

# ANNUAL REPORT

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2012 / 2013

Local government is Everybody's Business. Be part of it!



Cooperative Governance  
Traditional Affairs



## **Mr. L Tsenoli, MP**

**Minister for Cooperative Governance and Traditional Affairs**

We are pleased to submit the Annual Report for the Department of Cooperative Governance and the Department of Traditional Affairs (**CoGTA**) for the financial year 1 April 2012 to 31 March 2013.

The contents of the report are consistent with the disclosure principle contained in the guide for the preparation of Annual Reports issued by National Treasury. This report seeks to portray CoGTA's activities during the financial year under review and based on sound underlying departmental information and management systems.

In presenting this report we acknowledge progress made by two departments under the Ministry of Cooperative Governance and Traditional Affairs during the 2012/13 financial year as well as the challenges and opportunities that lie ahead.

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**Mr V Madonsela**  
**Director-General**  
**DCoG**  
31 August 2013

A handwritten signature in black ink, appearing to read 'MC Nwaila', written over a horizontal line.

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**Professor MC Nwaila**  
**Director-General**  
**DTA**  
31 August 2013

# ANNUAL REPORT

ANNUAL REPORT FOR THE FINANCIAL YEAR 2012/13



## PART A: GENERAL INFORMATION

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## 1.2 Abbreviations and acronyms

AG	Auditor-General
AOSIS	African Online Scientific Information System
APP	Annual Performance Plan
AU	African Union
BCM	Buffalo City Municipality
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIP	Comprehensive Infrastructure Plan
COGHSTA	Cooperative Governance Human Settlement 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
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
HR	Human Resources
ICT	Information Communication and Technology
IDDR	International Day for Disaster Reduction
IDP	Integrated Development Plan
IGR	Inter-Governmental 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

## PART A: GENERAL INFORMATION

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	Member of Executive Committee
MIG	Municipal Infrastructure Grant
MinMEC	Ministers and Members of Executive Council
MISA	Municipal Infrastructure Support Agent
MOU	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	Non-Governmental Organisations
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	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
TSU	Technical Support Units
UCLGA	United Cities and Local Government of Africa
WC	Western Cape





### 1.3 Vision, Mission and Values



## Vision

An integrated, responsive and highly effective governance system working with communities to achieve sustainable development and improved service delivery.

## Values

Guided by the spirit of Ubuntu, our values are:

- Professionalism and integrity;
- Activist approach;
- Goal orientation;
- Partnership and Collectivism; and
- Innovation and Service Excellence.

## Mission

- Our mission is to facilitate cooperative governance and support all spheres of government, the institution of traditional leadership and associated institutions through:
- Development and implementation of appropriate policies and regulatory mechanisms to promote integration of government development programmes;
- Achievement of social cohesion through the creation of enabling mechanisms for communities to participate in governance; and
- Monitoring and evaluation of cooperation amongst government stakeholders to achieve improved service delivery.

## 1.4 Legislative Mandate

Our primary mandate is to:

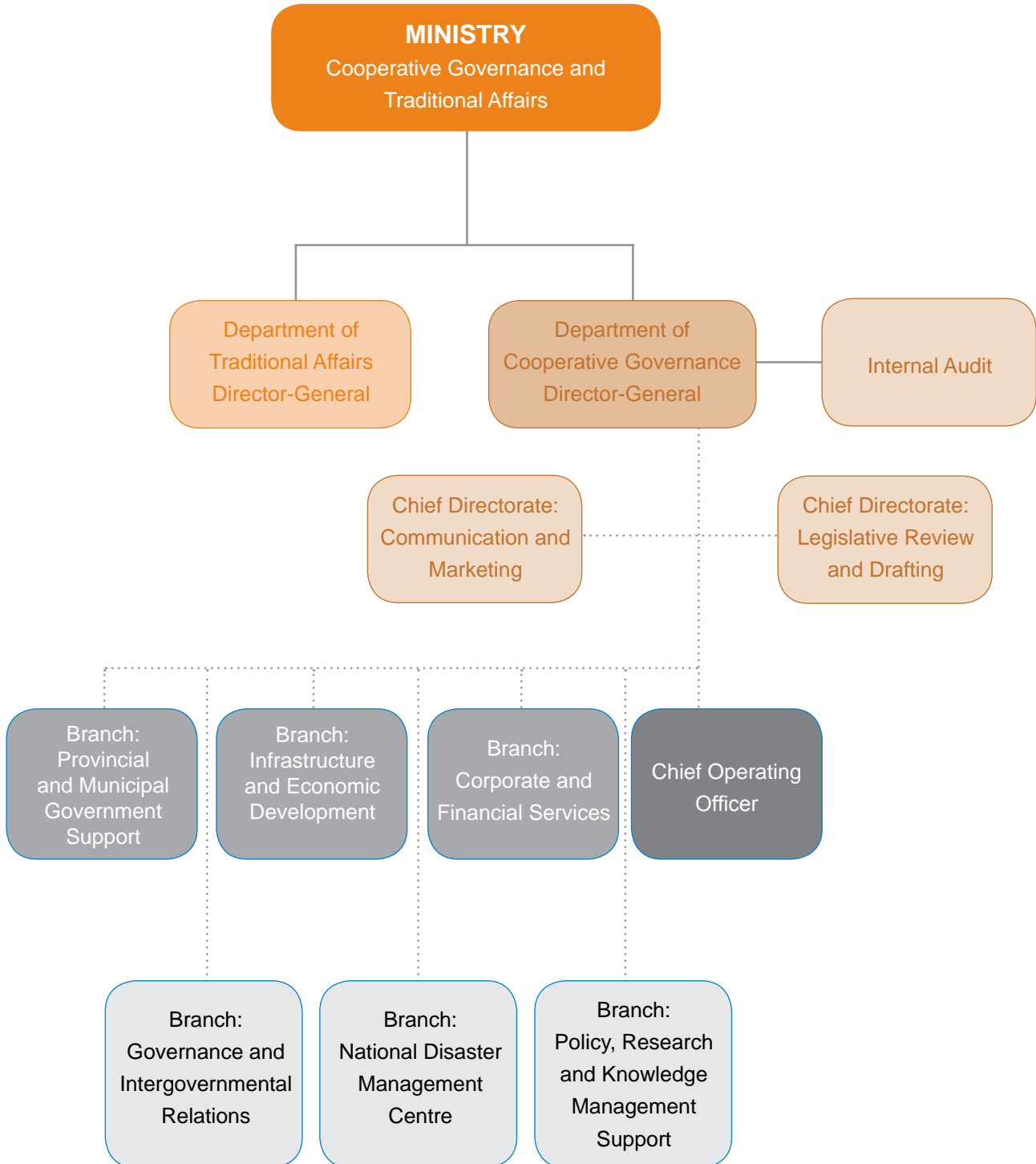
- Develop and monitor the implementation of national policy and legislation seeking to transform and strengthen key institutions and mechanisms of governance to fulfil their developmental role;
- Develop, promote and monitor mechanisms, systems and structures to enable integrated service delivery and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

The Departments of Cooperative Governance and Traditional Affairs (**CoGTA**) derive their mandate from Chapters 3, 7 and 12 of the Constitution of the Republic of South Africa, 1996, hereafter referred to as the Constitution.

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:

- Fire Brigade Services Act, 1987 (Act. No. 99 of 1987);
- The Pension Benefits for councillors of Local Authorities Act, 1987 (Act. No. 105 of 1987);
- National House of Traditional Leaders Act, 1997 (Act. No. 10 of 1997);
- Organised Local Government Act, 1997 (Act. No. 52 of 1997);
- White Paper on Local Government (1998);
- Remuneration of Public Bearers Act, 1998 (Act. No 20 of 1998);
- Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);
- Local Government: Municipal Structures Act, 1998 (Act No.117 of 1998);
- Local Government: Cross-boundary Municipal Act, 200 (Act. No. 29 of 2000);
- Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);
- The Commission for the Promotion and Protection of the Rights of Cultural; Religious, and Linguistic Communities Act, 2002 (Act. No. 19 of 2002);
- Disaster Management Act, 2002 (Act No.57 of 2002);
- Traditional Leadership and Governance Framework Act, 2003 (Act No 41 of 2003);
- Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003);
- Municipal Property Rates Act, 2004 (Act No.6 of 2004); and
- Intergovernmental Relations Framework Act, 2005 (Act No. 13 of 2005).

1.5 Organisation Structure for DCoG



### 1.6 Constitutional Institutions, Public Entities and other agencies reporting to the Minister

#### 1.6.1 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 2012/13**

- SALGA has during the year under review improved the Annual Performance Plan for 2013/14 by enhancing its focus and potential impact. The

plan reduced its targets from over 500 fragmented targets to 69 focused deliverables. This also allows for unprecedented focus and greater organisational alignment.

- Decentralisation of the human settlements function to municipalities is slowly gaining momentum. During 2012/13, significant progress was made in that 6 Metros were accredited to 'level 2' and are targeted for full assignment of the function during 2013. With full assignment, funding for national housing subsidy programmes will flow directly to assigned municipalities, which represents a significant milestone in the decentralisation of functions together with requisite funding for the built environment in local government.
- SALGA facilitated the "LED Friendly Campaign", with 3 focus areas namely: partnerships for LED, informal economy and cooperatives. The focus on cooperatives was particularly relevant as the United Nations had declared 2012 as the International Year of Cooperatives. Such a campaign is aimed at ensuring that municipalities begin to pay special attention to the importance of cooperatives, the informal economy and partnerships for LED. The Campaign is ready to be launched during 2013.
- SALGA successfully lobbied against an initial request of a price hike by Eskom from 16% to 8%, thus providing relief for communities. This also included an increase for municipalities in





a manner that would still allow them to add a surcharge without leading to higher municipal electricity increases than those provided in Eskom supplied areas.

- The Local Government Equitable Share formula has also been reviewed during 2012/13 with the aim of introducing a new formula in line with 2011 Census information to determine municipal allocations for the 2013 budget. SALGA participated in the technical processes with National Treasury, **DCoG**, FFC and Stats SA to develop a new formula and made an independent submission based on inputs from our members to the Budget Forum in October 2012 in this regard. The review of the formula was carried out over three phases. SALGA has been instrumental in facilitating consultation with municipalities in six focus group discussions involving a sample of 43 municipalities from different provinces.
- SALGA partnered with the NCOP to host the first ever NCOP Local Government Week held in August 2012 under the banner: *“Accelerating Service Delivery through Effective Cooperative Governance”* This provided an opportunity for parliament to focus on Local Government for a whole week thereby enhancing the lobbying and advocacy opportunity for Local Government. The Debate was also the first time that SALGA occupied all its 10 seats in the NCOP. This is the culmination of an increasingly positive relationship between the NCOP and SALGA that recognises SALGA as the mandated voice of Local Government. Local Government week will now be an annual event on the NCOP calendar.
- SALGA submitted comments to the Department of Cooperative Governance and Traditional Affairs (**CoGTA**) on the Simplified IDP Framework and raised concerns regarding the legal basis of such a framework. In June 2012, **CoGTA** replaced the Simplified IDP Framework document with “Revised IDP Framework for municipalities outside Metros and Secondary cities” incorporating SALGA’s concerns. The lack of progress in the development of a legally sound policy framework for the development of differentiated IDPs created a need for SALGA to develop a position on possible legislative changes that are required in order to give effect to differentiated integrated development plans.
- During 2012/13, the following Guidelines were developed and / or disseminated
  - 1) Guideline on Enhancing Public Participation: Mechanisms to Improve Public Participation in Addition to Ward Committees.
  - 2) Model for Effective Governance, Accountability, Resourcing of Ward Committees
  - 3) The Governance Model for Separation of Functions: A differentiated Model of
  - 4) Accountability and Oversight.
  - 5) Guidelines on Roles and Responsibilities.
  - 6) Credit control and debt management guideline
- On 27 July 2012 a Collective Agreement on Salary and Wages was concluded and signed at the SALGBC with organised labour. The agreement on Salary and Wages resulted in a stable sector in that percentage increases have been resolved for the next three years.
- SALGA was nominated to participate in the Single Public Service Task Team of NEDLAC during the year under review. The impact of SALGA’s representation is to ensure that views and opinions of Local Government are taken into account in NEDLAC and ILO processes.
- Leadership Academy was adopted by the SALGA NEC. The Academy was further endorsed by the sector at the Human Resource Management and Development Conference which took place from 5-6th March 2013. The Leadership Academy is a result of the need to have an integrated approach towards building leadership in local government and is borne out of recognition that real transformation in the sector will only be realised if we are able to build efficient, accountable and capable leadership.
- The HRM Strategy was developed and approved by the HRD & CB Working Group in October

2012. The Strategy contains the HRM & D value chain, which will support municipalities as they embark on a journey to transform their HRM&D practises to become strategic in nature. Likewise it addresses all relevant aspects that members need to take into account, including the need for institutional reform.

- Collectively, SALGA's provincial offices have adopted 25 municipalities in the respective provinces and provided support ranging from workshops and one-on-one engagements with the municipalities on:

- vii) Improving political oversight;
- viii) Attaining compliance with laws and regulations and the adherence to established procedures and controls within municipalities;
- ix) Improving reporting and monitoring predetermined objectives;
- x) Improving credit control, debt collection, revenue enhancement, tariff setting; and
- xi) Functioning of MPACs and Audit Committees.

- During October 2012, SALGA engaged 75 municipalities on their persistently poor audit outcomes. The municipalities signed pledges which progress on implementation is monitored by SALGA provincial offices. SALGA developed a support programme which highlights a number of root causes leading to poor audit outcomes of municipalities and the need for a better coordinated approach to address them. SALGA is in the process of developing a hands-on support programme for improvement of financial management in the adopted municipalities. The programme will focus on support in the areas of supply chain management; asset management; governance; financial management; and predetermined objectives.
- SALGA provided technical support to associations in the region to become more effective and efficient Local Government Associations. During 2012/13, direct support has been given to the Swaziland Local Government Association

(SWALGA), Botswana Local Government Association (BALA) and the UCLGA Southern African Regional Office (SARO), having played a leading role in its establishment. SALGA also had the opportunity to share its Lobbying Framework and a Communication Strategy with associations in the region.

- During 2012/13, SALGA made a submission relating to e-tolling which forced the relevant legislation to be amended and for the implementation of e-tolling to be rescheduled. The new legislation which is about to be signed now requires an assessment of the socio-economic impact and consultation with communities.

### 1.6.2 South African Cities Network (SACN)

The SA Cities Network (SACN) is an established of South African cities and partners that encourages the exchange of information, experience and best practices on urban development and city management. It 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 is knowledge of large city government experiences within the global and national economic development contexts; and to promote partnerships between or among the spheres of government in the interests of enhancing good city governance in South Africa.

#### **Highlights for 2012/2013**

#### **SA Cities Strategic conversation**

The South African Cities Network conducted and held 44 events for the 2012/13 financial year and produced three (3) publications. Two (2) strategic conversations were held in two fold. Firstly, an update to Senior Municipal Leaders of member municipalities was held to have a dialogue on national developments impacting direct on urban municipalities. Secondly, an opportunity was afforded to also the Senior Municipal Leaders from member municipalities to debate

with stakeholders from national and international development partners on urban development. In addition, SACN held workshops under IBSA Working group on Human Settlements (IBSA-WGHS) by bringing together stakeholders active in education, policy and practice on informal settlement upgrading, focusing on research, active projects and partnerships between South African, India and Brazil.

## **Launch of the Capacity Building through Knowledge Management: a toolkit for SA Municipalities**

After consultative workshops with member cities, SALGA and CoGTA, the SACN launched the Knowledge Management toolkit to enhance municipalities' effective knowledge management (KM) systems to ensure more competitive and better able to serve their citizens. The aim of the toolkit is to build the KM capacities of South African municipalities, which play an essential role in the country's economy.

## **During the year under review, the SACN published the following Publications**

- Report on a Roundtable on Law Reform in Planning – August 2012
- Managing Urban Land- a guide for Municipal practitioners- August 2012
- South African Informal City –September 2012

## **Analysis of the quality of outputs**

During the end of 2012/13, the events report was administered for the following events:

- Infrastructure Dialogues- matching SIPS to Skills. Can our infrastructure programme better leverage our skills reality?
- Knowledge Management Reference Group meeting
- SACN Strategic conversation and 10year celebration
- Infrastructure dialogues
- Knowledge network session on reflections on the " Spatial Transformation of the City"

- EPWP reference group meeting

## **Socio-Political Instability Workshop**

SACN wish to explore, as a start, current problems besetting our cities performances, namely; public demonstrations and protests, urban violence, migration and weak social accountability as possible measures of socio-political instability in the cities.

## **1.6.3 Municipal Demarcation Board (MDB);**

In terms of Section 155(3) (b) of the Constitution, the Municipal Demarcation Board is an independent authority responsible for determining municipal boundaries. The board's independence 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 2012/13**

#### **Re-determination of Municipal Boundaries**

In 2012/13 financial year, the Board dealt with a total of 1 028 cases received to be processed up until the closing date for submissions on 20 January 2012. In total 225 cases were processed for the Eastern Cape, 86 cases for the Free State, 85 cases in Gauteng, 276 cases for KwaZulu Natal, 99 cases for Limpopo, 74 cases for Mpumalanga, 63 Cases for the North West, 39 cases for the Northern Cape and 81 cases for the Western Cape. From the 1 028 cases processed, 824 cases were rejected after intensive evaluation towards meeting in terms of the Municipal Demarcation Act (Act 27 of 1998), Section 24 and Section 25 criteria.

During considerations of the 1 028 cases, public participation visits were done with 166 meetings in the different provinces in South Africa. The Section 26 notices were published on 37 cases for the Eastern Cape, 10 cases for the Free State, four cases for

Gauteng, 49 cases for Kwa-Zulu-Natal, 13 cases for Limpopo, six cases in Mpumalanga, 25 Cases for North West, 21 cases for the Northern Cape and 39 cases for the Western Cape. A total of 530 views and representations were received for 126 of the 204 Section 26 cases published. The Board resolved, in February 2013, to close 22 of the 204 published cases and 102 cases were ready to proceed with a Section 21 publication. The Board resolved to investigate some of the 80 out of the 204 cases (47 minor cases and other 33 major cases) before decisions could be made towards Section 21 publication.

