well as reasons for variance on targets that were not achieved.

Strategic Objective	Actual Achievement 2013/14	Planned Target 2014/15	Indicators	Actual Achievement 2014/15	Deviation from Actual Achievement	Comment on Deviations
Strengthen the professionalisation and performance of local government	Draft Regulations developed and consulted with key stakeholders.	Regulations consulted on and certified for gazetting by 31 March 2015	Regulations setting uniform norms and standards for municipal staff finalised by target date	Achieved The development of the draft Local Government: Municipal Staff Regulations and Guidelines has been completed. The draft Regulations are a culmination of protracted and intensive consultations involving key stakeholders, including labour, and have been certified by the Chief State Law Advisor	-	-
	New Project	Progress on concept paper and business plan to establish a LGSDI Progress on development of a capacity building strategy for elected officials Progress on review of capacity building strategy for appointed officials	Implement Local Government Skills development programmes to build the capability of elected and appointed officials by target date	Achieved: Concept Paper and Business Plan/Case for the Local Government Skills Development Institute/Local Government Learning Centre developed.	-	-
	Local Government: Competency Framework for Senior Managers gazetted on 17 January 2014. Competency Assessment Batteries developed, piloted and validated.	278 municipalities	Number of Provinces and municipalities monitored and supported with compliance on local government legislation (focusing on compliance with the filling of vacancies; competence framework; Code of Conduct) by target date.	Achieved: Framework was developed	-	-

Strategic Objective	Actual Achievement 2013/14	Planned Target 2014/15	Indicators	Actual Achievement 2014/15	Deviation from Actual Achievement	Comment on Deviations
Strengthen the professionalisation and performance of local government	-	LG: LAB Enacted	Introduce the Local Government Laws Amendment Bill through Parliament (MDA, MStr, MSA)	Partially achieved Draft Bill developed.	The Bill was not finalised and enacted due to further engagements that were required on the contents of the Bill	-
	-	Framework developed	Develop a framework for demarcation	Achieved Framework developed.	-	-
	-	A revised formula for the number of councillors published by 31 July 2014	Revised formula for the number of councillors published	Achieved Formula published in the Government Gazette on 9 September 2015.	-	-
	-	Progress on development and implementation of SMIPs	Number of Provinces supported to develop and implement Support, Monitoring and Intervention Plans (SMIPs)	Achieved All Provinces were introduced to Support, Monitoring and Intervention Plans (SMIP) introduced through consultative workshops. SMIP has been integrated into the Back to Basics programme.	-	-
	-					

Strategic Objective	Actual Achievement 2013/14	Planned Target 2014/15	Indicators	Actual Achievement 2014/15	Deviation from Actual Achievement	Comment on Deviations
Strengthen the functionality of ward committees to enhance community participation	9 provincial workshops and 23 districts workshops conducted to improve development planning capacity in municipalities outside metros and secondary cities	Develop and implement Ward operational plans in 1777 municipal wards by 31 March 2015	Number of ward level operational plans developed and implemented in municipalities by target date	Partially achieved 1654 ward operational plans were developed and implemented in municipal wards by 31 March 2015. This translates to a cumulative number of 4154 (97%) ward operational plans developed to date and measured against a total of 4277 wards across all local and metropolitan municipalities in RSA.	123 (3%) ward operational plans.	The outstanding 3% (123) ward operational plans is mainly constituted by municipalities in the Eastern Cape and Limpopo provinces. These include Mbizana, with 31 wards and Nelson Mandela Bay which only finalized the establishment of ward committees for all its 60 wards in March 2014. With regards to Limpopo, the delay in the development of ward operational plans in Mogalakwena and Aganang local municipalities was as a result of political challenges.
Monitor the implementation of Ward Level Improvement Plans	-	100 wards supported to develop ward level database	Number of wards with a database of community concerns and remedial actions produced by target date	Achieved Systems with linkages to the presidential hotline for sourcing community concerns and feedback to communities developed in all Mpumalanga municipalities (with a total of 402 wards).	-	Deviation was due to assistance received from provincial COGTA. As a result all municipalities in the province were supported
Facilitation of community feedback and engagement mechanisms to ensure accountability	-	Municipalities supported to comply with schedule 5 of the Local Government: Municipal Systems Act	Number of municipalities supported to facilitate quarterly public meetings called by councilors in each ward by target date	Achieved Workshops with all Mpumalanga and Limpopo municipalities convened. Assessment report on the number of municipalities with community feedback systems/mechanisms and their functionality produced.	-	-

Strategic Objective	Actual Achievement 2013/14	Planned Target 2014/15	Indicators	Actual Achievement 2014/15	Deviation from Actual Achievement	Comment on Deviations
Deepen participatory democracy through strengthening gender equity in local government	New project	Gender Policy Framework for Local Government revised 31 March 2015	Gender Policy Framework for Local Government reviewed by target date	Achieved Gender policy framework for local government reviewed and finalised.	-	-
Strengthen anti-corruption capabilities and promote ethical behavior/conduct and accountability by municipalities	34 ethic committees established and members trained in Municipalities	9 anti-corruption technical working groups established by March 2015	Anti-corruption technical working groups established in all Provinces	Achieved 9 anti-corruption technical working groups were established.	-	-
	-	Consolidated report on the number of fraud, maladministration and corruption cases managed by March 2015	All fraud, corruption and maladministration cases managed in all Provinces	Achieved A comprehensive report on cases reported through the National Anti-Corruption hotline was approved and submitted to the Public Service Commission.	-	-

PROGRAMME 5: SUB PROGRAMME BUDGET AND ACTUAL EXPENDITURE

The expenditure and variance versus the final appropriation is provided below:

Sub-Programme Name	2014/2015			2013/2014		
	Final Appropriation	Actual Performance	(Over) Under Expenditure	Final Appropriation	Actual Performance	(Over) Under Expenditure
Managment: Prov & Local Gov Supp	6 945	6 945	-	8 959	8 959	-
Prov Govt Supp & Intervention	4 459	4 405	54	10 235	10 235	-
Loc Govt Supp & Intervention	13 844	13 844	-	19 414	19 414	-
Development Planning	12 133	12 133	-	12 957	12 957	-
Municipal Systems Improvement Grant	252 152	252 152	-	240 307	240 307	-
Total	289 533	289 479	54	291 872	291 872	-

2.4.6 Programme 6: Infrastructure and Economic Development



Purpose

The primary purpose of the Community Work Programme (CWP) is to create access to a minimum level of regular and predictable work opportunities, targeting areas of high unemployment, where sustainable alternatives are likely to remain limited for the foreseeable future.

Objectives and measures

- Effective and efficient management and administration of CWP by March 2019;
- Provide and maintain 1 million work opportunities in all municipalities by March 2019; and
- Establish and maintain partnerships to optimize and sustain CWP outputs by end 2019

Community Work Programme

The CWP is providing work opportunities and income to poor and unemployed people through labour intensive

delivery of public and community assets and service, thereby contributing to community development. The target to provide an additional 15 000 (total 187 000) work opportunities by 31 March 2015 was achieved. In total, 204 187 work opportunities have been provided across clusters and their respective provinces. CWP has been established in 185 municipalities (translating into 185 CWP sites).

With regard to the new CWP Institutional arrangements in the first two quarters of 2014/15, the three tier implementation model was replaced by a 1 tier model. Systems have been established to link DCoG with banks, and the Independent Development Trust has been appointed, on an interim basis, to manage the CWP MIS and payroll system.

The Monitoring and Reporting system was developed, piloted and finalised. All clusters and the respective provinces were consulted. The programme for roll-out is underway. This is in addition to the work done in the 2nd and 3rd quarters where the system was piloted in Mpumalanga, Eastern Cape and Limpopo, Kwazulu Natal, and the Western Cape.

The CWP Capacity Building Framework was finalised in the 2nd quarter and was implemented, with the result that a total of 14 835 participants, as well 275 implementing agents' site staff and 310 LRC Members were trained.

The CWP Partnerships and Stakeholder Liaison Framework was implemented, and Memorandums of Understanding were signed with identified partners and stakeholders to enhance CWP useful work. A partnership with DSD was rolled out in July 10-11 in Bushbuckridge, where a site visit to three ECD centres was made, and an action plan was developed for support. A workshop on norms and standards was held by DSD and the Dept. of Education, and Sasol donated equipment to CWP in the Free State. The Klein Letaba River was cleaned through a partnership with The Department of Water and Sanitation, DEA, the Association of Medical Doctors, the Association of Funeral Parlours, and the communities. A partnership with DSD was implemented in Pongola where a workshop with all spheres of government, as well as the community was held to train participants on norms and standards of CWP ECD centres. A partnership with the University of the North West was established to register CWP participants with matric to study for the Grade R Diploma. Through the DCoG partnership with the Japan International Cooperation Agency (JICA), street bins and skips were purchased and handed over to the Mahikeng Local Municipality.

SERVICE DELIVERY ACHIEVEMENTS

The table below provides actual progress against planned targets per sub-programme as well as reasons for variance on targets that were either partially achieved or not achieved.

Strategic Objective	Actual Achievement 2013/14	Planned Target 2014/15	Indicators	Actual Achievement 2014/15	Deviation from Actual Achievement	Comment on Deviations
Provide and maintain 1 million work opportunities in 234 municipalities by end FY 2018/19	174 725 actual work opportunities (216 929 cumulative) were created as at 31 March 2014	Additional 15000 (total 187 000) work opportunities provided by 31 March 2015	Number of Additional work opportunities provided and maintained by target date	Achieved A total of 202 447 work opportunities have been provided across clusters and their respective provinces	-	-
	CWP was implemented in at least 2 wards by 140 municipalities	15 additional sites (total 155) municipalities with CWP sites established by March 2015	Number of additional municipalities with CWP sites increased by March 2017	Achieved CWP has been established in 159 municipalities (translating into 185 CWP sites).	-	-

Strategic Objective	Actual Achievement 2013/14	Planned Target 2014/15	Indicators	Actual Achievement 2014/15	Deviation from Actual Achievement	Comment on Deviations
Effective and efficient management and administration of CWP	Two BDF structures were instead established in the Cacadu and uMgungundlovu DMs. Catalytic Business Ventures identified in the District Municipalities. The Unit is playing a pivotal role in assisting with unblocking blockages in the identified projects. Processes are underway to facilitate the commitments from the Waterberg District Municipality and Private sector. Environmental Scan to understand the economic profiles of the targeted municipalities has been developed	CWP Partnership Stakeholder Relations Management Framework developed by March 2015 MOUs signed with identified partners and stakeholders	Partnership framework for CWP developed by target date	Achieved CWP Partnership and Stakeholder Liaison Framework developed and implemented Partnership with the University of North West (UNW) to register CWP participants with matric to study Grade R Diploma – orientation meetings held in Free State, KZN and North West in March 2015 between participants and UNW. Partnership with Ilifa La Bantwana has been implemented in the North West Province and the MOU with DG Murray Trust has been signed. Partnership with Msobo Mines who have donated computer centre in Breyten in Mpumalanga Street bins and skips were purchased and handed over to the Mahikeng Local Municipality through DCOG Partnership with Japan International Cooperation Agency (JICA) for improvement of waste management services.	-	-
		New CWP Institutional arrangements regarding the delivery and management of CWP implemented by March 2015	New institutional arrangements for CWP finalized and implemented by target date	Achieved New institutional arrangement has been changed from a three tier to a one tier implementation model. The IDT has been appointed on an interim basis to manage the MIS and payroll system.	-	-

Strategic Objective	Actual Achievement 2013/14	Planned Target 2014/15	Indicators	Actual Achievement 2014/15	Deviation from Actual Achievement	Comment on Deviations
	-	Monitoring and reporting system for CWP finalized by March 2015 CWP MR&E system piloted in three provinces	Monitoring and reporting system for CWP developed and implemented by target date	Achieved The Monitoring and reporting system developed, piloted and finalised. All clusters and their respective provinces were consulted. The programme for rollout is underway	-	
	Total municipalities supported are 61. Capacity building workshops convened with municipal managers for FBS and councillors responsible for FBS in FS, EC, KZN, and NW & NC. The workshops capacitated municipalities with mechanisms to provide FBS to poor households. Reports for all workshops detailing achievements are available	CWP Capacity Building Framework work finalized and implemented by March 2015	CWP Capacity Building Framework work implemented by target date	Achieved CWP Capacity Building Framework implemented Training programmes on the five CWP anchor activities developed and implemented A total of 43 634 participants as well as 417 site staff and 366 new Local Reference Committee members from newly established CWP sites have been trained.	-	

PROGRAMME 6: INFRASTRUCTURE PROGRAMME BUDGET AND ACTUAL EXPENDITURE

The expenditure and variance versus the final appropriation is provided below:

Sub-Programme Name	2014/2015			2013/2014		
	Final Appropriation	Actual Performance	(Over) Under Expenditure	Final Appropriation	Actual Performance	(Over) Under Expenditure
Management: Infrastructure	3 382	2 047	1 335	2 893	2 839	54
Local Economic Develop Plan	11 751	11 729	22	9 881	9 880	1
Infrastructure Development	13 482	13 417	65	11 379	10 306	1 073
Municipal Infrastructure Grant	14 764 049	14 745 445	18 604	14 354 531	14 224 447	130 084
Community Work Programme	2 257 840	1 649 965	607 875	1 730 608	1 721 707	8 901
Special Purpose Vehicle	294 162	294 162	-	262 040	261 795	245
Total	17 344 666	16 716 765	627 901	16 371 332	16 230 974	140 358





Chapter
Part C: Governance

3

3.1 Introduction

The Department regards good corporate governance as an effective mechanism for encouraging efficiency in its operations, together with the prevention of corruption and combating fraud. It therefore continuously strives to achieve compliance with the principles of good corporate governance and the requirements of KING III.

During the year under review the oversight structures, at executive level, were fully functional in providing direction on the strategic management of the Department.

3.2 Risk Management

Risk management is a continuous, proactive and systematic process, effected by the department's Executive Authority, Accounting Officer, Management and other personnel. This process is applied in strategic planning and across the department, and is designed to identify events that may potentially affect the department. Risks identified are managed and monitored to be within the department's risk tolerance, and to provide reasonable assurance regarding the achievement of department objectives.

The department has a risk management policy and strategy in place which has been approved by the Accounting Officer and is reviewed on a regular basis.

In line with the departmental risk management strategy, annual risk assessments are conducted both at a strategic and operational level. The assessments are conducted in line with the strategic objectives of the department. Management further identifies new and/or emerging risks on a quarterly basis, and develops mitigation measures for managing such risks.

The departmental risk management committee has been established and is functional. The committee convenes once a quarter to review the effectiveness of the risk management system and monitor the management of risks, to ensure that they are minimised to an acceptable level or fully mitigated. Quarterly progress is reported to management.

3.3 Fraud and Corruption

The Department has adequate and effective policies and procedures in place to prevent, detect and address acts of fraud and corruption. An assessment of fraud and corruption risks is conducted in high risk areas annually and monitored quarterly. Regular awareness is raised within the Department on prevention, detection and reporting of fraud and corruption.

The department has an approved Anti-Corruption and Whistle Blowing Policy that has been communicated to all employees. The reporting procedure has also been developed and communicated within the department.

Fraud and corruption allegations are reported by employees to Internal Audit unit or through the internal anonymous fraud e-mail service or fraud reporting boxes placed in all buildings of the department. Allegations reported are investigated, and appropriate recommendations are submitted to the Accounting Officer for action to be taken.

3.4 Minimising Conflict of Interest

The Treasury Regulations 16A, 2005, provide guidelines on how to manage conflict of interest and ensure proper declarations are made by all Supply Chain Management Practitioners as well as by other role players in supply chain management processes. All Supply Chain Management Practitioners and bid committee members are required to disclose their business interests every financial year, and also to sign the Code of Conduct in terms of National Treasury Practice Number 4 of 2003, and 7 of 2009/2010. The Bid Committee members are always requested to disclose the interest for each every bid/tender that they are dealing with, and a record is kept for audit purposes.

3.5 Code of Conduct

The Public Service Code is a guiding document for the good conduct of employees in the Department. The Code of Conduct for the Public Service and the collective agreement (PSCBC Resolution 1 of 2003) are important prescripts in the Department insofar as discipline is concerned. It is endorsed by the PSCBC Resolution 1 of 2003. Annexure A of the resolution contains numerous acts of misconduct which the Department outlaws and complies with. It prescribes that an employee will be guilty of misconduct if he or she "*contravenes any prescribed code of conduct in the Public Service*".

The Department complies with the Code in that it enforces the Code of Conduct. Any employee who contravenes or breaches the Code, as indicated in the Collective Agreement (PSCBC Resolution 1 of 2003), is guilty of misconduct. A disciplinary process is followed, as indicated in the Collective Agreement, against any employee who breaches or contravenes the code of conduct in the Department.

3.6 Health Safety and Environmental Issues

The Occupational Health and Safety Programme, and its activities within **CoGTA**, are guided by Workplace Health and Safety legislation in RSA, namely the Occupational Health and Safety Act (OHS) and the DPSSA Framework on Employee Health and Wellness matters and other regulations. The OHS programme within **CoGTA** is aimed at creating a healthy, hazard free working environment for all its employees, visitors and members of the public.

The following Workplace Health and Safety activities were undertaken within **CoGTA** to ensure safe systems of work, safe premises and a safe work environment:

- The OHS Committee has been appointed in line with the Occupational Health and Safety Act;
- OHS Representatives were trained to identify hazards and investigate incidents in the workplace;
- First Aiders were trained and appointed to render first aid during emergencies and minor injuries within the Department;
- Fire fighters were trained and appointed to deal with fire incidents in the Department;
- Evacuation/Emergency policy was developed and approved;
- Reports of injuries or occupational diseases are investigated periodically and reported as and when they occur.

3.7 Portfolio committees

3.7.1 Dates of Meetings

MEETINGS HELD BY THE COMMITTEE FOR 2014/15 FINANCIAL YEAR:

Date	Agenda
24 June 2014	Election of Chairperson
1 July 2014	Presentation by the researcher of the analysis on Budget Vote 3: Department of Cooperative Governance and Traditional Affairs
8 July 2014	Briefing by the Departments of Cooperative Governance and Traditional Affairs on Budget Vote 3: Department of Cooperative Governance and Traditional Affairs
15 July 2014	Discussion and adoption of the Committee's report on Budget Vote 3
19 August 2014	Briefing by SALGA on its APP
26 August 2014	Meeting with the office supporting democracy on the CRL rights Commission
2 September 2014	Briefing on audit outcomes by : <ul style="list-style-type: none"> • Office of the Auditor-General • Department of Cooperative Governance
9 September 2014	Briefing by the Department of Cooperative Governance and MISA on MIG
16 September 2014	Adoption of Committee minutes and programme
14 October 2014	Briefing by the Office of the Auditor-General on the performance of the Departments of Cooperative Governance and Traditional Affairs and the entities reporting to it
15 October 2014	Briefing on Annual Reports by: <ul style="list-style-type: none"> • Department of Cooperative Governance; • Department of Traditional Affairs;
21 October 2014	Briefing on Annual Reports by: <ul style="list-style-type: none"> • SALGA; • MDB
22 October 2014	Briefing on Annual Reports by: <ul style="list-style-type: none"> • CRL Commission
28 October 2014	Discussion of BRRR Report
4 November 2014	Briefing by the Department of Traditional Affairs on roles and functions of traditional leaders
11 November 2014	Briefing on the roles and function of MISA
18 November 2014	Briefing by the Department of Cooperative Governance on the Integrated Urban Development Framework
24 February 2015	Briefing on the Disaster Management Amendment Bill [B10-2015]
3 March 2015	Briefing by the Departments of Cooperative Governance and Traditional Affairs on Budget Vote 4, strategic plan and APP
10 March 2015	Briefing by SALGA on its strategic plan and APP
17 March 2015	Briefing by CRL on its Annual Performance Plan
24 – 27 November 2014	Oversight visit to Limpopo Province
23 – 26 March 2015	SALGA Members Association

3.7.2 Matters raised by the Portfolio Committee and the Department's responses

Reporting matter	Action required	Timeframe
Suspension of the MDB CEO	Report to be provided to the Committee on progress in resolving the matter	Before Parliament rises
Monitoring and evaluation of municipalities	The Department should report to the Committee on a quarterly basis on their monitoring and evaluation of municipalities so that the Committee can address these challenges proactively.	Quarterly
Project Management Units	The Department should present a plan to assist those municipalities that do not have functional Project Management Units (PMUs) as well as a plan to address the use of conditional grant funding for non-approved purposes.	March 2015
Forensic reports	The Department should provide the Committee access to all the forensic reports received from municipalities	March 2015
MISA	The Department should report to the Committee on its plan to ensure that MISA is properly constituted	March 2015

3.8 SCOA Resolutions

Date	Agenda
24 February 2015	Briefing by the Department of Cooperative Governance and the Municipal Infrastructure Support Agency on the progress of the support and interventions aimed at improving expenditure and service delivery at local government level
10 September 2014	Presentation by Department of Health on First Quarter Expenditure report for 2014/15 financial year
	Presentation by Department of Cooperative Governance on First Quarter Expenditure report for 2014/15 financial year

3.9 Prior modifications to audit reports

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
Unqualified audit opinion with an emphasis on the matter of measurability of indicators and targets as well as reliability of reported performance information.	2012/13 and 2013/ 14	Subsequent to the 2013/14 year-end audit, a Post Audit Action Plan was adopted in order to address the internal controls weaknesses identified by the Auditor general.

3.10 Internal Audit Unit

During the 2014/15 financial year, Internal Audit developed a risk based Internal Audit Plan which was adopted and approved by the Audit Committee. The Internal Audit Unit had serious capacity constraints during the period under review, which impacted on the achievement of the operational plan. Nevertheless the Unit conducted a number of internal audits and ad hoc assignments and provided recommendations for improvement to the Department. The Unit also played a major role in facilitating the MPAT process to ensure that the Department complies with the key performance standards set by the Department of Performance Monitoring and Evaluation. Internal Audit also assisted the Department with the verification of irregular expenditure to ensure that there is compliance with Supply Chain Management policies and other relevant legislations and prescripts, to ensure that irregular expenditure is fully disclosed in the Annual Financial Statements. Furthermore the Unit conducted site visits on the Community Work Programme in all provinces, to provide management with reasonable assurance that the internal controls put in place are working as intended.

3.11 Internal Audit and Audit Committees

The Audit Committee is fully functional and meetings were held regularly during the year to provide an oversight role on the operations of the Department and the systems of corporate governance supporting the achievement of the Department's objectives. The Audit Committee also met with the Executive Authority to raise areas of concern that impact on the performance of the department. The Audit Committee approved the Internal Audit Three Year Strategic Rolling Plan for the period 2013/14-2015/16 and the Annual Project plan, which enabled the committee to monitor the performance of the Internal Audit Section against the Internal Audit Annual Project Plan.

3.12 Audit Committee Report inserted

We are pleased to present our report for the financial year ended 31 March 2015.

3.12.1 Audit Committee Members and Attendance:

The Audit Committee consisted of the members listed hereunder. The Committee is required to meet at least four times per annum as per its approved terms of reference. Four (4) meetings were held for the reported financial period.

Name of Member	Number of Meetings Attended
Mr Freddy Sinthumule (Chairperson)	4
Mr E Cousins	3
Adv RR Dehal	3
Ms D Dondur	1
Ms P Mzizi	1

The Minister had also approved that the Audit Committee consist of a total of five (5) members. As a result thereof Ms D Dondur and Ms P Mzizi were appointed in September 2014 and February 2015 respectively.

3.12.2 Audit Committee Responsibility

The Audit Committee is satisfied that it has complied with its responsibilities as outlined in Section 38(1) (a) of the PFMA and Treasury Regulation 3.1.3. The Audit Committee also reports that it has adopted formal terms of reference as its audit committee charter, and has discharged all its responsibilities as contained therein. These will be reviewed and updated to conform and/or comply with changes in governance/legislative requirements.

3.12.3 The Effectiveness of Internal Control

During the period under review the Committee noted the improvements made by management in addressing the control environment and will continue to support and monitor the progress until the Department's control environment has improved significantly to an acceptable standard; the Committee notwithstanding raised concerns regarding the monitoring and evaluation of the Community Work Programme. The Department subsequently was requested to strengthen the controls and also address the effective and efficient filling of vacant staff positions wherever necessity demanded, in order to safeguard operational success.

The Department also reviewed and concluded on irregular expenditure disbursements for the 2014/2015 financial year, and disclosed such in the irregular expenditure register and financial statements. The outcome of the current year's MPAT review was further confirmation of the Department's efforts to internally instill a culture of focused risk management. Internal Audit Activity assisted the Department in facilitating the Risk Management processes and in compiling the Risk Register.

The Audit Committee requested the Department to put measures in place to encourage municipalities to utilize the MIG Management Information System (MIS) in managing and monitoring the MIG projects.

During the year under review the Committee met with the Executive Authority and raised concerns with regard to internal control deficiencies that required immediate corrective action.

3.12.4 Effectiveness of Internal Audit

Internal Audit Management reported directly to the Audit Committee, with Internal Audit also reporting independently on the progress by management in implementing the turn-around strategy plan to secure remedial actions.

An approved three year risk based strategic plan and an annual operation plan were implemented by the Internal Audit Activity.

It must be noted that in the prior years the Internal Audit Activity was supported by a service provider. However during the current financial year the service provider was not appointed which resulted in challenges in achieving the Internal Audit plan. National Treasury was subsequently approached to assist with the Internal Audit capacity. During January 2015 two (2) resources were made available to assist with prioritized projects identified from plan.

Internal Audit also assisted the Department with the following Management ad hoc requests:-

- Investigation on abuse of the travel policy. This investigation has been finalized and report has been issued.
- Investigation on the unsatisfactory service of a service Provider. The investigation has been finalized and the report has been issued.
- Irregular payment on Resettlement costs. This investigation has been finalized and the report has been issued.
- Investigation into allegation of mismanagement of a contract by a service provider. Fem Power. This investigation has been finalised and the report has been issued.
- Investigation of alleged unethical conduct by employee of the department that was reported on the National Anti – Corruption Hotline (NACH). This investigation has been finalized and reports issued to management and the Public Service Commission (PSC).

Approval of a variation order from the procurement of services from Data World. This investigation has been finalized and the report has been issued.

3.12.5 Quality of Management and Monthly / Quarterly Reports Submitted in Terms of the Act and the Division of Revenue Act

The Department presented and reviewed the financial management and performance (predetermined objectives) reports at its Quarterly Review Meetings. These reports were also tabled and discussed at the Audit Committee meetings. The Committee was with a few exceptions generally satisfied with the reports being issued by the Accounting Officer and the Department during the year under review.

3.12.6 Evaluation of Financial Statements

The Audit Committee has:

- Reviewed the Annual Financial Statements prior to submission for Audit;
- Reviewed and discussed with the Auditor-General and Accounting Officer the audited annual financial statements to be included in the annual report; and
- Reviewed the Auditor-General's management letter and management response.

The Committee concurs and accepts the conclusions of the Auditor-General 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.



Mr Freddy Sinthumule

Chairperson of the Audit Committee: Department of Cooperative Governance

31 August 2015





Chapter
Part D: Human Resource
Management

4

4.1 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 and requests commentary on the following:

- The status of human resources in the department.
- Human resource priorities for the year under review and the impact of these.
- Workforce planning and key strategies to attract and recruit a skilled and capable workforce.
- Employee performance management.
- Employee wellness programmes.
- Highlights of achievements and challenges faced by the Department, as well as future human resource plans/goals.

4.2 Human Resources Oversight Statistics

No data

4.3 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 4.3.1 **Personnel expenditure by programme for the period 1 April 2014 and 31 March 2015**

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 per-sonnel cost per employee (R'000)
	0	0	0	0	0	0
	0	0	0	0	0	0
Total						

Table 4:3:4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2014 and 31 March 2015

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	0	0	0	0	0	0	0	0
Skilled (level 3-5)	0	0	0	0	0	0	0	0
Highly skilled production (levels 6-8)	0	0	0	0	0	0	0	0
Highly skilled supervision (levels 9-12)	0	0	0	0	0	0	0	0
Senior management (level 13-16)	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0

4.4 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 4.4.1 **Employment and vacancies by programme as on 31 March 2015**

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Program 1 Administration	237	216	8.9	48
Program 2 Gov Policy & Research	11	10	9.1	10
Program 3 Gov & Intergovernmental Relations	41	36	12.2	1
Program 4 National Disaster Management Centre	34	32	5.9	0
Program 5 Provincial and Municipal Gov Support	47	41	12.8	0
Program 6 Infrastructure and Economic Development	52	36	30.8	27
Programme 7 Municipal Infrastructure Support Agent	29	23	20.7	4
Total	451	394	12.6	80

Table 4.4.2 **Employment and vacancies by salary band as on 31 March 2015**

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Skilled(3-5)	50	49	2	24
Highly skilled production (6-8)	132	119	9.8	9
Highly skilled supervision (9-12)	152	121	20.4	14
Senior management (13-16)	117	105	10.3	33
Total	451	394	12.6	80

Table 4.4.3 **Employment and vacancies by critical occupations as on 31 March 2015**

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Senior management (Levels 13-16)	117	105	10.3	33
Total	117	105	10.3	33

NOTES

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

4.5 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 4.5.1 **SMS post information as on 31 March 2015**

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	11	6	55	5	45
Salary Level 14	31	28	90	3	9.6
Salary Level 13	74	70	95	4	5.4
Total	117	105	90	12	10.3

Table 4.5.2 SMS post information as on 30 September 2014

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	2	1	50	1	50
Salary Level 16	0	0	0	0	0
Salary Level 15	10	7	70	3	30
Salary Level 14	31	29	97	2	3.2
Salary Level 13	74	69	93	5	6.8
Total	117	106		11	

Table 4.5.3 Advertising and filling of SMS posts for the period 1 April 2014 and 31 March 2015

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	0	0	0
Salary Level 13	4	0	2
Total	4	0	2

Table 4.5.4 **Reasons for not having complied with the filling of funded vacant SMS posts - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2014 and 31 March 2015**

Reasons for vacancies not advertised within six months
The filling of the posts were suspended in anticipation of the deliberations with the Department of Public Service and Administration on the new structure.
Reasons for vacancies not filled within twelve months
The filling of the posts of Chief Executive Officer, 3 Deputy Director- General: MISA, Deputy Director-General: Corporate and Financial Services, Chief Director: Monitoring and Evaluation, Chief Director: Communication and Marketing and Director: Executive Support, were suspended pending the finalisation of the re-alignment of the organisational structure.
The posts of Director: Office of the Deputy Director-General, Provincial and Municipal Government Support and Director: Local Participatory Governance were finalised on 31 March 2014 with the assumption of duty of 1 April 2015. The post of Director: Planning Intervention and Support is in the process of finalisation.

NOTES

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

Table 4.5.5 **Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2014 and 31 March 2015**

Disciplinary steps taken
No disciplinary steps required since there are legitimate reasons for the delay with the filling of SMS posts.

NOTES

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

4.6 Job Evaluation

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

Table 4.6.1 **Job Evaluation by Salary band for the period 1 April 2014 and 31 March 2015**

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
Skilled (Levels 3-5)	50	0	0				
Highly skilled production (Levels 6-8)	132	33	25	0	0	0	0
Highly skilled supervision (Levels 9-12)	152	57	37.5	0	0	0	0
Senior Management Service Band A	74	2	2.7	0	0	0	0
Senior Management Service Band B	31	1	3.2	0	0	0	0
Senior Management Service Band C	11	2	18.2	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	451	95	21.1	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 4.6.2 **Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2014 and 31 March 2015**

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability	0	0	0	0	0

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 4.6.3 **Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2014 and 31 March 2015**

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Chief Operating Officer	1	15	16	Buy Offer
Chief Director	1	14	15	Buy Offer
Total number of employees whose salaries exceeded the level determined by job evaluation				2
Percentage of total employed				0.75

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

Table 4.6.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2014 and 31 March 2015

Gender	African	Asian	Coloured	White	Total
Female	2	0	0	0	2
Male	0	0	0	0	0
Total	2	0	0	0	2
Employees with a disability					0

NOTES

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

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

4.7 Employment Changes

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

Table 4.7.1 Annual turnover rates by salary band for the period 1 April 2014 and 31 March 2015

Salary band	Number of employees at beginning of period - April 2014	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Skilled (Levels 3-5)	93	7	8	8.6
Highly skilled production (Levels 6-8)	151	18	14	9.3
Highly skilled supervision (Levels 9-12)	142	20	13	9.2
Senior Management Service Bands A	103	5	5	4.9
Senior Management Service Bands B	51	0	3	5.9
Senior Management Service Bands C	11	0	1	9.1
Senior Management Service Bands D	2	0	0	0
Contracts		7	48	
Total	553	57	92	16.6

Table 4.7.2 Annual turnover rates by critical occupation for the period 1 April 2014 and 31 March 2015

Critical occupation	Number of employees at beginning of period - April 2014	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Senior Management Service (Levels 13-16)	126	5	9	11.1
Total	126	5	9	7.1

NOTES

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

department.

Table 4.7.3 Reasons why staff left the department for the period 1 April 2014 and 31 March 2015

Termination Type	Number	% of Total Resignations
Death	1	1
Resignation	31	34
Expiry of contract	48	52
Dismissal – operational changes	0	0
Dismissal – misconduct	1	1
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	0	0
Transfer to other Public Service Departments	11	12
Other		0
Total	92	100
Total number of employees who left as a % of total employment		16.6

Table 4.7.4 Promotions by critical occupation for the period 1 April 2014 and 31 March 2015

Occupation	Employees 1 April 2014	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
Senior Management Service (Levels 13-16)	0	0	0	0	0
Total	0	0	0	0	0

Table 4.7.5 Promotions by salary band for the period 1 April 2014 and 31 March 2015

Salary Band	Employees 1 April 2014	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Skilled (Levels 3-5)	93	0	0	21	22.6
Highly skilled production (Levels 6-8)	151	2	1.3	116	76.8
Highly skilled supervision (Levels 9-12)	142	16	11.3	92	64.8
Senior Management (Level 13-16)	167	0	0	99	59.2
Total	553	18	3.2	328	59.3

4.8 Employment Equity 4

Table 4.8.1 Total number of 831 employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2015

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	117	4	3	9	115	6	2	16	272
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	49	0	3	1	88	1	1	11	154
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	35	0	0	0	13	0	0	0	48
Total	201	4	6	10	216	7	3	27	474
Employees with disabilities	1	0	0	1	1	1	0	1	0

Table 4.8.2 **Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2015**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	4	0	0	1	1	0	1	0	7
Senior Management	56	3	1	5	51	2	1	11	130
Professionally qualified and experienced specialists and mid-management	57	1	2	3	63	4	0	5	135
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	34	0	3	1	78	1	1	11	129
Semi-skilled and discretionary decision making	15	0	0	0	10	0	0	0	25
Unskilled and defined decision making	35	0	0	0	13	0	0	0	48
Total	201	4	6	10	216	7	3	27	474

Table 4.8.3 **Recruitment for the period 1 April 2014 to 31 March 2015**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	4	0	0	0	3	0	0	0	7
Professionally qualified and experienced specialists and mid-management	12	0	0	0	11	1	0	0	24
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	5	0	0	0	14	0	0	0	19
Semi-skilled and discretionary decision making	4	0	0	0	0	0	0	0	4
Unskilled and defined decision making	1	0	0	0	2	0	0	0	3
Total	26	0	0	0	30	1	0	0	57
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 4.8.4 Promotions for the period 1 April 2014 to 31 March 2015

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	6	0	0	0	9	0	0	1	16
Skilled technical and academically qualified workers, junior management, supervisors, foremae and superintendents	0	0	0	0	2	0	0	0	2
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	6	0	0	0	11	0	0	1	18
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 4.8.5 Terminations for the period 1 April 2014 to 31 March 2015

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	7	1	0	0	3	0	1	0	12
Professionally qualified and experienced specialists and mid-management	9	1	1	0	8	0	0	0	19
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	8	0	0	0	11	0	0	0	19
Semi-skilled and discretionary decision making	3	0	0	0	2	0	0	0	5
Unskilled and defined decision making	31	0	0	0	5	0	0	0	36
Total	59	2	1	0	29	0	1	0	92
Employees with Disabilities	0	0	0	0	0	0	0	0	0

Table 4.8.6 **Disciplinary action for the period 1 April 2014 to 31 March 2015**

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Irregular procurement process	2	0	0	0	0	0	0	0	2
Fraud and dishonesty	0	0	0	0	1	0	0	0	1
Mismanagement of state funds	0	1	0	0	0	0	0	0	1
Negligence	0	0	0	0	1	0	0	0	1
Financial and negligence	2	0	0	0	0	0	0	1	3
Misrepresentation	1	0	0	0	0	0	0	0	1
Refusing lawful instruction	1	0	0	0	0	0	0	0	1
Corruption	1	0	0	0	1	0	0	0	2

Table 4.8.7 **Skills development for the period 1 April 2014 to 31 March 2015**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	8	0	1	2	20	2	0	8	41
Professionals	13	1	0	1	10	0	0	0	25
Technicians and associate professionals	29	0	0	0	36	1	1	5	72
Clerks	14	0	0	0	40	1	0	1	56
Service and sales workers	25	0	0	0	8	0	0	0	33
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	2	0	0	0	0	0	0	0	2
Total	91	1	1	3	114	4	1	14	229
Employees with disabilities	0	0	0	0	0	0	0	0	0

4.9 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 4.9.1 **Signing of Performance Agreements by SMS members as on 31 May 2014**

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	0	1	1	100
Salary Level 16	0	1	1	100
Salary Level 15	0	9	9	100
Salary Level 14	0	45	41	91
Salary Level 13	0	85	85	100
Total	0	141	137	97

NOTES

- In the event of a National or Provincial election occurring within the first three months of a financial year all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2014.

Table 4.9.2 **Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2015**

Reasons

NOTES

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

Table 4.9.3 **Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2015**

Reasons

NOTES

- The reporting date in the heading of this table should be aligned with that of Table 3.71.

4.10 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 4.10.1 **Performance Rewards by race, gender and disability for the period 1 April 2014 to 31 March 2015**

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	351	424	83	1 695 873	4 831
Male	182	218	83	802 322	4 408
Female	169	206	82	893 551	5 287
Asian	8	8	100	272 314	34 039
Male	5	5	100	129 759	25 951
Female	3	3	100	142 555	47 518
Coloured	9	9	100	95 042	10 560
Male	6	6	100	28 462	4 743
Female	3	3	100	66 580	22 193
White	34	35	97	340 369	10 101
Male	9	10	90	116 592	12 954
Female	25	25	100	223 777	8 951
Total	402	476	85	2 403 598	5 979

Table 4.10.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2014 to 31 March 2015

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	
Skilled (level 3-5)	79	95	83	54 482	4 953	0
Highly skilled production (level 6-8)	114	135	84	397 166	9 456	0
Highly skilled supervision (level 9-12)	88	105	84	641 163	17329	0
Total	281	335	84	1 092 811	12 142.34	0

Table 4.10.3 Performance Rewards by critical occupation for the period 1 April 2014 to 31 March 2015

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
	0	0	0	0	0
Total	0	0	0	0	0

NOTES

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

Table 4.10.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2014 to 31 March 2015

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	20	85	24	1 054 319	52 716	
Band B	2	45	4	133 482	66 741	
Band C	2	9	22	116 262	58 131	
Band D	0	1	0	-	-	-
Total	24	140	17	1 304 063	54 335.95	

4.11 Foreign Workers

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

Table 4.11.1 Foreign workers by salary band for the period 1 April 2014 and 31 March 2015

Salary band	01 April 2014		31 March 2015		Change	
	Number	% of total	Number	Number	% of total	Number
Senior Management Service (Levels 13-16)	1	100	1	100	0	0
Total	1	100	1	100	0	0

Table 4.11.2 Foreign workers by major occupation for the period 1 April 2014 and 31 March 2015

Major occupation	01 April 2014		31 March 2015		Change	
	Number	% of total	Number	% of total	Number	% Change
Professionals and Manager	1	100	1	100	0	0
Total	1	100	1	100	0	0

4.12 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 4.12.1 Sick leave for the period 1 January 2014 to 31 December 2014

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Skilled (levels 3-5)	364	75	64	14.6	6	199
Highly skilled production (levels 6-8)	906	74.3	131	29.9	7	843
Highly skilled supervision (levels 9 -12)	840	75.1	129	29.4	6	1 600
Top and Senior management (levels 13-16)	670	80.9	114	26.1	6	2 294
Total	2 780	76.2	438	100	6	4 936

Table 4.12.2 Incapacity leave (temporary and permanent) for the period 1 January 2014 to 31 December 2014

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Skilled (Levels 3-5)	15	100	2	22.2	8	10
Highly skilled production (Levels 6-8)	82	100	4	33.3	21	88
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0
Senior management (Levels 13-16)	9	100	3	44.4	3	32
Total	106	100	9	100	12	130

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 4.12.3 Annual Leave for the period 1 January 2014 to 31 December 2014

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Skilled Levels 3-5)	1 878	94	20
Highly skilled production (Levels 6-8)	3 440	161	21
Highly skilled supervision(Levels 9-12)	3 596	164	22
Senior management (Levels 13-16)	3 890	181	21
Total	12 804	600	21

Table 4.12.4 Capped leave for the period 1 January 2014 to 31 December 2014

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as at 31 March 20ZZ
Skilled Levels 3-5)	1	1	1	39
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision (Levels 9-12)	10	2	5	38
Senior management (Levels 13-16)	0	0	0	49
Total	11	3	4	43

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

Table 4.12.5 Leave payouts for the period 1 April 2014 and 31 March 2015

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2014/15 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2014/15	0	0	0
Current leave payout on termination of service for 2014/15	780	47	16 595
Total	780	47	16 595

4.13 HIV/AIDS & Health Promotion Programmes

Table 4.13.1 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
All staff	Employee Health and Wellness Programme Employee Assistance Programme policy and guidelines

Table 4.13.2 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.	√		Mr Sonwabo Shibane, Senior Manager Organisational 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.	√		1 Assistant Director, 1 Administration Clerk, Budget of R 650 000.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	√		Psycho-social support counselling, wellness day for health screenings, HIV testing and Awareness, sport activities, financial wellness.
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.		√	
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.	√		The Department's Employment Equity policy does not discriminate against employees on the basis of their HIV status.
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.	√		Departmental HIV and AIDS approved policy makes provision for employees not to be discriminated against based on HIV status. Disciplinary and grievance procedure are in place to counter against those discriminating on the basis of HIV status.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	√		Through bi-annual Health assessment and VCT screening and annual wellness day and referrals for counselling.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.		√	

4.14 Labour Relations

Table 4.14.1 **Collective agreements for the period 1 April 2014 and 31 March 2015**

Subject matter	Date
No collective agreements finalised during the 2014/15 financial year	

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 4.14.2 **Misconduct and disciplinary hearings finalised for the period 1 April 2014 and 31 March 2015**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	4	57
Final written warning	0	0
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	2	29
Not guilty	1	14
Case withdrawn	0	0
Total	7	100

NOTES

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

Total number of Disciplinary hearings finalised	2
---	---

Table 4.14.3 **Types of misconduct addressed at disciplinary hearings for the period 1 April 2014 and 31 March 2015**

Type of misconduct	Number	% of total
Irregularity on procurement	2	75
Fraud	1	25
Total	3	100

Table 4.14.4 **Table 4.14.4 Grievances logged for the period 1 April 2014 and 31 March 2015**

Grievances	Number	% of Total
Number of grievances resolved	2	40
Number of grievances not resolved	3	60
Total number of grievances lodged	5	100

Table 4.14.5 **Disputes logged with Councils for the period 1 April 2014 and 31 March 2015**

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

Table 4.14.6 **Strike actions for the period 1 April 2014 and 31 March 2015**

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 4.14.7 **Precautionary suspensions for the period 1 April 2014 and 31 March 2015**

Number of people suspended	1
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	30
Cost of suspension (R'000)	82

4.15 Skills development

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

Table 4.15.1 Training needs identified for the period 1 April 2014 and 31 March 2015

Occupational category	Gender	Number of employees as at 1 April 2014	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	0	0	0	0	0
	Male	0	0	0	0	0
Professionals	Female	6	0	6	0	6
	Male	5	0	5	0	5
Technicians and associate professionals	Female	6	0	6	0	6
	Male	4	0	4	0	4
Clerks	Female	8	0	8	0	8
	Male	2	0	2	0	2
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	4	0	4	0	4
	Male	1	0	1	0	1
Sub Total	Female	0	0	0	0	0
	Male	0	0	0	0	0
Total		36	0	36	0	36

Table 4.15.2 **Training provided for the period 1 April 2014 and 31 March 2015**

Occupational category	Gender	Number of employees as at 1 April 2014	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	30	0	21	9	30
	Male	11	0	9	2	11
Professionals	Female	10	0	8	2	10
	Male	15	0	10	5	15
Technicians and associate professionals	Female	43	0	29	14	43
	Male	29	0	14	15	29
Clerks	Female	42	0	30	12	42
	Male	14	0	8	6	14
Service and sales workers	Female	8	0	7	1	8
	Male	25	0	13	12	25
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	1	0	1	1	2
	Male	1	0	0	0	0
Sub Total	Female	134	0	96	39	135
	Male	95	0	54	40	94
Total		229	0	150	79	229

4.16 Injury on duty

The following tables provide basic information on injury on duty.

Table 4.16.1 Injury on duty for the period 1 April 2014 and 31 March 2015

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

4.17 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 4.17.1 Report on consultant appointments using appropriated funds for the period 1 April 2014 and 31 March 2015

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
0	0	0	0
0	0	0	0

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

Table 4.17.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2014 and 31 March 2015

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
0	0	0	0
0	0	0	0

Table 4.17.3 Report on consultant appointments using Donor funds for the period 1 April 2014 and 31 March 2015

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
0	0	0	0
0	0	0	0

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

Table 4.17.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2014 and 31 March 2015

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
0	0	0	0
0	0	0	0

4.18 Severance Packages

Table 4.18.1 Granting of employee initiated severance packages for the period 1 April 2014 and 31 March 2015

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



Chapter
Part E: Financial Information

5

5.1 Report of the Accounting Officer

on vote 3: Department of Cooperative Governance and Traditional Affairs • For the Year Ended 31 March 2015

5.1.1 Overview of the operation in the Department

The Accounting Officer is responsible for the preparation of the financial statement and related information included in the annual report and to ensure its integrity. The financial statements are prepared in accordance with the accounting policy and standards determined by the National Treasury. This report sets out the key accomplishments over the last financial year.

IMPORTANT POLICY DECISIONS AND STRATEGIC ISSUES

The department's strategic goals over the medium term are to:

- Develop policies and legislation to lead the building of capable, developmental and economically viable local governance institutions (municipal and traditional councils);
- Deepen participatory democracy through common standards and practices of accountability and good governance.
- Support planning and coordination efforts across all spheres of government in partnership with all sector departments, local government agencies, traditional institutions and organs of civil society.
- Foster sustainable infrastructure development and maintenance to ensure basic services delivery and local economic development.
- Monitor and evaluate the performance of provincial departments of local government and traditional councils.
- Strengthen the capacity of the department to deliver on its mandate.

The National Development Plan highlighted the importance of cities for dealing with our development

challenges, and Census 2011 indicated the scale of population growth in the urban areas. DCOG aims to create a new deal for cities through restructuring the city space economy, improving land use management and facilitating investments in public transport and the built environment. During the 14 February 2013 State of the Nation Address (SONA), the President emphasized the need for an Integrated Urban Development Framework IUDF as one of the key tools for implementing the National Development Plan (NDP) and also to support municipalities to manage urbanisation.

The objective of the IUDF is to provide an interdepartmental and intergovernmental approach to attain integrated urban development. It is a policy process and a framework to understand why urban divides remain stubbornly in place, with an eye to promoting effective instruments to change this legacy, and promote resilient and inclusive urban settlements.

5.1.1.1 Significant events that took place during the year

Presidential Local Government Summit – Launch of the Back to Basics Approach. On 18 September 2014 President Jacob Zuma convened the second Presidential Local Government Summit at the Gallagher Convention Centre. The theme of the Summit was: “Back to Basics – Serving our communities better”.

The purpose of the Summit was to discuss with national, provincial and local government leaders the critical challenges affecting municipalities. In addition, it sets out to guide the process on what needs to be done in

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the intergovernmental sphere to improve performance of municipalities that will result in the improvement of people's lives, the creation of decent living conditions and a closure of the gap between Government and communities.

The Summit pursued the following objectives:

- a) An outline by the President of an urgent plan of action to achieve the priorities of Local Government;
- b) A commitment by delegates to implement an action plan to ensure that municipalities are a great place to work, play and live in by getting the basics right; and
- c) Strengthening of inter-sphere collaboration and integrated approach to serving communities.

At the culmination of the Summit the delegates, as a collective declared, to do their best to make local government work to serve their people better. They committed to be the servants of the people and trustworthy agents at their service. They unanimously embraced the back-to-basics approach to address the challenges facing Local Government, and declared their commitment to strengthen local government in order to move South Africa forward.

The Summit concluded in an endorsement of the change in approach through the adoption of a Declaration, as well as the acceptance of an Action Plan that will be used as an instrument to address the challenges experienced by municipalities, the assignment of responsibilities and the creation of a platform for the monitoring of performance.

MUNICIPAL ADMINISTRATION AND HUMAN RESOURCES

Preparations for the 2016 Municipal Elections

Preparations are underway by all stakeholders to prepare for the fourth democratic elections of all municipal councils, which must be held within 90 days of 18 May

2016. The number of councillors for each municipal council has been determined by MECs based on formulae that was published in the Government Gazette on 9 September 2014. The MDB is presently engaged with the delimitation of wards, and it is envisaged that final ward boundaries will be handed over to the IEC by the MDB during November 2015. The IEC will then begin with their preparations across the country for the holding of elections.

Draft Local Government: Municipal Staff Regulations

The development of the draft Local Government: Municipal Staff Regulations and Guidelines setting out uniform municipal staff systems and procedures in fulfillment of the Minister's regulatory powers have been completed. The setting of these uniform standards will strengthen the capacity of municipalities to perform their functions by ensuring that municipalities appoint suitably qualified and competent persons. It will reduce the concentration of persons with critical skills in affluent municipalities at the expense of smaller municipalities by allowing horizontal mobility within local government. These regulations represent government's resolve to professionalise municipal administration and will go a long way in ensuring that the high incidents of irregular and inappropriate appointments are ended. They empower municipalities to move progressively towards the upliftment of communities through the provision of basic services to communities.

Public Participation

The department was successful in facilitating the establishment of ward committees and strengthening their oversight function in terms of monitoring and reporting of community progress against Integrated Development Plans (IDPs), Service Delivery Business Improvement Plans (SDBIPs) and ward level service improvement plans. The success is clearly defined through a support

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on vote 3: Department of Cooperative Governance and Traditional Affairs • for the year ended 31 March 2015

to municipalities in the establishment and induction of ward committees in accordance with the relevant legislative framework. As at 31 March 2015, 4277 ward committees had been established. Post the ward committee elections, the department rolled-out an induction programme for newly elected ward committee members. This induction formed part of a broader capacity building programme comprising of both accredited and non-accredited skills development learning areas.

Municipal Infrastructure Support Agency

During the 2014/15 financial year, MISA deployed 53 Technical Consultants to 121 municipalities across the country, whereas 48 artisans were deployed to provide support to five municipalities in Limpopo. In an attempt to enhance municipal technical support and build capacity for the local government sector, MISA deployed 409 Apprentices, 27 Young Professionals, and 67 Experiential Learners to a total of 64 municipalities. A total of 139 trainee Water and Sanitation Process Controllers were also deployed to municipalities to gain work experience, but to also provide much needed support to the municipalities.

MISA has, since its establishment in 2012, facilitated and funded technical training programs for more than 800 municipal officials in courses such as engineering, planning, procurement of technical services, and asset management.

The Community Work Programme (CWP)

The year under review saw a notable increase in the CWP participation rate. A cumulative figure of 202 447 participants was achieved by the end of March 2015 from an annual target of 187 000 participants. During 2014/15, the CWP was implemented in 185 sites spread over 159 municipalities and benefitted communities living in more than 2000 wards across the country. The programme largely benefitted women who constituted

75% of participants, with youth making up 45% of participants.

Qualitative achievements included the training of participants which gave them skills that enabled some of them to get employment in the regular economy. Abject poverty in beneficiary communities where the only source of income was the CWP wages was visibly reduced. Home-based care and renovations to houses belonging to vulnerable households helped improve the quality of life in those households. CWP partnerships also yielded demonstrable outcomes. For example, a partnership with the University of North West (UNW) resulted in the registration of 75 CWP participants who are presently studying towards a Grade R Teachers' Diploma. Furthermore, the Mahikeng Local Municipality's waste management programme benefitted from the support of the Japan International Cooperation Agency (JICA) through a CWP-facilitated partnership. As a result of the JICA intervention, improvements in the waste management services offered by the municipality were registered.

The changes to our institutional model for the implementation of the programme from a three-tier model to a one-tier model had an impact on the financial performance of the programme as the induction of new implementing agents and the re-registration of participants took longer than anticipated. This meant that the inception of new sites and procurement could only start during the third quarter.

5.1.2 Overview of the financial result of the Department

5.1.2.1 Departmental Receipts

In 2014/15 financial year, the Department budgeted R918 000.00 for the departmental receipts accrue from the collection of parking fees, recovered debt, commis-

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sion on insurance policy premiums, the recovery of private telephone expenses and expenditure due to breach of study loan contracts. The actual revenue generated for 2014/15 financial year increased significantly with a rate of 108.72 per cent to the value of R1 916 000.00. This is mainly due to a refund made by one of the Implementing Agent that was not reappointed for the new contract on unspent wage for participants. In the previous financial year 2013/14 the Department budget R874

000.00 against the actual revenue, which increased by an annual rate of 39.59 per cent due to unspent funds by one of the municipalities in Limpopo.

Revenue increased from R1 220 000.00 in 2013/14 to R1 916 000.00 in 2014/15 financial year, at an annual rate of 57.05 per cent. The Department is not a revenue generating entity, as such, there are no tariff charges for goods sold and/or services rendered.

	2014/15	2013/14
	R'000	R'000
Departmental Revenue		
Tax revenue	-	-
Sales of goods and services other than capital assets	174	175
Fines, penalties and forfeits	-	-
Interest, dividends and rent on land	1	-
Sales of capital assets	53	16
Transactions in financial assets and liabilities	1 688	1 029
Transfer received	-	-
Total revenue collected	1 916	1 220
Less: Own revenue included in appropriation		-
Departmental revenue collected	1 916	1 220

5.1.2.2 Programme Expenditure

A summary narrative of the actual expenditure in comparison to the adjusted appropriation for both the current and previous financial year. The financial information is presented per programme justifying the under/ (over) expenditure with corrective actions to prevent the recurrence in the future

5.1.2.2.1 PROGRAMME 1: ADMINISTRATION

The actual expenditure in Programme 1 against the adjusted appropriation only reflects a 0.2 per cent under-spending, which is immaterial. The comparison of the current spending indicates a 0.04 per cent increase against the spending for the previous financial year (2013/14). This is mainly due to the inflation related increases.

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5.1.2.2.2 PROGRAMME 2: POLICY, RESEARCH AND KNOWLEDGE MANAGEMENT

The actual expenditure in Programme 2 against the adjusted appropriation reflect an under-spending of 8.8 per cent, which is mainly due to the delay that emanated from the implementation of the 2014/15 Procurement Plan. The current spending indicates a 4,3 per cent decrease against the spending for the same period in the previous financial year (2013/14). This is mainly due to cost cutting measure on the use of consultants and other line items such as catering, venues and travel and subsistence in the Branch. The Procurement Plan has been approved early before the commencement of the new financial year to avoid the recurrence of the 2014/15 financial year.

5.1.2.2.3 PROGRAMME 3: GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

The actual expenditure in Programme 3 against the adjusted appropriation reflect an under-spending of 6.5 per cent, which is mainly due to the withholding of Local Government Equitable Share from some municipalities which did not perform according to the DORA requirements as well as delays in the transfer of funds to the United Cities & Local Government of Africa, because the claim was not submitted to the Department. The current spending rate is 2.5 per cent lower than the spending rate in the previous financial year (2013/14) due to the reasons mentioned above. The newly established unit in MIG administration will assist poor performing municipalities to enhance the spending patterns on MIG.

5.1.2.2.4 PROGRAMME 4: NATIONAL DISASTER MANAGEMENT CENTRE

The actual expenditure in Programme 4 against the adjusted appropriation reflect an under-spending of 53.6 per cent is mainly due to the uncertainty with the payment of disaster relief grants. This grant is only paid when disasters are declared and with the approval of the National Treasury. The current spending is 14.6 per cent less than in the previous financial year (2013/14) due to the uncertainty when Disaster Relief grants will be paid.

5.1.2.2.5 PROGRAMME 5: PROVINCIAL AND MUNICIPAL GOVERNMENT SYSTEMS

The actual expenditure in Programme 5 against the adjusted appropriation reflect a 100.0 per cent spending rate for a twelve month period. The current spending rate is also similar when compared to the previous financial year (2013/14).