The 47 minor investigation cases were internally investigated by staff and Board members, whereas other cases required meeting with the affected community, and others were resolved through desktop analysis and written feedback received from affected stakeholders. Finally, 33 cases required a major investigation and/or public meetings were published in terms of Section 27.

### Municipal Capacity Assessments

A new and revised approach to capacity assessment was adopted, that yielded assessments that will be instrumental in assisting national, provincial and local government to enhance the performance of functions by municipalities for better service delivery to communities. Given that this new approach exists in an environment where local government is under extreme pressure to perform better, there are likely to be challenges in the realising the desired results.

The project was outsourced, with provision for internal capacity building. The Board's desires to increasingly have the assessment performed internally. During the review period, the Municipal Demarcation Board for the first time conducted its municipal capacity assessment within the context of three interdependent, but key local government performance barriers:

- where a municipality finds itself representative of the socio-geographic and legacy factors;
- that constrains the ability of a municipality to perform;
- constrained capacity which includes resources such as staff and finances, skills and
- competencies, systems and processes, and
- the leadership behaviours of councillors and heads of the executive, which play a less measurable but very significant role in determining the ability of a municipality to perform well.

This year's conceptualisation of the capacity assessment arises from significant improvements to the methodology and the analytical tools used, as suggested in a review of the MDB's capacity assessment model undertaken in 2010. The end result being, the following;

**National analytical report:** The report draws an analysis of trends in municipal capacity across different categories of municipalities, municipalities in different provinces, and over time where the data is comparable. The findings are invaluable to policy makers and national government officials needing an analysis across all municipalities in the country. In addition, the report is accompanied by a comprehensive user-friendly database, hosted on the internet that provides a resource for officials, councillors and researchers in the local government sector to run customised queries and analysis. In 2012, a suite of other reports were made available that reflect other purposes and accommodates other audiences:

- **A municipal comparison report:** for use by a municipality to compare their capacity trends, in general and for each function, with municipalities in the same category. This is generated for each municipality independently.
- **A district-level report card:** for any reader wanting an analysis of the distribution of capacity within a district, among all local municipalities and the district municipality. This is automatically generated for each district family.
- **An in-depth qualitative assessment report for nine districts:** nine districts, one in each province, were selected for an in-depth analysis of the application of capacity to three prioritised functions. The reports for each of these districts





reflect the current arrangements for delivering fire services, roads and solid waste services and assess the merits of considering MEC adjustments. As a marked difference from past methodologies, this year's capacity assessment relied on a range of already-collected information on municipalities, held by national departments, as well as data collected from municipalities. The revised approach to assessing capacity has produced a wealth of data and analysis, including trends in capacity across provinces, different municipal categories that help to describe the capacity of local government and its many successes and challenges.

## 1.7 Foreword by the Minister



**Honourable L Tsenoli, MP**

Minister for Cooperative Governance and Traditional Affairs

***“The Government is committed to building a more equitable, sustainable and inclusive economic growth path, centred on the creation of decent work opportunities and sustainable livelihoods.”***

The year under review has seen the release of the Census 2011 statistics which show the strides that government, particularly municipalities has made with regard to service delivery:

- Access to piped water in the dwelling or yard has increased significantly since 1996 when only 60.7% of households reported access compared to 73.4% in 2011. During the same time, the percentage of households with no access to piped water decreased from 19.7% in 1996 to 8.8% in 2011.
- Households that have flush toilets connected to the sewage system increased persistently to 57.0% in Census 2011 from 50% in Census 2001. The percentage of households that were without toilets declined significantly to 5.2% in Census 2011 from 13.3% reported in Census 2001.
- Households using electricity for lighting increased from 58.2% in 1996 to 84.7% in 2011, while those

using paraffin and candles decreased over the same period from 12.7% to 3.0%.

- Census 2011 shows that the percentage of households that have their refuse removed by the local authority weekly have increased consistently from 52.1% in 1996 to 62.1% in 2011.

Although progress has been made, the results from the 2011 Census simultaneously call for a more differentiated and strategic response from government. In this regard the Municipal Infrastructure Support Agent (MISA) supports municipalities through the placement of technical experts and artisans and the assignment of Professional Service Providers (PSPs). MISA is also implementing a specialized water and sanitation programme for water service providers prioritized by Cabinet for support towards drastically raising levels of access to basic services.

The Government is committed to building a more equitable, sustainable and inclusive economic

growth path, centred on the creation of decent work opportunities and sustainable livelihoods. In ensuring that the majority of our people benefit meaningfully from economic growth, the Community Work Programme (CWP) significantly increased the participation rate. 186 363 participants have been provided with work opportunities by the end of March 2013 against the financial year target of 171 500 work opportunities. The programme has largely benefitted the youth and women. 58 % of participants were women and 54% were youth.

In 2012/13 the government has focused strongly on the National Development Plan (NDP) as the vision of the country for the next 20 years. The NDP materialises government's vision to build an effective developmental state through improved planning and coordination and investment in public sector workers so that they efficiently and effectively execute the tasks with which they have been entrusted. One of the initiatives in this regard was the amendment of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) - ("the MSA") to professionalise the local sphere of government, and to also ensure fair, efficient, and transparent municipal administration. During 2012/13 it was decided to prioritise the development of Regulations for municipal managers and managers directly accountable to municipal managers (senior managers) as a direct response to challenges relating to the employment of persons without the relevant skills, expertise and qualifications in some municipalities. The draft Regulations were presented to the Portfolio Committee and the MinMEC, and published in the Government Gazette on 7 March 2013 for public comments.

Looking backwards over the 2012/13 financial year, we want to acknowledge our partners in our achievements. First of all the previous Minister and Deputy Minister the honourable Mr R.M. Baloyi and Mr Y. Carrim is sincerely acknowledged and their efforts appreciated. Secondly our provincial MEC's, provincial departments of local government, municipalities, the South African Local Government Association (SALGA), the South African Cities Network, and the United Cities and Local Governments

of Africa (UCLGA) receive acknowledgement for continued struggle to overcome backlogs in service delivery and poverty .

As we embark on the final leg of the current term of government, we are acutely aware of challenges that persist in the local government system and commit to prioritise the following critical issues:

- 1) Implementation of a policy framework that recognises the varied contexts and capacities and provides for appropriate differentiation to municipal planning, financing and support.
- 2) Ensuring improved access to essential services
- 3) Initiating ward-based programmes to sustain livelihoods in targeted poor communities
- 4) Contributing to the achievement of sustainable human settlements and quality neighbourhoods
- 5) Strengthening participatory governance
- 6) Strengthening the administrative and financial capability of municipalities
- 7) Addressing coordination problems and strengthen cross-departmental initiatives



**Mr. L Tsenoli, MP**

Minister for Cooperative Governance and Traditional Affairs

## 1.8 Deputy Minister's Statement



**Honourable A Nel, MP**

Deputy Minister for Cooperative Governance and Traditional Affairs

***“Addressing lagging service delivery complaints remains crucial as the ultimate solution to address these protests is that government departments at all levels work closely with communities to ensure that all concerns are attended to before they escalate into protests.”***

In order to accelerate service delivery and address the challenges of poverty in our country, a spirit of cooperative government across the three spheres of Government is required. We also have to partner with civil society formations, professional organisations, religious communities, business bodies and many other stakeholders, seeking to shape a developmental state that meets our specific needs as a country.

In the 2012/13 financial year, the development and implementation of ward level operational plans was identified as one of the key support measures to strengthen the functionality of ward committees, thereby enhancing community participation. With respect to the development and implementation of ward operational plans, the annual target set for the 2012/13 financial year was exceeded. As at 31 March 2013, a total of 626 ward operational plans (against 500 targeted for the year) had been developed and are currently being implemented in municipalities.

The Department successfully supported municipalities in the establishment and induction of ward committees in accordance with the relevant legislative framework. As at 31 March 2013, 99% (4 277) ward committees were established and are currently functional. Post the ward committee elections, an induction programme for newly elected ward committee members was rolled out. This induction formed part of a broader capacity building programme comprising of both accredited and non-accredited skills development.

Service delivery protests remain a consistent and worrying phenomenon, with 20% of South African youth reporting to have participated in protest activity. A concerning matter is that more protests in 2012 have been violent: growing from ± 69% of protests between 2004 and 2011 to more than three-quarters of 2012's protests (80%). The Department has embarked on various initiatives to address inequality, unemployment and poverty. In this regard, total Municipal Infrastructure Grant ( MIG) transfers



amounted to R13,879,161,000, Technical Support Units (TSUs) were established in all provinces to support the implementation of the Local Government Turnaround Strategy (LGTAS) and 4 strategic partnerships with the Department of Trade and Industry, the German Co-operative and Raiffeisen Confederation, the Department of Agriculture, Forestry and Fisheries and Western Cape Department of Economic Development and Tourism were formed to support the development of cooperatives.

Addressing lagging service delivery complaints remains crucial as the ultimate solution to address these protests is that government departments at all levels work closely with communities to ensure that all concerns are attended to before they escalate into protests.

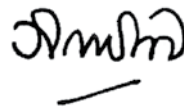
The disaster management approach of the Department of Cooperative Governance pays specific attention to the pressing needs of poor communities in relation to both natural and human induced disasters in the context of a developmental and capable state. In our efforts toward the development and strengthening of institutions, mechanisms and capacities at all levels, in particular at the community level that can systematically contribute to building resilience to hazards 62 Disaster Management Centres (DMCs) have been established across provincial and municipal spheres of government supported by the National Disaster Management Centre, national, provincial and municipal disaster management advisory forums serve as a platform for sharing information and exchanging ideas on Disaster Risk Reduction issues and work is also being done around building disaster management capacity and awareness through structured Councillor workshops across the country as well as positive engagement with the Traditional Leaders on Risk Reduction. The country also participates in the regional and sub-regional (African Union & Southern African Development Community) matters as they relate to Disaster Risk Reduction.

South Africa is as a result of the high urbanisation of its people faced with two distinct policy challenges:

Pressure on cities to deliver services to meet immigration (with protests in informal areas).

Shrinking areas need to address backlogs and basic development (currently entrenching a sustained lack of delivery).

In support to the President's call for all three spheres of government to work together towards managing the new wave of urbanisation, the Department is currently developing a national integrated urban development framework (IUDF). It is envisaged that this policy framework will structure the understanding of the urban system, the urban-rural inter-dependencies and linkages, and ensure better informed responses to the challenges facing different areas. A concept note has been developed, and a panel of experts has been established to advise the Department on both content and process of the IUDF. In this regard the inputs and the leadership of the previous Deputy Minister, the honourable Mr Yunus Carrim is acknowledged.



**Mr. A Nel, MP**

Deputy Minister for Cooperative Governance and Traditional Affairs

### 1.9.1 Department of Cooperative Governance



**Mr V Madonsela**

Director-General: Department of Cooperative Governance

*“The advances we have made towards the achievement of these outcomes bring us closer to the realisation of the ideal system of developmental local government.”*

South Africa’s aspiration of constructing a developmental state can be best achieved by building a capable and sustainable local government. Local government remains central to the achievement of South Africa’s developmental goals, as enunciated in the National Development Plan (NDP) 2030. In order to enable local government to fulfil its envisaged role, the Department of Cooperative Governance (DCOG) commits itself to continue improving the policy and legislative environment of local government as well as continually working towards enhancing the institutional capacity of municipalities in South Africa. Regarding the latter, the Department accelerated its implementation of the Local Government Turnaround Strategy (LGTAS) which was adopted by Cabinet in 2009, focusing on the acceleration of service delivery, promoting good governance, enhancing sound financial management, fostering sustainable infrastructure development and maintenance and intensifying the fight against corruption.

This Annual Report highlights some of government’s

efforts in line with the outcomes approach towards the achievement of a responsive, accountable, effective and efficient local government system in the country. The advances we have made towards the achievement of these outcomes bring us closer to the realisation of the ideal system of developmental local government.

The 2011 Census indicates a marked improvement in access to basic services, most notably in respect of piped water and electricity, by communities across our country since 1994. The statistics also indicate slow progress in respect of access to basic sanitation and refuse removal services, especially in rural areas. In recent times, our country has witnessed an exponential increase in the rate of in-migration from rural areas to towns and cities. This trend continues to affect the ability and capacity of the receiving towns and cities to provide services to these communities, especially to those living in informal settlements.

The provision of basic services is inextricably linked to sustainable infrastructure development and

maintenance in municipalities. As part of the LGTAS, with specific reference to enabling municipalities to develop and maintain municipal infrastructure, the Department established the Municipal Infrastructure Support Agent (MISA) in May 2012. As part of its initial mandate, MISA is providing targeted support to municipalities that are under spending on the Municipal Infrastructure Grant (MIG). The Department and MISA are also concluding Memoranda of Understanding (MOUs) with sector departments such as Water Affairs, Human Settlements and Environmental Affairs to assist with infrastructure project planning and implementation at municipal level.

The 2011/12 Financial Year Audit outcomes of municipalities, as reported by the Auditor General, revealed a mixed picture of improvement and regression in financial management practices of our municipalities. The underlying reasons for this are varied and include non-financial management related challenges, such as failure by some municipalities to fill the positions of Municipal Managers, Chief Financial Officers (CFOs) and other critical posts, thereby resulting in weak financial management, accounting systems and municipal performance reporting. In order to improve audit outcomes of municipalities, the Department, through the Operation Clean Audit programme, facilitated the establishment of oversight institutions, known as the Municipal Public Accounts Committees (MPACs), in 223 of the 278 municipalities by 31 March 2013. The MPACs were established to ensure compliance with municipal financial and performance management legislation and practices. 275 out of 278 MPACs were trained in the year under review in order to improve the effectiveness of their oversight capacity. An evaluation of the impact of MPACs will be undertaken within the next MTSF cycle.

The Department is committed to efforts aimed at professionalising local government to ensure a fair, efficient, and transparent municipal administration. Human Resource related regulations complementing the Municipal Systems Amendment Act of 2011 were drafted and published in the Government Gazette for public comments on 7 March 2013. The Regulations are aimed at establishing a coherent human resource governance regime across municipalities. These Regulations will be promulgated in the 2013/14

financial year.

A customised IDP Framework for smaller municipalities was finalised during the year under review on which a total of 119 municipalities in 7 provinces were trained. This work begins to give expression to government's Differentiated Approach to municipal planning, financing and support. This approach is desirable to ensure that municipalities are assigned powers and functions according to their capacity and revenue base.

The Department attaches great importance to the entrenchment of local democracy in municipalities. In order to achieve this, the Department is drafting a Bill which will strengthen the legislative framework for ward committees. As at 31 March 2013, the Department had assisted in the establishment of 4277 ward committees which translate into 99% of ward committees in municipalities across the country. In order to strengthen these ward committees, the Department has adopted a national framework on ward operational plans which aim to integrate the services of various sector departments in communities. As at 31 March 2013, this national framework had been implemented in 626 wards across the country.

As can be gleaned from the report, the Department has made significant progress towards the achievement of its stated objectives. Clearly, a lot remains to be done. The clarion call of making "local government everybody's business.", remains relevant to this day. I encourage everyone to "Be part of it".

As I conclude, I would like to take this opportunity to thank top management, senior management and staff of the Department for their commitment and dedication to their work. Similarly, I would like to express my appreciation of support from the various sector departments as well as thank the Heads of Provincial Departments responsible for local government for their cooperation.



**Mr. Vusi Madonsela**

Director General: Department of Cooperative Governance

### 1.9.2 Department of Traditional Affairs



**Professor MC Nwaila**

Director-General: Department of Traditional Affairs

***“Government has taken the lead in Africa in initiating a process to address matters relating to the recognition, reaffirmation and needs of these communities.”***

In the 2012/13 Financial Year, the Department embarked on a programme of monitoring implementation, alignment and compliance of provincial legislation with the Traditional Leadership Governance Framework Act, (TLGFA) to ensure that all provincial legislation complies with the Act. To this effect, the Department developed legislative compliance monitoring reports comparing provincial legislation with the Traditional Leadership Governance Framework Act in the Eastern Cape, Free State, Gauteng, Limpopo, Mpumalanga, Northern Cape and North West Provinces. The next phase of this project will commence in the 2013/14 financial year where the Department will assist and support all provinces with recognised traditional leadership to align their traditional affairs legislation with the TLGFA. This exercise will ensure the implementation of the TLGFA nationally and subsequently strengthen the role played by traditional leadership in the development of traditional communities.

The 2012/13 financial year marked the end of the 1<sup>st</sup> phase of the Department's establishment and the implementation and strengthening of other elements of the Department's mandate which were not implemented in the first two years of the Department's establishment. As a National Department with custodianship for development of traditional, Khoi and San and Interfaith communities

in particular, the Department introduced functions on heritage for these respective leadership and communities as well as interfaith functions. Hence, the Department strengthened its relations with the interfaith community by hosting a National Interfaith Summit in November 2012 which resulted in the signing of the Memorandum of Understanding between the Department and the National Interfaith Council of South Africa. Our objective in 2013/14 is to work efficiently to promote and restore heritage and tourist attraction sites in traditional and Khoi and San communities to contribute to the socio-economic development of these communities.

Recently, there has been prevalent media coverage on fatalities and casualties arising from the initiation practice, which resulted in the call for the abolishment of the practice by some individuals. The Department and the Commission on the Promotion and Protection of the Rights of Cultural, Religious and Linguistics Communities (CRL Rights Commission) conducted research on the practice and its challenges, focussing on male initiation. In May 2012, the Department developed a draft Policy on the Customary Practice of Male Initiation with the intention of having it legislated to ensure zero fatalities and the casualties resulting from the practice.

While traditional structures and leadership positions



have been recognised by law in compliance with the Constitutional prescripts, no statutory recognition existed of the Khoi-San communities, leadership and structures. The centuries of suppression and disenfranchisement by colonial powers and their apartheid successors, have resulted in the denial of the existence of these distinct cultural communities who have identified themselves as the South African Khoi-San communities. Government has taken the lead in Africa in initiating a process to address matters relating to the recognition, reaffirmation and needs of these communities. This takes into account their chequered history, their current socio-economic status, norms for self-identification as applied by themselves, international best practices, international law prescripts, and the South African Constitutional framework. In this regard, the Department has in the 2012/13 financial year finalised the consultation process on the Traditional Affairs Bill, which also recognises the Khoi and San structures, communities and leadership.