5.1.2.2.6 PROGRAMME 6: INFRASTRUCTURE AND ECONOMIC DEVELOPMENT

The actual expenditure in Programme 6 against the adjusted appropriation reflect an under-spending of 3.6 per cent, which is mainly due to the withholding of Municipal Infrastructure Grant funds for one municipality; CWP that delayed to pay invoices that were received late from the Implementing Agents and delays with the procurement processes for the material used by participants, at site level. The current spending reflected a 2.7 per cent increase against the spending for the same period in the previous financial year, 2013/14 mainly due to the change in the business model of the payment of CWP participants and induction of new Implementing Agents especially on the supply-chain management processes.

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5.1.2.2.7 PROGRAMME 7: DEPARTMENT OF TRADITIONAL AFFAIRS

The actual expenditure in Programme 7 against the adjusted appropriation reflect 100.0 per cent funds transferred. Furthermore, the Department has claimed the expenditure incurred on behalf of DTA, which has been confirmed by the DTA Team.

Table 1: Savings trends since 2008/09 financial year.

Year	Expenditure R '000	Saving %	Saving R '000
2008/09	35 348 095	0,82	290 912
2009/10	36 016 101	1,42	511 032
2010/11	44 457 917	0,26	115 202
2011/12	46 221 564	4,11	1 983 096
2012/13	53 442 919	2,57	1 412 259
2013/14	56 401 572	3,51	2 057 335
2014/15	59 477 784	6,30	3 976 101

The table 2 below depict the total expenditure of the department, excluding local and foreign aid assistance, amount to R59 477 784 representing 93.7% of the total appropriation. The under-spending of R3 976 101 was, therefore, 6.3 % of the total budget. This reflects a slight increase in the annual under expenditure when compared with 2013/14 financial year which was at 2.8%. This comprised mainly of compensation of employees; goods and services; payments of capital assets and Transfers & subsidies.

Table 2: Financial information for the current and previous financial year

Programme Name	2014/2015			2013/2014		
	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
Prog 1: Administration	242 025	241 628	397	247 879	247 498	381
Prog 2: Policy, Research and Knowledge Management	20 251	18 471	1 780	16 184	15 453	731
Prog 3: Governance and Intergovernmental Relations	44 610 131	41 709 671	2 900 460	40 725 499	39 080 214	1 645 285
Prog 4: National Disaster Management Centre	831 415	385 906	445 509	694 439	423 859	270 580
Prog 5: Provincial and Municipal Government Systems	289 533	289 479	54	291 872	291 872	0
Prog 6: Infrastructure and Economic Development	17 344 666	16 716 765	627 901	16 371 332	16 230 974	140 358
Prog 7: Department of Traditional Affairs	115 864	115 864	0	111 702	111 702	0
Total	63 453 885	59 477 784	3 976 101	58 458 907	56 401 572	2 057 335

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Table 2 depicts the initial budget of the Department of Cooperative Governance for the 2014/15 financial year amounts to R63 212 720 000.00. During the 2014/15 Adjusted Estimates of National Expenditure, the Department received an additional appropriation to the value of R241 165 000.0, which slightly increased the appropriation to R63 453 885 000.00. This represents an increase of R4 994 978 000.00 (8.54%) when compared with the budget allocation for the previous financial year.

The main contributing programmes that increased the allocation was mainly in respect of the Municipal Disaster Recovery Grant, introduction of a new grant called Municipal Demarcation Transition Grant, approved roll-over of MIG funds that were not spend in the 2013/14 financial year under Section 18 (1)(b) of the Division of Revenue Act and additional funding on Municipal Disaster Relief Grant as unforeseeable and unavoidable expenditure for post-disaster reconstruction and rehabilitation of municipal infrastructure in Eastern Cape, Gauteng, KwaZulu-Natal, Limpopo, Mpumalanga and Western Cape.

5.1.2.3 Virement and roll-over

5.1.2.3.1 VIREMENT

The following Virement were effected in terms of section 43 of the PFMA (Act No. 1 of 1999) as amended to fund the overruns and increased spending levels of the different Programmes of the Department of Cooperative Governance the 2014/15 financial year, in line with the mandate and priorities:

Compensation of Employees

R6.398 million was shifted from Programme 6: Infrastructure and Economic Development to Increase the Compensation of Employees allocations of the following Programmes:

- Programme 1: Administration with R2.026 million;
- Programme 2: Policy Research and Knowledge Management with R737 thousand;
- Programme 3: Governance and Intergovernmental Relations with R326 thousand;
- Programme 4: National Disaster Management Centre with R110 thousand; and
- Programme 5: Provincial and Municipal Government Systems with R550 thousand.

To increase the Goods and Services allocations of the following Programmes:

- Programme 1: Administration with R983 thousand;
- Programme 4 National Disaster Management Centre with R1.336 million; and
- Programme 5: Provincial and Municipal Government Systems with R330 thousand.

Goods and Services

R102 thousand was shifted from Programme 6: Infrastructure and Economic Development to increase the Goods and Services allocation of the following Programmes:

- Programme 5: Provincial and Municipal Government Systems with R65 thousand; and
- Programme 1: Administration with R37 thousand for Payment of Financial Assets.

R136 thousand was shifted from Programme 3: Governance and Intergovernmental Relations Goods and Services to increase the allocation of Programme 1: Administration Payment of Financial Assets.

All the items, which are referred to above, have been subjected to due processes in terms of the policies and procedures. All Virements done in the department were approved by the Directors-General. Subsequently, the National Treasury and the Executive Authority were also informed of the approved virements.

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5.1.2.3.2 ROLL-OVER

The roll-over of funds from the 2014/15 financial year were done in terms of Section 30 (2) (g) and 31 (2) (g) of the PFMA, 1999 to fund projects that were carried over to the 2015/16 financial year.

Goods and Service:

Programme 6: Infrastructure and Economic Development

Community Work Program requested the National Treasury to roll-over funds to the value of R216, 415 million at the end of the 2014/15 financial year to finalise the outstanding payments to the CWP Implementing Agents. There was a delay in the commencement of the process to procure tools, material and protective clothing for the participants.

Transfer and Subsidies:

Programme 3: Governance and Intergovernmental Relations

An unspent amount of R2, 898 billion in respect of the Local Government Equitable Share Grant, which is the total amount at the end of the 2014/15 financial year, was requested to be roll-over to the 2015/16 financial year from the National Treasury.

Programme 6: Infrastructure and Economic Development

An amount of R18, 604 million which was not transferred to the Ditsobotla Local Municipality from the Municipal Infrastructure Grant (MIG), was requested to be rolled over from the National Treasury.

5.1.3 Unauthorised, fruitless and wasteful expenditure

The Department has not discovered any potential Unauthorised, fruitless and wasteful expenditure disclosed in note 15.

5.1.4 Future Plans of the Department

The future plans of the Department is to integrate the Annual Performance Plan, in line with the Back to Basics Approach, which wil include the realignment of the departmental organizational structure.

5.1.5 Public private partnership (PPP)

5.1.5.1 Brief summary of progress on the PPP

The Department has not entered into any Public Private Partnership agreements.

5.1.6 Discontinued activities / activities to be discontinued

There were no activities discontinued during the 2014/15 financial year

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5.1.7 New or proposed activities

There were no newly proposed activities identified for the year under review.

5.1.8 Supply chain management

5.1.8.1 List all unsolicited bid proposals concluded for the year under review

The department did not conclude any unsolicited bid proposal for the year under review

5.1.8.2 Indicate whether SCM processes and systems are in place to prevent irregular expenditure

The department has processes and systems in place to detect and prevent irregular expenditure. The department has functional bid committees to ensure transparency, fairness and compliance with the tender processes. SCM has developed and implemented a checklist for all SCM compliance requirements and all transactions that are processed through SCM are checked against the checklist.

5.1.8.3 Challenges experienced in SCM and how they were resolved

Supply Chain Management had experienced of non-availability of bid committee members. This challenge has been resolved by appointing additional members.

5.1.9 Gifts and donation received in kind from non-related parties.

The closing balance of R34 818 000.00 was paid back to the RDP account. The Department did not receive any gifts and donations in the 2014/15 financial year.

5.1.9.1 Exemptions and deviations received from the National Treasury

The Department has no exemptions and deviations received from the National Treasury.

5.1.10 Events after the reporting date

A forensic investigation has been instituted by the Department. The investigation was initiated based on an allegation of possible fraudulent payments. The project will be finalised in the 2015/16 financial year.

5.1.11 Any other material matters

No other material matters were identified in respect of the 2014/15 financial year.

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5.1.12 Acknowledgment

Generosity and political support of the Executive have allowed the Department to carry out its mission and assist in improving the lives of all South Africans.

During the 2014/15 financial year, the Department of Cooperative Governance sets out the Back to Basic approach as a program of action for the South African government to develop, govern and transform the living conditions of all citizens. That is our commitment and the promise we make with our strategy. Everything we do centres on integrity, responsiveness and highly effective governance system by working with the communities to achieve sustainable development and improved service delivery.

Our 511 employees apply this strategy at operational level every day. Their passion, their dedication and their wealth of ideas bring the Department's vision to life – both internally and externally. It is because of them that the Department is able to retain sound financial management and healthy operational performance.

Management would like to thank everyone who dedicated their time and talent in 2014/15 financial year to the Department of Cooperative Governance as well as to the implementation of Back to Basic programme at the local level, our shareholders, partners and the general public. Together, we will take this Department to new heights of success in 2015/16 financial year.

5.1.13 Conclusions

The Department had its share of setbacks due to the transition towards back to basics and reorganisation of the organisational structure. The reorganisation of the organisational structure predominantly affected the areas of reporting and efficacy. However, a steeling leadership by the Honourable Minister Pravin Gordhan, the passion and dedication of the employees is conspicuous in the achieved unqualified audit opinion expressed by the Auditor-General. One of the better ways to elucidate improving performance is the escalating number of projects achieved as detailed in chapter 2 of the Annual Report.

5.1.14 Approval and sign-off

The Annual Financial Statements set out on pages 131 to 260 have been approved by the accounting officer.



Mr. V Madonsela

Director-General

Department of Cooperative Governance

31 July 2015

5.2 Report of the Auditor-General to Parliament on vote 3: Department of Cooperative Governance and Traditional Affairs

Report on the financial statements

INTRODUCTION

1. I have audited the financial statements of the Department of Cooperative Governance set out on pages 132 to 259, which comprise the appropriation statement, statement of financial position as at 31 March 2015, the statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

ACCOUNTING OFFICER'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act no. 1 of 1999) (PFMA), and the Division of Revenue Act of South Africa, 2013 (Act no. 10 of 2014) (DoRA) and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR-GENERAL'S RESPONSIBILITY

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted

my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

OPINION

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of

Report of the Auditor-General

to Parliament on vote 3: Department of Cooperative Governance and Traditional Affairs

the Department of Cooperative Governance as at 31 March 2015 and its financial performance and cash flows for the year then ended, in accordance with Modified Cash Standard prescribed by the National Treasury and the requirements of the PFMA and DoRA.

ADDITIONAL MATTER

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

UNAUDITED SUPPLEMENTARY SCHEDULES

8. The supplementary information set out on pages 198 to 259 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

Report on other legal and regulatory requirements.

9. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to

express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

PREDETERMINED OBJECTIVES

10. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2015:
- Programme 1: Administration on pages 34 to 39;
 - Programme 2: Policy Research and Knowledge Management on pages 40 to 44;
 - Programme 3: Governance and Intergovernmental Relations (G&IGR) on pages 45 to 51;
 - Programme 4: National Disaster Management Centre (NDMC) on pages 52 to 58;
 - Programme 5: Provincial and Municipal Government Support (PMGS) on pages 59 to 67; and
 - Programme 6: Infrastructure and Economic Development (Community Works Programme) on pages 68 to 72.
11. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
12. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPI).

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

14. The material findings in respect of the selected programmes are as follows:

PROGRAMME 2: POLICY, RESEARCH AND KNOWLEDGE MANAGEMENT

Reliability of reported performance information

15. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets which relate to the overall mandate of the department were not reliable when compared to the source information or evidence provided. This was due to inadequate monitoring of management of the completeness of source documentation in support of actual achievements.

PROGRAMME 3: GOVERNANCE AND INTERGOVERNMENTAL RELATIONS (G&IGR)

Reliability of reported performance information

16. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets which relate to the overall mandate of the department were not reliable when compared to the source information or evidence

provided. This was due to inadequate monitoring of management of the completeness of source documentation in support of actual achievements.

PROGRAMME 5: PROVINCIAL AND MUNICIPAL GOVERNMENT SUPPORT (PMGS)

Usefulness of reported performance information

Measurability of indicators and targets

17. The FMPPI requires the following:

- Performance targets must be specific in clearly identifying the nature and required level of performance. A total of 29% (4/14) of the targets were not specific.
- Performance targets must be measurable. We could not measure the required performance for 29% (4/14) of the targets.

18. This was due to the fact that management was aware of the requirements of the FMPPI, but did not strictly and adequately apply the principles due to 'support' not being clearly defined/described and a technical indicator description not being adequately developed. Furthermore, management did not follow through on prior year commitments made.

Reliability of reported performance information

19. The FMPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets which relate to the overall mandate of the department were not reliable when compared to the source information or evidence provided

Report of the Auditor-General

to Parliament on vote 3: Department of Cooperative Governance and Traditional Affairs

20. This was due to inadequate monitoring of management of the completeness of source documentation in support of actual achievements. In addition, there were also inadequate technical indicator descriptions for the accurate measurement, recording and monitoring of performance for significantly important targets as the required level performance for support to be rendered was not specific.

PROGRAMME 6: INFRASTRUCTURE AND ECONOMIC DEVELOPMENT (COMMUNITY WORK PROGRAMME)

Reliability of reported of performance information

21. The FMPPPI requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets were not reliable when compared to the source information or evidence provided. This was due to a lack of monitoring of the validity and completeness of source documentation in support of actual achievements.

PROGRAMME 1: ADMINISTRATION

22. I did not identify any material findings on the usefulness and reliability of the reported performance information for Programme 1: Administration

PROGRAMME 4: NATIONAL DISASTER MANAGEMENT CENTRE

23. I did not identify any material findings on the usefulness and reliability of the reported performance information for Programme 4: National Disaster Management Centre.

ADDITIONAL MATTERS

24. I draw attention to the following matter:

ACHIEVEMENT OF PLANNED TARGETS

25. Refer to the annual performance report on page(s) x to x and x to x for information on the achievement of the planned targets for the year. This information should be considered in the context of the qualified conclusions expressed on usefulness and reliability of the reported performance information in paragraphs [x; x; x] of this report

Compliance with legislation

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

ANNUAL FINANCIAL STATEMENTS, PERFORMANCE AND ANNUAL REPORTS

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

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PROCUREMENT AND CONTRACT MANAGEMENT

29. Contracts were awarded to bidders based on points given for criteria that differed from those in the original invitation for bidding, in contravention of Treasury Regulations 16A6.3(a) and Preferential Procurement Regulations.
30. Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by Treasury Regulation 16A6.1.
31. Goods services of a transaction of above R500 000 were procured without inviting competitive bids, as required by Treasury Regulation 16A6.1.

EXPENDITURE MANAGEMENT

32. Effective steps were not taken to prevent irregular expenditure, as required by section 38(1)(c)(ii) of the PFMA and TR 9.1.1.
33. Effective internal controls were not in place for payment approval and processing, as required by TR 8.1.1.

Internal control

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

LEADERSHIP

35. The accounting officer and management did not exercise adequate oversight responsibility regarding financial and performance reporting and compliance as well as related internal controls.
36. Management did not properly develop and adequately monitor the implementation of appropriate action plans to address internal control deficiencies identified and communicated to management in the prior year.

FINANCIAL AND PERFORMANCE MANAGEMENT

37. Management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support performance reporting.
38. Management did not properly implement adequate controls over daily and monthly processing and reconciling of transactions.
39. Management did not adequately prepare regular, accurate and complete financial reports that are supported and evidence by reliable information.
40. Management did not adequately review and monitor compliance with applicable laws and regulations relating supply chain management.

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Other reports

Investigations

41. A forensic investigation by an external service provider was initiated by the Department of Cooperative Governance into fraud committed on services procured through a central service provider. The investigation was still ongoing at the date of this report.
42. An investigation into the following allegations by the SIU was proclaimed on 23 January 2014 by the President:
- The appointment of a service provider to provide technical support and administrative services in respect of the Ward Based Co-operatives Programme of COGTA.
 - Payments that were made by the Department in a manner that was allegedly not fair, competitive, transparent, equitable or cost-effective; contrary to, among other things, legislation and policies.

The SIU have concluded the fieldwork and a report will be issued to the Presidency in terms of their mandate. Disciplinary action is in progress at the date of this report.

Auditor-General

Pretoria
31 July 2015



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

5.3 Annual Financial Statements for National Department of Cooperative Governance

For the year ended 31 March 2015

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Appropriation Statement for the year ended 31 March 2015

Appropriation per programme										
2014/15										2013/14
Programme	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000	
Administration	252 540	-	(10 515)	242 025	241 628	397	99,8%	247 879	247 498	
Policy, Research and Knowledge Management	21 119	-	(868)	20 251	18 471	1 780	91,2%	16 184	15 453	
Governance and Intergovernmental Relations	44 618 802	-	(8 671)	44 610 131	41 709 671	2 900 460	93,5%	40 725 499	39 080 214	
National Disaster Management Centre	807 759	-	23 656	831 415	385 906	445 509	46,4%	694 439	423 859	
Provincial and Municipal Government Systems	288 008	-	1 525	289 533	289 479	54	100,0%	291 872	291 872	
Infrastructure and Economic Development	17 349 793	-	(5 127)	17 344 666	16 716 765	627 901	96,4%	16 371 332	16 230 974	
Traditional Affairs	115 864	-	-	115 864	115 864	-	100,0%	111 702	111 702	
TOTAL	63 453 885	-	-	63 453 885	59 477 784	3 976 101	93,7%	58 458 907	56 401 572	

Appropriation Statement for the year ended 31 March 2015

	2014/15		2013/14	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)				
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	1 916		1 220	
NRF Receipts				
Aid assistance				
Actual amounts per statement of financial performance (total revenue)	63 455 801		58 460 127	
ADD				
Aid assistance				1 598
Prior year unauthorised expenditure approved without funding				
Actual amounts per statement of financial performance (total expenditure)		59 477 784		56 403 170

Appropriation per economic classification

2014/15

2013/14

	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	2 689 790	(8 301)	(3 573)	2 677 916	2 066 563	611 353	77,2%	2 125 102	2 113 917
Compensation of employees	246 568	(4 231)	(2 943)	239 394	234 442	4 952	97,9%	236 240	226 816
Salaries and wages	223 152	(2 477)	(4 275)	216 400	211 449	4 951	97,7%	214 723	205 113
Social contributions	23 416	(1 754)	1 332	22 994	22 993	1	100,0%	21 517	21 703
Goods and services	2 443 222	(4 070)	(630)	2 438 522	1 832 121	606 401	75,1%	1 888 862	1 887 101
Administrative fees	123	5 840	-	5 963	5 963	-	100,0%	482	481
Advertising	6 549	(3 103)	-	3 446	2 474	972	71,8%	2 948	3 341
Minor assets	1 925	1 684	(39)	3 570	2 772	798	77,6%	1 078	1 167
Audit costs: External	7 393	276	(798)	6 871	6 871	-	100,0%	8 767	8 767
Bursaries: Employees	1 207	(270)	-	937	937	-	100,0%	500	500
Catering: Departmental activities	6 082	(2 418)	-	3 664	2 863	801	78,1%	6 195	6 224
Communication (G&S)	10 812	(4 452)	(1)	6 359	5 831	528	91,7%	9 411	8 882
Computer services	69 326	(9 141)	794	60 979	18 136	42 843	29,7%	21 934	21 836
Consultants: Business and advisory services	80 265	157 710	9 597	247 572	239 900	7 672	96,9%	364 717	364 513
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	5 005	1 152	-	6 157	6 157	-	100,0%	3 381	3 381
Contractors	1 667 103	(149 488)	(3 073)	1 514 542	1 360 767	153 775	89,8%	1 361 412	1 361 225
Agency and support / outsourced services	8 253	(4 774)	(2 221)	1 258	606	652	48,2%	715	715
Entertainment	87	(85)	-	2	-	2	-	-	-

Fleet services (including government motor transport)	5	1 961	-	1 966	1 966	-	100,0%	1 562	1 582
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	22 486	-	22 486	22 486	-	100,0%	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	10	(9)	-	1	1	-	100,0%	-	-
Inventory: Fuel, oil and gas	84	47	-	131	121	10	92,4%	15	15
Inventory: Learner and teacher support material	12	(9)	-	3	3	-	100,0%	379	379
Inventory: Materials and supplies	460 026	(53 086)	106	407 046	28 249	378 797	6,9%	118	118
Inventory: Medical supplies	8	(8)	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	1 057	(783)	-	274	-	274	-	-	-
Consumable supplies	-	3 946	616	4 562	4 558	4	99,9%	308	313
Consumable: Stationery, printing and office supplies	19 635	(1 607)	(1 941)	16 087	6 571	9 516	40,8%	6 374	6 373
Operating leases	7 872	29 565	-	37 437	35 813	1 624	95,7%	38 668	38 644
Property payments	41 335	(26 699)	-	14 636	14 636	-	100,0%	9 138	9 138
Transport provided: Departmental activity	295	(295)	-	-	-	-	-	1 798	1 798
Travel and subsistence	35 504	3 094	(2 176)	36 422	29 295	7 127	80,4%	34 798	33 563
Training and development	4 730	26 457	-	31 187	31 169	18	99,9%	3 515	3 515
Operating payments	1 593	601	-	2 194	1 803	391	82,2%	2 230	2 219
Venues and facilities	6 926	(2 662)	(1 494)	2 770	2 173	597	78,4%	8 402	8 395
Rental and hiring	-	-	-	-	-	-	-	17	17
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest (Incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	60 755 398	388	-	60 755 786	57 393 046	3 362 740	94,5%	56 318 191	54 272 478

Provinces and municipalities	60 261 651	(42)	-	60 261 609	56 901 276	3 360 333	94,4%	55 842 807	53 811 709
Provinces	197 372	19	-	197 391	19	197 372	0,0%	19	19
Provincial Revenue Funds	197 372	19	-	197 391	19	197 372	0,0%	19	19
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	60 064 279	(61)	-	60 064 218	56 901 257	3 162 961	94,7%	55 842 788	53 811 690
Municipal bank accounts	60 064 279	(61)	-	60 064 218	56 901 257	3 162 961	94,7%	55 842 788	53 811 690
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	481 822	73	-	481 895	481 895	-	100,0%	441 893	441 648
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies (non-business entities)	481 822	73	-	481 895	481 895	-	100,0%	441 893	441 648
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	260	-	-	260	238	22	91,5%	400	400
Non-profit institutions	11 665	-	-	11 665	9 280	2 385	79,6%	17 117	13 888
Households	-	357	-	357	357	-	100,0%	15 974	4 833
Social benefits	-	290	-	290	290	-	100,0%	954	954
Other transfers to households	-	67	-	67	67	-	100,0%	15 020	3 879
Payments for capital assets	8 697	7 823	3 400	19 920	17 912	2 008	89,9%	14 814	14 759
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	7 697	8 782	3 303	19 782	17 774	2 008	89,8%	14 814	14 759
Transport equipment	1 000	(1 000)	361	361	361	-	100,0%	1 753	1 753
Other machinery and equipment	6 697	9 782	2 942	19 421	17 413	2 008	89,7%	13 061	13 006
Heritage assets	-	41	97	138	138	-	100,0%	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and sub-soil assets	-	-	-	-	-	-	-	-	-
Software and other intangible assets	1 000	(1 000)	-	-	-	-	-	-	-
Payment for financial assets	-	90	173	263	263	-	100,0%	800	418
TOTAL	63 453 885	-	-	63 453 885	59 477 784	3 976 101	93,7%	58 458 907	56 401 572

Programme 1: ADMINISTRATION

2014/15

2013/14

	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. Ministry	30 968	2 337	-	33 305	33 305	-	100,0%	36 735	36 735
2. Management	20 116	(2 420)	(1 023)	16 673	16 668	5	100,0%	15 686	15 741
3. Chief Operating Officer	19 838	(2 531)	(5 126)	12 181	11 905	276	97,7%	11 802	11 802
4. Corporate Services	82 290	3 186	-	85 476	85 360	116	99,9%	80 695	80 641
5. Financial Services	29 027	(5 830)	(1 184)	22 013	22 013	-	100,0%	27 412	27 030
6. Communication and Liaison	14 155	(3 513)	(1 321)	9 321	9 321	-	100,0%	15 743	15 743
7. Legislative Review and Drafting	11 483	(369)	16	11 130	11 130	-	100,0%	6 564	6 564
8. Internal Audit and Risk Management	10 630	(134)	(1 877)	8 619	8 619	-	100,0%	8 743	8 743
9. Office Accommodation	34 033	9 274	-	43 307	43 307	-	100,0%	44 499	44 499
Total for sub programmes	252 540	-	(10 515)	242 025	241 628	397	99,8%	247 879	247 498
Economic classification									
Current payments	245 698	(5 399)	(10 688)	229 611	229 248	363	99,8%	236 551	236 607
Compensation of employees	114 965	(200)	2 026	116 791	116 791	-	100,0%	113 139	113 957
Salaries and wages	105 030	(235)	604	105 399	105 399	-	100,0%	102 644	103 271
Social contributions	9 935	35	1 422	11 392	11 392	-	100,0%	10 495	10 686
Goods and services	130 733	(5 199)	(12 714)	112 820	112 457	363	99,7%	123 412	122 650
Administrative fees	120	(74)	-	46	46	-	100,0%	60	59
Advertising	4 454	(2 903)	-	1 551	1 551	-	100,0%	2 463	2 856
Minor assets	626	692	-	1 318	1 318	-	100,0%	804	893
Audit costs: External	7 393	(2 993)	(798)	3 602	3 602	-	100,0%	8 767	8 767
Bursaries: Employees	1 207	(270)	-	937	937	-	100,0%	-	-
Catering: Departmental activities	1 880	(776)	-	1 104	1 104	-	100,0%	3 525	3 554

Communication (G&S)	7 888	(4 131)	(59)	3 698	3 619	79	97,9%	7 349	6 961
Computer services	11 204	3 225	-	14 429	14 429	-	100,0%	14 301	14 301
Consultants: Business and advisory services	9 061	2 611	(5 732)	5 940	5 940	-	100,0%	7 504	7 504
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	5 005	1 152	-	6 157	6 157	-	100,0%	3 367	3 367
Contractors	4 797	1 319	(2 000)	4 116	4 116	-	100,0%	2 010	2 010
Agency and support / outsourced services	5 522	(3 642)	(1 877)	3	3	-	100,0%	4	4
Entertainment	53	(53)	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	1 852	-	1 852	1 852	-	100,0%	1 430	1 451
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	1	-	1	1	-	100,0%	-	-
Inventory: Fuel, oil and gas	84	37	-	121	111	10	91,7%	5	5
Inventory: Learner and teacher support material	12	(9)	-	3	3	-	100,0%	343	343
Inventory: Materials and supplies	24	(12)	-	12	12	-	100,0%	14	14
Inventory: Medical supplies	8	(8)	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	304	(304)	-	-	-	-	-	-	-
Consumable supplies	-	1 990	-	1 990	1 986	4	99,8%	207	212
Consumable: Stationery, printing and office supplies	5 733	(1 089)	(1 395)	3 249	3 249	-	100,0%	3 095	3 192
Operating leases	4 000	27 620	-	31 620	31 620	-	100,0%	38 386	38 362
Property payments	41 335	(26 704)	-	14 631	14 631	-	100,0%	9 028	9 028
Transport provided: Departmental activity	295	(295)	-	-	-	-	-	1 798	1 798
Travel and subsistence	13 386	1 161	(853)	13 694	13 425	269	98,0%	14 678	13 714

Training and development	3 324	(2 887)	-	437	437	-	100,0%	782	781
Operating payments	1 037	53	-	1 090	1 089	1	99,9%	1 128	1 117
Venues and facilities	1 981	(762)	-	1 219	1 219	-	100,0%	2 347	2 340
Rental and hiring	-	-	-	-	-	-	-	17	17
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest (Incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	762	271	-	1 033	999	34	96,7%	993	993
Provinces and municipalities	100	(42)	-	58	24	34	41,4%	19	19
Provinces	-	19	-	19	19	-	100,0%	19	19
Provincial Revenue Funds	-	19	-	19	19	-	100,0%	19	19
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	100	(61)	-	39	5	34	12,8%	-	-
Municipal bank accounts	100	(61)	-	39	5	34	12,8%	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	662	73	-	735	735	-	100,0%	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies (non-business entities)	662	73	-	735	735	-	100,0%	-	-
Households	-	240	-	240	240	-	100,0%	974	974
Social benefits	-	222	-	222	222	-	100,0%	954	954
Other transfers to households	-	18	-	18	18	-	100,0%	20	20
Payments for capital assets	6 080	5 038	-	11 118	11 118	-	100,0%	9 535	9 480
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	5 080	6 038	-	11 118	11 118	-	100,0%	9 535	9 480
Transport equipment	1 000	(1 000)	361	361	361	-	100,0%	1 753	1 753
Other machinery and equipment	4 080	7 038	(361)	10 757	10 757	-	100,0%	7 782	7 727
Software and other intangible assets	1 000	(1 000)	-	-	-	-	-	-	-
Payment for financial assets	-	90	173	263	263	-	100,0%	800	418
TOTAL	252 540	-	(10 515)	242 025	241 628	397	99,8%	247 879	247 498