In the first year of the Department's establishment, there are inconsistencies regarding the implementation of policies and legislation across provinces and the need to strengthen our coordination role as a National Department to address this issue was identified. In the past year, towards strengthening the coordination and provincial oversight role of the Department, the Traditional Affairs Strategy was developed and will be implemented in the 2013/14 financial year. The strategy is aimed at improving and strengthening coordination of intra and inter-sphere coordination of traditional affairs matters across the three spheres of government, to ensure uniformity across provinces. This will further form the basis for the development of National Norms and Standards for traditional affairs.

Furthermore, the Department in the past three years of its existence experienced a challenge of partnerships established between traditional leadership and various stakeholders which were not regulated due to the absence of a framework to guide the establishment of these partnerships. In some instances, this has resulted in tensions within traditional communities, threatening social cohesion in these communities. The Department developed a Partnership Framework in 2012/13 financial year as an intervention to address the development, establishment, and sustenance of collaborative and cohesive relations between various partners within traditional affairs. This Framework will be implemented in all provinces in the 2013/14 financial year.

One of the major achievements for 2012/13 pertaining to the administration of restorative justice and building cohesive traditional communities was the finalisation of 249 traditional leadership disputes and claims, and the establishment of five Provincial Traditional Leadership Disputes and Claims Committees in **Mpumalanga, Eastern Cape; KwaZulu-Natal; North West and Limpopo**: provinces with a higher number of disputes and claims. These provincial committees will assist the Commission on Traditional Leadership Disputes and Claims and the Department in fast-tracking the finalisation of the 1,244 disputes and claims.

The 2012/13 Financial Year, marked the completion of the first phase of the Department's establishment, characterised by the development of systems to strengthen the Department's national coordination and oversight role of traditional affairs. This phase was dominated by the development of policies, frameworks, legislation and strategies as part of the systems. The next phase, commencing in the 2013/14 financial year, the Department will focus on the implementation and the monitoring of the effectiveness of these systems and the establishment of its own corporate and financial management services. This will ensure that line function programmes are fully supported to implement the strategies, frameworks and systems established since the Department's existence in 2010.

I have no doubt that the strategies and interventions outlined in the report will take the traditional affairs sector to the next level. Working together with our partners, I am assured that these interventions will result in the sustainable development of traditional, Khoi and San and Interfaith communities through a comprehensive and integrated system of planning, implementation, monitoring and evaluation.



**Professor MC Nwaila**

Director-General: Department of Traditional Affairs

## PART B: DCoG PERFORMANCE INFORMATION

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## PART B: DCoG PERFORMANCE INFORMATION

### 2.1 Accounting Officer's Statement of Responsibility for Performance Information

The contents of the report are consistent with the disclosure principles contained in the guide for the preparation of Annual Reports issued by National Treasury. This report seeks to reflect on **CoGTA's** performance during the 2012/13 financial year and is based on sound underlying departmental information and management systems.

This report acknowledges the progress made by the two Departments under the Ministry of Cooperative Governance and Traditional Affairs during the 2012/2013 financial year, and including the predicted challenges and opportunities which may arise.

### 2.2 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 are outlined in the Auditor General's report in the report on other legal and regulatory requirements.

### 2.3 Overview of Departmental Performance

#### 2.3.1 Overview of the Service Delivery Environment for 2012/13

On 30 October 2012 Statistics South Africa released the first set of Census 2011 results. The Census 2011 results was crucial in the South African public administration, and provided the platform for the equitable distribution of government services and funds among various regions and districts and for the delivery of basic services.

The 2011 Census results revealed major improvements in the provision of basic services, but also indicated that there were huge divergences to be overcome. The progress from 1994 to date should be contextualised with the need for more efficient and effective service delivery and with faster turnaround times.

These results indicate that great strides have been made to improve the lives of many South Africans, in terms of access to basic services. These improvements have directly benefitted households and have focused on better living conditions, environmental and health standards. However, there must be considerable focus to further improve the livelihoods of people, considering the significant disparities that still exist between the rich and the poor.

The percentage of households living in formal dwellings has increased over the years in all the provinces. An increase in the access to electricity is the main contributor in the overall improvement of households' access to basic services. The Census results indicate that the proportion of household access to piped water has significantly increased since 1996. It is also encouraging to note that the percentage of households that have no toilet facility or that used bucket toilets, declined over the years. Considerable efforts need to be made to provide toilet facilities to some communities in the Eastern Cape, Northern Cape, Limpopo, Mpumalanga and KwaZulu-Natal.

The results from the 2011 Census confirms that conditions across the country have changed in the past 15 years, calling for a more differentiated and strategic response from government in addressing regional challenges. On migration patterns for example, the data shows that there is a noticeable movement of people from the Eastern Cape, Northern Cape, Free State, KwaZulu-Natal and Limpopo provinces to the rapidly-growing Gauteng and Western Cape. This influx of people into our major towns and cities have

increased the demand for basic services, which have resulted in many cities and towns having difficulty in coping with the demands of an expanding population for housing, amenities and livelihoods.

As a result of the high urbanisation of people, South Africa will have two distinct policy challenges:

- i) Pressure on cities to deliver services to meet immigration (with an increase in service delivery protests particularly in informal areas);
- ii) The need to focus attention on critical rural-urban linkages aimed at inclusive development across SA (not only in the major urban nodes);
- iii) To advance interventions to overcome entrenched apartheid spatial patterns and the more efficient and integrated use of urban spaces; and
- iv) The development of methods to strengthen urban and rural interdependencies.

The **DCoG** believes it is now opportune to develop an integrated national urban policy that will structure the understanding of the urban system and ensure better informed responses to the challenges facing different areas.

In 2012/13 the government had strong emphasis on the National Development Plan (NDP) as the vision of the country for the next 20 years. The NDP emphasises the need to produce and develop technical and specialist related skills in government in order to overcome shortages, particularly those at local level. Complementary hereto, the Department has established the Municipal Infrastructure Support Agency to provide immediate support to municipalities that are experiencing difficulty with infrastructure delivery. The Municipal Infrastructure Support Agency facilitates the deployment of engineers, scientists and technicians to municipalities and oversees them. The long-term strategy is to create a pool of skilled professionals who can play a critical role in infrastructure delivery within local government.

The acceleration of Local Government Turn Around Strategy during 2012/13 was effected by the identification of 108 municipalities for targeted support. The 108 targeted municipalities were endorsed by MINMec during May 2012. This initiative

ensured a renewed focus and emphasis on LGTAS creating, sensitising and mobilising stakeholders from National and Provincial Government to support the identified municipalities in the five focus areas. The establishment of coordinating structures further ensured an intergovernmental approach to support this renewed focus of LGTAS. In order to realise this, the Department gave priority attention to the 23 district municipalities where most of these 108 municipalities are located.

Service delivery protests remain a consistent and worrying social phenomenon on the South African landscapes, with 20% of South African youth were reported to have participated in protest activity. Unfortunately service delivery protests are now viewed by aggrieved communities as a “tool” by which Government’s attention and response to their demands can be secured.

A concerning matter is that more protests in 2012 were of a violent nature: growing from 69% of protests between 2004 and 2011 to more than 80% of protests in 2012. The Department has embarked on various initiatives to address inequality, unemployment and poverty, and acknowledges that addressing unresolved service delivery complaints remains crucial. The ultimate solution to address service delivery protests is that government departments at all levels work closely with communities to ensure that concerns are attended to before they escalate into protests.

Such a focus on accelerating service delivery and addressing challenges through cooperative governance requires the entrenchment of a culture of a collaborative effort as the three spheres of Government. Secondly, government has to partner with civil society formations, professional organisations, religious communities, business bodies and many other stakeholders, in the spirit of a nation mobilised to give its best, and to ensure that deprived areas receive enhanced service delivery.

2.3.2 Overview of the Service Delivery Improvement Plan

Main services	Actual Customers	Potential Customers	Quality	Standard of service	Actual achievements against standards
Support municipalities to implement the MIG programme and improve expenditure	Municipalities	Households	Quality	All MIG receiving Municipalities to report on required reporting template (DoRA) timeously and accurately	<p>The majority of the 247 MIG receiving district and local municipalities report on financial and non-financial information to provinces using the required reporting template (DoRA), monthly and quarterly. This ensures that provinces are able to consolidate municipalities' inputs to report to the national transferring officer. The monthly reports are subsequently completed and submitted to the National Treasury by the 20<sup>th</sup> of each month.</p> <p>The DCoG and the provincial COGHSTAs are working consistently with municipalities to ensure timeous and improved reporting especially on areas of reasons for variance and remedial measures undertaken.</p>
			Quantity	<p>Transfers</p> <p>Improved timeous and correct transfer of MIG allocations to municipalities</p> <p>Expenditure</p> <p>All MIG receiving Municipalities report on required reporting template (DoRA) timeously and accurately</p>	<p>The 2012/13 MIG transfers to municipalities were completed according to the payment schedule(s) approved by the National Treasury. By 31 March 2013, the total MIG transfers amounted to R13, 879, 161,000 and reported MIG expenditure by municipalities amounted to R6,813,841,000. The balance unspent by 31 March 2013 was R7,065,320,000 and the amount not transferred to the BelaBela Local Municipality totalled R13,881,63.</p> <p>The DCoG and the provincial COGHSTAs are working consistently with municipalities to ensure timeous and improved reporting, especially on areas of reasons for variance and remedial measures are undertaken.</p> <p>The DCoG and the provincial COGHSTAs are constantly working with municipalities to ensure timeous and improved reporting that includes financial and nonfinancial information on a monthly and quarterly basis.</p>

Main services	Actual Customers	Potential Customers	Quality	Standard of service	Actual achievements against standards
			Openness and transparency	<p>MIG allocations Gazetted</p> <p>Transfers made according to payment schedule and non-financial progress</p> <p>Quarterly non-financial report released on DCOG website and data provided to sectors</p>	<p>The 2012/13 MIG allocations were gazetted by the National Treasury during May 2012 and the 2013/14 MIG allocations were published in the 2013 Division of Revenue Bill tabled by the Minister of Finance as part of the 2013 Budget on 27 February 2013. This followed a process of consultation with municipalities and provinces on the 2012/13 MIG payment schedule as required in terms of section 22 of the 2012 Division of Revenue Act. All the MIG transfers for 2012/13 were made according to payment schedule and revised payment schedules approved by the National Treasury in terms of the 2012 Division of Revenue Act.</p> <p>Evidence of openness and transparency is ensured through the reporting by municipalities on a monthly, quarterly and annual basis. DCOG does not release information on the website but provides National Treasury and sector departments with data that allows them to do their own analysis. The MIG-MIS needs to be operationalised to allow for the flow of project information to all relevant stakeholders.</p>



Main services	Actual Customers	Potential Customers	Quality	Standard of service	Actual achievements against standards
			Information	<p>Annual DoRA workshops</p> <p>Quarterly MIG workshop with Provinces</p> <p>Annual allocation letters to MIG municipalities annually</p> <p>MIG DoRA framework</p> <p>Update of the Industry guide on unit cost guide</p> <p>MIG quarterly newsletter</p> <p>MIG</p> <p>Workshops and meetings</p>	<p>The DCoG held the 2012/13 Annual DoRA workshops with municipalities in the Northern Cape Province from 12 -14 March 2013 and for Eastern Cape from 26 - 27 March 2013. The first DoRA workshops for the 2013/14 financial year were held with KwaZulu-Natal municipalities during April 2013. Further workshops are planned in various provinces during the 2013/14 financial year. Through the Municipal Infrastructure Support Agent (MISA), DCoG will target municipalities that are under-spending, and behind schedule with project implementation readiness to implement the MIG programme.</p> <p>The 2012/13 MIG annual allocation letters were sent timeously to municipalities to inform their budget processes. The 2013 MIG DoRA framework was developed with inputs from sector departments responsible for MIG and provincial COGHSTAs.</p> <p>MIG quarterly workshops were held on 4 December 2012 and 12 -13 February 2013.</p> <p>Annual allocation letters were sent out in March 2012.</p>



Main services	Actual Customers	Potential Customers	Quality	Standard of service	Actual achievements against standards
					<p>The MIG framework for the DoRA 2013 was developed with the relevant sector stakeholders during December and January 2013.</p> <p>The Industry Guide to Infrastructure, Service Delivery levels and Unit costs, will only be updated in March 2014. Municipalities are urged to use the guide but supplement it with recent industry indicators.</p> <p>The MIG newsletter has not been developed. However, adequate communication on issues are disseminated to provinces and municipalities through scheduled meetings.</p>
			Redress	Monitor the eradication of backlogs through the utilization of the MIG (backlog reporting on the MIG-MIS)	The eradication of backlogs is not being reported on the MIG - MIS due to limited support by DCoG to provinces and municipalities in this regard.
			Value for money	100% MIG Municipalities adhered to the unit cost (with allowance to variance) - Increased number of site visits	The number of site visits coordinated by provinces to allow relevant national stakeholders to engage with project outputs has increased. Note that the site visits do not replace normal day to day monitoring processes undertaken by stakeholders.





Main services	Actual Customers	Potential Customers	Quality	Standard of service	Actual achievements against standards
			Time	<p>Accurate and timely monthly reporting by municipalities</p> <p>Accurate and timely quarterly reporting (45<sup>th</sup> day after the quarter) to National Treasury and Sectors.</p> <p>Improve timely receipt of annual performance report from municipalities to improve the quality of annual performance report submitted to National Treasury by DCOG</p>	<p>Accurate and timely quarterly reporting (45<sup>th</sup> day after the quarter) to National Treasury and Sectors</p> <p>Improved and timely receipt of annual performance reports from municipalities to improve the quality of the annual performance report submitted to National Treasury by DCOG</p> <p>Improved coordination of various disciplines within CoGTA dealing with MIG processes.</p> <p>CoGTA to support provinces within their internal budget processes to secure funding to manage the MIG</p> <p>Funding that is top-sliced (5%) from municipal allocations to extend the project management functions of municipalities needs to be monitored to ensure that it is achieving the required outputs</p> <p>The diagnostics process within MISA should inform which capacities are required to be extended to assist in the roll-out of the MIG.</p>

**Consultation arrangements with customers**

Type of arrangement	Actual Customers	Potential Customers	Actual Achievements
<p>Improved DCOG participation in district meetings and guidance on reporting and monitoring processes of MIG</p>	<p>Municipalities</p>	<p>Households</p>	<p>In order to improve on the MIG Programme reporting and monitoring, DCoG has introduced an alternative strategy to improve on reporting and monitoring that includes improvements on project appraisal and progress evaluation in a district context. In other words, all relevant stakeholders convene in joint meetings (district context) in order to evaluate and appraise projects for MIG funding and evaluate implementation progress. This is based on site visits. Matters concerning project appraisal (i.e. norms, standards and unit cost) are addressed and resolved in these joint meetings, after which provinces confirm successful appraisal (project meetings, sector specific and cross-cutting conditions) in writing to municipalities. Reporting and monitoring should take place throughout the implementation of the project cycle. Projects must be monitored to ensure they are complying with all the MIG sector and cross-cutting conditions as agreed to through the project registration process.</p> <p>The processes are confirmed annually with municipalities in the allocation letter, DoRA, business processes and procedures. Households are not yet part of the confirmation of project outputs. This could be facilitated through ward committees.</p>



**Service Delivery Access Strategy**

Types of information tool	Actual Achievements
<ul style="list-style-type: none"> <li>Improved capacity of provinces to better assist municipalities.</li> <li>Improved access of municipalities via Provinces to DCOG.</li> <li>Enhance the utilization of the MIG-MIS (system enhancements, continuous maintenance and training of provinces and municipalities).</li> </ul>	<p>This continues to be a challenge as not all provinces have the appropriate capacity to assist DCoG with the administration of the MIG Grant. This will persist until provinces allocate adequate resources through their budget process to assist DCoG with the roll-out of the MIG programme. Improved capacity of provinces to assist municipalities by ensuring that municipalities are supported through regular site visits, monitoring and reporting requirements.</p> <p>Improved MIG/MIS access and functionality through continuous Maintenance of the system, based on the following service elements: Engagements with municipalities take place in the presence of municipalities. Often these engagements are being coordinated by provinces.</p> <p><b>i) Operational server maintenance:</b> Daily incremental backups of system and application files as well as full backup of production database to off-site locations. Resolution of locked files. Automation of an e-mail testing utility to send a daily test message to one or more DCoG officials.</p> <p><b>ii) Application Maintenance:</b> Changes that may become necessary to ensure that the MIS application continues to perform the functions it was designed for.</p> <p><b>iii) System Administration:</b> Approving and suspending of users that have registered. Unlocking of locked out users. Setup of delegates and alternates. Registering or referring back projects. Deleting or undeleting of projects.</p> <p><b>iv) Application Enhancement:</b> Enhancements requested for additions and/or improvements to existing web pages.</p> <p><b>v) System Administration:</b> Approving and suspending of users that have registered. Unlocking of locked out users. Setup of delegates and alternates. Registering or referring back projects. Deleting or undeleting of projects.</p> <p>Institutionalised and Improved MIG/MIS utilisation based on the following activities:</p> <p>Districts and local municipalities are trained to use the MIG/MIS and Provinces trained to train the municipalities on MIG/MIS.</p> <p>Efficient and effective MIG/MIS call centre which is capable of supporting all users (provincial, district, locals and sector departments)</p>

## Complaints mechanisms

Complaints Mechanism	Actual Achievements
Complaints should be addressed timeously when received	With respect to the MIG expenditure related matters, no complaints were received. However, an issue pertaining to the Blouberg Local Municipality was received through the Limpopo Provincial COGHSTA. This related to the suspension of the Municipal Manager by the Municipal Council without appropriately delegating the functions. This adversely affected the functioning of the municipality as service providers could not be paid. The issue was referred to the PMGS Branch by the G&IGR Branch which liaised with the Ministry, and took a resolution with the Limpopo MEC for Local Government. The Municipal Manager was subsequently reinstated in February 2013.
MIG MIS Call centre to deal with MIG-MIS related queries	Call centre queries are dealt with on a daily basis to assist municipalities with dealing with MIG-MIS related queries. Queries are logged and processed to various officials for attention if not being dealt with by the Call centre.

### 2.3.3 Overview of the Organisational Environment for 2012/13

The Department appointed Mr. Vusi Madonsela as its Director-General on October 2012. He is expected, amongst others to see through the completion of the restructuring process that is underway in the Department, provide leadership and maintain stability. The objective of the restructuring is to align the organisation structure with the mandate of the Department to ensure improved service delivery.

### 2.3.4 Key policy developments and legislative changes

Below are pieces of legislation that are going through a review to strengthen cooperative governance.

#### **Green/White Paper on Cooperative Governance:**

The need for a policy framework for cooperative governance was identified as a result of lessons learned over time in respect to the overall functionality of South Africa's system of government. Assessments have shown that the system of cooperative governance needs strengthening, especially in a period where government also needs to considerably improve the pace and quality of service delivery in the face of huge capacity, coordination and resource constraints.

The overall success of outcomes-based government to reach 2014 targets and beyond, requires a more efficient, effective and developmentally-oriented intergovernmental system.

As government policies are formulated and implemented within a three-sphere system, it is imperative that the entire system of cooperative governance function effectively and coherently. Only if the entire system functions well, the country will succeed in overcoming its high levels of poverty, unemployment and inequality. Thus government's policy objectives and policy interventions are to push the current model of cooperative governance to much higher levels of performance, effectiveness and accountability. Any proposals in this regard are to impact on the form of the cooperative governance system, and the roles of organs of state. The policy interventions include improving the governance of powers and functions, the policy, regulatory and supervisory environment, intergovernmental fiscal relations, as well as intergovernmental planning.

**Municipal Property Rates Act:** One of the Department's roles is to manage the implementation of the Municipal Property Rates Act. To that end, the Department must implement the regulatory framework of the Act, as well as monitor compliance

by municipalities with the provisions of the Act and its regulatory provisions. The Act is being amended because the lessons learnt from the implementation of the regulatory framework and implementation practice. point to the need to revisit aspects of the Act to, amongst other matters that provide for regulatory clarity and certainty, strengthening the property categorisation framework, strengthening the monitoring, support and intervention role of the Member of the Executive Committee (MEC) responsible for local government where required, exclude certain types of public service infrastructure (PSI) from rating in the national interest, and in recognition of their developmental role and to simplify a number of provisions in the Act that are too complex to implement.

**Monitoring, Support and Intervention Bill, 2011:** In terms of sections 100 and 139 of the Constitution, when a province or a municipality does not fulfil an executive obligation in terms of the Constitution or legislation, national government and provincial government may intervene in the province or municipality respectively, by taking appropriate steps to ensure fulfilment of that obligation. Sections 100(3) and 139(8) respectively provide that national legislation may regulate the process established by these sections. Legislation pertaining to these constitutional prescripts has not been enacted before, and this legislation will assist in the implementation of these sections of the Constitution as there have been several challenges in their application, particularly section 139. In this regard, the Bill seeks to assist and provide impetus to the application of these constitutional provisions.

**Review of the Fire Brigade Services Act, 1987 and the development of a National Fire Services Framework:** The administration of the Fire Brigade Services Act, 1987 (Act No. 99 of 1987) (FBSA) is one of the key mandates of the Department. The FBSA must be comprehensively reviewed in order to ensure its alignment and harmonisation with other applicable local government legislations. The process of reviewing this legislation is currently underway and will, amongst others, provide clarity on the role of the three spheres of government in fire services, and address the current legislative deficiencies. The

Department is also finalising the development of a National Fire Services Framework that will set out the medium-term Key Performance Indicators and Objectives which are aimed at guiding and directing the planning and provision of fire services.

### 2.4 Strategic Outcome Oriented Goals

In 2010 government introduced its approach to achieve results through 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 highly effective governance system, the **DCoG** has identified the following nine (9) strategic goals:

- Strategic Goal 1: A policy platform that provides a differentiated approach to municipal financing, planning and support is implemented;
- Strategic Goal 2: To improve Access to Basic Services;
- Strategic Goal 3: To implement the Community Work Programme;
- Strategic Goal 4: Local democracy through a refined Ward Committee model is deepened;
- Strategic Goal 5: Administrative and financial capabilities of municipalities enhanced;
- Strategic Goal 6: Strengthen the cooperative governance and provide oversight and support to provincial and local government;
- Strategic Goal 7: To strengthen the capacity and capability of the department to deliver on its mandate;
- Strategic Goal 8: Improved coordination of interventions impacting on local government; and
- Strategic Goal 9: Facilitate Economic Development at local level.

These strategic goals are defined for the period 2011-14 given the strategic focus on delivering the outputs of the Delivery Agreement on Outcome 9. These strategic 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 in which are:

- 1) Contribute to building the Developmental State in National, Provincial and Local Government that is efficient, effective and responsive;
- 2) Strengthen Accountability and Clean Government;
- 3) Accelerating Service Delivery and supporting the vulnerable;
- 4) Fostering Development Partnership, Social Cohesion and community mobilization; and
- 5) Strengthen the capacity and capability of the department to deliver on its mandate.



# Programme 1: Administration

## 2.5 Programme Performance

### 2.5.1 Programme 1: Administration

#### 2.5.1.1 Purpose

To provide for the management, leadership and administration of the Department.

#### 2.5.1.2 Objectives and measures

The programme seeks to achieve the following objectives:

- i) Management of internal administration and human resource systems;
- ii) Improve the strategic management and governance processes;
- iii) Profile the Department and its programmes through media and marketing and improve communication capacity in municipalities;
- iv) Provide effective and efficient legal support to the Department;
- v) Improve the Strategic Management and Governance processes, and provide focused support to municipalities based on evidence of municipal performance.

#### 2.5.1.3 Service delivery objectives and indicators

The programme is divided into 7 Sub-Programmes:

- **Financial Management Services**

The Branch Corporate and Financial Services performed well during the 2012/13 financial year achieving most of the annual targets. In an effort

to get the department to a clean audit opinion, and by improving on the unqualified audit opinion for the 2011/12 financial year, a Post Audit Action Plan (PAAP) was developed and implemented successfully. The success of the implementation resulted in the significant reduction on the amount of irregular expenditure incurred in the year under review. The decentralisation of the asset management accountability is yielding positive results, the branches are taking responsibility and asset verification has been simplified through the branch asset registers that are maintained by asset controllers.

The governance structures that function in support of sound financial management in the department have been successfully established and are functional. The budget committee has noted an improvement in expenditure management, the audit steering committee drives the implementation of the Post Audit Action Plan (PAAP) and the Supply Chain Management Committees have successfully implemented the department's procurement plan.

The municipal transfers section of the Financial Management Services Branch has successfully implemented a capacity building programme on the Division of Revenue Act by conducting various workshops with municipalities in all provinces. These workshops assisted the municipalities in complying with the reporting requirements as prescribed in the Division of Revenue Act (DoRA), thereby minimising the non-compliance that leads to the municipalities' funds being either withheld, or the Municipal Equitable Share being reduced to offset unspent conditional grants.

### • Human Capital Management

The Human Resource plan was consulted, approved and submitted to the Department of Public Service and Administration (DPSA). The implementation of the human resource plan has resulted in the partial alignment of the structure to address the mandate of the department, and approval being granted for the filling of prioritised posts in line with the personnel budget. The consultation process on the final structure is on-going. In an effort to improve the staff morale and manage change in the department; a climate survey project was initiated and launched in the last quarter of the financial year. The projects linked to the outcome of the survey will be incorporated into the human resource plan for 2013/14 and implemented as part of the plan.

### • Communication and Marketing

The Chief Directorate Communications provides Strategic Communication, Stakeholder Management



and Marketing support to the department's mandate and to increase its public profile and awareness. The sub programme strategically profiles the DCoG brand and the department's core programmes with the goal of contributing to the restoration of public confidence and trust in government.

In the year under review, the unit completed a capacity building programme in 4 provinces, thereby benefitting 135 communicators in 75 municipalities. This exceeded the target of 40 municipalities by 87%. The outcome of the capacity building programme is capacitated Local Government communicators within municipalities with basic communication skills. These

skills include media engagement; writing media statements; crisis communication management; website development and the basic tenets of communication strategy development and social media execution.

The target of 40 media engagements was achieved and exceeded, with a total of 43 media engagements taking place in the 2013/2014 financial year.

### • Corporate Planning and Governance

During the 2012/13 financial year, the sub-programme coordinated the strategic review and planning process for the development of the 2013/14 Annual Performance Plan. In consideration of the Auditor General (AG) findings regarding targets not being Specific, Measurable, Achievable, Reliable and Time bound (SMART), the department undertook a review of targets for both the 2012/13 and 2013/14 Annual performance plans by subjecting them to the SMART criteria. This has contributed to the improvement in



audit findings and the departmental governance and accountability responsibilities.

### • Monitoring and Evaluation

The Monitoring and Evaluation Unit, in collaboration with National Treasury and Provinces, developed a core set of indicators to measure performance of provinces. Provincial working sessions were held to ensure that the Provincial Annual Performance Plans were aligned to the delivery agreement on outcome 9. The department has successfully monitored and reported progress against the Programme of Action on outcome 9 on a quarterly basis.



## • Internal Audit and Risk Management

During the 2012/2013 financial year Internal Audit developed its three year rolling Strategic Audit Plan and the Annual Audit Plan which was adopted and approved by the Audit Committee. During the year under review, the Internal Audit and Risk Management unit continued to support the department to improve internal control through risk and governance structures. Various audits were conducted to provide reasonable assurance to management on the control environment of the department. Risk assessments were conducted by **CoGTA** and were consolidated into Departmental Risk Register which is used as the foundation for identifying and responding to the business risks of **CoGTA**.

In order to strengthen the department's ability to prevent and detect fraud and corruption, regular awareness sessions were conducted.



## • Legislative Review, Drafting and Support Services

The department's legislative programme was submitted timeously to enable Parliament to plan its Parliamentary calendar accordingly. Roll out of Promotion of Administrative Justice Act, 2000 (PAJA) workshops to prioritised municipalities to assist municipalities to curb the proliferation of cases brought against municipalities on incorrect administrative decisions.

### 2.5.1.4 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 Partially Achieved and not achieved.

Strategic Objective	Actual Achievement 2011/12	Planned Target 2012/13	Indicators	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Sound financial management	-	Clean Audit	Clean Audit Opinion	<b>Partially Achieved</b> Post Audit Action Plan (PAAP) was developed and implemented successfully.	An effort was made to get the department to achieve a clean audit opinion by improving on the unqualified with matters of emphasis audit opinion for 2011/12 financial year.	Due to non-compliance issues raised by the AG the department did not achieve clean audit

## PART B: DCoG PERFORMANCE INFORMATION

Strategic Objective	Actual Achievement 2011/12	Planned Target 2012/13	Indicators	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
	-	ENE Chapter document 2012/13 developed	ENE Chapter document developed	<b>Achieved</b> ENE chapter document developed and submitted according to all National Treasury specifications and timeframes.	-	-
	Achieved. All transfer payments were made in full compliance with DoRA	2012/13 transfer payments made according to the DoRA	Transfer payments made according to the DoRA	<b>Achieved</b> All transfer payments were made in compliance with the DoRA specifications and National Treasury payment schedule.	-	-
	-	Established and functional financial governance structures	Established and functional financial governance structures	<b>Achieved</b> The governance structures that function in support of sound financial management in the department have been successfully established and are functioning.	-	-



Strategic Objective	Actual Achievement 2011/12	Planned Target 2012/13	Indicators	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Human resource management	Draft HCM strategy developed but not finalised for implementation	Review and implement HR plan 2012/13	Implementation of the developed HR plan	<b>Partially Achieved</b> HR Plan reviewed and approved. Climate Survey TOR's approved. Priority list approved. Seven additional SMS members absorbed in permanent posts and 21 SMS members seconded to CWP for a period of three years.	Although the reviewed HR plan was approved and implemented, a number of HR priorities, e.g. the re-alignment of the organisational structure was not approved and the priority vacancy list was only approved in March 2013, which had an impact on the overall achievement of the HR plan.	The project on the alignment of the organisational structure is on-going and has been prioritised for finalisation in the 2013/14 financial year.  The filling of priority posts has commenced.
Internal audit	Nine out of eleven audits were executed and reports issued. Additional four ad hoc audits were conducted and reports issued	Review three year rolling plan and 100% implementation of annual plan	Approved annual audit plan and implemented by target date	<b>Partially Achieved</b> Thirteen out of sixteen audits were executed and reports issued and discussed with management. Additional five out of eight ad hoc projects were conducted and reports issued.	Three audits could not be finalised by end of March 2013 due to lack of cooperation and commitments from auditee management. Late approval of the audit plan	Matters were escalated to relevant Branch Heads for interventions

## PART B: DCoG PERFORMANCE INFORMATION

Strategic Objective	Actual Achievement 2011/12	Planned Target 2012/13	Indicators	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Internal audit	All branches implemented the approved risk management	Review the risk management policy, strategy, framework and 100% implementation of annual risk management plan	Approved annual risk management plan and 100% implementation	<b>Partially Achieved</b> Risk management policy, strategy, framework and annual implementation plan reviewed and approved. Strategic Risk assessments were conducted and risk profiles approved	Non availability of the Infrastructure and Economic Development (DCoG) and Research Policy and Legislation (DTA) Branches to finalise the Business Impact	Analysis has resulted in the BCM strategy document being developed
	Facilitated fraud risk assessments and compiled a fraud register.  The Anti-Corruption documents were approved and the necessary reporting and monitoring structures were resuscitated	Review the fraud prevention policy and strategy. 100% of implementation of annual fraud prevention plan	Approved fraud prevention plan and 100% implementation	<b>Achieved</b> The Anti-Corruption Policy, Fraud Prevention Plan and implementation plan documents have been reviewed and approved.  Fraud Risk Register has been reviewed and updated.  Quarterly Articles on fraud prevention were circulated  Implementation of fraud actions plans were monitored and register updated.	-	-



Strategic Objective	Actual Achievement 2011/12	Planned Target 2012/13	Indicators	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Profile of department/ Ministry programmes increased	Achieved 45 Media engagements were initiated	Forty media engagements, media coverage and content analysis	Implement 40 media engagements, media coverage and content analysis	<b>Achieved</b> 43 Media engagements were initiated	3	More municipalities were trained
Effective Communication	95 municipalities were capacitated in communication strategy	40 Municipalities supported	Number of municipalities to be supported with Communication capacity	<b>Achieved</b> 77 municipalities were capacitated in communication strategy	37	More municipalities requested support
Maintain and upgrade ICT infrastructure in order to support the key objectives of the department	-	Implement LGTAS project and reporting management tool	Two critical Master System Plan interventions implemented	<b>Not achieved</b>	Service Provider was appointed at the end January 2013 and the project will be finalised at the end of June 2013.	Due to the late appointment of the service provider and the development of the system this project will be completed in the financial year 2013/14
Provide effective and efficient legal support to the department	An analysis of identified legislation has been completed and forwarded to sector departments, SALGA, Contralesa and NHTL for verification	Legislative programme submitted to the Office of the Leader of Government Business	Departmental Legislative Programme is submitted to the Leader of Government Business	<b>Achieved</b> Departmental legislative programme submitted to the Office of the Leader of Government Business	-	-
Efficient governance and business process	APP 2012/13 approved and submitted to Parliament	Annual Performance Plan 2012/13 developed	Annual Performance Plan developed	<b>Achieved</b> APP 2013/14 approved and submitted to Parliament	-	-



## PART B: DCoG PERFORMANCE INFORMATION

Strategic Objective	Actual Achievement 2011/12	Planned Target 2012/13	Indicators	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
	-	Best Practice of project management developed	Project management best practices implemented	<b>Achieved</b> Organisational monthly reports were approved by DG	-	-
	All quarterly organizational performance reviews for the financial year 2011/12 were conducted	4 Quarterly reports	Number of quarterly reports produced in line with APP and POA	<b>Partially achieved</b> 4 organisational quarterly reports submitted to the Minister	Reports were not signed during the time frame allocated by National Treasury	
Efficient governance and business process	Achieved APP 2010/11 approved and submitted to Parliament	Achieved APP 2011/12 approved and submitted to Parliament	Annual reports produced in line with APP and POA	<b>Achieved</b> Annual report was developed and tabled in Parliament on time.	-	-
Effective monitoring, reporting and evaluation	-	Coordinate establishment of M&E structures in all provinces	Number of M&E Structures at provinces resuscitated and capacitated	<b>Partially Achieved</b> Established an M&E structure in Limpopo and a workshop held in the Northern Cape on the establishment of the Fora	Discussions on the establishment of the structures were held with FS, NW, KZN, EC and Gauteng of which provinces cited a challenge of financial constraint.	Provinces are citing financial constraints to establish and coordinate M&E structures
	2009/10 section 48 report produced	2010/11 section 48 report produced	Develop Section 48 municipal performance report	<b>Not Achieved</b>	The M&E Unit is in the process of developing section 48 reports for 2009/10 and 2010/11 financial years	Late submission of section 47 reports by provinces



### 2.5.1.5 Programme 1: Sub programme budget and actual expenditure

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

Details per Sub-Programme	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000
MINISTRY	35 138	35 037	101
MANAGEMENT	12 828	12 828	-
CHIEF OPERATING OFFICER	20 292	16 297	3 995
CORPORATE SERVICES	45 609	45 596	13
FINANCIAL SERVICES	24 520	24 520	-
COMMUNICATION AND LIAISON	13 922	11 423	2 499
LEGISLATION, AND REVIEW & DRAFTING	11 485	6 378	5 107
INTERNAL AUDIT AND RISK MANAGEMENT	11 598	8 283	3 315
OFFICE ACCOMMODATION	30 435	23 248	7 187
<b>TOTAL</b>	<b>205 827</b>	<b>183 610</b>	<b>22 217</b>
<b>2012/13</b>			
Programme 1 Per Economic classification	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000
<b>Current payments</b>	200 186	178 060	22 126
Compensation of employees	97 508	97 508	-
Goods and services	102 678	80 552	22 126
<b>Transfers &amp; subsidies</b>	1 160	1 069	91
Provinces & municipalities	100	20	80
Households	1 060	1 049	11
<b>Payment for capital assets</b>	3 578	3 578	-
Machinery & equipment	3 578	3 578	-
Payment for financial assets	903	903	-
<b>TOTAL</b>	<b>205 827</b>	<b>183 610</b>	<b>22 217</b>

# Programme 2: Policy Research and Knowledge Management

## 2.5.2 Programme 2: Policy Research and Knowledge Management

### 2.5.2.1 Purpose

To provide specialised support services to the department in the areas of research and knowledge management; policy formulation; and information, communication and business technologies.