Programme 2: POLICY, RESEARCH AND KNOWLEDGE MANAGEMENT

2014/15

2013/14

	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. Management: Research and Policy	4 250	(99)	-	4 151	3 404	747	82,0%	3 038	3 038
2. Policy and Research Methods	7 146	646	-	7 792	6 759	1 033	86,7%	5 857	5 837
3. Knowledge and Information Management	9 723	(547)	(868)	8 308	8 308	-	100,0%	7 289	6 578
Total for sub programmes	21 119	-	(868)	20 251	18 471	1 780	91,2%	16 184	15 453
Economic classification									
Current payments	21 119	-	(968)	20 151	18 371	1 780	91,2%	16 130	15 399
Compensation of employees	11 194	-	737	11 931	11 931	-	100,0%	10 613	10 495
Salaries and wages	10 372	(499)	737	10 610	10 610	-	100,0%	9 437	9 319
Social contributions	822	499	-	1 321	1 321	-	100,0%	1 176	1 176
Goods and services	9 925	-	(1 705)	8 220	6 440	1 780	78,3%	5 517	4 904
Administrative fees	-	1	-	1	1	-	100,0%	1	1
Advertising	336	(314)	-	22	-	22	-	1	1
Minor assets	116	(52)	-	64	48	16	75,0%	6	6
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	510	(309)	-	201	51	150	25,4%	87	87
Communication (G&S)	185	169	-	354	339	15	95,8%	367	226
Computer services	975	(587)	-	388	388	-	100,0%	51	51
Consultants: Business and advisory services	3 578	1 633	(1 690)	3 521	3 521	-	100,0%	2 525	2 321
Contractors	50	(45)	-	5	5	-	100,0%	22	22
Agency and support / outsourced services	1 204	(552)	-	652	-	652	-	-	-

Entertainment	16	(14)	-	2	-	2	-	2	-	-	-	-
Fleet services (including government motor transport)	-	2	-	2	2	-	19	100,0%	19	-	19	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	36	-	36	-	36	-
Inventory: Other supplies	4	-	-	4	-	4	-	-	-	-	-	-
Consumable supplies	-	5	-	5	5	-	-	100,0%	-	-	-	-
Consumable: Stationery, printing and office supplies	510	852	-	1 362	1 361	1	868	99,9%	868	-	800	-
Operating leases	54	16	-	70	70	-	118	100,0%	118	-	118	-
Property payments	-	-	-	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-	-	-	-
Travel and subsistence	1 412	(343)	(15)	1 054	544	510	1 025	51,6%	1 025	-	825	-
Training and development	136	(118)	-	18	-	18	86	-	86	-	86	-
Operating payments	451	(11)	-	440	50	390	202	11,4%	202	-	202	-
Venues and facilities	388	(333)	-	55	55	-	103	100,0%	103	-	103	-
Rental and hiring	-	-	-	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-	-	-	-
Interest (Incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	100	100	100	-	54	100,0%	54	-	54	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	100	100	100	-	54	100,0%	54	-	54	-
Transport equipment	-	-	-	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	100	100	100	-	54	100,0%	54	-	54	-
Heritage assets	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	21 119	-	(868)	20 251	18 471	1 780	16 184	91,2%	16 184	15 453	15 453	-

Programme 3: GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

		2014/15						2013/14	
	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. Management:Governance	16 549	1 715	(2 798)	15 466	15 466	-	100,0%	9 800	9 799
2. International Relations Coordination	9 915	(489)	(3 107)	6 319	6 319	-	100,0%	4 986	4 986
3. Intergovernmental Fiscal Relations	13 102	525	(1 202)	12 425	12 425	-	100,0%	26 858	15 629
4. Governance and Public Participation	6 292	(1 751)	(1 564)	2 977	2 977	-	100,0%	3 577	3 509
5. South African Local Government Association	26 904	-	-	26 904	26 904	-	100,0%	25 999	25 999
6. Municipal Demarcation Board	44 230	-	-	44 230	44 230	-	100,0%	42 152	42 152
7. South African Cities Network	6 071	-	-	6 071	6 071	-	100,0%	13 909	13 888
8. United Cities and Local Government of Africa	5 594	-	-	5 594	3 209	2 385	57,4%	3 208	-
9. Local Government Equitable Share	44 490 145	-	-	44 490 145	41 592 070	2 898 075	93,5%	40 595 010	38 964 252
Total for sub programmes	44 618 802	-	(8 671)	44 610 131	41 709 671	2 900 460	93,5%	40 725 499	39 080 214
Economic classification									
Current payments	45 838	(49)	(8 672)	37 117	37 117	-	100,0%	30 178	30 021
Compensation of employees	25 684	(49)	(1 274)	24 361	24 361	-	100,0%	22 251	22 142
Salaries and wages	21 913	1 169	(1 213)	21 869	21 869	-	100,0%	19 983	19 874
Social contributions	3 771	(1 218)	(61)	2 492	2 492	-	100,0%	2 268	2 268

Goods and services	20 154	-	(7 398)	12 756	12 756	100,0%	7 927	7 879
Administrative fees	-	-	-	-	-	-	-	-
Advertising	32	(27)	-	5	5	100,0%	16	16
Minor assets	35	(28)	-	7	7	100,0%	96	96
Audit costs: External	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-
Catering: Departmental activities	1 142	(997)	-	145	145	100,0%	232	232
Communication (G&S)	462	(121)	-	341	341	100,0%	300	300
Computer services	339	(339)	-	-	-	-	-	-
Consultants: Business and advisory services	7 868	2 447	(2 020)	8 295	8 295	100,0%	1 811	1 811
Infrastructure and planning services	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-
Contractors	1 150	(50)	(1 100)	-	-	-	15	15
Agency and support / outsourced services	665	(321)	(344)	-	-	-	-	-
Entertainment	5	(5)	-	-	-	-	-	-
Fleet services (including government motor transport)	-	11	-	11	11	100,0%	8	8
Housing	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	1	-	1	1	100,0%	-	-
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	2	(2)	-	-	-	-	2	2

Departmental agencies and accounts	71 134	-	71 134	71 134	-	100,0%	68 151	68 151
Social security funds	-	-	-	-	-	-	-	-
Departmental agencies (non-business entities)	71 134	-	71 134	71 134	-	100,0%	68 151	68 151
Non-profit institutions	11 665	-	11 665	9 280	2 385	79,6%	17 117	13 888
Households	-	49	49	49	-	100,0%	15 000	3 859
Social benefits	-	-	-	-	-	-	-	-
Other transfers to households	-	49	49	49	-	100,0%	15 000	3 859
Payments for capital assets	20	-	21	21	-	100,0%	43	43
Buildings and other fixed structures	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-
Machinery and equipment	20	-	21	21	-	100,0%	43	43
Transport equipment	-	-	-	-	-	-	-	-
Other machinery and equipment	20	-	21	21	-	100,0%	43	43
Payment for financial assets	-	-	-	-	-	-	-	-
TOTAL	44 618 802	-	44 610 131	41 709 671	2 900 460	93,5%	40 725 499	39 080 214

Bursaries: Employees	-	-	-	-	-	-	-	-	500	500	-	-	-	-	-	-	-	500	500
Catering: Departmental activities	286	-	-	284	-	-	284	-	576	576	-	-	-	-	-	-	-	576	576
Communication (G&S)	459	(2)	84	537	-	-	537	-	368	368	-	-	-	-	-	-	-	368	368
Computer services	7 646	(6)	199	1 074	-	-	1 074	-	6 209	6 209	-	-	-	-	-	-	-	6 111	6 111
Consultants: Business and advisory services	14 281	(6 771)	19 040	35 554	-	-	35 554	-	3 887	3 887	-	-	-	-	-	-	-	3 887	3 887
Infrastructure and planning services	-	2 233	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	14	14	-	-	-	-	-	-	-	14	14
Contractors	-	380	27	407	-	-	407	-	8	8	-	-	-	-	-	-	-	8	8
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Entertainment	11	(11)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	5	67	-	72	-	-	72	-	21	21	-	-	-	-	-	-	-	21	21
Inventory: Materials and supplies	-	-	106	106	-	-	106	-	2	2	-	-	-	-	-	-	-	2	2
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	423	(423)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Consumable supplies	-	1 934	616	2 550	-	-	2 550	-	5	5	-	-	-	-	-	-	-	5	5
Consumable: Stationery, printing and office supplies	677	(516)	(3)	158	-	-	158	-	228	228	-	-	-	-	-	-	-	228	228
Operating leases	1 644	2 311	-	3 955	-	-	3 955	-	-	-	-	-	-	-	-	-	-	-	-
Property payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Travel and subsistence	2 887	(988)	131	2 030	-	-	2 030	-	3 149	3 149	-	-	-	-	-	-	-	3 150	3 150
Training and development	429	(420)	-	9	-	-	9	-	1 142	1 142	-	-	-	-	-	-	-	1 142	1 142
Operating payments	27	307	-	334	-	-	334	-	539	539	-	-	-	-	-	-	-	539	539
Venues and facilities	356	88	-	444	-	-	444	-	911	911	-	-	-	-	-	-	-	911	911
Rental and hiring	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Programme 5: PROVINCIAL AND MUNICIPAL GOVERNMENT SYSTEMS

2014/15

2013/14

	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. Management: Provincial and Local Government Support	7 696	(1 293)	542	6 945	6 945	-	100,0%	8 959	8 959
2. Provincial Government Support and Intervention	6 600	(2 152)	11	4 459	4 405	54	98,8%	10 235	10 235
3. Local Government Support and Intervention	13 199	268	377	13 844	13 844	-	100,0%	19 414	19 414
4. Development Planning	8 361	3 177	595	12 133	12 133	-	100,0%	12 957	12 957
5. Municipal Systems Improvement Grant	252 152	-	-	252 152	252 152	-	100,0%	240 307	240 307
Total for sub programmes	288 008	-	1 525	289 533	289 479	54	100,0%	291 872	291 872
Economic classification									
Current payments	35 756	(68)	1 525	37 213	37 213	-	100,0%	51 517	51 517
Compensation of employees	22 985	(618)	521	22 888	22 888	-	100,0%	23 533	23 533
Salaries and wages	20 008	45	550	20 603	20 603	-	100,0%	21 142	21 142
Social contributions	2 977	(663)	(29)	2 285	2 285	-	100,0%	2 391	2 391
Goods and services	12 771	550	1 004	14 325	14 325	-	100,0%	27 984	27 984
Administrative fees	-	-	-	-	-	-	-	1	1
Advertising	50	(39)	-	11	11	-	100,0%	348	348
Minor assets	59	(53)	-	6	6	-	100,0%	79	79
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	498	51	-	549	549	-	100,0%	579	579

Communication (G&S)	566	(239)	(26)	301	-	100,0%	424	424
Computer services	100	1 550	595	2 245	-	100,0%	1 046	1 046
Consultants: Business and advisory services	7 302	(1 780)	(1)	5 521	-	100,0%	16 422	16 422
Infrastructure and planning services	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-
Contractors	100	(100)	-	-	-	-	95	95
Agency and support / outsourced services	-	18	-	18	-	100,0%	233	233
Entertainment	2	(2)	-	-	-	-	-	-
Fleet services (including government motor transport)	-	7	-	7	-	100,0%	22	22
Inventory: Food and food supplies	10	(10)	-	-	-	-	-	-
Inventory: Other supplies	24	(24)	-	-	-	-	-	-
Consumable supplies	-	-	-	-	-	-	10	10
Consumable: Stationery, printing and office supplies	1 180	(524)	-	656	-	100,0%	883	883
Operating leases	16	53	-	69	-	100,0%	81	81
Property payments	-	5	-	5	-	100,0%	110	110
Transport provided: Departmental activity	-	-	-	-	-	-	-	-
Travel and subsistence	2 015	2 169	436	4 620	-	100,0%	4 266	4 266
Training and development	456	(441)	-	15	-	100,0%	197	197
Operating payments	14	112	-	126	-	100,0%	333	333
Venues and facilities	379	(203)	-	176	-	100,0%	2 855	2 855
Rental and hiring	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-
Interest (Incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-
Transfers and subsidies	252 152	68	-	252 220	-	100,0%	240 307	240 307

Provinces and municipalities	252 152	-	-	252 152	252 152	-	100,0%	240 307	240 307
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	252 152	-	-	252 152	252 152	-	100,0%	240 307	240 307
Municipal bank accounts	252 152	-	-	252 152	252 152	-	100,0%	240 307	240 307
Subsidies on products and production (pe)	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	68	-	68	68	-	100,0%	-	-
Social benefits	-	68	-	68	68	-	100,0%	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	100	-	-	100	46	54	46,0%	48	48
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	100	-	-	100	46	54	46,0%	48	48
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	100	-	-	100	46	54	46,0%	48	48
Total	288 008	-	1 525	289 533	289 479	54	100,0%	291 872	291 872

Programme 6: INFRASTRUCTURE AND ECONOMIC DEVELOPMENT

Programme 6: INFRASTRUCTURE AND ECONOMIC DEVELOPMENT									
2014/15							2013/14		
	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. Management: Infrastructure	13 152	(4 604)	(5 166)	3 382	2 047	1 335	60,5%	2 893	2 839
2. Local Economic Development Planning	9 018	2 733	-	11 751	11 729	22	99,8%	9 881	9 880
3. Infrastructure Development	11 572	1 871	39	13 482	13 417	65	99,5%	11 379	10 306
4. Municipal Infrastructure Grant	14 764 049	-	-	14 764 049	14 745 445	18 604	99,9%	14 354 531	14 224 447
5. Community Work Programme	2 257 840	-	-	2 257 840	1 649 965	607 875	73,1%	1 730 608	1 721 707
6. Municipal Infrastructure Support Agency	294 162	-	-	294 162	294 162	-	100,0%	262 040	261 795
Total for sub programmes	17 349 793	-	(5 127)	17 344 666	16 716 765	627 901	96,4%	16 371 332	16 230 974
Economic classification									
Current payments	2 291 172	(44)	(5 042)	2 286 086	1 676 876	609 210	73,4%	1 754 285	1 744 256
Compensation of employees	50 939	(1 163)	(5 064)	44 712	39 760	4 952	88,9%	47 977	38 190
Salaries and wages	47 704	(1 510)	(5 064)	41 130	36 179	4 951	88,0%	44 695	34 913
Social contributions	3 235	347	-	3 582	3 581	1	100,0%	3 282	3 277
Goods and services	2 240 233	1 119	22	2 241 374	1 637 116	604 258	73,0%	1 706 308	1 706 066
Administrative fees	3	5 911	-	5 914	5 914	-	100,0%	420	420
Advertising	1 623	86	-	1 709	759	950	44,4%	-	-
Minor assets	868	(56)	-	812	30	782	3,7%	57	57
Audit costs: External	-	3 269	-	3 269	3 269	-	100,0%	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	1 766	(385)	-	1 381	730	651	52,9%	1 196	1 196

Communication (G&S)	1 252	(124)	-	1 128	694	434	61,5%	603	603
Computer services	49 062	(6 219)	-	42 843	-	42 843	-	327	327
Consultants: Business and advisory services	38 175	150 566	-	188 741	181 069	7 672	95,9%	332 568	332 568
Contractors	1 661 006	(150 992)	-	1 510 014	1 356 239	153 775	89,8%	1 359 262	1 359 075
Agency and support / outsourced services	862	(277)	-	585	585	-	100,0%	478	478
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services (including government motor transport)	-	22	-	22	22	-	100,0%	62	61
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and accessories	-	22 486	-	22 486	22 486	-	100,0%	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	9	-	9	9	-	100,0%	10	10
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	460 000	(53 072)	-	406 928	28 131	378 797	6,9%	100	100
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas inventory interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	270	-	-	270	-	270	-	-	-
Consumable supplies	-	7	-	7	7	-	100,0%	80	80
Consumable: Stationery, printing and office supplies	10 255	(230)	(102)	9 923	408	9 515	4,1%	802	772
Operating leases	1 756	(33)	-	1 723	99	1 624	5,7%	83	83
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	11 765	299	124	12 188	5 840	6 348	47,9%	8 877	8 853
Training and development	181	30 189	-	30 370	30 370	-	100,0%	58	58
Operating payments	9	193	-	202	202	-	100,0%	19	19

Venues and facilities	1 380	(530)	-	850	253	597	29,8%	1 306	1 306
Transfers and subsidies	15 058 471	-	-	15 058 471	15 039 845	18 626	99,9%	14 616 971	14 486 642
Provinces and municipalities	14 764 049	-	-	14 764 049	14 745 445	18 604	99,9%	14 354 531	14 224 447
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	14 764 049	-	-	14 764 049	14 745 445	18 604	99,9%	14 354 531	14 224 447
Municipal bank accounts	14 764 049	-	-	14 764 049	14 745 445	18 604	99,9%	14 354 531	14 224 447
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	294 162	-	-	294 162	294 162	-	100,0%	262 040	261 795
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies (non-business entities)	294 162	-	-	294 162	294 162	-	100,0%	262 040	261 795
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	260	-	-	260	238	22	91,5%	400	400
Payments for capital assets	150	44	(85)	109	44	65	40,4%	76	76
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	150	44	(85)	109	44	65	40,4%	76	76
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	150	44	(85)	109	44	65	40,4%	76	76
Total	17 349 793	-	(5 127)	17 344 666	16 716 765	627 901	96,4%	16 371 332	16 230 974

Programme 7 : TRADITIONAL AFFAIRS

2014/15

2013/14

	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1.Traditional Affairs	115 864	-	-	115 864	115 864	-	100.0%	111 702	111 702
Total for sub programmes	115 864	-	-	115 864	115 864	-	100%	111702	111702
Transfers and subsidies									
Municipal agencies and funds	115 864	-	-	115 864	115 864	-	100%	111 702	111 702
Departmental agencies and accounts	115 864	-	-	115 864	115 864	-	100%	111 702	111 702
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies (non-business entities)	115 864	-	-	115 864	115 864	-	100%	111 702	111 702
Payment for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	115 864			115 864				111 702	111 702

Notes to the Appropriation Statement

for the year ended 31 March 2015

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

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

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

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

3. Detail on payments for financial assets

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

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

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Administration	242 025	241 628	397	100%
Policy, Research and Knowledge Management	20 251	18 471	1 780	91%
Governance and Intergovernmental Relations	44 610 131	41 709 671	2 900 460	93%
National Disaster Management Centre	829 417	385 774	443 643	47%
Provincial and Municipal Government Systems	289 533	289 479	54	100%
Infrastructure and Economic Development	17 344 666	16 716 765	627 901	96%
Traditional Affairs	115 864	115 864	0	100%

Administration	In line with expenditure
Policy, Research and Knowledge Management	The under-spending is mainly due to the delay in the receipt of some invoices for completed projects and the delays that emanated from the implementation of the procurement plan
Governance and Intergovernmental Relations	The under-spending is mainly due to the withholding of equitable share grants from some municipalities, which did not perform according to the DORA requirements as well as delays in the transfer of funds to the United Cities & Local Government of Africa, because the claim was not submitted to the Department
National Disaster Management Centre	The under-spending is mainly due to the uncertainty with the payment of disaster relief grant. This grant is only paid when disasters are declared and with the approval of National Treasury.
Provincial and Municipal Government Systems	In line with expenditure
Infrastructure and Economic Development	under-spending is mainly due to the withholding of Municipal Infrastructure Grant Fund, for one municipality and due to delays in the receipt of invoices from the Implementing Agents and delays with the procurement processes of the material used by participants, at site level.
Traditional Affairs	In line with expenditure

Notes to the Appropriation Statement for the year ended 31 March 2015

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 expenditure				
Compensation of employees	239 394	234 442	4 952	98%
Goods and services	2 438 522	1 832 121	606 401	75%
Interest and rent on land				
Transfers and subsidies				
Provinces and municipalities	60 261 609	56 901 276	3 360 333	94%
Departmental agencies and accounts	481 895	481 895	0	100%
Higher education institutions				
Public corporations and private enterprises				
Foreign governments and international organisations	260	238	22	92%
Non-profit institutions	11 665	9 280	2 385	80%
Households	357	357	0	100%
Payments for capital assets				
Buildings and other fixed structures				
Machinery and equipment	19 421	17 413	2 008	90%
Heritage assets	138	138	0	100%
Specialised military assets				
Biological assets				
Land and subsoil assets				
Software and other intangible assets				
Payments for financial assets	263	263	0	100%

Goods and Services: Under-spending is due to delays in the receipt of invoices from the Implementing Agents, delays with the procurement processes of the material used by participants at site level and the change in the Business model for the payment of participants:

Transfers and Subsidies: The under-spending is mainly due to the withholding of Local Government Equitable Share and Municipal Infrastructure Grants in respect of some municipalities, which did not perform according to the DORA requirements as well as Disaster Relief funds which were not transferred as projected.

Notes to the Appropriation Statement for the year ended 31 March 2015

4.3 Per conditional grant	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Munisipal Infrastructure Grant	14 764 049	14 745 445	18 604	100%
Munisipal Systems Improvement Grant	252 152	252 152	0	100%
Provincial Disaster Grant	197 372	85 951	111 421	44%
Municipal Disaster Grant	166 208	121 483	44 725	73%
Disaster Recovery Grant	194 253	190 102	4 151	98%

The under-spending is mainly due to the withholding of Local Government Equitable Share and Municipal Infrastructure Grants in respect of some municipalities, which did not perform according to the DORA requirements as well as Disaster Relief funds which were not transferred as projected.

Statement of Financial Performance

for the year ended 31 March 2015

	<i>Note</i>	2014/15 R'000	2013/14 R'000
REVENUE			
Annual appropriation	<u>1</u>	63 453 885	58 458 907
Statutory appropriation		-	-
Departmental revenue	<u>2</u>	1 916	1 220
Aid assistance	<u>3</u>		
TOTAL REVENUE		63 455 801	58 460 127
EXPENDITURE			
Current expenditure			
Compensation of employees	<u>4</u>	234 443	269 740
Goods and services	<u>5</u>	1 832 166	1 923 124
Aid assistance	<u>3</u>		1598
Total current expenditure		2 066 609	2 194 462
Transfers and subsidies			
Transfers and subsidies	<u>7</u>	57 393 039	54 193 279
Aid assistance	<u>3</u>		
Total transfers and subsidies		57 393 039	54 193 279
Expenditure for capital assets			
Tangible assets	<u>8</u>	17 874	15 011
Total expenditure for capital assets		17 874	15 011
Unauthorised expenditure approved without funding	<u>9</u>	-	-
Payments for financial assets	<u>6</u>	262	418
TOTAL EXPENDITURE		59 477 784	56 403 170
SURPLUS/(DEFICIT) FOR THE YEAR		3 978 017	2 056 957

Statement of Financial Performance for the year ended 31 March 2015

Reconciliation of Net Surplus/(Deficit) for the year

Voted funds		3 976 101	2 057 335
Annual appropriation		613 361	26 237
Conditional grants		3 362 740	2 031 098
Unconditional grants			
Departmental revenue and NRF Receipts	<u>14</u>	1 916	1 220
Aid assistance	<u>3</u>		(1 598)
SURPLUS/(DEFICIT) FOR THE YEAR		3 978 017	2 056 957

Statement of Financial Position

as at 31 March 2015

	<i>Note</i>	2014/15 R'000	2013/14 R'000
ASSETS			
Current assets		4 063 535	2 092 966
Unauthorised expenditure	<u>9</u>	1 123	1 123
Cash and cash equivalents	<u>10</u>	3 972 338	1 952 942
Prepayments and advances	<u>11</u>	226	278
Receivables	<u>12</u>	89 848	138 623
Non-current assets		4 738	-
Receivables	<u>12</u>	4 738	-
TOTAL ASSETS		4 068 273	2 092 966
LIABILITIES			
Current liabilities		4 068 273	2 092 966
Voted funds to be surrendered to the Revenue Fund	<u>13</u>	3 976 101	2 056 685
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>14</u>	52	906
Bank overdraft		-	-
Payables	<u>15</u>	92 120	557
Aid assistance repayable	<u>3</u>	-	34 818
Non-current liabilities			
Payables		-	-
TOTAL LIABILITIES		4 068 273	2 092 966
NET ASSETS			

Statement of Changes in Net Assets

for the year ended 31 March 2015

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Capitalisation Reserves			
Opening balance			
Transfers:			
Movement in Equity			
Movement in Operational Funds			
Other movements			
Closing balance		-	-
Recoverable revenue			
Opening balance			
Transfers:			
Irrecoverable amounts written off			
Debts revised			
Debts recovered (included in departmental receipts)			
Debts raised			
Closing balance		-	-
Retained funds			
Opening balance			
Transfer from voted funds to be surrendered (Parliament/ Legislatures ONLY)			
Utilised during the year			
Other transfers			
Closing balance		-	-
Revaluation Reserve			
Opening balance			
Revaluation adjustment (Housing departments)			
Transfers			
Other			
Closing balance		-	-
TOTAL		-	-

Cash Flow Statement

for the year ended 31 March 2015

	<i>Note</i>	2014/15 R'000	2013/14 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		63 455 748	58 459 461
Annual appropriated funds received	<u>1.1</u>	63 453 885	58 458 257
Departmental revenue received	<u>2</u>	1 862	1 204
Interest received	<u>2.2</u>	1	-
Net (increase)/decrease in working capital		135 652	(132 805)
Surrendered to Revenue Fund		(2 059 455)	(1 419 554)
Surrendered to RDP Fund/Donor		(34 818)	(1 392)
Current payments		(2 066 609)	(2 194 462)
Interest paid		-	-
Payments for financial assets		(262)	(418)
Transfers and subsidies paid		(57 393 039)	(54 193 279)
Net cash flow available from operating activities	<u>16</u>	2 037 217	517 551
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	<u>8</u>	(17 874)	(15 011)
Proceeds from sale of capital assets	<u>2.3</u>	53	16
(Increase)/decrease in loans		-	-
(Increase)/decrease in investments		-	-
(Increase)/decrease in other financial assets		-	-
Net cash flows from investing activities		(17 821)	(14 995)
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution/dividend received		-	-
Increase/(decrease) in net assets		-	-
Increase/(decrease) in non-current payables		-	-
Net cash flows from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		2 019 396	502 556
Cash and cash equivalents at beginning of period		1 952 942	1 450 386
Cash and cash equivalents at end of period	<u>17</u>	3 972 338	1 952 942

Accounting Policies

for the year ended 31 March 2015

Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated.

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

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

1	Basis of preparation The financial statements have been prepared in accordance with the Modified Cash Standard.
2	Going concern The financial statements have been prepared on a going concern basis.
3	Presentation currency Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
4	Rounding Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).
5	Foreign currency translation Cash flows arising from foreign currency transactions are translated into South African Rands using the exchange rates prevailing at the date of payment / receipt.
6	Comparative information
6.1	Prior period comparative information Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.
6.2	Current year comparison with budget A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.
7	Revenue
7.1	Appropriated funds Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective. The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.
7.2	Departmental revenue Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.

7.3	Accrued departmental revenue Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: <ul style="list-style-type: none">▪ it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and▪ the amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.
8	Expenditure
8.1	Compensation of employees
8.1.1	Salaries and wages Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	Social contributions Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	Other expenditure Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.
8.3	Accrued expenditure payable Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department. Accrued expenditure payable is measured at cost.
8.4	Leases
8.4.1	Operating leases Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements.
8.4.2	Finance leases Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: <ul style="list-style-type: none">▪ cost, being the fair value of the asset; or▪ the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9	Aid Assistance
9.1	Aid assistance received Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.
9.2	Aid assistance paid Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.