### 2.5.2.2 Objectives and measures

*The programme seeks to achieve the following objectives:*

- vi) Promote evidence based policy making by providing research and policy analysis on an ongoing basis, and make recommendations for policy development and change by March 2013.
- vii) Improve knowledge and information management by planning, developing and implementing a knowledge and information management strategy and initiatives by March 2013
- viii) Build ICT within the department to improve the department's ICT capability through the upgrading of information and business technologies by March 2013.

### 2.5.2.3 Service delivery objectives and indicators

The programme is divided into three Sub-Programmes:

- **Information, Communication and Business Technologies**

The department identified the need to focus on Information and Communication Technology's (ICT's) in municipalities and resulted in the development of a concept document that outlines the role of the department in relation to ICT's in municipalities. The concept document will form the basis for discussion in drafting an ICT in Local Government Policy Framework. Security was enhanced by upgrading the data centre to comply with industry and MISS standards. The first phase in developing a Master Systems Plan was completed and outlines the current state of ICT's within the department. The department appointed members to serve on the ICT Steering Committee to ensure good governance and IT alignment to departmental objectives and business needs.

- **Policy and Research**

Four research papers were developed, focussing on service delivery progress, financial management and audit outcomes. In the first quarter an in-depth research report on protests from 2004 – 2010 with case studies of the 2012 Ratanda and Sharpeville protests was done. In the second quarter a research report analysing the implications of the audit outcomes was finalized. An analysis of the Section 71 Report for financial year 2011/12 of Municipalities was completed in the third quarter and a report on Infrastructure Delivery progress was finalised in the fourth quarter. Information from these research papers provided the department with information to provide targeted support to municipalities.

- Knowledge and information management**

Key interventions and processes were identified and automated to improve efficiency in the Department. A corporate portal (Cogtanet) was developed and launched as a platform to improve internal knowledge and information sharing. With the view to enhancing business operations, the electronic boardroom and correspondence processes were developed and implemented. Focusing on the external stakeholders the branch supported the KSD Municipality Presidential Nodal project on the development of the Knowledge Management Strategy and assisted the municipality on records management.



### 2.5.2.4 Service delivery achievements

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

Strategic Objective	Actual Achievement 2011/12	Planned Target 2012/13	Indicator	Actual Achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comments on deviation
<b>Sub-programme: Information, Communication and Business Technologies</b>						
Develop a local government ICT framework	Develop TOR for the assessment of municipalities	Develop concept document on the ICT support for municipalities	Concept document on the ICT for Municipalities	<b>Achieved</b> Concept document completed and approved	-	-
<b>Sub-programme: Policy and Research Methods</b>						
Research and Policy support	Discussion document on the review of the 1998 Local Government White Paper was developed and submitted to MinMec	4 papers developed	Number of policy papers and research papers developed aligned to The Agenda	<b>Achieved</b> 4 papers developed	-	-

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Strategic Objective	Actual Achievement 2011/12	Planned Target 2012/13	Indicator	Actual Achievement 2012/13	Deviation from planned target to actual achievement for 2012/13	Comments on deviation
<b>Sub-programme: Knowledge and Information Management</b>						
Implement knowledge Management Strategy	Knowledge Management Strategy Developed	Implement Knowledge Management Interventions	Number of knowledge Management strategy interventions implemented	<b>Achieved</b> Key interventions implemented includes the corporate portal, automation of two business processes, file plans and establishment of a legal library	-	-

### 2.5.2.5 Programme 2: Sub programme budget and actual expenditure

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

Details per Sub-Programme	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000
Management: Research and Policy	3,200	3,164	36
Policy Methods and Research	5,769	5,760	9
Knowledge and Information Management	8,950	8,138	812
Knowledge and Information Management	33,151	33,030	121
<b>TOTAL</b>	<b>51,070</b>	<b>50,092</b>	<b>978</b>

**2012/13**

Programme 2 Per Economic classification	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000
<b>Current payments</b>	<b>45,957</b>	<b>45,119</b>	<b>838</b>
Compensation of employees	20,475	20,374	101
Goods and services	25,482	24,745	737
<b>Payment for capital assets</b>	<b>5,113</b>	<b>4,973</b>	<b>140</b>
Machinery & equipment	5,113	4,973	140
<b>TOTAL</b>	<b>51,070</b>	<b>50,092</b>	<b>978</b>



# Programme 3: Governance and Intergovernmental Relations

## 2.5.3 Programme 3: Governance and Intergovernmental Relations

### 2.5.3.1 Purpose

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

### 2.5.3.2 Objectives and measures

The programme seeks to achieve the following objectives:

- Strengthen intergovernmental relations coordination and cooperation by finalising the Green Paper on Cooperative Governance by March 2013;
- Promote an environment of good governance and public participation by supporting provinces and municipalities in strengthening their governance and coordination capability through financing the funding model for ward committees by March 2013; and
- Strengthen intergovernmental fiscal relations by engaging in the process relating to the Division of Revenue Bill and the managing of grants in line with the Division of Revenue Act and implementing the Municipal Property Act (2009) aimed at improving municipal audit outcomes on an ongoing basis.

### 2.5.3.3 Service delivery objectives and indicators

This Programme is divided into four sub-programmes:

- **Intergovernmental Fiscal Relations**

During the year under review the Municipal Property Rates Amendment Bill was finalised and was approved for submission to Cabinet. Furthermore, an assessment on compliance with the Municipal Property Rates Act was conducted in 24 municipalities and a report on the assessment of municipal compliance with respect to rating policies, the contents thereof and related matters and compliance with the Regulations on Rate Ratios between residential and non-residential Categories of Property was finalised. The report provided recommendations on corrective actions for non-compliant municipalities, these were communicated to the 24 municipalities to be corrected during the 2013/14 budgets process.



Monitoring and supporting Municipal Infrastructure Grant (MIG): While monitoring the Municipal Infrastructure Grant (MIG) expenditure of the 247 municipalities receiving the MIG, 92 (out of the planned

30) municipalities were supported to implement the MIG programme during 2012/13. The support entailed advising municipalities on municipal issues such as procurement planning, early registration of projects, project designs, etc, which affected the MIG expenditure.

The establishment of Municipal Public Accounts Committees (MPACs) increased to 275 out of the 278 and these committees were inducted and trained on their oversight responsibilities.

In the 2012/13 financial year the department and other stakeholders prioritised the development of credit control and debt collection policy guidelines based on best practices from other municipalities. The guidelines intend to assist municipalities in the development of a credible credit control and debt collection policy.

The credit control and debt collection policy guidelines were presented at a workshop to 136 municipalities for inclusion in their budgets policies for 2013-14.

### • **Intergovernmental Relations Coordination**

The proposed Intergovernmental Monitoring, Support and Interventions Bill (IMSI) seeks to establish a regulatory environment for interventions under S100 and S139 of the Constitution. During the year under review this was further refined and developed, taking note of the need for extensive consultations. The Bill was finalised for submission to Parliament by the end of the year under review. The Bill drew from experiences of the invocation of section 139 over the last decade, and also more recently from a number of section 100 interventions in provinces. The Bill tries to bring about procedural alignment for interventions and provide regulatory clarity in how interventions should be undertaken.

In implementing the IGRF Act, the functionality of district IGR Forums was assessed, both in terms of legislative compliance and the competency to coordinate regional development. A full report of findings was compiled and shared with stakeholders. Going forward, draft guidelines for strengthening of district IGR are under development. During the

2013/2014 year, national and provincial structures will be assessed.

The proposed Framework for Powers and Functions was finalised during the year under review in terms of policy development to strengthen cooperative governance. Four pillars are proposed in the Framework to collectively strengthen cooperative governance, which are the regulatory, institutional, functional and fiscal. Recommendations are made for each area, which support principles of differentiation, clarity in functional descriptions, and revised governance arrangements for both concurrent functions and those between district and local municipalities. Going forward, key recommendations from the Framework will be further developed during 2013/2014.

### • **Governance and Public Participation**

In the 2012/13 financial year, the development and implementation of ward level operational plans was identified as one of the key support measures to strengthen the functionality of ward committees, thereby enhancing community participation.

The target is also at the heart of output 5 (*Local democracy is deepened through a refined ward committee model*) for Outcome 9 Delivery Agreement. The deliverables to be met within the medium term framework period are as follows:

- 500 ward operational plans developed and implemented by 2012/13;
- 2000 ward operational plans developed and implemented by 2013/14; and
- 1777 ward operational plans developed and implemented by 2014/15.

The department successfully supported municipalities in the establishment and induction of ward committees in accordance with the relevant legislative framework. As at 31 March 2013, 99% (4 277) ward committees had been established and are currently functional. Post the ward committee elections, an induction programme for newly elected ward committee members was rolled out. This induction formed part of a broader capacity building programme

comprising of both accredited and non-accredited skills development.

With respect to the development and implementation of ward operational plans, the annual target set for the 2012/13 financial year had been exceeded. As at 31 March 2013, a total of 626 ward operational plans (against 500 targeted for the year) had been developed and are currently being implemented in municipalities.



Six provincial frameworks for the payment of out-of-pocket expenses for ward committee members

were developed. In implementing the provincial frameworks, the payment of out of pocket expenses for ward committee members were exceeded by 48%. Hundred and forty five (145) municipalities (out of 70 municipalities) across 6 provinces were implementing the policies on payment of out of pocket expenses for ward committee members as at 31 March 2013.

- **Anti-corruption Inspectorate**

The Inspectorate focuses on two broad areas aimed at reducing incidences of corruption. The first area is prevention which entails supporting municipalities on ethics management training for both appointed and elected senior officials. The second area entails coordinating investigations for alleged corrupt activities by partnering with law enforcement agencies.

In this regard, three district municipalities and their locals in the Eastern Cape and two district municipalities and their locals in the Western Cape were trained on ethics management.

### 2.5.3.4 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 partially achieved and not achieved.

Strategic Objective	Actual Achievement 2011/12	Planned target 2012/13	Indicator	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement	Comments of deviations
<b>Sub-programme: Intergovernmental Relations Coordination</b>						
Strengthen cooperative governance and provide oversight and support to provincial and local government	Green Paper finalised by March 2012 and submitted to the Minister	Draft assignment framework for powers and functions across government developed by 31 March 2013	Draft assignment framework for powers and functions across government developed by target date	<b>Achieved</b> Proposed Framework for the Powers and Functions of Provincial and Local Government developed by target date	The APP 2012/13 was reviewed and this led to the reviewed annual target	-

## PART B: DCoG PERFORMANCE INFORMATION

Strategic Objective	Actual Achievement 2011/12	Planned target 2012/13	Indicator	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement	Comments of deviations
	Bill on Support, Monitoring and Interventions finalised	Processing of the Bill through Parliamentary and Executive structures	Proposed Bill on Support, Monitoring and Interventions produced by target date	<b>Achieved</b> Submitted the Bill on Support, Monitoring and Interventions to the Minister for approval for the purposes of tabling before Cabinet	-	-
	-	Functionality of IGR structures assessed and IGR structures supported	Implement the Intergovernmental Relations Framework Act	<b>Achieved</b> The Report on Functionality of District IGR Structures was finalised.	-	-
<b>Sub-programme: Intergovernmental Public and Community Participation</b>						
Review and strengthen a legislative framework for ward committees and community participation	Proposals to inform the drafting of the Bill were developed	Development of the Bill on the refined legislative framework for ward committees and community participation	Bill on the refined legislative framework developed	<b>Partially achieved</b> Proposals to inform the amendment of the Bill were developed	The process was halted to ensure that the review of the legislative framework for ward committees and community participation forms part of the broader Municipal Systems Act amendment process.	The review of the legislative framework for ward committees and community participation to take place within the broader MSA amendment process.
	3 provincial frameworks developed and gazetted	6 provinces supported to develop provincial frameworks and implemented in all municipalities	Number of provinces and municipalities supported with implementing the national framework for out of pocket expenses for ward committees	<b>Achieved</b> 6 provincial Frameworks developed and implemented in 145 municipalities	-	-



Strategic Objective	Actual Achievement 2011/12	Planned target 2012/13	Indicator	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement	Comments of deviations
		Accredited training completed for all ward committee members	All ward committee members in 4 provinces trained	<b>Achieved</b> LGSETA training for ward committee members completed in 4 provinces	-	-
	New	National Framework on ward operational plans developed and implemented in 500 wards	Number of ward committees supported to develop ward level operational plans	<b>Achieved</b> Operational plans developed and implemented in 626 wards	-	-
	New	Development and implementation of the assessment criteria on the effectiveness of ward committees	Assessment criteria on the effectiveness of all ward committees developed and implemented	<b>Achieved</b> Assessment criteria developed and implemented in all nine provinces.  Ward committee functionality reports received from all provinces.	-	-
<b>Sub-programme: Intergovernmental Fiscal Relations</b>						
Revenue enhancement for municipalities	-	Support to 30 municipalities on credit control and debt management measures	Number of municipalities supported to enhance their revenue opportunities	<b>Achieved</b> One hundred and thirty-six (136) municipalities supported through workshops on credit and debt collection policy	106	The department entered into a partnership with SALGA and combined resources



## PART B: DCoG PERFORMANCE INFORMATION

Strategic Objective	Actual Achievement 2011/12	Planned target 2012/13	Indicator	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement	Comments of deviations
Revenue Enhancement	-	24 Municipalities assessed on compliance with the MPRA Act and to provide guidance to non-compliant municipalities by end March 2013	Report on the implementation and compliance of the Municipal Property Rates Act (MPRA) by the target date	<b>Achieved</b> Twenty four (24) municipalities assessed with respect to compliance with the MPRA and corrective measures communicated to non-compliant municipalities for these to be addressed in the 2013/14 municipal budgeted related policies	-	The APP 2012/13 was reviewed and this led to the reviewed annual target
	Consideration of public submissions and the review of related matters was prolonged due to the substantive and fundamental nature of some of these public comments. Hence the target was not achieved	Municipal Property Rates Amendment Bill taken through Parliamentary process	Municipal Property Rate Amendment Bill finalised for consideration by Cabinet	<b>Achieved</b> Bill approved by the Minister and submitted through Cabinet processes	-	-
	Phase 1 risk assessment completed	Provide support to 30 municipalities to implement the MIG programme	Number of municipalities supported with monitoring MIG expenditure	<b>Achieved</b> Ninety-two (92) municipalities supported through workshops to spend on MIG programmes	-	The additional 62 municipalities required focussed attention based on their MIG spending performances



Strategic Objective	Actual Achievement 2011/12	Planned target 2012/13	Indicator	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement	Comments of deviations
Improve Audit outcomes of municipalities	223 of the 278 (80%) municipalities have established MPACS	100% MPACs established and report on functionality	Percentage of municipalities with established and functional MPACS's	<b>Partially Achieved</b> 92% (275 out of 278) MPAC's established and training rolled out.	3 (2%) municipalities don't have MPACs established.	3 municipalities still finalising the MPAC establishment
	253 of the 278 (80%) municipalities have Audit Committees in place	50%	Percentage of municipalities with established functional Audit Committees	<b>Not Achieved</b>	Audit committee's function is done by National Treasury hence the project was not implemented.	-
<b>Sub-programme: Anti-corruption Inspectorate</b>						
Combat corruption and promote ethics and integrity	1% of municipalities supported	Assess and evaluate the number of existing ethics committees trained in municipalities	Number of existing ethics committees trained in municipalities	<b>Not Achieved</b> Evaluation and training conducted in Eastern Cape and Western Cape. Three (3) District Municipalities and their respective locals in Eastern Cape, and two (2) District Municipalities and their locals in the Western Cape	Funding was available for two provinces and the last province was deferred to 2013-14	-

## PART B: DCoG PERFORMANCE INFORMATION

Strategic Objective	Actual Achievement 2011/12	Planned target 2012/13	Indicator	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement	Comments of deviations
	63% of coordinated Presidential Hotline cases finalised. 4% of coordinated and referred cases finalised	Establish partnerships with relevant agencies and provinces to fight corruption	Number of partnerships established and coordination of investigations	<b>Achieved</b> Partnership with the Hawks, SIU and Public Protector established, and the coordination of ongoing investigations.	-	-
	-	Monitor and evaluate corruption trends in municipalities and provincial departments	Report on trends analysis and assess impact of interventions by DCoG	<b>Not Achieved</b>	The project was not implemented	-
<b>Sub-programme: International Relations</b>						
Coordinate international relations and partnership initiatives for CoGTA	-	Secure international resources to support the key programmes and outputs of the department	Number of international resources facilitated	<b>Not achieved</b> Progress report on the four (4) existing MoU's developed and approved	The reason for the deviation was the key focus to first develop a International Relations Strategy for the department	-
	-	Facilitate cooperation with other strategic countries	Number of collaborative development projects in SADC and AU Region	<b>Not achieved</b> Donor Coordination Strategy developed and approved by March 2013	The reason for the deviation was the key focus to first develop a Donor Coordination Strategy for the department	-



**2.5.3.5 Programme 3: Sub programme budget and actual expenditure**

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

Details per Sub-Programme	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000
Management: Governance	4,954	4,471	483
Intergovernmental Coordination	5,626	5,576	50
Intergovernmental Fiscal Relation	142,805	140,953	1,852
Governance and Public Relations	6,215	2,903	3,312
South African Local Government Association	28,848	26,726	2,122
Municipal Demarcation Board	40,362	40,362	-
South African Cities Network	5,540	3,693	1,847
United Cities and Local Government of Africa	363	-	363
Local Government Equitable Share	37,873,396	37,147,769	725,627
<b>TOTAL</b>	<b>38,108,109</b>	<b>37,372,453</b>	<b>735,656</b>

	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000
<b>Current payments</b>	<b>28,952</b>	<b>23,347</b>	<b>5,605</b>
Compensation of employees	18,793	18,779	14
Goods and services	10,159	4,568	5,591
<b>Transfers &amp; subsidies</b>	<b>38,079,137</b>	<b>37,349,106</b>	<b>730,031</b>
Provinces & municipalities	37,873,396	37,147,769	725,627
Departmental agencies & accounts	69,210	67,088	2,122
Non-profit institutions	5,903	3,693	2,210
Households	130,628	130,556	72
<b>Payment for capital assets</b>	<b>20</b>	<b>-</b>	<b>20</b>
Machinery & equipment	20	-	20
<b>TOTAL</b>	<b>38,108,109</b>	<b>37,372,453</b>	<b>735,656</b>

# Programme 4: National Disaster Management Centre (NDMC)

## 2.5.4 Programme 4: National Disaster Management Centre (NDMC)

### 2.5.4.1 Purpose

To promote an integrated and coordinated system of disaster risk 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 risk management.

### 2.5.4.2 Objectives and measure

The programme seeks to achieve the following objectives:

- Improve the proactive and responsive capability of the disaster management centres across the spheres of government by providing ongoing guidance and policy support on the establishment and functionality of centres;
- Support the establishment and effective operation of fire services by enhancing the legislative framework for fire services and by developing a discussion document of fire brigade services to ensure that legislation responds to changing conditions by March 2013;
- Enhance disaster management capability across all spheres of government by reviewing the Disaster Management Act (2002) and developing a draft amendment bill by March 2013;
- Enhance and strengthen capacity in the disaster fraternity by providing support to 15 disaster management students through the disaster risk management bursary programme by March 2013;

and

- Ensure integrated and well coordinated disaster management planning and implementation by providing support to government, the relevant sectors and other stakeholders to submit their disaster risk management plans by March 2013.

### 2.5.4.3 Service delivery objectives and indicators

## 6. Legislation, Policy and Compliance Management

The Draft Disaster Management Amendment Bill was developed in the year under review. This will address key issues identified by stakeholders which have hampered the implementation of the existing legislation. It will empower local municipalities and also seeks to strengthen accountability and reporting on disaster management across the spheres and sectors of government.

## 7. Fire Services

The Discussion Paper on the review of the fire services legislation was developed following consultations between NDMC and key stakeholders from the fire services fraternity.



The Discussion Paper seeks amongst others to clarify the roles and responsibilities of national and provincial governments in the provision of fire services which is essentially a local government function in terms of the Constitution. In addition to this, the Discussion Paper recognises that the delivery of sustainable and effective fire service requires active involvement of communities (at risk from fires) and other role players. The Discussion Paper also espouses a paradigm shift from operation-intensive approach to the delivery of fire services to explicitly focus on fire risk reduction, prevention and safety. This fundamental shift at a strategic policy level will ultimately result in massive allocation of resources to fire risk reduction initiatives thereby reducing the risk posed by fires to human lives, infrastructure, property, livelihoods and the environment.

## Planning, Coordination, Intervention and Support

### 8. Support, Cooperation and guidance to other spheres of government

The NDMC is responsible for providing intervention and support to all spheres of government following a disastrous event. In 2012/13, following the provincial and local declaration of disasters, the following areas were assessed and classified by the NDMC: Eastern Cape; KwaZulu-Natal; Limpopo and Western Cape.

Funding for emergency relief was subsequently allocated.



### 9. Support stakeholder with the development Disaster Management (DM) Plans

Guidelines on the development of DM plans and the integration of DM plans into Integrated Development Plans (IDPs) were developed and workshopped at the Provincial Disaster Management Committee as well as Gauteng, Northwest, Eastern Cape, Mpumalanga and KwaZulu-Natal.

Stakeholder consultation and support rendered by the NDMC resulted in the following DM plans being submitted to the NDMC: Department of Transport; Department of Agriculture; Department of Environmental Affairs; Eskom; SAPS; Mpumalanga Province (Nkangala district-municipalities); Districts in the Free State Province.

### 10. National Disaster Risk Management Education and Training Framework

The NDMC successfully developed the National Disaster Risk Management Education and Training Framework. The framework was adopted by national stakeholders and approved in February and March 2013 respectively.

### 11. DRM Bursary and studentship project

The contract with the University of the Free State for the management of the NDMC Bursary and Studentship programme was successfully implemented. A total number of **53** (i.e. 2012/13 = **23** and 2013/14 = **30**) beneficiaries benefited from the programme and other applications are being processed. The bursary is making a positive impact on skills development in the disaster risk reduction fraternity and contributes to career-pathing for the beneficiaries.

### 12. Publication of the Jamba Journal for Disaster (risk) studies

The Jamba journal on disaster risk studies was successfully managed, and a MoU was signed with the North West University to produce a number of volumes. The funds spent on journals have been accounted for and the journals have had an impact in that readership has increased and there are also local articles. Following its accreditation by the Department



of Higher Education and Training during January 2012, the journal's administration was placed under the African online Scientific Information Systems (AOSIS), which is an open journal system to enhance the quality and ease of publication of articles. As a year-end product, volume 4.1 of the journal was published in February 2013.

### 13. The roll-out of DRM advocacy and public awareness programmes

Design and roll-out of disaster risk management capacity building programmes were successfully implemented. The following documents were adopted and implemented to guide capacity building programmes inclusive of advocacy and awareness:

- i) The establishment of a National Capacity Building Coordinating Forum (NCBCF);
- j) The design and adoption of the National Capacity Building Action Plan;
- k) The design and adoption of the National Capacity Building Support Strategy; and
- l) The design and adoption of the National Capacity Building Monitoring and Evaluation Framework.

The above mentioned initiatives were successfully implemented. The success of the project was also marked by the successful celebration of the International Day for Disaster Reduction (IDDR) on 12 October 2012. The celebration took the form of a symposium hosted by the City of Tshwane, under the auspices of the Gauteng Provincial Disaster Management Centre.

### 14. Intelligence and Information Management Systems

#### *Early Warnings & Capability Management Systems*

During the 2012/13 financial year the NDMC embarked on ascertaining national indicative risk in terms of flooding.

In compliance with legislative requirements, the National Indicative Risk and Vulnerability Profile finds its authority in the Disaster Management Act 57 of 2002, with special reference to sections 17 - 22. In addition, the Disaster Management Framework of 2005 clearly states that there is a need for the identification of risks in KPA 2 – Disaster Risk Assessment (specifically Section 2.2: Generate a National Indicative Risk Profile), its utilisation of derived information in KPA 3 – Disaster Risk Reduction and the nature of information and its dissemination in Enabler 1 – Information Management and Communication.

A strong emphasis on seasonality of flooding was incorporated, as the project aims to provide stakeholders with seasonal outlooks, related to risks every quarter for planning purposes. The scope of the desktop analysis was to provide guidance and a baseline for engagements, while attempting to provide greater clarity into the nature of Flood Hazards in South Africa from a spatial point of view. The Indicative Risk Profile for Floods GIS desktop analysis has provided a suitable baseline and the future is the move towards the establishment of a fully consulted and integrated Indicative Risk Profile of Floods. It is envisaged that these outputs may contribute to guiding future planning strategies and assist in focussing micro level analysis of Floods in South Africa.





## 2.5.4.4 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 2011/12	Planned target 2012/13	Indicator	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement	Comments of deviations
<b>Sub-programme: National Disaster Management Centre</b>						
Disaster risk Management & Fire Services legislation	Discussion Document	Draft DM Amendment Bill	Amendment of the Disaster Management Act	<b>Achieved</b> Draft Amendment Bill was approved by the Minister.  Submitted to Cabinet processes, and to be published for public comments.	-	-
	Scoping document for the Fire Services Legislation finalised	Discussion Paper on Fire Brigade services( FBS) finalised	Fire Services Legislation revised by target date	<b>Achieved</b> Discussion paper on Fire Brigade Services was finalized and published in Government Gazette for public comments and in national newspapers.	-	-
	-	Draft Regulations developed and consulted with key stakeholders	Draft regulations developed and consulted with key stakeholders	<b>Achieved</b> Draft Regulations were developed and consulted with key stakeholders.	-	-
Integrated Information and communication management system	NIRP for fires partly developed	Macro Risk and Vulnerability profile for floods	Macro National Indicative Risk and Vulnerability Profile developed for floods, fires, drought and seismic activity	<b>Achieved</b> A National Risk and Vulnerability profile for floods was developed	-	-

## PART B: DCoG PERFORMANCE INFORMATION

Strategic Objective	Actual Achievement 2011/12	Planned target 2012/13	Indicator	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement	Comments of deviations
Improve system of disaster risk management	-	Draft NDRMET framework finalised and adopted	Integrated National Disaster Risk Management Education and Training framework (NDRMET) developed and implemented	<b>Achieved</b> Framework has been adopted by the key stakeholders and signed-off by the HoC.	-	-

### 2.5.4.5 Programme 4: Sub programme budget and actual expenditure

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

Details per Sub-Programme	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000
Management: Head Of Disaster	8,188	8,188	-
Legislation, Policy and Compliance Management	7,069	6,407	662
Planning Coordination and Support	12,789	10,102	2,687
Intelligence and Information Systems Management	18,412	15,386	3,026
Disaster Relief	510,000	74,030	435,970
<b>TOTAL</b>	<b>556,458</b>	<b>114,113</b>	<b>442,345</b>
<b>2012/13</b>			
Programme 4 Per Economic classification	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000
<b>Current payments</b>	<b>43,803</b>	<b>37,607</b>	
Compensation of employees	20,189	19,929	260
Goods and services	23,614	17,678	5,936
<b>Transfers &amp; subsidies</b>	<b>510,389</b>	<b>74,240</b>	<b>436,149</b>
Provinces & municipalities	510,000	74,036	435,964
Households	389	204	185
<b>Payment for capital assets</b>	<b>2,266</b>	<b>2,266</b>	-
Machinery & equipment	2,266	2,266	-
<b>TOTAL</b>	<b>556,458</b>	<b>114,113</b>	<b>442,345</b>

NB: The expenditure on disaster relief is at 14.5%. It must be noted that the occurrence of disaster is seasonal and intermittent, and the allocation can only be made when a disaster has been declared. The Grant can be accessed when a province or municipality has exhausted its own resources and cannot cope with the effects of the disaster in terms of magnitude and severity.

# Programme 5: Provincial and Municipal Government Support

## 2.5.5 Programme 5: Provincial and Municipal Government Support

### 2.5.5.1 Purpose

To provide evidence-based regulatory mechanisms, as well as oversight and support programmes for provincial and municipal government, and associated institutions, and to facilitate effective development planning and service delivery.

### 2.5.5.2 Objectives and measures

The programme seeks to achieve the following objectives:

- Support provinces in discharging their mandate towards local government by providing reliable, objective information on provincial institutional capacity through the development of diagnostic reports on provincial institutional capacity to support local government and preparing an action plan by March 2013; and
- Facilitate the development of an effective and efficient workforce within local government to enhance delivery of services within communities by developing uniform norms and standards for municipal staff establishments by March 2012.

### 2.5.5.3 Service delivery objectives and indicators

This Programme is divided into seven sub-programmes:

#### • Development Planning

In support of the President's call, for all three spheres of government to work together towards managing the new wave of urbanisation, the Department is currently developing a National Integrated Urban Development Framework (IUDF). A concept paper has been developed, and a panel of experts has been established to advise the Department on both content and process of the IUDF.

The Department has set up internal and external task teams to ensure alignment and integration of government initiatives. At a technical level, the team is comprised of officials from SALGA, the SOUTH African Cities Network SACN and various national government departments. The Deputy Ministers of Cooperative Governance and Traditional Affairs, Human Settlements, National Treasury, Rural Development and Land Reform, Environmental Affairs, and Transport, the Chairpersons of SALGA and the SACN provide political direction.

There is also continuous work being undertaken to improve The quality of IDP's. To this end, the District IDP framework guidelines, which are intended to ensure that there is coordination and alignment of planning in district and local municipalities have been developed.

#### • Provincial Government Support and Intervention

*National Guidelines on Section 105 and 106 of Municipal Systems Act (MSA)*

An assessment of the institutional capacity of provincial departments, responsible for Local Government to strengthen provincial performance monitoring of municipalities has been undertaken. The project focused on prioritising provincial oversight of municipal performance. The outcome of the project is to outline reasons for non-compliance with legal obligations and develop the national guidelines to enable the Department to effectively support performance monitoring of municipalities.

### *Local Government Learning Network:*

The Department established the Local Government Learning Network (LGLN) which brought together stakeholders and experts from the various levels of government to share best practices and to jointly develop solutions for various challenges. The intended outcome of the LGLN is to create a platform to share information, experiences, ideas and best practices on improving the capacity and performance of local government.

The Network held several meetings covering the following themes:

- Governance and Administration;
- Inter-Municipal cooperation / shared services; and
- Monitoring and Evaluation.
- **Local Government Support and Intervention**

### ***Human Resource Related Regulations Emanating from the Municipal Systems Act***

As part of the turn-around agenda, the *Local Government: Municipal Systems Act, 2000* (Act No. 32 of 2000) - ("the MSA") was amended during 2011 to professionalise the local sphere of government, and to also ensure fair, efficient, and transparent municipal administration.

Other major objectives of the changes to the MSA were to:

- Create a career local public administration governed by the values and principles of public administration as enshrined in Chapter 10 of the *Constitution of the Republic of South Africa, 1996*;

- Create an enabling environment for increased staff mobility within local government by standardising human resource management practices;
- Improve the capacity of municipalities to perform their functions and improve service delivery by ensuring that municipalities recruit and retain suitably qualified persons, and especially persons with scarce skills;
- Ensure predictability and maximise administrative and operational efficiency across municipalities; and
- Establish a coherent human resource governance regime that ensures adequate checks and balances.

While the development of a single set of Regulations for all categories of municipal employees would have been ideal, it was decided to prioritise the development of Regulations for municipal managers, and managers directly accountable to municipal managers (senior managers). These Regulations would then deal with the duties, remuneration, benefits and other terms and conditions for senior managers in municipalities.

Furthermore, the Regulations are an important milestone in the development of enforceable competence standards for senior managers, and should be seen as a direct response to challenges on the present practice of the employment of persons without the relevant skills, expertise and qualifications in some municipalities. As these Regulations aim to address the weaknesses in recruitment, management and human resources, the intervention will enhance the professionalisation of the local government sector, and in achieving the vision espoused in the National Development Plan to attain a capable and developmental state.

These Regulations also deal with the remuneration paid to senior managers in municipalities, a matter that has received the ire of many parties (NGOs, citizens, etc) due to the high salaries that are paid (in some instances) to this category of employees.

Furthermore, the Regulations is an endeavour to set uniform standards for staff establishments and municipal staff systems and procedures, and have been consulted with organised local government, organised labour, and various professional bodies.



The draft Regulations were presented to the Portfolio Committee and the MinMEC, and published in the *Government Gazette* on 7 March 2013 for public comments.

The Department is also in the process of developing related Regulations for other levels of municipal employees. This process will also rationalise existing HR&D Regulations and will culminate in a single set of Regulations that will be applicable to municipal employees.

A tool to monitor compliance with the MSA and the Regulations was developed and provinces were capacitated on the implementation of the tool. The tool has enabled the Department to monitor compliance and provide support in instances where corrective and / or remedial action was required.

### ***Coordination and Facilitation of Capacity Building Initiatives***

The Department established the National Municipal Capacity Coordination and Monitoring Committee (NMCCMC) and implemented the reviewed National Capacity Building Framework: 2012 to 2016, to address Parliament's concern that coordination and impact made with capacity building initiatives offered to local government is fragmented and ineffective.

The key stakeholders involved in the NMCCMC include sector departments; provincial departments responsible for local government; metropolitan municipalities; associated institutions and professional bodies. The NMCCMC meets quarterly. The Department has also developed an Integrated Capacity Building Management of Information System which is used to keep a record of all capacity building initiatives that are being implemented by all stakeholders.

The NMCCMC has also developed a draft National Capacity Building Strategy for Local Government and a Professionalisation Framework to address the principle of long-term planning, as required by the National Development Plan.

To further facilitate capacity building, the Department has ensured the completion of provincial baseline skills audit reports for staff below Section 56 managers in district and local municipalities, to assist with the Personal Development Plans and Workplace Skills Plans of municipalities. It also provided targeted support to Human Resource and Integrated Development Planning Units in municipalities, to address the scarce and critical capacity of officials in these components in municipalities.

It also developed and shared Recruitment and Retention Strategy Tools with targeted municipalities, to assist these municipalities with good practices.

The Geographic Information System (GIS) remains an important planning tool for municipalities. It assists in the planning and implementation of projects, for a wide range of integrated development planning interest areas such as spatial planning, land use and development, infrastructure projects and environmental and ecological systems, etc. As a result, GIS support to municipalities is one of the



pillars to enhance integrated development planning. To build planning capacity, 27 municipalities were supported to build a GIS capacity. This project targeted mostly rural and LGTAS identified municipalities. The support is in response to an audit that pointed to the following challenges in most municipalities:

- A lack of spatial conceptualisation of the area's status, challenges and potential.
- Insufficient integrated development planning capacity and



- Inadequate basis for prioritization, management and directing resources to where they are needed.

The support provided to the various district and local municipalities included:

- GIS training.
- Provision of nine Global Positioning Systems(GPS) to municipalities.
- Packaging of GIS datasets and customising them for identified municipalities and
- Facilitated LGSETA funding for training and GIS internships.

The support was rendered in collaboration with the relevant provincial departments responsible for local government, Offices of the Premier, and the Department of Rural Development and Land Reform.

The Technical Support Units (TSUs) were established in all provinces to support the implementation of the Local Government Turnaround Strategy (LGTAS). The TSUs supported provinces to establish Municipal Public Accounts Committees (MPACs) in municipalities and to monitor the functionality thereof. MPACs were also capacitated to perform their legislative obligations of oversight on municipal finances.

### *Support and Oversight of the Departments Associated Entities*

The Department continued to strengthen its strategic partnerships and oversight role of its associated entities to improve good corporate governance and efficient implementation of programmes aimed at municipal support.

SALGA played a significant role in the finalisation of the draft Regulations emanating from the MSA. It further partnered with the Department on training programmes for councilors to equip them with basic municipal governance skills. The South African Cities Network is collaborating with the Department

to develop the Integrated Urban Development Framework. The Municipal Demarcation Board was supported in various activities, most notably the project relating to the assessment of the capacity of district and local municipalities.