Accounting Policies for the year ended 31 March 2015

10	<p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position.</p> <p>For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p>
11	<p>Prepayments and advances</p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p>
12	<p>Loans and receivables</p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>
13	<p>Investments</p> <p>Investments are recognised in the statement of financial position at cost.</p>
14	<p>Impairment of financial assets</p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>
15	<p>Payables</p> <p>Loans and payables are recognised in the statement of financial position at cost.</p>
16	<p>Capital Assets</p>
16.1	<p>Immovable capital assets</p> <ul style="list-style-type: none"> ▪ Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. ▪ Where the cost of immovable capital assets cannot be determined accurately, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used. ▪ All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. <p>Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.</p>
16.2	<p>Movable capital assets</p> <ul style="list-style-type: none"> ▪ Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. ▪ Where the cost of movable capital assets cannot be determined accurately, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. ▪ All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. ▪ Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>

Accounting Policies for the year ended 31 March 2015

16.3	<p>Intangible assets</p> <ul style="list-style-type: none"> ▪ Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. ▪ Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. ▪ Where the cost of intangible assets cannot be determined accurately, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. ▪ All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. ▪ Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>
17	<p>Provisions and Contingents</p>
17.1	<p>Provisions</p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
17.2	<p>Contingent liabilities</p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably</p>
17.3	<p>Contingent assets</p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department</p>
17.4	<p>Commitments</p> <p>Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash</p>
18	<p>Unauthorised expenditure</p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> ▪ approved by Parliament or the Provincial Legislature with funding and the related funds are received; or ▪ approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or ▪ transferred to receivables for recovery. <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>

Accounting Policies for the year ended 31 March 2015

19	<p>Fruitless and wasteful expenditure</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
20	<p>Irregular expenditure</p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
21	<p>Changes in accounting policies, accounting estimates and errors</p> <p>Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
22	<p>Events after the reporting date</p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
23	<p>Capitalisation reserve</p> <p>The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received</p>
24	<p>Recoverable revenue</p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
25	<p>Related party transactions</p> <p>A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions are recorded in the notes to the financial statements when the transaction is not at arm's length.</p>

Notes to the Annual Financial Statements

for the year ended 31 March 2015

1. Annual Appropriation

1.1 Annual Appropriation

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

	2014/15		2013/14	
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received
	R'000	R'000	R'000	R'000
Administration	242 025	244 722	(2 697)	211 230
Policy, Research and knowledge management	20 251	20 251	-	52 183
Governance and Intergovernmental Relations	44 610 131	44 609 936	195	40 725 499
National Disaster Management centre	831 415	829 417	1 998	694 439
Provincial and municipal government systems	289 533	289 153	380	291 872
Infrastructure and economic development	17 344 666	17 344 542	124	16 371 332
Traditional Affairs	115 864	115 864	-	111 702
Total	63 453 885	63 453 885	-	58 458 257

Notes to the Annual Financial Statements for the year ended 31 March 2015

2. Departmental revenue

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Tax revenue			
Sales of goods and services other than capital assets	2.1	174	175
Fines, penalties and forfeits		-	-
Interest, dividends and rent on land	2.2	1	-
Sales of capital assets	2.3	53	16
Transactions in financial assets and liabilities	2.4	1 688	1 029
Transfer received		-	-
Total revenue collected		1 916	1 220
Less: Own revenue included in appropriation	<u>19</u>		
Departmental revenue collected		1 916	1 220

2.1 Sales of goods and services other than capital assets

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Sales of goods and services produced by the department	<u>2</u>	173	174
Sales by market establishment		173	94
Administrative fees		-	-
Other sales		-	80
Sales of scrap, waste and other used current goods		1	1
Total		174	175

2.2 Interest, dividends and rent on land

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Interest	<u>2</u>	1	-
Dividends		-	-
Rent on land		-	-
Total		1	-

Notes to the Annual Financial Statements for the year ended 31 March 2015

2.3 Sale of capital assets

	Note <u>2</u>	2014/15 R'000	2013/14 R'000
Tangible assets		53	16
Buildings and other fixed structures	41	-	-
Machinery and equipment		53	16
Specialised military assets		-	-
Land and subsoil assets		-	-
Biological assets		-	-
		-	-
Intangible assets		-	-
Software		-	-
Mastheads and publishing titles		-	-
Patents, licences, copyright, brand names, trademarks		-	-
Recipes, formulae, prototypes, designs, models		-	-
Services and operating rights		-	-
		-	-
Total		53	16

2.4 Transactions in financial assets and liabilities

	Note <u>2</u>	2014/15 R'000	2013/14 R'000
Loans and advances			
Receivables			
Forex gain			
Stale cheques written back			
Other Receipts including Recoverable Revenue		1 688	1 029
		-	-
Total		1 688	1 029

3. Aid assistance

	Note	2014/15 R'000	2013/14 R'000
Opening Balance		34 818	34 818
Prior period error		-	-
As restated		34 818	34 818
Transferred from statement of financial performance		-	-
Transfers to or from retained funds		-	-
Paid during the year		(34 818)	-
Closing Balance		-	34 818

Notes to the Annual Financial Statements for the year ended 31 March 2015

3.1 Analysis of balance by source

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Aid assistance from RDP	3	-	34 818
Aid assistance from other sources		-	-
CARA		-	-
Closing balance		-	34 818

3.2 Analysis of balance

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Aid assistance receivable	3	-	-
Aid assistance prepayments		-	-
Aid assistance unutilised		-	-
Aid assistance repayable		-	-
		-	34 818
Closing balance		-	34 818

4. Compensation of employees

4.1 Salaries and Wages

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Basic salary		153 397	175 455
Performance award		2 138	3 006
Service Based		748	877
Compensative/circumstantial		4 863	6070
Periodic payments		523	1 602
Other non-pensionable allowances		49 777	57 255
Total		211 446	244 265

Notes to the Annual Financial Statements for the year ended 31 March 2015

4.2 Social contributions

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Employer contributions			
Pension		18 375	19 793
Medical		4 595	5 649
UIF		-	1
Bargaining council		27	32
Official unions and associations		-	-
Insurance		-	-
Total		22 997	25 475
Total compensation of employees		234 443	269 740
Average number of employees		429	597

5. Goods and services

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Administrative fees		5 964	67
Advertising		2 475	4 352
Minor assets	<u>5.1</u>	2 807	1 456
Bursaries (employees)		937	1 696
Catering		2 860	8 042
Communication		5 943	10 242
Computer services	<u>5.2</u>	17 801	21 891
Consultants: Business and advisory services		1 607 107	365 604
Infrastructure and planning services		-	-
Laboratory services		-	-
Scientific and technological services		-	-
Legal services		-	-
Contractors		-	1 361 366
Agency and support / outsourced services		-	715
Entertainment		-	-
Audit cost – external	<u>5.3</u>	6 872	7 571
Fleet services		1 967	1 784
Inventory		-	-
Consumables	<u>5.4</u>	62 701	8 342
Housing		-	-
Operating leases		35 650	38 673
Property payments	<u>5.5</u>	14 630	9 031
Rental and hiring		-	17
Transport provided as part of the departmental activities		-	41
Travel and subsistence	<u>5.6</u>	29 295	57 717

Notes to the Annual Financial Statements for the year ended 31 March 2015

Venues and facilities		2 128	11 767
Training and development		31 118	3 667
Other operating expenditure	5.7	1 911	2 554
Total		1 832 166	1 923 124

5.1 Minor assets

	Note	2014/15	2013/14
	5	R'000	R'000
Tangible assets		2 807	1 456
Buildings and other fixed structures		-	-
Biological assets		-	-
Heritage assets		-	-
Machinery and equipment		2 807	1 456
Transport assets		-	-
Total		2 807	1 456

5.2 Computer services

	Note	2014/15	2013/14
	5	R'000	R'000
SITA computer services		7 300	7 222
External computer service providers		10 501	14 669
Total		17 801	21 891

5.3 Audit cost – External

	Note	2014/15	2013/14
	5	R'000	R'000
Regularity audits		6 488	7 187
Performance audits		-	-
Investigations		384	384
Environmental audits		-	-
Computer audits		-	-
Total		6 872	7 571
Other supplies	5.4.1	-	-
Total		-	-

Notes to the Annual Financial Statements for the year ended 31 March 2015

5.4 Consumables

	Note <u>5</u>	2014/15 R'000	2013/14 R'000
Consumable supplies		57 322	837
Uniform and clothing		292	10
Household supplies		259	226
Building material and supplies		-	1
Communication accessories		-	-
IT consumables		4 112	75
Other consumables		52 659	525
Stationery, printing and office supplies		5 379	7 505
Total		62 701	8 342

5.5 Property payments

	Note <u>5</u>	2014/15 R'000	2013/14 R'000
Municipal services		9 915	5 690
Property management fees		2 426	1 347
Property maintenance and repairs		-	-
Other		2 289	1 994
Total		14 630	9 031

5.6 Travel and subsistence

	Note <u>5</u>	2014/15 R'000	2013/14 R'000
Local		21 823	53 776
Foreign		7 472	3 941
Total		29 295	57 717

5.7 Other operating expenditure

	Note <u>5</u>	2014/15 R'000	2013/14 R'000
Professional bodies, membership and subscription fees		2	30
Resettlement costs		313	238
Other		1 596	2 286
Total		1 911	2 554

Notes to the Annual Financial Statements for the year ended 31 March 2015

6. Payments for financial assets

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Material losses through criminal conduct		-	-
Theft		-	-
Other material losses		-	-
Purchase of equity		-	-
Extension of loans for policy purposes		-	-
-Other material losses written off	<i>6.1</i>	262	418
Debts written off		-	-
Forex losses		-	-
Debt take overs		-	-
Losses on GFECRA		-	-
Total		262	418

6.1 Other material losses written off

Nature of losses	<i>Note</i>	2014/15 R'000	2013/14 R'000
Air Tickets		178	188
Car accidents		84	212
Tax debt salary overpayment		-	18
Total		262	418

7. Transfers and subsidies

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Provinces and municipalities	<i>47, 48</i>	56 901 350	53 811 709
Departmental agencies and accounts	<i>Annex 1B</i>	481 822	362 449
Higher education institutions	<i>Annex 1C</i>	-	-
Foreign governments and international organisations	<i>Annex 1E</i>	238	400
Public corporations and private enterprises	<i>Annex 1D</i>	-	-
Non-profit institutions	<i>Annex 1F</i>	9 280	13 888
Households	<i>Annex 1G</i>	349	4 833
Total		57 393 039	54 193 279

Unspent funds transferred to the above beneficiaries

Notes to the Annual Financial Statements for the year ended 31 March 2015

8. Expenditure for capital assets

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Tangible assets		17 874	15 011
Buildings and other fixed structures		-	-
Heritage assets	27	-	-
Machinery and equipment	27	17 874	15 011
Specialised military assets	27	-	-
Land and subsoil assets		-	-
Biological assets	27	-	-
Intangible assets			
Software		-	-
Mastheads and publishing titles		-	-
Patents, licences, copyright, brand names, trademarks		-	-
Recipes, formulae, prototypes, designs, models		-	-
Services and operating rights		-	-
Total		17 874	15 011
The following amounts have been included as project costs in Expenditure for capital assets		-	-
Compensation of employees		-	-
Goods and services		-	-
Total		-	-

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

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	17 874		19 789
Buildings and other fixed structures	-	-	-
Heritage assets	-	-	-
Machinery and equipment	17 874	-	19 789
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
Intangible assets			
Software	-	-	-
Mastheads and publishing titles	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-
Services and operating rights	-	-	-
Total	17 874	-	19 789

Notes to the Annual Financial Statements for the year ended 31 March 2015

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

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	15 011		15 011
Buildings and other fixed structures	-	-	-
Heritage assets	-	-	-
Machinery and equipment	15 011	-	15 011
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
Intangible assets			
Software	-	-	-
Mastheads and publishing titles	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-
Services and operating rights	-	-	-
Total	15 011	-	15 011

8.3 Finance lease expenditure included in Expenditure for capital assets

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Tangible assets			
Buildings and other fixed structures		-	-
Heritage assets		-	-
Machinery and equipment		2 895	2 852
Specialised military assets		-	-
Land and subsoil assets		-	-
Biological assets		-	-
Total		2 895	2 852

Notes to the Annual Financial Statements for the year ended 31 March 2015

9. Unauthorised expenditure

9.1 Reconciliation of unauthorised expenditure

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Opening balance		1 123	1 123
Prior period error			
As restated		1 123	1 123
Unauthorised expenditure – discovered in current year (as restated)		-	-
Less: Amounts approved by Parliament/Legislature with funding		-	-
Less: Amounts approved by Parliament/Legislature without funding		-	-
Capital		-	-
Current		-	-
Transfers and subsidies		-	-
Less: Amounts transferred to receivables for recovery	15	-	-
Unauthorised expenditure awaiting authorisation / written off		1 123	1 123

Analysis of awaiting authorisation per economic classification

Capital
Current
Transfers and subsidies
Total

9.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

	2014/15 R'000	2013/14 R'000
Capital	1 123	1 123
Current	-	-
Transfers and subsidies	-	-
Total	1 123	1 123

9.3 Analysis of unauthorised expenditure awaiting authorisation per type

	2014/15 R'000	2013/14 R'000
Unauthorised expenditure relating to overspending of the vote or a main division within a vote	1 123	1 123
Unauthorised expenditure incurred not in accordance with the purpose of the vote or main division	-	-
Total	1 123	1 123

Notes to the Annual Financial Statements for the year ended 31 March 2015

10. Cash and cash equivalents

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Consolidated Paymaster General Account		3 972 322	1 952 942
Cash receipts		-	-
Disbursements		-	-
Cash on hand		16	-
Investments (Domestic)		-	-
Investments (Foreign)		-	-
Total		3 972 338	1 952 942

An amount of R 91 million is held in a separate Standard bank account. The amount is solely for the payment of CWP wages which did not disburse as at 31 March 2015 but will be cleared in the subsequent months.

11. Prepayments and advances

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Staff advances		-	7
Travel and subsistence		76	167
Prepayments		-	-
Advances paid	<i>11.1</i>	150	104
SOCPEN advances		-	-
Total		226	278

11.1 Advances paid

	<i>Note</i>	2014/15 R'000	2013/14 R'000
National departments	<i>11 Annexure 8A</i>	150	104
Provincial departments		-	-
Public entities		-	-
Other entities		-	-
Total		150	104

Notes to the Annual Financial Statements for the year ended 31 March 2015

12. Receivables

	Note	2014/15			R'000 Total	2013/14
		R'000 Less than one year	R'000 One to three years	R'000 Older than three years		R'000 Total
Claims recoverable	<u>12.1</u> <i>Annex 4</i>	88 992	142	14	89 148	229
Staff debt	<u>12.2</u>	856	1 713	464	3 033	2 937
Other debtors	<u>12.3</u>		6	2 399	2 405	135 457
Total		89 848	1 861	2 877	94 586	138 623

12.1 Claims recoverable

	Note	2014/15	2013/14
	12	R'000	R'000
National departments		13 811	229
Provincial departments		198	-
Foreign governments			-
Public entities		2 652	-
Private enterprises			-
Higher education institutions			-
Households and non-profit institutions			-
Local governments		72 487	-
Total		89 148	229

12.2 Staff debt

	Note	2014/15	2013/14
	12	R'000	R'000
Tax debt		6	38
Bursary debt		-	-
Car accidents		1 717	1 790
Telephone debt		448	-
Debt account		850	655
Salary reversal control		-	87
Unauthorised use of government vehicle		-	-
Other		-	311
Debt receivable income		-	-
Salary acb recalls		12	56
Total		3 033	2 937

Notes to the Annual Financial Statements for the year ended 31 March 2015

12.3 Other debtors

	<i>Note</i> 12	2014/15 R'000	2013/14 R'000
VAT input Account: CL		2 399	2 399
Sal: Medical Aid		6	5
Disallowance Miscellaneous :CA		-	133 053
		2 405	135 457

12.4 Impairment of receivables

	2014/15 R'000	2013/14 R'000
Estimate of impairment of receivables	2 877	227
Total	2 877	227

13. Voted funds to be surrendered to the Revenue Fund

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Opening balance		2 056 685	1 419 117
Prior period error		-	-
As restated		2 056 685	1 419 117
Transfer from statement of financial performance (as restated)		3 976 101	2 057 335
Add: Unauthorised expenditure for current year	<u>9</u>	-	-
Voted funds not requested/not received	<u>1.1</u>	-	(650)
Transferred to retained revenue to defray excess expenditure (PARLIAMENT/LEGISLATURES ONLY)		-	-
Paid during the year		(2 056 685)	(1 419 117)
Closing balance		3 976 101	2 056 685

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

	2014/15 R'000	2013/14 R'000
Opening balance	906	123
Prior period error	-	-
As restated	906	123
Transfer from Statement of Financial Performance (as restated)	1 916	1 220
Own revenue included in appropriation	-	-
Transfer from aid assistance	-	-
Transfer to voted funds to defray expenditure (Parliament/ Legislatures ONLY)	-	-
Paid during the year	(2 770)	(437)
Closing balance	52	906

Notes to the Annual Financial Statements for the year ended 31 March 2015

15. Payables – current

	<i>Note</i>	2014/15	2013/14
		R'000	R'000
Amounts owing to other entities		-	-
Advances received		-	-
Clearing accounts	<u>15.1</u>	91 279	80
Other payables	<u>15.2</u>	841	477
Total		92 120	557

15.1 Clearing accounts

	<i>Note</i>	2014/15	2013/14
		R'000	R'000
Salary Deduction Disallowance Acc: CA	15	22	28
Sal: Reversal Control :CA		21	-
Tax Debt		-	14
Travel and Subsistence Advance		-	37
Disallowance Miscellaneous		-	1
CWP Wage Account		91 236	-
Total		91 279	80

An amount of R 91 million is held in a separate Standard bank account. The amount is solely for the payment of CWP wages which did not disburse as at 31 March 2015 but will be cleared in the subsequent months.

15.2 Other payables

	<i>Note</i>	2014/15	2013/14
		R'000	R'000
Debt Receivable Income	15	4	9
Pension Recoverable Acc		36	56
Sal: Income Tax: CL		769	384
Sal: Pension Fund		32	28
(Identify major categories, but list material amounts)			
Total		841	477

Notes to the Annual Financial Statements for the year ended 31 March 2015

16. Net cash flow available from operating activities

<i>Note</i>	2014/15	2013/14
	R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance	3 978 017	2 056 957
Add back non cash/cash movements not deemed operating activities	(1 940 800)	(1 539 406)
(Increase)/decrease in receivables – current	44 037	(133 101)
(Increase)/decrease in prepayments and advances	52	142
(Increase)/decrease in other current assets	-	-
Increase/(decrease) in payables – current	91 563	154
Proceeds from sale of capital assets	(53)	(16)
Proceeds from sale of investments	-	-
(Increase)/decrease in other financial assets	-	-
Expenditure on capital assets	17 874	15 011
Surrenders to Revenue Fund	(2 059 455)	(1 419 554)
Surrenders to RDP Fund/Donor	(34 818)	(1 392)
Voted funds not requested/not received	-	(650)
Own revenue included in appropriation	-	-
Other non-cash items	-	-
Net cash flow generated by operating activities	2 037 217	517 551

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

<i>Note</i>	2014/15	2013/14
	R'000	R'000
Consolidated Paymaster General account	3 972 322	1 952 942
Fund requisition account	-	-
Cash receipts	-	-
Disbursements	-	-
Cash on hand	16	-
Cash with commercial banks (Local)	-	-
Cash with commercial banks (Foreign)	-	-
Total	3 972 338	1 952 942

Notes to the Annual Financial Statements for the year ended 31 March 2015

18. Contingent liabilities and contingent assets

18.1 Contingent liabilities

		Note	2014/15 R'000	2013/14 R'000
Liable to	Nature			
Motor vehicle guarantees	Employees	<i>Annex 3A</i>	-	-
Housing loan guarantees	Employees	<i>Annex 3A</i>	11	11
Other guarantees		<i>Annex 3A</i>	-	-
-Claims against the department		<i>Annex 3B</i>	877	200
Intergovernmental payables (unconfirmed balances)		<i>Annex 5</i>	556	1 095
Environmental rehabilitation liability		<i>Annex 3B</i>	-	-
Other		<i>Annex 3B</i>	-	-
Total			1 444	1 306

DML facilitators and consulting instituted action against the department claiming relief of R169,855.00 for additional services rendered. LIMA Rural development Foundation issued summons against the minister for breach of contract in the amount of R706,942.18

19. Commitments

	Note	2014/15 R'000	2013/14 R'000
Current expenditure			
Approved and contracted		319 850	63 950
Approved but not yet contracted		23 085	519 320
		342 935	583 270
Capital expenditure			
Approved and contracted		40	1 720
Approved but not yet contracted		-	-
		40	1 720
Total Commitments		342 975	584 990

Notes to the Annual Financial Statements for the year ended 31 March 2015

20. Accruals and payables not recognised

	2014/15			2013/14
	R'000			R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	279 996	60 106	340 102	43 972
Interest and rent on land	-	-	-	-
Transfers and subsidies	-	24	24	3209
Capital assets	999	72	1 071	505
Total	280 995	60 202	341 197	47 686

	Note	2014/15	2013/14
		R'000	R'000
Listed by programme level			
Programme 1:Administration		22 531	21 133
Programme 2:Policy,Research and Knowledge Management		91	8 440
Programme 3:governance and intergovernmental Relations		829	3 281
Programme 4: Disaster Response Management		5 553	2 489
Programme 5:Prov and Mun Govt Systems		1 283	584
Programme 6:Infra & Economic Development		310 910	10 592
Programme 7: Traditional Affairs		-	167
Total		341 197	47 686

	Note	2014/15	2013/14
		R'000	R'000
Confirmed balances with other departments	<i>Annex 5</i>	-	162
Confirmed balances with other government entities	<i>Annex 5</i>	-	-
Total		-	162

Accrual mainly relate to CWP payments that were not made at year end.

21. Employee benefits

	Note	2014/15	2013/14
		R'000	R'000
Leave entitlement		7 741	9 154
Service bonus (Thirteenth cheque)		5 641	6 042
Performance awards		4 077	3 849
Capped leave commitments		5 867	7 904
Other		-	-
Total		23 326	26 949

Notes to the Annual Financial Statements for the year ended 31 March 2015

22. Lease commitments

22.1 Operating leases expenditure

2014/15	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	31 297	-	31 297
Later than 1 year and not later than 5 years	-	-	32 797	-	32 797
Later than five years	-	-	-	-	-
Total lease commitments	-	-	64 094	-	64 094

2013/14	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	29 887	-	29 887
Later than 1 year and not later than 5 years	-	-	63 884	-	63 884
Later than five years	-	-	-	-	-
Total lease commitments	-	-	93 771	-	93 771

Operating lease relates to lease of office buildings.

22.2 Finance leases expenditure**

2014/15	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	1 167	1 167
Later than 1 year and not later than 5 years	-	-	-	743	743
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	1 910	1 910

2013/14	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
Not later than 1 year	-	-	-	2 557	2 557
Later than 1 year and not later than 5 years	-	-	-	1 199	1 199
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	3 756	3 756

**This note excludes leases relating to public private partnership as they are separately disclosed to note no.35.

Finance lease relate to photocopiers and cell phones

Notes to the Annual Financial Statements for the year ended 31 March 2015

23. Irregular expenditure

23.1 Reconciliation of irregular expenditure

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Opening balance		417 073	727 438
Prior period error		-	-
As restated		417 073	727 438
Add: Irregular expenditure – relating to prior year		185 282	185 282
Add: Irregular expenditure – relating to current year		155 375	403 600
Less: Prior year amounts condoned			-
Less: Current year amounts condoned			(94 630)
Less: Amounts not condoned and recoverable	<i>15</i>		-
Less: Amounts not condoned and not recoverable		(22 393)	(804 617)
Closing balance		550 055	417 073

Analysis of awaiting condonation per age classification

Current year	132 982	63 033
Prior years	417 073	354 040
Total	550 055	417 073

23.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2014/15 R'000
Non-compliance to SCM relating to Other		25 668
Non-compliance to SCM relating to CWP		129 707
Total		155 375

23.3 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2013/14 R'000
		-
Total		-

Notes to the Annual Financial Statements for the year ended 31 March 2015

23.4 Details of irregular expenditure recoverable (not condoned)

Incident	2014/15 R'000
Total	-

23.5 Details of irregular expenditure not recoverable (not condoned)

Incident	Not condoned by (condoning authority)	2014/15 R'000
CWP relating to 2013/14 paid in 2014/15		22 393
Total		22 393

23.6 Details of irregular expenditures under investigation

Incident	2014/15 R'000
Non compliance to SCM relating to Other	420 348
Non compliance to SCM relating to CWP	129 707
Total	550 055

24. Fruitless and wasteful expenditure

24.1 Reconciliation of fruitless and wasteful expenditure

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Opening balance		8	2
Prior period error		-	-
As restated		8	2
Fruitless and wasteful expenditure – relating to prior year		-	-
Fruitless and wasteful expenditure – relating to current year			6
Less: Amounts resolved			-
Less: Amounts transferred to receivables for recovery	15.6		-
Fruitless and wasteful expenditure awaiting resolution		8	8

Notes to the Annual Financial Statements for the year ended 31 March 2015

24.2 Analysis of awaiting resolution per economic classification

	2014/15 R'000	2013/14 R'000
Current	8	8
Capital	-	-
Transfers and subsidies	-	-
Total	8	8

24.3 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2014/15 R'000
		-
		-
		-
Total		-

25. Related party transactions

Payments made	<i>Note</i>	2014/15 R'000	2013/14 R'000
Goods and services		127 441	35 738
Interest and rent on land			
Expenditure for capital assets			
Payments for financial assets			
Transfers			
Total		127 441	35 738

Related party transaction relates to department of Traditional Affair and MISA.

26. Key management personnel

	No. of Individuals	2014/15 R'000	2013/14 R'000
Political office bearers (provide detail below)			
Officials:			
Level 15 to 16	4	5 696	5 281
Level 14 (incl. CFO if at a lower level)	8	10 688	16 063
Family members of key management personnel	41	40 664	45 694
Total		57 048	67 038

Notes to the Annual Financial Statements for the year ended 31 March 2015

27. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
HERITAGE ASSETS	80	111	-	191
Heritage assets	80	111	-	191
MACHINERY AND EQUIPMENT	69 561	16 132	4 813	80 880
Transport assets	10 606	-	114	10 492
Computer equipment	43 613	8 334	3 439	48 508
Furniture and office equipment	8 421	2 290	64	10 647
Other machinery and equipment	6 921	5 508	1 196	11 233
SPECIALISED MILITARY ASSETS	-	-	-	-
Specialised military assets	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-
Biological assets	-	-	-	-
Capital Work-in-progress <i>(Effective 1 April 2016)</i>	-	-	-	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	69 641	16 243	4 813	81 071

Movable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Heritage assets		-
Machinery and equipment		-
Specialised military assets		-
Biological assets		-

Notes to the Annual Financial Statements for the year ended 31 March 2015

27.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	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
HERITAGE ASSETS	111	-	-	-	111
Heritage assets	111	-	-	-	111
MACHINERY AND EQUIPMENT	17 769	1 309	(2 895)	(51)	16 132
Transport assets	-	-	-	-	-
Computer equipment	7 456	1 322	(556)	112	8 334
Furniture and office equipment	3 383	(569)	(361)	(163)	2 290
Other machinery and equipment	6 930	556	(1 978)	-	5 508
SPECIALISED MILITARY ASSETS					
Specialised military assets					
BIOLOGICAL ASSETS					
Biological assets					
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	17 880	1 309	(2 895)	(51)	16 243

Notes to the Annual Financial Statements for the year ended 31 March 2015

27.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
MACHINERY AND EQUIPMENT	114	4 699	4 813	53
Transport assets	114	-	114	52
Computer equipment	-	3 439	3 439	1
Furniture and office equipment	-	64	64	-
Other machinery and equipment	-	1 196	1 196	-
SPECIALISED MILITARY ASSETS	-	-	-	-
Specialised military assets	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-
Biological assets	-	-	-	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	114	4 699	4 813	53

Notes to the Annual Financial Statements for the year ended 31 March 2015

27.3 Movement for 2013/14

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
HERITAGE ASSETS	80	-	-	-	80
Heritage assets	80	-	-	-	80
MACHINERY AND EQUIPMENT	62 821	(213)	12 733	5 780	69 409
Transport assets	9 438	-	1 306	138	10 606
Computer equipment	36 924	(77)	10 013	3 247	43 613
Furniture and office equipment	8 677	(54)	1 137	1 339	8 421
Other machinery and equipment	7 782	(82)	277	1 056	6 921
SPECIALISED MILITARY ASSETS	-	-	-	-	-
Specialised military assets	-	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-	-	-	-	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	62 901	(213)	12 733	5 780	69 641

Notes to the Annual Financial Statements for the year ended 31 March 2015

27.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2015

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	62	1 147	17 360	-	18 569
Additions	-	-	41	2 046	-	2 087
Disposals	-	28	-	487	-	515
TOTAL MINOR ASSETS	-	34	1 188	18 919	-	20 141

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	427	3	-	430
Number of minor assets at cost	-	17	2 340	13 188	-	15 545
TOTAL NUMBER OF MINOR ASSETS	-	17	2 767	13 191	-	15 975

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2015

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	64	1 000	16 601	-	17 665
Prior period error	-	(2)	147	147	-	292
Additions	-	-	-	2 526	-	2 526
Disposals	-	-	-	1 914	1 914	-
TOTAL MINOR ASSETS	-	62	1 147	17 360	-	18 569

Notes to the Annual Financial Statements for the year ended 31 March 2015

28. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	3 625	-	759	2 866
TOTAL INTANGIBLE CAPITAL ASSETS	3 625	-	759	2 866

Intangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the intangible capital assets per the asset register are assets that are under investigation:		
Software		-
Mastheads and publishing titles		-
Patents, licences, copyright, brand names, trademarks		-
Recipes, formulae, prototypes, designs, models		-
Services and operating rights		-

28.1 Disposals

DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Sold for cash R'000	Transfer out or destroyed or scrapped R'000	Total disposals R'000	Cash Received Actual R'000
SOFTWARE	-	759	759	-
TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS	-	759	759	-

28.2 Movement for 2013/14

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	3 739	-	-	114	3 625
TOTAL INTANGIBLE CAPITAL ASSETS	3 739			114	3 625

Notes to the Annual Financial Statements for the year ended 31 March 2015

29. Prior period errors

29.1 Correction of prior period errors

	<i>Note</i>	2014/15 R'000
Revenue: (E.g. Annual appropriation, Departmental revenue, Aid assistance, etc.)		
Line item 1 affected by the change		
Line item 2 affected by the change		
Line item 3 affected by the change		
Net effect		

Annexures to the Annual Financial Statements

for the year ended 31 March 2015

30. STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES

NAME OF PROVINCE / GRANT	GRANT ALLOCATION			TRANSFER			SPENT			2013/14 Division of Revenue Act R'000	
	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 National Department %	Amount received by department R'000	Amount spent by department R'000		% of available funds spent by department %
Summary by province											
Eastern Cape	-	-	-	-	-	-	-	-	-	-	-
Free State	15 791	-	-	15 791	15 791	-	-	-	-	-	-
Gauteng	-	-	-	-	-	-	-	-	-	-	-
KwaZulu-Natal	10 200	-	-	10 200	10 200	-	-	-	-	-	-
Limpopo	9 510	-	-	9 510	9 510	-	-	-	-	-	-
Mpumalanga	50 450	-	-	50 450	50 450	-	-	-	-	-	-
Northern Cape	-	-	-	-	-	-	-	-	-	-	50 000
North West	-	-	-	-	-	-	-	-	-	-	43 630
Western Cape	-	-	-	-	-	-	-	-	-	-	-
	85 951	-	-	85 951	85 951	-	-	-	-	-	93 630

The Department can confirm that as per the DORA requirements, all transfers were made into the primary bank accounts of the municipalities and/or provinces.

30. STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES (cont.)

NAME OF PROVINCE / GRANT	GRANT ALLOCATION			TRANSFER			SPENT			2013/14 Division of Revenue Act R'000
	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 National Department %	Amount received by department R'000	Amount spent by department R'000	
Summary by grant										
Disaster Relief Grant	85 951	-	-	85 951	85 951	-	-	-	-	-
Disaster Relief Grant	85 951	-	-	85 951	85 951	-	-	-	-	-
Eastern Cape	-	-	-	-	-	-	-	-	-	-
Free State	15 791	-	-	15 791	15 791	-	-	-	-	-
Gauteng	-	-	-	-	-	-	-	-	-	-
KwaZulu-Natal	10 200	-	-	10 200	10 200	-	-	-	-	-
Limpopo	9 510	-	-	9 510	9 510	-	-	-	-	-
Mpumalanga	50 450	-	-	50 450	50 450	-	-	-	-	-
Northern Cape	-	-	-	-	-	-	-	-	-	-
North West	-	-	-	-	-	-	-	-	-	-
Western Cape	-	-	-	-	-	-	-	-	-	-
	85 951	-	-	85 951	85 951	-	-	-	-	93 630

The Department can confirm that as per the DORA requirements, all transfers were made into the primary bank accounts of the municipalities and/or provinces.

Annexures to the Annual Financial Statements for the year ended 31 March 2015

31. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION					TRANSFER		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	
	R'000	R'000	R'000		R'000	R'000	%	
EASTERN CAPE								
BUF BUFFALO CITY		-	-	-	654 723	(654 723)	-	
NMA NELSON MANDELA BAY	761 606	-	-	761 606	751	760 855	-	
EC101 CAMDEBOO	40 950	-	-	40 950	40 950	-	-	
EC102 BLUE CRANE ROUTE	42 429	-	-	42 429	42 429	-	-	
EC103 IKWEZI	18 211	-	-	18 211	17 211	1 000	-	
EC104 MAKANA	72 184	-	-	72 184	72 184	-	-	
EC105 NDLAMBE	64 894	-	-	64 894	60 710	4 184	-	
EC106 SUNDAYS RIVER VALLEY	46 351	-	-	46 351	46 351	-	-	
EC107 BAVIAAN	20 481	-	-	20 481	18 261	2 220	-	
EC108 KOUGA	66 129	-	-	66 129	66 129	-	-	
EC109 KOU-KAMMA	33 884	-	-	33 884	33 884	-	-	
DC10:CACADU DISTRICT MUNICIPALITY	88	-	-	88	88	-	-	
EC121 MBHASHE	162 715	-	-	162 715	162 715	-	-	
EC122 MINOUMA	191 206	-	-	191 206	190 327	879	-	
EC123 GREAT KEI	36 762	-	-	36 762	36 762	-	-	
EC124 AMAHLATI	105 384	-	-	105 384	105 384	-	-	
EC126 NGQUSHWA	71 805	-	-	71 805	70 933	872	-	
EC127 NKONKOBÉ	106 485	-	-	106 485	102 414	4 071	-	
EC128 NXUBA	23 789	-	-	23 789	14 245	9 544	-	
DC12 AMATOLE DIST MUNICIPALITY	663 551	-	-	663 551	663 551	-	-	
EC131 INXUBA YETHEMBA	40 564	-	-	40 564	40 564	-	-	
EC132 TSOLWANA	31 320	-	-	31 320	31 320	-	-	
EC133 INKWANCA	21 231	-	-	21 231	20 609	622	-	
EC134 LUKHANJI	118 301	-	-	118 301	115 533	2 768	-	
EC135 INTSIKA YETHU	115 999	-	-	115 999	115 520	479	-	
EC136 EMALAHLENI	92 038	-	-	92 038	92 038	-	-	
EC137 ENGCOBO	103 995	-	-	103 995	103 995	-	-	
EC138 SAKHISIZWE	48 625	-	-	48 625	48 625	-	-	

31. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

NAME OF MUNICIPALITY	GRANT ALLOCATION					TRANSFER		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	
	R'000	R'000	R'000		R'000	R'000	%	
DC13 CHRIS HANI DIST MUNICIPALITY	413 744	-	-	413 744	413 744	-	-	
EC141 ELUNDINI	101 878	-	-	101 878	101 878	-	-	
EC142 SENOU	110 942	-	-	110 942	110 942	-	-	
EC143 MALETSWAI	25 392	-	-	25 392	18 515	6 877	-	
EC144 GARIEP	26 296	-	-	26 296	20 496	5 800	-	
DC14 JOE GOABI DISTR MUNICIPALITY	194 848	-	-	194 848	194 848	-	-	
EC153 NGOUZA HILL	153 542	-	-	153 542	152 692	850	-	
EC154 PORT ST JOHNS-	93 453	-	-	93 453	84 610	8 843	-	
EC155 NYANDENI	169 496	-	-	169 496	169 496	-	-	
EC156 MHLONTLO	127 895	-	-	127 895	127 895	-	-	
EC157 KING SABATA DALINDYEBO	206 246	-	-	206 246	206 246	-	-	
DC15 OR TAMBO DIST MUNICIPALITY	552 334	-	-	552 334	547 280	5 054	-	
EC442 UMZIMVUBU	136 168	-	-	136 168	136 168	-	-	
EC441 MATATIELE	138 979	-	-	138 979	138 979	-	-	
EC443 MBIZANA	145 251	-	-	145 251	144 544	707	-	
EC152 NTABANKULU	79 930	-	-	79 930	79 930	-	-	
DC44 ALFRED NZO DIST MUNICIPALITY	344 812	-	-	344 812	342 149	2 663	-	
TOTAL EASTERN CAPE PROVINCE	6 858 777	-	-	6 858 777	6 788 787	69 990	-	

Annexures to the Annual Financial Statements for the year ended 31 March 2015

31. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

NAME OF MUNICIPALITY	GRANT ALLOCATION					TRANSFER		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	%
FREE STATE PROVINCE	R'000	R'000	R'000		R'000	R'000		
MAN MANGAUNG	603 581	-	-	603 581	602 846	735	-	-
FS161 LETSEMENG	50 185	-	-	50 185	49 449	736	-	-
FS162 KOPANONG	82 502	-	-	82 502	82 502	-	-	-
FS163 MOHOKARE--	52 966	-	-	52 966	46 340	6 626	-	-
FS171 NALEDI-	39 311	-	-	39 311	38 272	1 039	-	-
DC16 KHARIEP DISTRICT MUNICIPALITY	27 876	-	-	27 876	27 876	-	-	-
FS181 MASILONYANA-	84 850	-	-	84 850	61 870	22 980	-	-
FS182 TOKOLOGO	43 895	-	-	43 895	43 895	-	-	-
FS183 TSWELOPELE-	62 071	-	-	62 071	62 071	-	-	-
FS184 MATJHABENG-	416 018	-	-	416 018	262 846	153 172	-	-
FS185 NALA-	126 199	-	-	126 199	87 849	38 350	-	-
DC18 LEJWELEPUTSWA DIST MUNICIPALITY	104 747	-	-	104 747	104 747	-	-	-
FS191 SETSOTO	165 381	-	-	165 381	165 381	-	-	-
FS192 DIHLABENG	131 369	-	-	131 369	89 874	41 495	-	-
FS193 NKETOANA	79 011	-	-	79 011	56 189	22 822	-	-
FS194 MALUTI-A-PHOFUNG	392 154	-	-	392 154	280 057	112 097	-	-
FS195 PHUMELELA	58 325	-	-	58 325	57 492	833	-	-
FS196 MANTSOPA	67 921	-	-	67 921	49 525	18 396	-	-
DC19 THABO MOFUTSANYANE DISTRICT MUNICIPALITY	86 946	-	-	86 946	86 946	-	-	-
FS201 MOOHAKA	167 294	-	-	167 294	163 750	3 544	-	-
FS203 NGWATHE	160 231	-	-	160 231	116 834	43 397	-	-
FS204 METSIMAHOLO	107 542	-	-	107 542	77 782	29 760	-	-
FS205 MAFUBE	76 678	-	-	76 678	45 110	31 568	-	-
DC20 FEZILE DABI DISTRICT MUNICIPALITY	137 551	-	-	137 551	137 551	-	-	-
TOTAL FREE STATE- PROVINCE	3 324 604	-	-	3 324 604	2 797 054	527 550	-	-

31. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

NAME OF MUNICIPALITY	GRANT ALLOCATION					TRANSFER		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	
	R'000	R'000	R'000		R'000	R'000	%	
GAUTENG		-	-	-		-	-	
EKU EKURHULENI METROPOLITAN	2 042 951	-	-	2 042 951	2 042 951	-	-	
JHB CITY OF JOHANNESBURG METROPOLITAN	2 534 723	-	-	2 534 723	2 482 130	52 593	-	
TSH CITY OF TSHWANE METROPOLITAN	1 375 518	-	-	1 375 518	1 373 159	2 359	-	
GT421 EMFULENI	602 144	-	-	602 144	602 144	-	-	
GT422 MIDVAAL	60 716	-	-	60 716	60 716	-	-	
GT423 LESEDI-	71 665	-	-	71 665	71 665	-	-	
DC42 SEDIBENG DISTRICT MUNICIPALITY	239 539	-	-	239 539	239 539	-	-	
GT481 MOGALE CITY	238 641	-	-	238 641	238 641	-	-	
GT482 RANDFONTEIN	100 395	-	-	100 395	69 901	30 494	-	
GT483 WESTONARIA	113 718	-	-	113 718	75 948	37 770	-	
GT484 MERAFOG CITY	175 979	-	-	175 979	173 224	2 755	-	
DC48 WEST RAND DISTRICT MUNICIPALITY	178 344	-	-	178 344	178 344	-	-	
TOTAL GAUTENG PROVINCE	7 734 333	-	-	7 734 333	7 608 362	125 971	-	

Annexures to the Annual Financial Statements for the year ended 31 March 2015

31. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

NAME OF MUNICIPALITY	GRANT ALLOCATION					TRANSFER		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	
	R'000	R'000	R'000		R'000	R'000	%	
KWAZULU-NATAL		-	-	-	-	-	-	
ETH ETHEKWINI	1 990 048	-	-	1 990 048	1 675 710	314 338	-	
KZN211 VULAMEHLO	48 657	-	-	48 657	48 657	-	-	
KZN212 UMDONI	43 638	-	-	43 638	43 638	-	-	
KZN213 UMZUMBE	105 320	-	-	105 320	105 320	-	-	
KZN214 UMUZIWABANTU	59 072	-	-	59 072	59 072	-	-	
KZN215 EZINQOLENI	34 499	-	-	34 499	33 669	830	-	
KZN216 HIBISCUS COAST	103 406	-	-	103 406	99 543	3 863	-	
DC21 UGU DISTRICT MUNICIPALITY	319 564	-	-	319 564	316 768	2 796	-	
KZN221 UMSHWATHI-	69 377	-	-	69 377	69 377	-	-	
KZN222 UMNGENI-	40 229	-	-	40 229	39 233	996	-	
KZN223 MPOFANA-	24 807	-	-	24 807	23 074	1 733	-	
KZN224 IMPENDLE-	28 057	-	-	28 057	25 657	2 400	-	
KZN225 MSUNDUZI-	373 541	-	-	373 541	296 768	76 773	-	
KZN226 MKHAMBATHINI-	39 424	-	-	39 424	39 424	-	-	
KZN227 RICHMOND-	41 243	-	-	41 243	41 243	-	-	
DC22 UMGUNGUNDLOVU DISTRICT MUNICIPALITY	366 806	-	-	366 806	366 806	-	-	
KZN232 EMNAMBITHI-LADYSMITH	118 419	-	-	118 419	118 419	-	-	
KZN233 INDAKA	67 255	-	-	67 255	67 255	-	-	
KZN234 UMTSHEZI-	39 294	-	-	39 294	34 607	4 687	-	
KZN235 OKHAHLAMBA	79 269	-	-	79 269	79 269	-	-	
KZN236 IMBABAZANE	73 871	-	-	73 871	70 637	3 234	-	
DC23 UTHUKELA DIST MUNICIPALITY	286 962	-	-	286 962	286 962	-	-	
KZN241 ENDUMENI-	37 042	-	-	37 042	37 042	-	-	
KZN242 NOUTHU-	92 161	-	-	92 161	92 161	-	-	

31. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

NAME OF MUNICIPALITY	GRANT ALLOCATION					TRANSFER		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	
	R'000	R'000	R'000		R'000	R'000	%	
KZN244 MSINGA	100 755	-	-	100 755	98 564	2 191	-	
KZN245 UMVOTI	62 571	-	-	62 571	61 925	646	-	
DC24 UMZINYATHI DIST MUNICIPALITY	213 364	-	-	213 364	206 968	6 396	-	
KZN252 NEWCASTLE-	284 747	-	-	284 747	284 747	-	-	
KZN253 EMADLANGENI--	17 467	-	-	17 467	16 771	696	-	
KZN54 DANNHAUSER-	60 118	-	-	60 118	59 972	146	-	
DC25 AMAJUBA DIST MUNICIPALITY	112 385	-	-	112 385	100 154	12 231	-	
KZN261 EDUMBE	46 398	-	-	46 398	44 872	1 526	-	
KZN262 UPHONGOLO	76 982	-	-	76 982	76 982	-	-	
KZN263 ABAQULUSI-	95 434	-	-	95 434	95 434	-	-	
KZN265 NONGOMA	96 234	-	-	96 234	88 019	8 215	-	
KZN266 ULUNDI	101 284	-	-	101 284	117	101 167	-	
DC26 ZULULAND DIST MUNICIPALITY	297 420	-	-	297 420	297 420	-	-	
KZN271 UMHLABUYALINGANA	87 707	-	-	87 707	87 707	-	-	
KZN272 JOZINI	103 677	-	-	103 677	103 118	559	-	
KZN273 THE BIG FIVE FALSE BAY	22 485	-	-	22 485	21 078	1 407	-	
KZN274 HLABISA	37 118	-	-	37 118	36 879	239	-	
KZN275 MTUBATUBA	81 379	-	-	81 379	81 379	-	-	
DC27 UMKHANYAKUDE DIST MUNICIPALITY	226 251	-	-	226 251	224 689	1 562	-	
KZN281 MFOLOZI	67 439	-	-	67 439	61 126	6 313	-	
KZN282 UMHLATHUZE	204 800	-	-	204 800	204 800	-	-	
KZN283 NTAMBANANA-	30 881	-	-	30 881	30 881	-	-	
KZN284 UMLALAZI	110 939	-	-	110 939	110 939	-	-	
KZN285 MTHONJANENI	31 674	-	-	31 674	31 674	-	-	
KZN286 NKANDLA	65 977	-	-	65 977	65 879	98	-	
DC28 UTHUNGULU DIST MUNICIPALITY	382 129	-	-	382 129	382 002	127	-	
KZN291 MANDENI	90 414	-	-	90 414	90 414	-	-	
KZN292 KWADUKUZA	87 677	-	-	87 677	79 677	8 000	-	

Annexures to the Annual Financial Statements for the year ended 31 March 2015

31. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

NAME OF MUNICIPALITY	GRANT ALLOCATION					TRANSFER		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	
	R'000	R'000	R'000		R'000	R'000	%	
KZN93 NDWEDWE	82 803	-	-	82 803	82 752	51	-	
KZN294 MAPHUMULO	61 091	-	-	61 091	61 091	-	-	
DC29 ILEMBE DISTRICT MUNICIPALITY	290 468	-	-	290 468	290 468	-	-	
KZN431 INGWE	66 031	-	-	66 031	66 031	-	-	
KZN432 KWA SANI	13 627	-	-	13 627	13 627	-	-	
KZN433 GREATER KOKSTAD	47 616	-	-	47 616	47 616	-	-	
KZN434 UBUHLEBEZWE	66 977	-	-	66 977	66 977	-	-	
KZN435 UMZIMKHULU	116 142	-	-	116 142	116 142	-	-	
DC43 SISONKE DISTRICT MUNICIPALITY	230 622	-	-	230 622	228 123	2 499	-	
TOTAL KWAZULU-NATAL	8 653 044	-	-	8 653 044	8 187 225	465 819	-	

31. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

NAME OF MUNICIPALITY	GRANT ALLOCATION					TRANSFER		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	
	R'000	R'000	R'000		R'000	R'000	%	
LIMPOPO PROVINCE								
LIM471 EMPRAIM MOGALE	91 614	-	-	91 614	91 435	179	-	
LIM473 MAKHUDUTHAMAGA	181 770	-	-	181 770	171 043	10 727	-	
LIM474 FETAGOMO	63 620	-	-	63 620	63 620	-	-	
LIM472 ELIAS MOTSOLEDI	166 920	-	-	166 920	166 920	-	-	
LIM475 GREATER TUBATSE	182 650	-	-	182 650	181 634	1 016	-	
DC47 GREATER SEKHUKHUNE DIST MUNICIPALITY	467 284	-	-	467 284	385 364	81 920	-	
LIM331 GREATER GYANI	173 816	-	-	173 816	171 547	2 269	-	
LIM332 GREATER LETABA	167 589	-	-	167 589	167 571	18	-	
LIM333 GREATER TZANEEN	235 717	-	-	235 717	219 266	16 451	-	
LIM334 BA-PHALABORWA	83 256	-	-	83 256	53 566	29 690	-	
LIM335 MARULENG	71 904	-	-	71 904	71 904	-	-	
DC33 MOPANI DIST MUNICIPALITY	561 080	-	-	561 080	380 753	180 327	-	
LIM341 MUSINA	38 966	-	-	38 966	38 966	-	-	
LIM342 MUTALE	64 971	-	-	64 971	64 971	-	-	
LIM343 THULAMELA	338 467	-	-	338 467	338 467	-	-	
LIM344 MAKHADO	287 643	-	-	287 643	287 643	-	-	
DC34 VHEMBE DIST MUNICIPALITY	592 795	-	-	592 795	552 345	40 450	-	
LIM351 BLOUBERG	117 073	-	-	117 073	116 214	859	-	
LIM352 AGANANG	98 119	-	-	98 119	98 119	-	-	
LIM353 MOLEMOLE	89 014	-	-	89 014	88 334	680	-	
LIM354 POLOKWANE	455 799	-	-	455 799	455 799	-	-	
LIM355 LEPELLE-NKUMPI	161 207	-	-	161 207	157 945	3 262	-	
DC35 CAPRICORN DIST MUNICIPALITY	465 510	-	-	465 510	465 510	-	-	
LIM361 THABAZIMBI	60 733	-	-	60 733	40 084	20 649	-	
LIM362 LEPHALALE	86 865	-	-	86 865	86 700	165	-	

Annexures to the Annual Financial Statements for the year ended 31 March 2015

31. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			Re-allocations by National Treasury or National Department %
	Division of Revenue Act R'000	Roll Overs R'000	Adjustments R'000	Total Available	Actual Transfer R'000	Funds Withheld		
LIM364 MOOKGOPONG	33 945	-	-	33 945	30 072	3 873	-	-
LIM365 MODIMOLLE	58 643	-	-	58 643	58 473	170	-	-
LIM366 BELA BELA	54 332	-	-	54 332	54 332	-	-	-
LIM367 MOGALAKWENA	293 263	-	-	293 263	264 404	28 859	-	-
DC36 WATERBERG DIST MUNICIPALITY	99 036	-	-	99 036	99 036	-	-	-
TOTAL LIMPOPO PROVINCE	5 843 601	-	-	5 843 601	5 422 037	421 564	-	-

31. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

NAME OF MUNICIPALITY	GRANT ALLOCATION					TRANSFER		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	
	R'000	R'000	R'000		R'000	R'000	%	
MPUMALANGA PROVINCE		-	-	-			-	
MP301 ALBERT LUTHULI	188 970	-	-	188 970	166 999	21 971	-	
MP302 MSUKALIGWA	114 917	-	-	114 917	65 977	48 940	-	
MP303 MKHONDO	127 313	-	-	127 313	92 832	34 481	-	
MP304 PIXLEY KA SEME	87 956	-	-	87 956	81 762	6 194	-	
MP305 LEKWA	85 034	-	-	85 034	62 003	23 031	-	
MP306 DIPALESENG	48 618	-	-	48 618	47 977	641	-	
MP307 GOVAN MBEKI	193 583	-	-	193 583	140 354	53 229	-	
DC30 GERT SIBANDE DIST MUNICIPALITY	265 947	-	-	265 947	265 947	-	-	
MP311 VICTOR KHANYE-	59 142	-	-	59 142	59 142	-	-	
MP312 EMALAHLENI-	207 754	-	-	207 754	123 181	84 573	-	
MP313 STEVE TSHWETE	103 556	-	-	103 556	103 556	-	-	
MP314 EMAKHAZENI	42 280	-	-	42 280	30 829	11 451	-	
MP315 THEMBSILE	259 924	-	-	259 924	259 164	760	-	
MP316 DR JS MOROKA	270 810	-	-	270 810	254 575	16 235	-	
DC31 NKANGALA DIST MUNICIPALITY	318 017	-	-	318 017	318 017	-	-	
MP321 THABA CHWEU	90 485	-	-	90 485	90 485	-	-	
MP322 MBOMBELA	388 663	-	-	388 663	386 477	2 186	-	
MP323 UMJINDI-	58 318	-	-	58 318	42 523	15 795	-	
MP324 NKOMAZI	339 878	-	-	339 878	244 100	95 778	-	
MP325 BUSHBUCKRIDGE	545 094	-	-	545 094	397 463	147 631	-	
DC32 EHLANZENI DIST MUNICIPALITY	199 678	-	-	199 678	199 316	362	-	
TOTAL MPUMALANGA PROVINCE	3 995 937	-	-	3 995 937	3 432 679	563 258	-	

Annexures to the Annual Financial Statements for the year ended 31 March 2015

31. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

NAME OF MUNICIPALITY	GRANT ALLOCATION					TRANSFER		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	
	R'000	R'000	R'000		R'000	R'000	%	
NORTHERN CAPE PROVINCE								
NC451 JOE MOROLONG	93 255	-	-	93 255	93 255	-	-	
NC452 GA-SEGONYANA	86 992	-	-	86 992	84 833	2 159	-	
NC453 GAMAGARA	22 045	-	-	22 045	22 045	-	-	
DC45 JOHN TAOLO GAETSWWE MUNICIPALITY	61 385	-	-	61 385	61 201	184	-	
DC45 JOHN TAOLO GAETSWWE MUNICIPALITY								
NC061 RICHTERSVELD	12 817	-	-	12 817	12 817	-	-	
NC062 NAMA KHOI	35 295	-	-	35 295	25 735	9 560	-	
NC064 KAMIESBERG	15 154	-	-	15 154	11 050	4 104	-	
NC065 HANTAM	20 566	-	-	20 566	20 566	-	-	
NC066 KAROO HOOGLAND	14 669	-	-	14 669	14 669	-	-	
NC067 KHAI-MA	13 821	-	-	13 821	10 492	3 329	-	
DC6 NAMAKWA DISTRICT MUNICIPALITY	34 464	-	-	34 464	34 464	-	-	
NC071 UBUNTU	21 614	-	-	21 614	14 118	7 496	-	
NC072 UMSOBOMVU	32 382	-	-	32 382	31 655	727	-	
NC073 EMTHANJENI	35 342	-	-	35 342	35 342	-	-	
NC074 KAREEBERG	15 096	-	-	15 096	15 096	-	-	
NC075 RENOSTERBERG	16 521	-	-	16 521	12 046	4 475	-	
NC076 THEMBELIHLE	16 735	-	-	16 735	9 234	7 501	-	
NC077 SIYATHEMBA	22 445	-	-	22 445	15 952	6 493	-	
NC078 SIYANCUMA	38 021	-	-	38 021	21 460	16 561	-	
DC7 PIXLEY KA SEME DISTRICT MUNICIPALITY	32 052	-	-	32 052	32 052	-	-	
NC081 MIER	12 321	-	-	12 321	12 321	-	-	
NC082 !KAI! GARIB	50 293	-	-	50 293	50 293	-	-	
NC083 //KHARA HAIS	56 129	-	-	56 129	41 063	15 066	-	
NC084 !KHEIS	17 963	-	-	17 963	15 957	2 006	-	

31. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

NAME OF MUNICIPALITY	GRANT ALLOCATION					TRANSFER		
	Division of Revenue Act R'000	Roll Overs R'000	Adjustments R'000	Total Available	Actual Transfer R'000	Funds Withheld R'000	Re-allocations by National Treasury or National Department %	
NC085 TSANTSABANE	27 070	-	-	27 070	24 906	2 164	-	
NC086 KGATELOPELE	16 094	-	-	16 094	16 094	-	-	
DC8 SINYANDA DISTRICT MUNICIPALITY	47 645	-	-	47 645	47 645	-	-	
NC091 SOL PLAATJIE	145 440	-	-	145 440	145 440	-	-	
NC092 DIKGATLONG	51 671	-	-	51 671	36 421	15 250	-	
NC093 MAGARENG	32 090	-	-	32 090	18 780	13 310	-	
NC094 PHOKWANE	71 353	-	-	71 353	53 298	18 055	-	
DC9 FRANCES BAARD DIST MUNICIPALITY	97 428	-	-	97 428	97 249	179	-	
TOTAL NORTHERN CAPE PROVINCE	1 266 168	-	-	1 266 168	1 137 549	128 619	-	