In the forthcoming financial year, the Department will continue to interface and interact with entities through the review of legislation, which will have a direct impact on them.

### *Payment of the Once-off Gratuity to Former Councillors and Remuneration Paid to Councillors*

#### **Payment of the Once-off Gratuity to Former Councillors**

On 29 August 2011 the independent *Commission for the Remuneration of Public Office-bearers* (“the Commission”) published, as part of its’ general recommendations on the remuneration for all public office-bearers, the following recommendation in respect of non-returning / ex-councillors:

*“The Commission further recommends to the President a once-off gratuity for non-returning Local Councillors who have served the recent full term from 01 March 2006 to 18 May 2011. Non-returning Local Councillors whose term has ended and have served a full five years should be paid a once-off gratuity of three months pensionable salary from the National Fiscus. The Commission consulted with various Ministers and the Minister of Finance in this regard.”*

To implement the above recommendation, the Department engaged with various stakeholders, including the National Treasury, SALGA, and the South African Revenue Service, to ascertain the best method for payments to be processed to the qualifying ex-councillors.

The table below provides some statistics with regards to the number of submissions that were received

<sup>1</sup> Councillors did not receive a gratuity payment as they were indebted to SARS due to other tax commitments that they had.

from former councillors in this regard (as at 31 March 2013):

Number screened	4,000
Number qualifying	3,702
Number paid	3,152
Number awaiting payment	259
Number paid over directly to SARS <sup>1</sup>	236
Number of submissions outstanding	55

### **Remuneration Paid to Councillors**

In terms of section 7 of the *Remuneration of Public Office Bearers Act, 1998* (Act No. 20 of 1998), the Minister must determine the upper limits of the remuneration for councillors after consultation with the MEC responsible for local government in each province.

On 26 July 2012 the Commission published its recommendations for all public office-bearers in *Government Gazette* No. 35543. The Commission recommended a 5.5% cost of living adjustment for all public office-bearers for the 2012 / 2013 fiscal year. Based on the recommendations of the Commission, the President proclaimed a 5.5% cost of living adjustment for other public office-bearers in *Government Gazette* No. 35653 of 3 September 2012. To ensure uniformity, a trend has been set whereby the Minister's pronouncement in relation to the councillor cost-of-living adjustment is aligned to other public office-bearers.

In determining the upper limits of councillor remuneration for the 2012 / 2013 financial year, significant changes were made to the status quo of remuneration of councillors, most notably, the extension of tools of trade to enable councillors to more effectively perform their functions. This



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intervention allowed for municipalities to extend the following tools of trade to councillors, as set out in the table below:

	TOOL OF TRADE	CONDITIONS
(i)	Braille reader	To be provided to all visually impaired councillors.
(ii)	Office space and furniture Parking bay Business cards Calculators Letter-heads Stationery Toner cartridges Diaries Postage costs Office telephone  Appropriate mobile technology and multi-digital office, including laptop/ desktop computer, facsimile, printer, photocopier and scanner.	To be provided to full time councillors.
(iii)	Business cards Calculators Letter-heads Stationery Diaries	To be provided to part-time councillors.
(iv)	Postage costs Office telephone  Appropriate mobile technology and multi-digital office, including laptop/desktop computer, facsimile, printer, photocopier and scanner.	Part-time councillors to have access to these tools of trade at the offices of their respective municipality.
(v)	Personal security to Executive Mayors or Mayors.	Subject to a threat and risk analysis conducted by the South African Police Service.
(vi)	Personal security to any other councillor.	Subject to a threat and risk analysis conducted by the South African Police Service.
(vi)	Official accommodation and furniture.	To be provided to full-time Executive Mayors or Mayors.
The extension and implementation of the above tools of trade should be done in consultation with the Member of the Executive Council responsible for local government in the province concerned.		

Due to violent protests culminating in the property of councillors being damaged, and or destroyed, the Minister also extended the South African Special

Risks Insurance Association (SASRIA) to councillors, to enable councillors to take out SASRIA cover for their property.

### 2.5.5.4 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 2011/12	Planned target 2012/13	Indicator	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement	Comments of deviations
<b>Sub-programme: Local Government Support and Intervention</b>						
Public entities	Partnership agreements with Municipal Demarcation Board (MDB, SALGA and SACN)	Implementation of key interventions emanating from the assessment report	Assessment report on the performance of the DCoG's public entities	<b>Achieved</b> Assessment reports on the performance of the DCoG's public entities developed, outlining key interventions emanating from the assessments.	-	-
Build clean, effective, efficient, responsive and accountable local government	Municipal Systems Amendment Act was assented into law on the 5 <sup>th</sup> July 2011	Regulations for senior manager gazetted and rolled-out	Regulations setting uniform standards for all municipal employees developed by target date	<b>Achieved</b> The draft Regulations were published in the Government Gazette on 7 March 2013	Due to comprehensive consultations with stakeholders and the protracted delays in gazetting, the regulations were not rolled out as planned but circulated to municipalities. In order to fill the legislative gap created by the absence of these regulations, municipalities have adopted the regulations as part of their policies.	Due to a decision by MinMEC on 16 November 2012 to stall the publication of the draft Regulations for senior managers, significant delays were experienced in getting approval to finalise the Regulations.
	-	Report on the impact assessment	Assessment report on the impact of fixed term contracts of municipal managers on municipal councils	<b>Achieved</b> Assessment report of lessons and impact of existing provisions of the Municipal System Act that links contracts of municipal managers to a municipal electoral term developed.	-	-
	Supported 195 municipalities in seven provinces to fill critical posts. Monitored 278 municipalities to fill critical posts	70	Number of municipalities supported to develop and implement recruitment and retention strategies	<b>Achieved</b> Workshops conducted to support the targeted 70 municipalities in the development of the Recruitment and Retention Strategy.	-	-

## PART B: DCoG PERFORMANCE INFORMATION

Strategic Objective	Actual Achievement 2011/12	Planned target 2012/13	Indicator	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement	Comments of deviations
Capacity building	Capacity building plan for Local Government developed and a National Municipal Capacity Coordinating and Monitoring Committee established	70	Number of municipalities supported to develop technical Skills	<b>Achieved</b> Training sessions on HR and IDP conducted to support the targeted municipalities		-
	Service procured and councillor training plan compiled	27	Number of training programmes implemented for councillor development	<b>Partially Achieved</b> Services procured but service provider withdrew their proposals after appointment. The 6 of 27 training programmes conducted.  Councillors were also part of engagements where the Unit capacitated municipalities on the remedial action emanating from the monitoring of the MSA	6 Municipal Leadership Development training programmes were conducted.  The above training and development programmes were complemented by exposing councillors to the capacitating interventions that were coordinated by the Branch, most notably the workshops that were held in all provinces on the amendments that were made to the Municipal Systems Act in 2011	Draft business plan developed to revitalise LOGOLA.



Strategic Objective	Actual Achievement 2011/12	Planned target 2012/13	Indicator	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement	Comments of deviations
	Report on the % of MM and Section 56 posts filled	30%	Percent of Municipalities monitored to fill vacancies in terms of Municipal Systems Amendment Act	<p><b>Achieved</b></p> <p>A tool to monitor compliance with the MSA has been developed. The provinces have been capacitated on the implementation of the tool.</p> <p>The status of filled positions as at the end of the fourth quarter is as follows:</p> <ul style="list-style-type: none"> <li>• 223 (80%) out of 278 Municipal Manager posts;</li> <li>• 221 (79%) out of 278 Chief Financial Officer posts;</li> <li>• 98 (67%) out of 147 Development and Town Planning posts;</li> <li>• 197 (74%) out of 265 Technical Services and Engineer posts;</li> <li>• 201 (73%) out of 276 Corporate Services posts; and</li> <li>• 148 (74%) out of 201 Community Services posts</li> </ul>	-	-



## PART B: DCoG PERFORMANCE INFORMATION

Strategic Objective	Actual Achievement 2011/12	Planned target 2012/13	Indicator	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement	Comments of deviations
	-	100%	Percentage of municipalities supported to implement corrective measures emanating from monitoring the MSAA	<b>Achieved</b> During the monitoring tool engagements, municipalities and provinces were advised on corrective measures to comply with MSAA.  Specific referrals were dealt with during this quarter in terms of filling of the MM post for Nelson Mandela Bay Metro	-	-
	-	National Framework Developed	National Framework on the Professionalization of local government	<b>Achieved</b> National professionalization Framework for local government developed and presented to the Department's Policy Forum	The framework was finalised last financial year but the approval process took longer than expected	-
<b>Sub-programme: Development Planning</b>						
Differentiated approach and municipal planning	Simplified IDP framework for smaller municipalities	70	Number of municipalities to pilot the revised IDP framework	<b>Achieved</b> The Revised IDP framework finalised and in total 119 municipalities (in 7 provinces) attended the workshops	49	Municipalities outside the target requested support
	9 provincial IDP assessments sessions were conducted	9	Number of provinces supported with IDP assessments	<b>Achieved</b> 9 provinces supported to conduct IDP assessments.  National IDP assessment report finalised	-	-



Strategic Objective	Actual Achievement 2011/12	Planned target 2012/13	Indicator	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement	Comments of deviations
	-	Framework finalised	National inter-governmental planning framework to improve sector participation in the IDP process	<b>Partially Achieved</b> Provincial Planning framework guidelines drafted	The scope was extended to address issues raised in the NDP on Intergovernmental Planning	-
Geographic information management	GIS capacity audit report	21	Number of municipalities supported to build geographical information system capacity	<b>Achieved</b> A total number of 26 municipalities supported: (Kagisano-Molopo Tswaing, Dr Ruth Mompati, Bojanala, Moretele, Greater Taung, Ngaka Modiri Molema, Moses Kotane, Vhembe, Mutale, Thulamela, and Makhado	-	-
<b>Sub-programme: Provincial Government Support and Intervention</b>						
Policy, oversight and support	-	3	Number of provinces supported to implement sections 105 and 106 of the Municipal Systems Act guidelines	<b>Partially Achieved</b> Draft report on institutional capacity of provinces to support municipalities and draft guidelines on Section 105 and 106 of the Municipal Systems Act.	Delays to appoint service provider and targets were reviewed	Draft guidelines on Section 105 and 106 of the Municipal Systems Act

## 2.5.4.5 Programme 5: Sub programme budget and actual expenditure

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

Details per Sub-Programme	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000
Mngmnt: Prov & Local Gov Supp	13,718	13,579	139
Prov Govt Supp & Intervention	6,489	6,489	-
Loc Govt Supp & Intervention	14,939	14,939	-
Development Planning	9,195	9,195	-
Municipal Systems Improvement Grant	230,096	230,096	-
<b>TOTAL</b>	<b>274,437</b>	<b>274,298</b>	<b>139</b>
<b>2012/13</b>			
Programme 5 Per Economic classification	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000
<b>Current payments</b>	<b>44,093</b>	<b>43,954</b>	<b>139</b>
Compensation of employees	26,760	26,665	95
Goods and services	17,333	17,289	44
<b>Transfers &amp; subsidies</b>	<b>230,096</b>	<b>230,096</b>	<b>-</b>
Provinces & municipalities	230,096	230,096	-
<b>Payment for capital assets</b>	<b>248</b>	<b>248</b>	<b>-</b>
Machinery & equipment	248	248	-
<b>TOTAL</b>	<b>274,437</b>	<b>274,298</b>	<b>139</b>

# Programme 6: Infrastructure and Economic Development

## 2.5.6 Programme 6: Infrastructure and Economic Development

### 2.5.6.1 Purpose

To support and exercise oversight over provincial and local government programmes and systems to promote economic and infrastructure development within the context of national priorities.

### 2.5.6.2 Objectives and measures

The programme seeks to achieve the following objectives:

- Promote economic development within local government by supporting 25 municipalities to implement local economic development strategies by March 2013;
- Ensure the progressive realisation of access to free basic services by supporting 150 municipalities in the rollout of the national indigent policy for free basic services by March 2013;
- Promote employment and social development in the most marginalised communities by creating and maintaining public infrastructure through the community works programme to provide 140 000 new work opportunities by March 2013;
- Promote greater ownership of environmental health outcomes within municipalities by coordinating the rollout of the operation clean cities initiative in 16 sites with key stakeholders by March 2013; and
- Ensure access to basic services by historically marginalised communities by providing specialised technical and management support to

93 municipalities facing severe challenges ensure that government's 2014 targets with respect to households' access to basic services, are met.

### 2.5.6.3 Service delivery objectives

This Programme is divided into four sub-programmes:

- **Infrastructure Development**

The major achievements for the sub-programme Infrastructure Development, against key strategic objectives, is that more than ten district rural municipalities were supported to improve their non-financial reporting of the Municipal Infrastructure Grant (MIG). Better monitoring, reporting and evaluation of the MIG programme was achieved through training on non-financial reporting, regular and planned site visits with the provinces to the MIG-receiving municipalities, and the establishment of Project Management Units (PMU) to assist in the timeous delivery of the MIG projects. For the 2012/13 financial year the MIG Grant has provided access to water to 41 000 households, sanitation to 148 000 households and community lighting to 10 600 households. An additional 1 299km of roads were added. The decline in access to water in households is that municipalities are investing in bulk and connector water infrastructure to ensure sufficient water supply to communities. A total number of 23 sport, recreational facilities, including parks, were completed to a total value of R177 million of which MIG contributed R139 million.

Another major achievement was the improved access to free basic services through better indigent policies in ten districts. The impact of this project is that officials of ten districts were trained, as well as all

nine provinces to formulate credible indigent policies and indigent registers. In the Free State, Thabo Mofutsanyana, Fezile Dabi, and the Xhariep were supported; Nkangala, Ehlanzeni, and Gert Sibande were supported in Mpumalanga; and Bojanala, Dr Kenneth Kaunda, Naka Modiri Molema, Dr Ruth *Mompoti* were supported in the North West provinces.

The Municipal Infrastructure Support Agency (MISA) supported districts with the implementation of comprehensive infrastructure plans. The impact of this was the increased access to basic services, reduced service delivery inefficiencies, better functionality and sustainability of water and sanitation services in the 23 priority districts.

### • Local Economic Development

The Business Development Forums initiative seeks to foster collaborative partnerships and promote dialogue between the local private sector and local authorities, in order to stimulate local economic development. During the financial year 2012/13, the Department supported various platforms for local government and business to engage on economic development challenges and explore opportunities for development. The Department supported the establishment of the Steve Tshwete Business Development Forum; the West Coast Economic Development Partnership and the Sedibeng United Business Forum.

The Department further continued to deepen its campaign to make local government everyone's business through its Business Adopt-A-Municipality initiative. A MoU was signed with **DCoG** and Eskom will work with MISA to support 18 municipalities during the 2013/14 financial year. A tripartite MoU between DCoG, SALGA and Santam has resulted in five municipalities (Ulundi, Eden, Thulamela, Mbombela and Mafikeng) being supported by Santam in the area of Disaster Management. A further MoU between the South African Breweries (SAB) and the Nelson Mandela Bay Metro has enabled SAB to provide support to the Metro in, among other areas, water infrastructure and capacity building.

In 2012/13 the Department refocused its strategy in the area of Cooperatives Development by targeting strategic partnerships that are intended to expand the support base to cooperatives at the local level. A MoU signed with the Department of Trade and Industry (the DTI), and in collaboration with the German Co-operative and Raiffeisen Confederation (DGRV) resulted in the training of 98 LED officials based in 58 municipalities. Strategic Partnerships formed with the Department of Agriculture, Forestry and Fisheries (DAFF) and the Western Cape Department of Economic Development, will enable the Department to facilitate further developmental support to the 79 cooperatives that were assessed by DCoG, and which were exposed to training in 2012/13.

As part of the process to update the 2006-2011 LED Framework, an in-depth review of the changing South African policy context for LED, as well as contemporary international directions and debates on LED were concluded. The partnership with the Regional Government of Tuscany, Italy, was concluded during the year under review. This partnership has enabled support to four projects in three municipalities in the country (O.R. Tambo DM, Ekurhuleni Metropolitan Municipality and Buffalo City Metropolitan Municipality), targeting specific focus areas in LED.

### • Community Work Programme

The programme has during the year under review significantly increased the participation rate. 186 363 participants were provided with work opportunities by the end of March 2013 against the financial year target of 171 500 work opportunities. The programme has largely benefitted the youth and women. 58 % of participants were women and 54% were youth.

Communities have been empowered and public participation enhanced through Reference Committees in making decisions in terms of useful work that were prioritised at their respective sites. Community gardens were established which supplied fresh vegetables to crèches, clinics and schools, alleviating poverty in communities. Participants in the CWP provided home-based care to community

members who required the service. Services rendered included : ensuring adherence to medication schedules, preparation of meals, bathing and house cleaning. At some sites participants worked with clinics to track and persuade community members to attend follow-up clinic services or treatment



There is evidence that while poverty exists in urban areas, rural areas are more likely to be poorer and are less likely to benefit from service delivery initiatives compared to urban areas. The CWP's focus has, therefore, been mainly on rural areas. It was designed to fast-track resources to the local level where other government delivery mechanisms were not operating optimally. The CWP complemented municipal capacity in rural areas with, for example, maintenance of feeder roads, building of bridges, donga repair, spring protection and building water tanks. In addition, participants built classrooms, toilets at schools, crèches and play ground equipment.

The CWP acknowledges education as a driver of socio-economic upliftment. CWP participants provided school and Early Childhood Development (ECD) support as teacher or child-care assistants. In addition; they assisted with sport and extra-mural activities. CWP teams also undertook minor repairs, renovated classrooms, started and maintained food gardens at schools and did general maintenance. In this way, the CWP contributed towards building an improved educational environment and provided direct education support for teachers.

The CWP played a valuable role in performing environmental clean-ups and the planting of trees towards the beautification and revitalisation of small towns. Clean-up activities contributed towards

increased awareness of health and cleanliness in communities.

Community assets have been built by CWP participants, for example, bridges and roads were rehabilitated which facilitated the movement of people, access to services and economic activities. In crime-ridden areas, CWP participants provided community safety services such as escorting learners to and from school to ensure their safety particularly in areas where gang violence is a problem. The programme has strengthened inter-governmental relations and the formation of partnerships in participating communities to enhance capacity.