Annexures to the Annual Financial Statements for the year ended 31 March 2015

31. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department %
	R'000	R'000	R'000		R'000	R'000	%
NORTH WEST		-	-	-		-	-
NW371 MORETELE	209 553	-	-	209 553	209 553	-	-
NW372 MADIBENG	367 236	-	-	367 236	250 357	116 879	-
NW373 RUSTENBURG	333 249	-	-	333 249	302 849	30 400	-
NW374 KGETLENGRIVIER	50 398	-	-	50 398	34 653	15 745	-
NW375 MOSES KOTANE	275 714	-	-	275 714	275 714	-	-
DC37 BOJANALA PLATINUM DIST MUNICIPALITY	265 044	-	-	265 044	265 044	-	-
NW381 RATLOU	82 376	-	-	82 376	82 376	-	-
NW382 TSWAING	74 220	-	-	74 220	53 018	21 202	-
NW383 MAFIKENG	144 793	-	-	144 793	97 778	47 015	-
NW384 DITSBOTLA	88 496	-	-	88 496	64 528	23 968	-
NW385 RAMOTSHERE MOILOA	102 166	-	-	102 166	98 912	3 254	-
DC38 NGAKA MODIRI MOLEMA DIST MUNICIPALITY	465 801	-	-	465 801	444 828	20 973	-
NW392 NALEDI	36 699	-	-	36 699	36 699	-	-
NW393 MAMUSA	37 162	-	-	37 162	21 599	15 563	-
NW394 GREATER TAUNG	134 670	-	-	134 670	134 575	95	-
NW396 LEKWA-TEEMANE	32 710	-	-	32 710	21 981	10 729	-
NW397 MOLOPO-KAGISANO	83 391	-	-	83 391	74 555	8 836	-
DC39 DR RUTH SEGOMTSI MOMPTI MUNICIPALITY	223 475	-	-	223 475	162 950	60 525	-
NW401 VENTERSDORP	54 971	-	-	54 971	40 082	14 889	-
NW402 TLOKWE	103 841	-	-	103 841	82 956	20 885	-
NW403 CITY OF MATLOSANA	339 136	-	-	339 136	184 375	154 761	-
NW404 MAQUASSI HILLS	85 790	-	-	85 790	62 554	23 236	-
DC40 DR KENNETH KAUNDA MUNICIPALITY	160 481	-	-	160 481	160 237	244	-
TOTAL NORTH WEST	3 751 372	-	-	3 751 372	3 162 173	589 199	-

31. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

NAME OF MUNICIPALITY	GRANT ALLOCATION					TRANSFER		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	
	R'000	R'000	R'000		R'000	R'000	%	
WESTERN CAPE		-	-	-				
CPT CITY OF CAPE TOWN	1 497 082	-	-	1 497 082	1 497 082	-	-	
WC011 MATZIKAMA	39 922	-	-	39 922	37 296	2 626	-	
WC012 CEDERBERG	30 797	-	-	30 797	30 797	-	-	
WC013 BERGRIVIER	27 489	-	-	27 489	27 489	-	-	
WC014 SALDANHA BAY	46 415	-	-	46 415	46 415	-	-	
WC015 SWARTLAND	43 093	-	-	43 093	43 093	-	-	
DC1 WEST COAST DIST MUNICIPALITY	75 984	-	-	75 984	75 984	-	-	
WC022 WITZENBERG	54 124	-	-	54 124	54 124	-	-	
WC023 DRAKENSTEIN	85 321	-	-	85 321	62 213	23 108	-	
WC024 STELLENBOSCH	65 606	-	-	65 606	65 606	-	-	
WC025 BREEDE VALLEY	74 231	-	-	74 231	74 231	-	-	
WC026 LANGEBERG	55 756	-	-	55 756	55 756	-	-	
DC2 CAPE WINELANDS DIST MUNICIPALITY	213 606	-	-	213 606	213 606	-	-	
WC031 THEEWATERSKLOOF	62 481	-	-	62 481	62 481	-	-	
WC032 OVERSTRAND	52 021	-	-	52 021	52 021	-	-	
WC033 CAPE AGULHAS	19 386	-	-	19 386	19 386	-	-	
WC034 SWELLENDDAM	20 938	-	-	20 938	20 938	-	-	
DC3 OVERBERG DISTRICT MUNICIPALITY	50 397	-	-	50 397	50 397	-	-	
WC041 KANNALAND	21 140	-	-	21 140	21 140	-	-	
WC042 HESSEQUA	29 993	-	-	29 993	29 993	-	-	
WC043 MOSSEL BAY	54 705	-	-	54 705	54 705	-	-	
WC044 GEORGE	92 397	-	-	92 397	92 397	-	-	
WC045 OUDTSHOORN	49 907	-	-	49 907	46 541	3 366	-	
WC047 BITOU	40 946	-	-	40 946	40 946	-	-	
WC048 KNYSNA	44 808	-	-	44 808	44 754	54	-	
DC4 EDEN DISTRICT MUNICIPALITY	134 097	-	-	134 097	134 038	59	-	

Annexures to the Annual Financial Statements for the year ended 31 March 2015

31. STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

NAME OF MUNICIPALITY	GRANT ALLOCATION					TRANSFER		
	Division of Revenue Act R'000	Roll Overs R'000	Adjustments R'000	Total Available	Actual Transfer R'000	Funds Withheld	Re-allocations by National Treasury or National Department %	
WC051 LAINGSBURG	10 908	-	-	10 908	10 908	-	-	
WC052 PRINCE ALBERT	13 047	-	-	13 047	13 047	-	-	
WC053 BEAUFORT WEST	38 990	-	-	38 990	38 990	-	-	
DC5 CENTRAL KAROO DIST MUNICIPALITY	16 722	-	-	16 722	16 722	-	-	
TOTAL WESTERN CAPE	3 062 309	-	-	3 062 309	3 056 204	6 105	-	
	44 490 145	-	-	44 490 145	41 592 070	2 898 075	-	

The Department can confirm that as per the DORA requirements, all transfers were made into the primary bank accounts of the municipalities and/or provinces.

ANNEXURE 1A: STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

Name of Municipality	Grant Allocation			Transfer			Spent			2013/14
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%
Municipal Systems Improvement Grant										
EASTERN CAPE										
Buffalo City										
Nelson Mandela								-		
Camdeboo	934	-	-	-	934	-	-	934	352	62.31%
Blue Crane Route	934	-	-	-	934	-	-	934	241	74.20%
Ikwezi	934	-	-	-	934	-	-	934	835	10.60%
Makana	934	-	-	-	934	-	-	934	18	98.07%
Ndlambe	934	-	-	-	934	-	-	934	213	77.19%
Sundays River Valley	934	-	-	-	934	-	-	934	490	47.54%
Baviaans	934	-	-	-	934	-	-	934	143	84.69%
Kouga	934	-	-	-	934	-	-	934	691	26.02%
Kou-kamma	934	-	-	-	934	-	-	934	322	65.52%
Cacadu District Municipality	934	-	-	-	934	-	-	934	934	0.00%
Mbhashe	934	-	-	-	934	-	-	934	649	30.51%
Mngquma	934	-	-	-	934	-	-	934	650	30.41%
Great Kei	934	-	-	-	934	-	-	934	907	2.89%
Amahlathi	934	-	-	-	934	-	-	934	169	81.91%
Nggushwa	934	-	-	-	934	-	-	934	51	94.54%
Nkonkobe	934	-	-	-	934	-	-	934	753	19.38%

Annexures to the Annual Financial Statements for the year ended 31 March 2015

ANNEXURE 1A: STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

Name of Municipality	Grant Allocation			Transfer			Spent			2013/14	
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality		% of available funds spent by municipality
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%	R'000
Nxuba	934	-	-	-	934	-	-	934	558	40.26%	890
Amatole District Municipality	934	-	-	-	934	-	-	934	522	44.11%	890
Inxuba Yethemba	934	-	-	-	934	-	-	934	655	29.87%	890
Tsolwana	934	-	-	-	934	-	-	934	626	32.98%	890
Inkwanca	934	-	-	-	934	-	-	934	934	0.00%	890
Lukhanji	934	-	-	-	934	-	-	934	193	79.34%	890
Intsika Yethu	934	-	-	-	934	-	-	934	830	11.13%	890
Emalahleni	934	-	-	-	934	-	-	934	456	51.18%	890
Engcobo	930	-	-	-	930	-	-	930	546	41.29%	890
Sakhiszwe	934	-	-	-	934	-	-	934	934	0.00%	890
Chris Hani District Municipality	934	-	-	-	934	-	-	934	918	1.71%	890
Elundini	934	-	-	-	934	-	-	934	892	4.50%	890
Senqu	934	-	-	-	934	-	-	934	114	87.79%	890
Maletswai	934	-	-	-	934	-	-	934	816	12.63%	890
Gariep	934	-	-	-	934	-	-	934	934	0.00%	890
Joe Gqabi District Municipality	934	-	-	-	934	-	-	934	503	46.15%	890
Ngquza Hill	934	-	-	-	934	-	-	934	-547	158.57%	890
Port St Johns	934	-	-	-	934	-	-	934	425	54.50%	890
Nyandeni	934	-	-	-	934	-	-	934	684	26.77%	890
Mhlonlo	934	-	-	-	934	-	-	934	569	39.08%	890
King Sabata Dalindyebo	934	-	-	-	934	-	-	934	171	81.69%	890
O.R. Tambo District Municipality	934	-	-	-	934	-	-	934	934	0.00%	890

ANNEXURE 1A: STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

Name of Municipality	Grant Allocation			Transfer			Spent			2013/14
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%
Matatiele	934	-	-	-	934	-	-	934	934	0.00%
Umzimvubu	934	-	-	-	934	-	-	934	932	0.21%
Mbizana	934	-	-	-	934	-	-	934	844	9.64%
Ntabankulu	934	-	-	-	934	-	-	934	200	78.59%
Alfred Nzo District Municipality	934	-	-	-	934	-	-	934	859	8.03%
TOTAL: EASTERN CAPE	40 158	-	-	-	40 158	-	-	40 158	23 854	40.60%
										38 270

Annexures to the Annual Financial Statements for the year ended 31 March 2015

ANNEXURE 1A: STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

Name of Municipality	Grant Allocation			Transfer			Spent			2013/14
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%
FREE STATE										
Mangaung										
Letsemeng	934	-	-	-	934	-	-	934	914	2.14%
Kopanong	934	-	-	-	934	-	-	934	934	0.00%
Mohokare	934	-	-	-	934	-	-	934	310	66.81%
Naledi	934	-	-	-	934	-	-	934	-	100.00%
Khariep District Municipality	934	-	-	-	934	-	-	934	836	10.49%
Masilinyana	934	-	-	-	934	-	-	934	681	27.09%
Tokologo	930	-	-	-	930	-	-	930	400	56.99%
Tswelopele	934	-	-	-	934	-	-	934	860	7.92%
Matjhabeng	934	-	-	-	934	-	-	934	13	98.61%
Nala	934	-	-	-	934	-	-	934	934	0.00%
Lejweputswa District Municipality	934	-	-	-	934	-	-	934	598	35.97%
Setso	934	-	-	-	934	-	-	934	934	0.00%
Dihlabeng	934	-	-	-	934	-	-	934	429	54.07%
Nketoana	934	-	-	-	934	-	-	934	499	46.57%
Maluti-a-Phofung	934	-	-	-	934	-	-	934	934	0.00%
Phumelela	934	-	-	-	934	-	-	934	934	0.00%
Mantsopa	934	-	-	-	934	-	-	934	934	0.00%
Thabo Mofutsanyana District Municipality	934	-	-	-	934	-	-	934	445	52.36%
Mochaka	934	-	-	-	934	-	-	934	934	0.00%

ANNEXURE 1A: STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

Name of Municipality	Grant Allocation			Transfer			Spent			2013/14
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%
Ngwathe	934	-	-	-	934	-	-	934	931	0.32%
Metsimaholo	934	-	-	-	934	-	-	934	717	23.23%
Mafube	934	-	-	-	934	-	-	934	835	10.60%
Fezile Dabi District Municipality	934	-	-	-	934	-	-	934	924	1.07%
TOTAL: FREE STATE	21 478	-	-	-	21 478	-	-	21 478	15 930	25.83%
										R'000
										890
										890
										890
										890

Annexures to the Annual Financial Statements for the year ended 31 March 2015

ANNEXURE 1A: STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

Name of Municipality	Grant Allocation			Transfer			Spent		2013/14		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality		Amount spent by municipality	% of available funds spent by municipality
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%	R'000
GAUTENG											
Ekurhuleni											
City of Johannesburg											
City of Tshwane											
Emfuleni	934	-	-	-	934	-	-	934	346	62.96%	890
Midvaal	934	-	-	-	934	-	-	934	-	100.00%	890
Lesedi	934	-	-	-	934	-	-	934	778	16.70%	890
Sedibeng District Municipality	934	-	-	-	934	-	-	934	365	60.92%	890
Mogale City	934	-	-	-	934	-	-	934	934	0.00%	890
Randfontein	934	-	-	-	934	-	-	934	554	40.69%	890
Westonaria	934	-	-	-	934	-	-	934	799	14.45%	890
Merafong City	934	-	-	-	934	-	-	934	680	27.19%	890
West Rand District Municipality	934	-	-	-	934	-	-	934	90	90.36%	890
TOTAL:GAUTENG	8 406	-	-	-	8 406	-	-	8 406	4 546	45.92%	8 010

ANNEXURE 1A: STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

Name of Municipality	Grant Allocation			Transfer			Spent			2013/14
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%
KWAZULU NATAL										
eThekweni										
Vulamehlo	934	-			934	-	-	934	934	0.00%
uMdoni	934	-			934	-	-	934	597	36.08%
Umzumbi	934	-			934	-	-	934	934	0.00%
uMuzivabantu	934	-			934	-	-	934	363	61.13%
Ezingolweni	934	-			934	-	-	934	934	0.00%
Hibiscus Coast	934	-			934	-	-	934	500	46.47%
Ugu District Municipality	934	-			934	-	-	934	752	19.49%
uMshwathi	934	-			934	-	-	934	432	53.75%
uMngeni	934	-			934	-	-	934	809	13.38%
Mpofana	934	-			934	-	-	934	934	0.00%
Impendle	934	-			934	-	-	934	646	30.84%
Msunduzi	934	-			934	-	-	934	440	52.89%
Mkhambathini	934	-			934	-	-	934	708	24.20%
Richmond	934	-			934	-	-	934	843	9.74%
uMgungundlovu District Municipality	934	-			934	-	-	934	295	68.42%
Emnambethi-Ladysmith	934	-			934	-	-	934	218	76.66%
Indaka	934	-			934	-	-	934	284	69.59%
Umtshezi	934	-			934	-	-	934	934	0.00%
Okhahlamba	934	-			934	-	-	934	349	62.63%
Imbabazane	934	-			934	-	-	934	934	0.00%
Uthukela District Municipality	934	-			934	-	-	934	840	10.06%
Endumeni	934	-			934	-	-	934	280	70.02%

Annexures to the Annual Financial Statements for the year ended 31 March 2015

ANNEXURE 1A: STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

Name of Municipality	Grant Allocation			Transfer			Spent			2013/14
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%
Nquthu	930	-	-	-	930	-	-	930	670	27.96%
Misinga	934	-	-	-	934	-	-	934	711	23.88%
Umvoti	934	-	-	-	934	-	-	934	934	0.00%
Umzinyathi District Municipality	934	-	-	-	934	-	-	934	934	0.00%
Newcastle	934	-	-	-	934	-	-	934	934	0.00%
Emadlangeni	934	-	-	-	934	-	-	934	934	0.00%
Dannhauser	934	-	-	-	934	-	-	934	695	25.59%
Amajuba District Municipality	934	-	-	-	934	-	-	934	934	0.00%
eDumbe	934	-	-	-	934	-	-	934	934	0.00%
uPhongolo	934	-	-	-	934	-	-	934	934	0.00%
Abaqulusi	934	-	-	-	934	-	-	934	150	83.94%
Nongoma	934	-	-	-	934	-	-	934	636	31.91%
Ulundi	934	-	-	-	934	-	-	934	934	0.00%
Zululand District Municipality	934	-	-	-	934	-	-	934	934	0.00%
Umhlabuyalingana	934	-	-	-	934	-	-	934	934	0.00%
Jozini	934	-	-	-	934	-	-	934	934	0.00%
The Big 5 False Bay	934	-	-	-	934	-	-	934	264	71.73%
Hlabisa	934	-	-	-	934	-	-	934	870	6.85%
Mtubatuba	934	-	-	-	934	-	-	934	603	35.44%
Umkhanyakude District Municipality	934	-	-	-	934	-	-	934	934	0.00%
Mfolozi	934	-	-	-	934	-	-	934	530	43.25%
uMhlatuze	930	-	-	-	930	-	-	930	630	32.26%
Ntambanana	934	-	-	-	934	-	-	934	934	0.00%
uMlalazi	934	-	-	-	934	-	-	934	732	21.63%
Mthonjaneni	934	-	-	-	934	-	-	934	514	44.97%

ANNEXURE 1A: STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

Name of Municipality	Grant Allocation			Transfer			Spent			2013/14
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%
Nkandla	934	-	-	-	934	-	-	934	901	3.53%
uThungulu District Municipality	934	-	-	-	934	-	-	934	355	61.99%
Mandeni	934	-	-	-	934	-	-	934	934	0.00%
KwaDukuza	934	-	-	-	934	-	-	934	619	33.73%
Ndwedwe	934	-	-	-	934	-	-	934	563	39.72%
Maphumulo	934	-	-	-	934	-	-	934	579	38.01%
iLembe District Municipality	934	-	-	-	934	-	-	934	934	0.00%
Ingwe	934	-	-	-	934	-	-	934	552	40.90%
Kwa Sani	934	-	-	-	934	-	-	934	368	60.60%
Greater Kokstad	934	-	-	-	934	-	-	934	789	15.52%
Ubuhlebezwe	934	-	-	-	934	-	-	934	537	42.51%
Umzimkhulu	934	-	-	-	934	-	-	934	225	75.91%
Harry Gwala District Municipality	934	-	-	-	934	-	-	934	934	0.00%
TOTAL: KWAZULU NATAL	56 032	-	-	-	56 032	-	-	56 032	41 397	26.12%
										53 407

Annexures to the Annual Financial Statements for the year ended 31 March 2015

ANNEXURE 1A: STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

Name of Municipality	Grant Allocation			Transfer			Spent			2013/14
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%
LIMPOPO										
Greater Giyani	934	-	-	-	934	934	-	934	931	0.32%
Greater Letaba	934	-	-	-	934	934	-	934	13	98.61%
Greater Tzaneen	934	-	-	-	934	934	-	934	403	56.85%
Ba-Phalaborwa	934	-	-	-	934	934	-	934	371	60.28%
Maruleng	934	-	-	-	934	934	-	934	858	8.14%
Mopani District Municipality	934	-	-	-	934	934	-	934	192	79.44%
Musina	934	-	-	-	934	934	-	934	172	81.58%
Mutale	934	-	-	-	934	934	-	934	934	0.00%
Thulamela	934	-	-	-	934	934	-	934	357	61.78%
Makhado	934	-	-	-	934	934	-	934	669	28.37%
Vhembe District Municipality	934	-	-	-	934	934	-	934	789	15.52%
Blouberg	934	-	-	-	934	934	-	934	648	30.62%
Aganang	934	-	-	-	934	934	-	934	382	59.10%
Molemole	934	-	-	-	934	934	-	934	576	38.33%
Polokwane	930	-	-	-	930	930	-	930	930	0.00%
Lepelle-Nkumpi	934	-	-	-	934	934	-	934	853	8.67%
Capricorn District Municipality	934	-	-	-	934	934	-	934	-	100.00%
Thabazimbi	934	-	-	-	934	934	-	934	834	10.71%
Lephalale	934	-	-	-	934	934	-	934	934	0.00%
Mookgopong	934	-	-	-	934	934	-	934	868	7.07%
Modimolle	934	-	-	-	934	934	-	934	734	21.41%
Bela Bela	934	-	-	-	934	934	-	934	532	43.04%
Mogalakwena	934	-	-	-	934	934	-	934	934	0.00%

ANNEXURE 1A: STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

Name of Municipality	Grant Allocation			Transfer			Spent			2013/14
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%
Waterberg District Municipality	934	-	-	-	934	-	-	934	758	18.84%
Elias Motsoaledi	934	-	-	-	934	-	-	934	572	38.76%
Makhuduthamaga	934	-	-	-	934	-	-	934	934	0.00%
Fetakgomo	934	-	-	-	934	-	-	934	805	13.81%
Greater Tubatse	934	-	-	-	934	-	-	934	934	0.00%
Sekhukhune District Municipality	934	-	-	-	934	-	-	934	934	0.00%
TOTAL: LIMPOPO	28 016	-	-	-	28 016	-	-	28 016	19 656	29.84%
										26 700

Annexures to the Annual Financial Statements for the year ended 31 March 2015

ANNEXURE 1A: STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

Name of Municipality	Grant Allocation			Transfer			Spent			2013/14
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%
MPUMALANGA										
Albert Luthuli	934	-	-	-	934	-	-	934	934	0.00%
Musukaligwa	934	-	-	-	934	-	-	934	934	0.00%
Mkhondo	934	-	-	-	934	-	-	934	459	50.86%
Pixley Ka Seme	934	-	-	-	934	-	-	934	934	0.00%
Lekwa	934	-	-	-	934	-	-	934	654	29.98%
Dipaleseng	934	-	-	-	934	-	-	934	695	25.59%
Govan Mbeki	934	-	-	-	934	-	-	934	934	0.00%
Gert Sibande District Municipality	934	-	-	-	934	-	-	934	444	52.46%
Victor Khanye	934	-	-	-	934	-	-	934	316	66.17%
Emalahleni	934	-	-	-	934	-	-	934	934	0.00%
Steve Tshwete	934	-	-	-	934	-	-	934	934	0.00%
Emakhazeni	934	-	-	-	934	-	-	934	931	0.32%
Thembisile Hani	934	-	-	-	934	-	-	934	274	70.66%
Dr JS Moroka	934	-	-	-	934	-	-	934	619	33.73%
Nkangala District Municipality	934	-	-	-	934	-	-	934	454	51.39%
Thaba Chweu	934	-	-	-	934	-	-	934	934	0.00%
Mbombela	934	-	-	-	934	-	-	934	934	0.00%
Umgindi	934	-	-	-	934	-	-	934	242	74.09%
Nkomazi	934	-	-	-	934	-	-	934	934	0.00%
Bushbuckridge	934	-	-	-	934	-	-	934	724	22.48%
Ehlanzeni District Municipality	934	-	-	-	934	-	-	934	934	0.00%
TOTAL: MPUMALANGA	19 614	-	-	-	19 614	-	-	19 614	15 152	22.75%
										18 690

ANNEXURE 1A: STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

Name of Municipality	Grant Allocation			Transfer			Spent			2013/14
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%
NORTHERN CAPE										
Richtersveld	934	-	-	-	934	934	-	934	564	39.61%
Nama Khoi	934	-	-	-	934	934	-	934	698	25.27%
Kamiesberg	934	-	-	-	934	934	-	934	445	52.36%
Hantam	934	-	-	-	934	934	-	934	731	21.73%
Karoo Hoogland	934	-	-	-	934	934	-	934	754	19.27%
Khai-Ma	934	-	-	-	934	934	-	934	717	23.23%
Namakwa District Municipality	934	-	-	-	934	934	-	934	897	3.96%
Ubutu	934	-	-	-	934	934	-	934	934	0.00%
Umsobomvu	934	-	-	-	934	934	-	934	459	50.86%
Ernhanjeni	934	-	-	-	934	934	-	934	296	68.31%
Kareeberg	934	-	-	-	934	934	-	934	613	34.37%
Renosterberg	934	-	-	-	934	934	-	934	934	0.00%
Thembelihle	934	-	-	-	934	934	-	934	845	9.53%
Siyathemba	934	-	-	-	934	934	-	934	-50	105.35%
Siyancuma	934	-	-	-	934	934	-	934	730	21.84%
Pixley Ka Seme District Municipality	934	-	-	-	934	934	-	934	934	0.00%
Mier	934	-	-	-	934	934	-	934	902	3.43%
IKail Garib	934	-	-	-	934	934	-	934	934	0.00%
//Khara Hais	934	-	-	-	934	934	-	934	529	43.36%
IKheis	934	-	-	-	934	934	-	934	934	0.00%
Tsantsabane	934	-	-	-	934	934	-	934	934	0.00%
Kgatelopele	934	-	-	-	934	934	-	934	934	0.00%
Siyanda District Municipality	934	-	-	-	934	934	-	934	815	12.74%
Sol Plaatje	934	-	-	-	934	934	-	934	826	11.56%
Dikgatlong	934	-	-	-	934	934	-	934	934	0.00%

ANNEXURE 1A: STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

Name of Municipality	Grant Allocation			Transfer			Spent			2013/14
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%
NORTH WEST										
Moretele	934	-	-	-	934	-	-	934	934	0.00%
Madibeng	934	-	-	-	934	-	-	934	934	0.00%
Rustenburg	934	-	-	-	934	-	-	934	934	0.00%
Kgetlengrivier	934	-	-	-	934	-	-	934	167	82.12%
Moses Kotane	934	-	-	-	934	-	-	934	934	0.00%
Bojanala Platinum District Municipality	934	-	-	-	934	-	-	934	227	75.70%
Ratlou	934	-	-	-	934	-	-	934	467	50.00%
Tswaing	934	-	-	-	934	-	-	934	924	1.07%
Mafikeng	934	-	-	-	934	-	-	934	934	0.00%
Ditsobotla	930	-	-	-	930	-	-	930	732	21.29%
Ramotshere Moiloa	934	-	-	-	934	-	-	934	418	55.25%
Ngaka Modiri Molema District Municipality	934	-	-	-	934	-	-	934	934	0.00%
Naledi	934	-	-	-	934	-	-	934	934	0.00%
Mamusa	934	-	-	-	934	-	-	934	731	21.73%
Greater Taung	934	-	-	-	934	-	-	934	903	3.32%
Lekwa-Teemane	934	-	-	-	934	-	-	934	922	1.28%
NW397	930	-	-	-	930	-	-	930	930	0.00%
Dr. Ruth Segomotsi Mompoti District Municipality	934	-	-	-	934	-	-	934	205	78.05%
Ventersdorp	934	-	-	-	934	-	-	934	762	18.42%
Tlokwe	934	-	-	-	934	-	-	934	232	75.16%

ANNEXURE 1A: STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

Name of Municipality	Grant Allocation			Transfer			Spent			2013/14 Division of Revenue Act
	Division of Revenue Act	Roll Overs	Adjust- ments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Depart- ment	Amount received by municipi- pality	Amount spent by municipi- pality	
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%
WESTERN CAPE										
City of Cape Town										
Matzikama	934	-			934	-	-	934	492	47.32%
Cederberg	934	-			934	-	-	934	543	41.86%
Bergivier	934	-			934	-	-	934	884	5.35%
Saldanha Bay	934	-			934	-	-	934	919	1.61%
Swartland	934	-			934	-	-	934	580	37.90%
West Coast District Municipality	934	-			934	-	-	934	934	0.00%
Witzenberg	934	-			934	-	-	934	934	0.00%
Drakenstein	934	-			934	-	-	934	934	0.00%
Stellenbosch	934	-			934	-	-	934	840	10.06%
Breede Valley	934	-			934	-	-	934	398	57.39%
Langeberg	934	-			934	-	-	934	934	0.00%
Cape Winelands District Municipality	934	-			934	-	-	934	-109	111.67%
Theewaterskloof	934	-			934	-	-	934	470	49.68%
Overstrand	934	-			934	-	-	934	934	0.00%
Cape Agulhas	934	-			934	-	-	934	934	0.00%
Swellendam	934	-			934	-	-	934	876	6.21%
Overberg District Municipality	934	-			934	-	-	934	430	53.96%
Kannaland	934	-			934	-	-	934	914	2.14%
Hessequa	934	-			934	-	-	934	858	8.14%
Mossel Bay	934	-			934	-	-	934	934	0.00%
George	934	-			934	-	-	934	616	34.05%

Annexures to the Annual Financial Statements for the year ended 31 March 2015

ANNEXURE 1A: STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

Name of Municipality	Grant Allocation			Transfer			Spent			2013/14
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%
Oudtshoorn	934	-	-	-	934	-	-	934	487	47.86%
Bitou	934	-	-	-	934	-	-	934	156	83.30%
Knysna	934	-	-	-	934	-	-	934	780	16.49%
Eden District Municipality	934	-	-	-	934	-	-	934	351	62.42%
Laingsburg	934	-	-	-	934	-	-	934	417	55.35%
Prince Albert	934	-	-	-	934	-	-	934	934	0.00%
Beaufort West	934	-	-	-	934	-	-	934	202	78.37%
Central Karoo District Municipality	934	-	-	-	934	-	-	934	244	73.88%
TOTAL: WESTERN CAPE	27 086	-	-	-	27 086	-	-	27 086	18 820	30.52%
										25 810

ANNEXURE 1A: STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

Name of Municipality	Grant Allocation			Transfer			Spent			2013/14
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%
Total unallocated	-				-			-		
TOTAL MSIG	252 152	-	-	-	252 152	-	-	252 152	179 393	28.86%
Disaster Relief Grant										
FREE STATE										
	15 791				15 791			15 791		
TOTAL: FREE STATE	15 791				15 791			15 791		
KWAZULU-NATAL										
	10 200				10 200			10 200		
Umgungundlovu District Municipality	4 750				4 750			4 750		
Uthukela District Municipality	2 685				2 685			2 685		
Umninyathi District Municipality	7 980				7 980			7 980		
Ilembe District Municipality	9 250				9 250			9 250		
TOTAL: KWAZULU NATAL	34 865				34 865			34 865		
LIMPOPO										
	9 510				9 510			9 510		
Bela-Bela Local Municipality	292				292			292		
TOTAL: LIMPOPO	9 802				9 802			9 802		

Annexures to the Annual Financial Statements for the year ended 31 March 2015

ANNEXURE 1A: STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

Name of Municipality	Grant Allocation			Transfer			Spent		2013/14 Division of Revenue Act	
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality		Amount spent by municipality
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%
MPUMALANGA										
Mbombela Local Municipality	50 450			50 450	50 450			50 450		
Umjindi Local Municipality	1 950			1 950	1 950			1 950		
Nkomazi Local Municipality	2 400			2 400	2 400			2 400		
	6 225			6 225	6 225			6 225		
TOTAL: MPUMALANGA	61 025			61 025	61 025			61 025		
TOTAL: DISASTER RELIEF GRANT	121 483			121 483	121 483			121 483		
Disaster Recovery Grant										
EASTERN CAPE										
Kouga Local Municipality	2 985			2 985	2 985			2 985		
Kou-Kamma Local Municipality	5 626			5 626	5 626			5 626		
TOTAL: EASTERN CAPE	8 611			8 611	8 611			8 611		

ANNEXURE 1A: STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

Name of Municipality	Grant Allocation			Transfer			Spent			2013/14 Division of Revenue Act
	Division of Revenue Act	Roll Overs	Adjust- ments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipi- pality	Amount spent by municipi- pality	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%
GAUTENG										
City of Tshwane Metropolitan	14 878			14 878	14 878			14 878		
TOTAL: GAUTENG	14 878			14 878	14 878			14 878		
KWAZULU-NATAL										
Ethekewini Metropolitan	806			806	806			806		
Vulamehlo Local Municipality	400			401	401			401		
Umdoni Local Municipality	5 054			5 054	5 054			5 054		
Umzumbe Local Municipality	10			10 000	10 000			10		
Ugu District Municipality	4 999			4 999	4 999			4 999		
Emnambithi-Ladysmith Local Municipality	31 346			31 346	31 346			31 346		
Okhahlamba Local Municipality	1 612			1 612	1 612			1 612		
Umvoti Local Municipality	159			159	159			159		
TOTAL: KWAZULU NATAL	44 386			54 377	54 377			44 387		
LIMPOPO										
Greater Giyani	4 982			4 982	4 982			4 982		
Maruleng	1 100			1 100	1 100			1 100		
TOTAL: LIMPOPO	6 082			6 082	6 082			6 082		

Annexures to the Annual Financial Statements for the year ended 31 March 2015

ANNEXURE 1A: STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

Name of Municipality	Grant Allocation			Transfer			Spent		2013/14 Division of Revenue Act	
	Division of Revenue Act	Roll Overs	Adjust- ments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipi- pality		Amount spent by municipi- pality
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%
MPUMALANGA										
Pixley Ka Seme Local Municipality	1 206				1 206			1 206 081		
Mbombela Local Municipality	4 958				805			805		
Umjindi Local Municipality	12 332				12 332			12 332 435		
Nkomazi Local Municipality	15 868				15 868			15 868 361		
Bushbuckridge Local Municipality	1 783				1 783			1 782 728		
TOTAL: MPUMALANGA	36 147				31 994			31 190 410		

ANNEXURE 1A: STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

Name of Municipality	Grant Allocation			Transfer			Spent			2013/14 Division of Revenue Act
	Division of Revenue Act	Roll Overs	Adjust- ments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipi- pality	Amount spent by municipi- pality	
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%
WESTERN CAPE										
Breede Valley Local Municipality	770				770			770		
Langeberg Local Municipality	6 270				6 270			6 270		
Theewaterskloof Local Municipality	1 385				1 385			1 385		
Overstrand Local Municipality	1 272				1 272			1 272		
Swellendam Local Municipality	115				115			115		
Overberg Local Municipality	80				80			80		
Kannaland Local Municipality	2 008				2 008			2 008		
Hessequa Local Municipality	22 835				22 835			22 835		
Mossel Bay Local Municipality	6 809				6 809			6 809		
Eden District Municipality	27 432				27 432			27 432		
Laingsburg Local Municipality	5 183				5 183			5 183		
TOTAL: MPUMALANGA	74 159				74 159			74 159		
TOTAL: DISASTER RECOVERY GRANT	184 263				190 101			31 338 527		

Annexures to the Annual Financial Statements for the year ended 31 March 2015

ANNEXURE 1A: STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

Name of Municipality	Grant Allocation			Transfer			Spent			2013/14
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%
MIG										
Buffalo City	-	-	-	-	-	-	-	-	-	-
Nelson Mandela	-	-	-	-	-	-	-	-	-	-
Camdeboo	13 125		5 000	18 125	18 125		5 000	18 125	10 333	57%
Blue Crane Route	15 891			15 891	15 891			15 891	6 526	41%
Ikwezi	8 002		3 000	11 002	11 002		3 000	11 002	7 429	68%
Makana	23 298		-19 008	4 290	4 290			4 290	782	18%
Ndlambe	25 799		5 000	30 799	30 799		5 000	30 799	18 858	61%
Sundays River Valley	24 147		10 000	34 147	34 147		10 000	34 147	16 392	48%
Baviaans	9 898			9 898	9 898			9 898	5 245	53%
Kouga	29 832			29 832	29 832			29 832	18 448	62%
Kou-kamma	14 765			14 765	14 765			14 765	9 593	65%
Cacadu DM	-		19 008	19 008	19 008		19 008	19 008	-	0%
Mbhashe	54 027		-7 462	46 565	46 565			46 565	26 892	58%
Minquma	60 013		10 000	70 013	70 013		10 000	70 013	39 570	57%
Great Kei	12 815		20 000	32 815	32 815		20 000	32 815	8 194	25%
Amahlathi	31 235		5 000	36 235	36 235		5 000	36 235	16 780	46%
Nggushwa	22 755			22 755	22 755			22 755	12 772	56%
Nkonkobe	32 207			32 207	32 207			32 207	17 362	54%
Nxuba	9 451			9 451	9 451			9 451	4 116	44%
Amatole DM	425 764			425 764	425 764			425 764	272 107	64%
Inxuba Yethemba	15 214			15 214	15 214			15 214	4 629	30%

ANNEXURE 1A: STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

Name of Municipality	Grant Allocation			Transfer			Spent			2013/14
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%
Tsolwana	12 359		-1 000	11 359	11 359		-1 000	11 359	3 322	29%
Inkwanca	9 153		-6 153	3 000	3 000			3 000	721	24%
Lukhanji	37 591		5 000	42 591	42 591		5 000	42 591	21 901	51%
Intsika Yethu	38 856			38 856	38 856			38 856	25 750	66%
Emalahleni	30 970			30 970	30 970			30 970	13 319	43%
Engcobo	35 804			35 804	35 804			35 804	22 435	63%
Sakhisizwe	17 464			17 464	17 464			17 464	4 613	26%
Chris Hani DM	277 977		39 677	317 654	317 654		39 677	317 654	203 566	64%
Elundini	36 485			36 485	36 485			36 485	20 814	57%
Senqu	35 838			35 838	35 838			35 838	20 805	58%
Maletswai	12 029			12 029	12 029			12 029	4 406	37%
Gariep	10 976			10 976	10 976			10 976	9 320	85%
Joe Gqabi DM	151 469		20 000	171 469	171 469		20 000	171 469	86 619	51%
Ngquza Hill	50 594		15 000	65 594	65 594		15 000	65 594	35 937	55%
Port St Johns	31 998		5 000	36 998	36 998		5 000	36 998	28 481	77%
Nyandeni	56 324		5 000	61 324	61 324		5 000	61 324	40 741	66%
Mhlontlo	40 675	24 000		64 675	64 675			64 675	34 558	53%
King Sabata Dalindyebo	80 071			80 071	80 071			80 071	42 087	53%
O.R. Tambo DM	604 371			604 371	604 371			604 371	295 028	49%
Matatiele	45 759			45 759	45 759			45 759	19 873	43%
Umtzimvubu	43 294			43 294	43 294			43 294	22 932	53%
Mbizana	44 992			44 992	44 992			44 992	32 686	73%
Ntabankulu	25 577		-4 000	21 577	21 577			21 577	11 194	52%

Annexures to the Annual Financial Statements for the year ended 31 March 2015

ANNEXURE 1A: STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

Name of Municipality	Grant Allocation		Transfer		Spent			2013/14			
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department		Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Hibiscus Coast	47 892			47 892	47 892			47 892	31 932	67%	40 173
Ugu DM	245 189		20 000	265 189	265 189		20 000	265 189	179 672	68%	275 304
uMshwathi	25 698	5 431		31 129	31 129			31 129	19 065	61%	22 296
uMngeni	21 415			21 415	21 415			21 415	10 463	49%	18 912
Mpofana	11 991		-2 161	9 830	9 830			9 830	4 468	45%	11 621
Impendle	11 736			11 736	11 736			11 736	10 912	93%	11 106
Misunduzi	163 158			163 158	163 158			163 158	92 822	57%	154 824
Mkhambathini	16 251			16 251	16 251			16 251	5 961	37%	14 427
Richmond	17 493			17 493	17 493			17 493	10 354	59%	16 645
uMgungundlovu DM	97 264			97 264	97 264			97 264	97 264	100%	98 872
Emnambethi/Ladysmith	40 950			40 950	40 950			40 950	33 631	82%	36 025
Indaka	21 401		10 000	31 401	31 401		10 000	31 401	16 802	54%	20 464
Umtshezi	17 289			17 289	17 289			17 289	10 509	61%	15 161
Okhahlamba	26 537			26 537	26 537			26 537	17 132	65%	24 610
Imbabazane	22 787			22 787	22 787			22 787	12 633	55%	21 523
Uthukela DM	177 319			177 319	177 319			177 319	118 084	67%	174 260
Endumeni	14 383			14 383	14 383			14 383	6 774	47%	13 311
Nquthu	29 220		-7 000	22 220	22 220			22 220	9 200	41%	27 060
Msinga	36 513			36 513	36 513			36 513	25 137	69%	31 844
Umvoti	25 497			25 497	25 497			25 497	12 345	48%	21 976
Umzinyathi DM	179 014			179 014	179 014			179 014	128 277	72%	186 505
Newcastle	107 320			107 320	107 320			107 320	83 735	78%	97 802
EMadlangeni	9 050			9 050	9 050			9 050	7 177	79%	9 932

ANNEXURE 1A: STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

Name of Municipality	Grant Allocation			Transfer			Spent			2013/14
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%
Dannhauser	20 422			20 422	20 422			20 422	18 282	90%
Amajuba DM	41 650			41 650	41 650			41 650	18 145	44%
eDumbe	17 041	1 500		18 541	18 541			18 541	11 147	60%
uPhongolo	26 789		8 000	34 789	34 789		8 000	34 789	17 009	49%
Abaqulusi	34 158	7 200		41 358	41 358			41 358	20 593	50%
Nongoma	29 812		10 000	39 812	39 812		10 000	39 812	23 623	59%
Ulundi	29 000		15 000	44 000	44 000		15 000	44 000	20 659	47%
Zululand DM	221 622		20 000	241 622	241 622		20 000	241 622	146 994	61%
Umkhambayalingana	32 490			32 490	32 490			32 490	30 373	93%
Jozini	34 916		-10 000	24 916	24 916			24 916	5 502	22%
The Big 5 False Bay	11 156			11 156	11 156			11 156	7 261	65%
Hlabisa	13 902		-4 000	9 902	9 902			9 902	5 157	52%
Mtubatuba	29 524			29 524	29 524			29 524	15 711	53%
Umkhanyakude DM	206 020		-40 000	166 020	166 020			166 020	102 309	62%
Mfolozi	23 452		15 000	38 452	38 452		15 000	38 452	18 403	48%
uMhlathuze	90 831		30 000	120 831	120 831		30 000	120 831	89 775	74%
Ntambanana	14 596		-1 928	12 668	12 668			12 668	7 299	58%
uMlalazi	37 496			37 496	37 496			37 496	23 247	62%
Mthonjaneni	12 610			12 610	12 610			12 610	9 861	78%
Nkandla	21 582		10 000	31 582	31 582		10 000	31 582	14 748	47%
uThungulu DM	172 063		-28 000	144 063	144 063			144 063	72 303	50%
Mandeni	32 957			32 957	32 957			32 957	24 551	74%
KwaDukuza	47 941			47 941	47 941			47 941	38 400	80%

ANNEXURE 1A: STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

Name of Municipality	Grant Allocation			Transfer			Spent			2013/14
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	
	R'000	R'000	R'000		R'000	R'000	%	R'000	R'000	%
Molemole	28 943			28 943	28 943			28 943	15 115	52%
Polokwane	266 671		38 243	304 914	304 914		38 243	304 914	171 489	56%
Lepelle-Nkumpi	49 920		20 000	69 920	69 920		20 000	69 920	13 835	20%
Capricorn DM	252 059		7 000	259 059	259 059		7 000	259 059	182 944	71%
Thabazimbi	32 926		-19 756	13 170	13 170			13 170	2 053	16%
Lephalale	35 992		-7 000	28 992	28 992			28 992	14 131	49%
Mookgopong	15 766		27 000	42 766	42 766		27 000	42 766	8 179	19%
Modimolle	32 364		-13 014	19 350	19 350			19 350	14 044	73%
Bela Bela	22 193			22 193	22 193			22 193	18 231	82%
Mogalakwena	138 849		-25 000	113 849	113 849			113 849	42 655	37%
Waterberg DM	-		18 014	18 014	18 014		18 014	18 014	-	0%
Ephraim Mogale	31 070			31 070	31 070			31 070	11 564	37%
Elias Motsoaledi	50 840		15 000	65 840	65 840		15 000	65 840	31 299	48%
Makhuduthamaga	57 452			57 452	57 452			57 452	36 092	63%
Fetakgomo	21 388		-10 139	11 249	11 249			11 249	12 084	107%
Greater Tubatse	61 745		35 000	96 745	96 745		35 000	96 745	42 791	44%
Sekhukhune DM	451 120		-170 000	281 120	281 120			281 120	97 370	35%
Total	3 064 058	-	-315 652	2 748 406	2 748 406		224 257	2 748 406	1 295 599	47%
Albert Luthuli	81 407		24 000	105 407	105 407		24 000	105 407	88 707	84%
Musukaliywa	49 076		-5 315	43 761	43 761			43 761	21 626	49%
Mkhondo	72 765		10 000	82 765	82 765		10 000	82 765	57 748	70%
Pixley Ka Seme	25 220		-6 996	18 224	18 224			18 224	16 544	91%
Lekwa	33 994			33 994	33 994			33 994	17 266	51%

ANNEXURE 1A: STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

Name of Municipality	Grant Allocation			Transfer			Spent			2013/14
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%
Namakwa DM				-						
Ubuntu	9 655			9 655	9 655			9 655	6 513	67%
Umsobomvu	11 148			11 148	11 148			11 148	8 220	74%
Emthanjeni	12 608	3 500		16 108	16 108			16 108	10 443	65%
Kareeberg	7 848			7 848	7 848			7 848	4 150	53%
Renosterberg	7 741			7 741	7 741			7 741	7 741	100%
Thembelihle	10 598		3 500	14 098	14 098		3 500	14 098	4 454	32%
Siyathemba	9 708			9 708	9 708			9 708	6 706	69%
Siyancuma	16 023			16 023	16 023			16 023	5 834	36%
Pixley Ka Seme DM	-			-	-			-	-	-
Mier	8 892			8 892	8 892			8 892	4 870	55%
IKaili Garib	21 178			21 178	21 178			21 178	12 848	61%
//Khara Hais	22 032			22 032	22 032			22 032	20 305	92%
IKheis	10 834			10 834	10 834			10 834	7 614	70%
Tsantsabane	14 760			14 760	14 760			14 760	8 460	57%
Kgatelopele	7 843			7 843	7 843			7 843	7 845	100%
Z.F. Mgcawu DM	-			-	-			-	-	-
Sol Plaatje	47 211			47 211	47 211			47 211	43 303	92%
Dikgatlong	20 010		-3 000	17 010	17 010		-3 000	17 010	5 237	31%
Magareng	10 787		5 000	15 787	15 787		5 000	15 787	4 761	30%
Phokwane	24 836			24 836	24 836			24 836	19 714	79%
Frances Baard DM	-			-	-			-	-	-
Joe Morolong	57 058			57 058	57 058			57 058	50 435	88%

ANNEXURE 1A: STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

Name of Municipality	Grant Allocation			Transfer			Spent			2013/14
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%
Tlokwe	45 453		25 000	70 453	70 453		25 000	70 453	43 891	62%
City of Matlosana	95 331		-10 000	85 331	85 331			85 331	41 358	48%
Maquassi Hills	26 925			26 925	26 925			26 925	23 391	87%
Dr Kenneth Kaunda DM				-	-			-	-	
Total	1 598 850	23 400	103 458	1 725 708	1 707 104		206 933	1 707 104	1 037 833	60%
City of Cape Town	-			-	-			-	-	
Matzikama	20 089			20 089	20 089			20 089	14 643	73%
Cederberg	14 917			14 917	14 917			14 917	10 857	73%
Bergvriev	13 764			13 764	13 764			13 764	6 027	44%
Saldanha Bay	18 389			18 389	18 389			18 389	11 354	62%
Swartland	19 918			19 918	19 918			19 918	19 917	100%
West Coast DM	-			-	-			-	-	
Witzenberg	21 218			21 218	21 218			21 218	9 579	45%
Drakenstein	33 138			33 138	33 138			33 138	20 314	61%
Stellenbosch	33 313			33 313	33 313			33 313	17 807	53%
Breede Valley	32 353			32 353	32 353			32 353	32 353	100%
Langeberg	20 686			20 686	20 686			20 686	16 298	79%
Cape Winelands DM				-	-			-	-	
Theewaterskloof	24 958			24 958	24 958			24 958	13 909	56%
Overstrand	20 674			20 674	20 674			20 674	11 332	55%
Cape Agulhas	10 532			10 532	10 532			10 532	6 660	63%
Swellendam	11 399			11 399	11 399			11 399	8 449	74%
Overberg DM				-	-			-	-	

Annexures to the Annual Financial Statements for the year ended 31 March 2015

ANNEXURE 1A: STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES (cont.)

Name of Municipality	Grant Allocation			Transfer			Spent			2013/14
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%
Kannaland	9 927			9 927	9 927			9 927	8 753	88%
Hessequa	12 997	3 462		16 459	16 459			16 459	6 913	42%
Mossel Bay	22 531			22 531	22 531			22 531	19 543	87%
George	37 946	8 721		46 667	46 667			46 667	43 380	93%
Oudtshoorn	20 437			20 437	20 437			20 437	10 970	54%
Bitou	18 914			18 914	18 914			18 914	15 909	84%
Knysna	23 648			23 648	23 648			23 648	14 383	61%
Eden DM				-	-			-	-	
Laingsburg	6 523			6 523	6 523			6 523	6 379	98%
Prince Albert	7 377			7 377	7 377			7 377	5 800	79%
Beaufort West	16 745			16 745	16 745			16 745	11 070	66%
Central Karoo DM	-			-	-			-	-	
Total	472 393	12 183		484 576	484 576			484 576	342 600	71%
Totals	14 683 835	80 214		14 764 049	14 745 445		- 952 760	14 745 475	8 682 787	14 332 060
Vehicle licences										
Gauteng										
City of Tshwane	99			99	99					
GRANT TOTAL	15 241 832	80 214		14 764 149	15 309 280		- 952 760	46 457 637	8 862 180	42 996 199

The Department can confirm that as per the DORA requirements, all transfers were made into the primary bank accounts of the municipalities and/or provinces.

ANNEXURE 1B: STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

Department/ Agency/ Account	Transfer Allocation				Transfer		2013/14 Appropriation Act R'000
	Adjusted Appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
South African Local L Government Association	26 904			26 904	26 904	100%	25 999
Municipal Demarcation Board	44 230			44 230	44 230	100%	42 152
MISA	294 162			294 162	294 162	100%	-
Traditional Affairs	115 864			115 864	115 864	100%	-
Public Sector Seta	662			662	662	100%	-
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	-			-	-	-	32 503
MISA	-			-	-	-	261 795
	481 822			481 822	481 822		362 449

ANNEXURE 1F : STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

Non-Profit Institutions	Transfer Allocation				Expenditure		2013/14 Appropriation Act R'000
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	
	R'000	R'000	R'000	R'000	R'000	%	
Transfers							
South African Cities Network	6 071	-	-	6 071	6 071	100%	11 765
United Cities and Local Governments of Africa(UCLGA)	5 594	-	-	5 594	3 209	57%	2 123
	11 665	-	-	11 665	9 280		13 888
Subsidies							
Total	11 665	-	-	11 665	9 280	-	13 888

Annexures to the Annual Financial Statements for the year ended 31 March 2015

ANNEXURE 1G: STATEMENT OF TRANSFERS TO HOUSEHOLDS

Households	Transfer Allocation				Expenditure		2013/14 Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
Transfers							
Post-Retirement Benefits	339	-	-	339	339	100%	4 536
Act of Grace	10	-	-	10	10	100%	-
Employees Severance Package	-	-	-	-	-	-	277
	349	-	-	349	349	-	4 813
Subsidies							
Total	349	-	-	349	349	-	4 813

ANNEXURE 3B: STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2015

Nature of Liability	Opening Balance 1 April 2015 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 2015 R'000
Claims against the department					
DML Facilitators vs Minister of COGTA	170	-	-	-	170
LIMA Rural Development Foundation vs Minister of COGTA	707	-	-	-	707
Subtotal	877	-	-	-	877
Environmental Liability					
Subtotal					
Other					
Subtotal					
TOTAL	877	-	-	-	877

Annexures to the Annual Financial Statements for the year ended 31 March 2015

ANNEXURE 4: CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2014/15 *	
	31/03/2015	31/03/2014	31/03/2015	31/03/2014	31/03/2015	31/03/2014	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
DEPARTMENT OF PUBLIC WORKS	-	-	44	-	44	-	-	-
DEPARTMENT OF HUMAN SETTLEMENTS	-	-	30	-	30	-	-	-
DEPARTMENT OF TRADITIONAL AFFAIRS	-	-	13 736	-	13 736	-	-	-
EC LOCAL GOVERNMENT AND TRADITIONAL AFFAIRS	-	-	14	14	14	-	14	-
DEPARTMENT OF HEALTH	-	-	42	-	42	-	-	-
			14 615	14	14 615	14	14	
Other Government Entities								
MISA	-	-	2 794	-	2 794	-	-	-
Merafong Local Municipality	-	-	73	73	73	-	73	-
Randfontein Local Municipality	-	-	69	69	69	-	69	-
Tembisile Municipality	-	-	67 845	-	67 845	-	-	-
Mhlontlo Municipality	-	-	4 500	-	4 500	-	-	-
			75 281	142	75 281	142	142	
TOTAL			89 147	156	89 147	156	156	

* For the Cash in transit columns - Please note the following:

- Provincial departments must only reflect receipts from departments within their province
- National departments must only reflect receipts from other national departments.

ANNEXURE 5: INTER-GOVERNMENT PAYABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2014/15 *	
	31/03/2015 R'000	31/03/2014 R'000	31/03/2015 R'000	31/03/2014 R'000	31/03/2015 R'000	31/03/2014 R'000	Payment date up to six (6) working days before year end	Amount R'000
DEPARTMENTS								
Current								
Department of performance monitoring and evaluation			525		525			
Department of trade and industry			8		8			
Department of Tourism			8		8			
Gauteng provincial Treasury			15		15			
Subtotal			556		556			
Total			556		556			

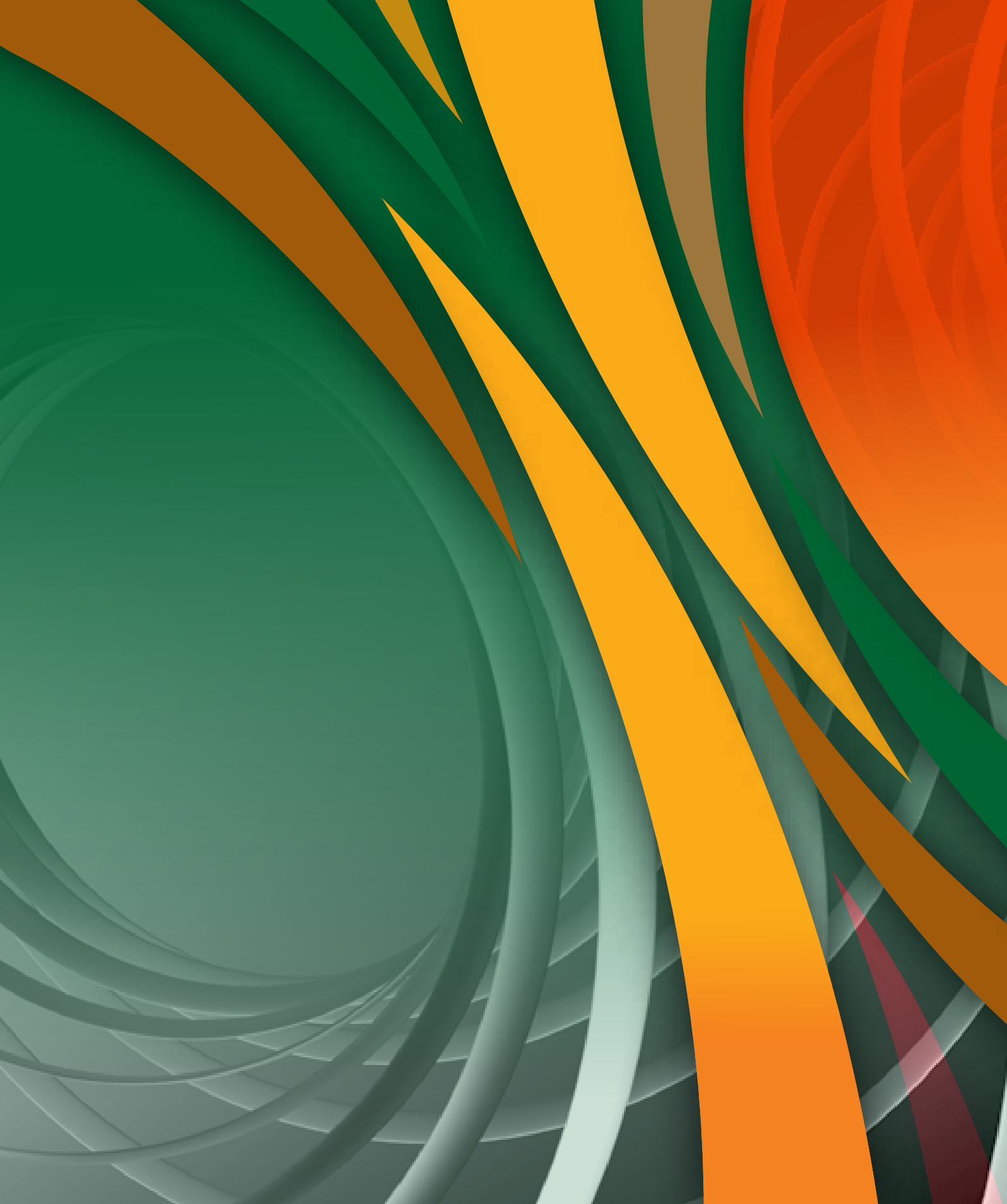
Annexures to the Annual Financial Statements for the year ended 31 March 2015

ANNEXURE 6: INVENTORIES

Inventory	Note	2014/15		2013/14	
		Quantity	R'000	Quantity	R'000
Opening balance		55 845	320	90 094	387
Add/(Less): Adjustments to prior year balance		-	-	-	-
Add: Additions/Purchases - Cash		43 225	869	25 823	644
Add: Additions - Non-cash		(46)	-	-	-
(Less): Disposals		-	-	(63)	-
(Less): Issues		(51 697)	(799)	(60 223)	(711)
Add/(Less): Adjustments		(33 038)	(208)	214	-
Closing balance		14 289	182	55 845	320

ANNEXURE 8A: INTER-ENTITY ADVANCES PAID (note 14)

Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2015 R'000	31/03/2014 R'000	31/03/2015 R'000	31/03/2014 R'000	31/03/2015 R'000	31/03/2014 R'000
NATIONAL DEPARTMENTS						
Department of international Relation and Cooperation			150	150		
Subtotal			150	150		
Total			150	150		



Read the **Annual Report** for the
Department of Traditional Affairs
on the reverse side of this book