### • **Municipal Infrastructure Support Agent**

The Municipal Infrastructure Support Agent (MISA) is currently supporting municipalities throughout the country towards the accelerated delivery and maintenance of infrastructure and service provision. This support is mainly being provided through technical experts placed in municipalities, Professional Service Providers (PSPs) assigned to support municipalities and artisans placed in certain municipalities for experiential learning and simultaneous support to municipalities' infrastructure programmes. MISA is also implementing a specialized water and sanitation programme for water service providers prioritised by Cabinet for support towards drastically raising levels of access to basic services.

### **Key Support Programmes**

#### **Technical Experts and Professional Service Providers**

MISA currently has 68 technical professionals placed in municipalities across all nine provinces to provide technical support to 100 municipalities in the country. During 2012/13 financial year the technical experts supported the implementation of 220 water supply projects, 128 sanitation infrastructure projects, 40 energy projects and 18 waste management infrastructure projects. The overall financial value



of projects implemented with the support of MISA technical professionals was R12.7 billion and 36000 jobs were created during the course of implementing these projects. A total of 164 municipal staff benefited from on the job training provided by the deployed technical professionals.

A total of 65 municipalities in seven provinces are receiving technical support from 24 professional service providers assigned by MISA. These provinces include Eastern Cape, Free State, Gauteng, Kwazulu-Natal, Limpopo, Northern Cape and North West. Mpumalanga Province has been receiving support through a PSP since the previous financial year.

The deployed PSPs are mainly focusing on supporting municipalities on the following areas:

- Strengthening of municipalities' Project Management Units (PMUS) to ensure efficient implementation of infrastructure projects;
- Improvement of the Supply Chain Management capacity, processes and systems to ensure performance improvement on spending of infrastructure budgets;
- Enhancing the capacity of municipalities to perform operations and maintenance functions intended to optimise the performance of infrastructure assets and sustainability of service provision;
- Refurbishment of water purification schemes and rehabilitation of ageing water infrastructure to prolong their lifespan;
- Planning for, and construction of, regional bulk water bulk water schemes; and
- Implementation of water demand management and conservation programmes aimed at reducing overall water losses.

### **Sector and Grants Support Programme**

When South Africa entered the 4<sup>th</sup> term of its democracy, government formulated 12 outcomes that provided focus for its work until 2014. Outcome 9 identified Local Government as a very important sphere in facilitating service delivery and community development. Output 2 of Outcome 9 pays special

attention to the universal access to basic services, particularly water, sanitation, energy and solid waste removal to all South Africans by 2014. To speed-up the delivery of these services at local level, the Department has allocated more than R40 billion over three years through the Municipal Infrastructure Grant (MIG). This allocation is complemented by additional allocation channelled through Equitable Share and Departments of Water Affairs, Energy, Transport and Eskom. For water and sanitation only, the MTEF made available more than R72 billion (including Equitable share portion for water services).

These allocations are very important because South Africa still has a number of households without access to basic services.

### **Water and Sanitation**

It is usually said that water is life and sanitation is dignity. While Census 2011 demonstrates Government's achievement in reducing the number of households without access to basic water supply, there are more than 2 million (15 percent) households with a below acceptable level of water provision in South Africa. These backlogs are still skewed to the majority of African black communities residing in 24 districts that were prioritised in 2011. In total, African black communities with a below acceptable level of water supply accounts for 2,1 million (95%) of all households with a below acceptable level of water supply. Out of the 2,2 million households without access to an acceptable level of water supply, 1, 2 million households do not have access to tap water at all. African black communities accounts for 97 % of this category.

Census 2011 reported more than 4 million (29 %) households with a below acceptable level of sanitation provision. These backlogs are still skewed towards the majority of African communities who are residing in 24 districts that were prioritised in 2011. The Free State, Gauteng, Kwazulu-Natal and Western Cape have the highest backlogs in terms of bucket latrines. The 2011 Census results show that the Eastern Cape, KwaZulu-Natal and Limpopo have the highest number of households with no access to

toilet facilities.

It should be noted that the buckets backlogs in terms of Census 2011 include households in informal settlements. The Department of Human Settlement conducted a bucket latrines backlog verification process in formalised settlements and found that 88, 127 buckets latrines still exist in 55 municipalities. Considering the backlogs in formalised settlements, the verification reported zero buckets in Limpopo, Mpumalanga and Kwazulu-Natal.

MISA's specialists are assigned to specific municipal departments to work with municipal officials in terms of their relevant expertise. While the support will address the many challenges identified during the diagnostic assessment conducted during 2011, it is envisaged that it will also transfer the skills to officials in the district. This support has improved the district expenditure for MIG funds.

In Mafikeng, MISA is implementing the recovery plan for the municipality to fully spend their MIG allocation. The municipality has struggled to spend its MIG funds in the last three years. The municipality has been receiving less MIG funds due to its continuous under spending thereof. When the MISA secondment started in the municipality in March, the MIG expenditure was less than 5 percent. The expenditure was improved to 28 percent in one month. The challenge for the support is the vacancy rate in the municipality which does not provide the opportunity for MISA to transfer skills.

In the Vhembe district, MISA has entered into a partnership with the district to support its drive to address the skills gap in managing its 22 regional water schemes that were transferred to the district from DWA without skilled personnel. The support partnership will address infrastructure, water quality challenges, as well as consistent water shortages, and will be extended to some extent to the towns of Thohoyandou, Makhado, and Malamulele.

Through this support MISA will be deploying 22 artisans and 34 water and waste water process controllers in the district at a cost of R7, 7 million for two years, on condition the district agrees to absorb

the personnel after two years. The recruitment process was finalised on Friday 17 May 2013. It is envisaged that the personnel will start at the municipality from the 1<sup>st</sup> of July 2013. MISA is assessing the requests from the Mopani and Capricorn district municipalities who are keen to follow the Vhembe initiative. This programme will go a long way in addressing the skills gap of the Water Services Authorities in the region.

A Consultation process has been initiated to provide specialised support in the district municipalities Umkhanyakude and Ngaka Modiri Molema. This support will be implemented in the current financial year. In Ngaka Modiri Molema the specialised support is aimed at assisting the district to address water services delivery model between district and local municipalities. In Umkhanyakude MISA will be assisting the municipality to address the non-functionality of infrastructure with particular emphasis on rural community where boreholes are the main sources of water supply.

It should be noted that this support is provided over and above the normal support being provided to the 24 districts prioritised by Cabinet in 2011.

### **Solid Waste Collection**

During the diagnostic assessment of municipalities conducted by MISA during 2011, municipalities reported the licensing of landfill sites, integrated waste management planning, and master planning as the main challenges that affects their ability to reduce the number of households without access to solid waste removal. To date MISA has assisted Thembisile Hani with their Waste Management Plans which are currently in the last stages of finalisation.

In the spirit of a coordinated approach to supporting municipalities to ensure compliance and enforcement of the Waste Management Act, the Department, through MISA, assisted 10 municipalities with the licensing of non-complying landfill sites. This initiative was complimentary to the 15 municipalities that were supported by the Department of Environmental Affairs during 2012/13.

### Access to Energy

Electricity, together with other services such as water, sanitation, roads, refuse and related services such as the provision of housing are core demands expressed in service delivery protests. These basic services are encapsulated in the Constitution as the gist of functions to be performed by Local Government. Without these services, communities feel alienated from government and the fruits of democracy.

MISA is assisting 5 municipalities with the development of Integrated Electricity Master Plans. Draft master plans are being consulted with the relevant sector department for finalisation. 21 priority municipalities have been identified who owe Eskom for bulk electricity services rendered. In this regard MISA is assisting these municipalities that owe Eskom for bulk electricity by analysing the following areas:

- The **tariffs being charged by municipalities are not the same across the different municipalities** whereas all licensed municipalities are being charged the same tariff by Eskom;
- Some municipalities are charging a **lower tariff for the supply of electricity than what they are being charged by Eskom** thereby setting themselves up for the accrual of debt. In this case municipalities indicated that their councils approved to charge lower tariffs than what they are being charged by Eskom which is not sustainable;
- Many municipalities have **inefficient billing systems** where in some instances billing is based on an average rate of consumption of electricity. It was observed that some municipalities are unable to separate what they collected for electricity, water, sanitation, rates and taxes because their account is only reflecting a general amount to be paid. In this case municipalities are unable to determine if they are selling electricity and other services at loss or profit;
- The electricity supply **infrastructure such as transformers and meters in some municipalities are so old that they need to be replaced**. This is the responsibility of the municipality if they are a licensed entity, but many of these municipalities

are expecting Eskom to accept the responsibility for the maintenance of ageing infrastructure (municipal assets), as many municipalities do not have the funds to undertake this. This also reflects a regulatory weakness as the regulator should approve electricity tariffs that meets all conditions (bulk purchases, repairs and maintenance of infrastructure). This matter was referred to the National Energy Regulator for its attention.

- Some Municipalities resort to the **use of equitable share transfers to pay for the bulk purchases of electricity to Eskom**. This is irregular since the equitable share is meant to benefit poor households while other households should be paying for the services rendered.
- Consumers in these municipalities who are regularly paying the tariff charged for electricity, are unfairly affected when Eskom cuts off the electricity supply to municipalities that do not pay their debt;
- One of the main contributing factors for increasing bulk electricity debt to municipalities relates to **Eskom tariffs that varies between summer and winter**. Eskom tariffs are high during winter and lower during summer. Irrespective of this practise by Eskom, municipalities are charging the same tariff during the year to their consumers. The effect is that the municipalities' debt escalates to unaffordable levels during winter periods.
- Eskom penalises municipalities that **exceed the allowable bulk electricity amount** to be purchased. Municipalities do not budget for these penalties which results in the escalation of debt to unaffordable levels for the municipalities; and
- Furthermore, the challenge for non-payment to Eskom by municipalities is a **management issue** and accounting officers of these municipalities must be held accountable. Politically this matter is being escalated to the Minister's office to address it with the Mayors of the affected municipalities.

### Roads and Storm Water

MISA provides technical support to municipalities to discharge their constitutional obligations regarding



the provision of roads and storm water services by focusing on the following four key areas:

- Assist municipalities to address roads and storm water infrastructure backlogs in terms of access roads, major roads and community roads (streets).
- Assist municipalities in the management of roads and storm water infrastructure, particularly rural municipalities.
- Assist municipalities and the Department of Transport to secure an increase of the funding pool available for roads and storm water infrastructure development and management (including Grants).
- Assist municipalities in collaboration with the Department of Transport to improve municipal planning processes in respect of roads and storm water infrastructure (includes macro and micro planning);
- Collaborate with the department of transport to finalise the roads classification process, and ownership allocation of roads to improve proper budget allocation or road operations and maintenance; and
- Assist municipalities in the collaboration with institutions such the CSIR to implement appropriate road maintenance technology.
- In Mpumalanga, integrated roads and storm water master plans were developed for Thaba Chweu, Dr JS Moroka, Dr Pixely Kalsaka Seme, Mkhondo and Thembisile Hani local municipalities.

In Mpumalanga, integrated roads and storm water master plans were developed for Thaba Chweu, Dr JS Moroka, Dr Pixely Kalsaka Seme, Mkhondo and Thembisile Hani local municipalities.

### Technical Capacity Development

MISA's Technical Capacity Development pursues the development of scarce technical skills of municipalities, the professionalisation of the ranks of technical professionals in local government in line with the statutory provisions for technical professionals, and to develop a continuous pipeline of qualified young professionals for improved delivery and maintenance of municipal infrastructure. The following sub-programmes are currently being implemented:

- An artisan development programme supporting practical training for 320 apprentices, of which 90 are municipal officials and other 230 are unemployed graduates;
- A technical bursary programme that is supporting 50 students enrolled in various universities and further education and training (FET) colleges in the country. All students receiving financial support from MISA's bursary scheme will be required to service municipalities for a specified period of time;
- During the 2013/14 financial year, MISA plans to provide training to 100 technical officials in municipalities, and to fund the secondment of university professionals to some municipalities through an exchange programme referred to as the revolving door policy programme; and
- Other capacity development plans entail the placement and mentoring for 20 graduates for experiential learning in municipalities, training and development of 34 water process controllers and the facilitation of professionals' registration for 50 municipal officials.

## 2.5.6.4 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 partially achieved and not achieved.

Strategic Objective	Actual Achievement 2011/12	Planned target 2012/13	Indicator	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement	Comments of deviations
<b>Sub-programme: Community Work Programme</b>						
Community Work Programme	CWP implemented in 63 Municipalities	140	Number of municipalities in which CWP is implemented in at least 2 wards	<b>Achieved</b> CWP was implemented in at least 2 wards in 140 municipalities	-	-
	105 218 work opportunities were created	171 500	Number of work opportunities created through CWP	<b>Achieved</b> 186 363 work opportunities were created as at end March 2013	14 863	Higher number of participants were recruited
Mechanisms to improve service delivery	10	8	Number of municipalities with the clean cities and towns programme	<b>Achieved</b> 26 sites cleaned in 14 municipalities	More sites were cleaned due to needs of communities	-
<b>Sub-programme: Infrastructure Development</b>						
Access to basic services	-	Annual Report on basic services	Reporting of basic services through the coordination of sectors and stakeholders	<b>Achieved</b> Annual report on basic services developed	-	-





Strategic Objective	Actual Achievement 2011/12	Planned target 2012/13	Indicator	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement	Comments of deviations
	DoRA 2011 and improved non-financial performance monitoring and reporting requirements	10	Number of district rural municipalities, including local municipalities, supported to improve on MIG non-financial performance monitoring and reporting	<b>Achieved</b> 16 districts and 166 local municipalities supported in MIG non-financial training, site visits, and appointment of Project Management Units (capacity)	156	More municipalities were recruited
	Situational analysis report to determine support requirement per municipality	10	Number of district municipalities including, local municipalities, supported with the roll-out of FBS (Water, Electricity, Sanitation and Refuse removal) i.e. indigent policies and registers	<b>Achieved</b> 24 local municipalities have been supported in 10 district municipalities on the credible indigent policies	14	More municipalities were recruited
	52 Districts/ metro CIPs were completed	10	Number of districts and local municipalities supported in the implementation of Comprehensive Infrastructure Plans	<b>Achieved</b> 21 district and 12 local municipalities supported in developing water delivery plans	23	More municipalities were recruited



## PART B: DCoG PERFORMANCE INFORMATION

Strategic Objective	Actual Achievement 2011/12	Planned target 2012/13	Indicator	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement	Comments of deviations
<b>Sub=programme: Local Economic Development</b>						
Local Economic Development	6	4	Number of business development forums supported in district municipalities	<p style="color: #e67e22;"><b>Partially Achieved</b></p> <p>3 forums supported.</p> <p>West Coast DM was assisted with an analysis of the agricultural sector to identify gaps and opportunities; engagement between the Department of Mineral Resources and SteveTshwete on Social Labour Plans was facilitated; initial engagements with the private sector were conducted in Sedibeng DM.</p>	1	Prolonged stakeholder consultative processes.



Strategic Objective	Actual Achievement 2011/12	Planned target 2012/13	Indicator	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement	Comments of deviations
Partnerships to improve service delivery	8	5	Number of municipalities which have signed MoU of Business adopt a Municipality	<b>Partially Achieved</b> 3 MoU's signed with Santam, Eskom and SABMiller	2	The signing of municipal level MOUs between Santam and respective municipalities was delayed
	8	8	Number of signed MoU implemented and monitored of business adopt a municipality	<b>Achieved</b> 5 municipalities adopted by Santam were supported with the procurement of fire fighting equipment. The Eskom MoU is being implemented through MISA to expand the support base to 18 municipalities; SAB initiated a training programme in Nelson Mandela Bay Metro; the Rand Water Foundation concluded evaluation of the Sebenzanathi capacity building programme	-	-

## PART B: DCoG PERFORMANCE INFORMATION

Strategic Objective	Actual Achievement 2011/12	Planned target 2012/13	Indicator	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement	Comments of deviations
	1 Partnership with SANCO implemented	3	Number of strategic partnerships formed to support the development of cooperatives	<p><b>Achieved</b></p> <p>4 Strategic Partnerships formed.</p> <p>A MoU signed with the Department of Trade and Industry and a partnership with the German Co-operative and Raiffeisen Confederation resulted in the training of LED officials. Other partnerships were established with the Department of Agriculture, Forestry and Fisheries; Western Cape Department of Economic Development and Tourism.</p>	-	-



### 2.5.6.5 Programme 6: Infrastructure programme budget and actual expenditure

The expenditure and variance versus the final appropriation is provided below

Details per Sub-Programme R'000		Final Appropriation	Actual Expenditure	Variance
		R'000	R'000	
	Management Infrastructure	5,410	5,410	-
	Local Economic Develop Plan	6,685	6,685	-
	Infrastructure Development	10,945	10,509	436
	Municipal Infrastructure Grant	13,881,633	13,879,162	2,471
	Community Worp Program	14,48,877	1,289,922	158,955
	Special Purpose Vehicle	198,365	149,714	48,651
	<b>TOTAL</b>	<b>15,551,915</b>	<b>15,341,402</b>	<b>210,513</b>

Programme 6 Per Economic classification R'000		Final Appropriation	Actual Expenditure	Variance
		R'000	R'000	
	<b>Current payments</b>	<b>1,668,267</b>	<b>1,460,225</b>	<b>208,042</b>
	Compensation of employees	67,772	41,943	25,829
	Goods and services	1,600,495	1418,282	182,213
	<b>Transfers &amp; subsidies</b>	<b>13,881,912</b>	<b>13,879,441</b>	<b>2,471</b>
	Provinces & municipalities	13881,633	13,879,162	2,471
	Foreign governments & international organisations	279	279	-
	<b>Payment for capital assets</b>	<b>1,736</b>	<b>1,736</b>	<b>-</b>
	Machinery & equipment	1,736	1,736	-
	<b>TOTAL</b>	<b>15,551,915</b>	<b>15,341,402</b>	<b>210,513</b>

## PART B: DTA PERFORMANCE INFORMATION

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# Programme 7: Department of Traditional Affairs

## Strategy Overview: Vision, Mission and Values

### 1.1 Vision, Mission and Values

#### *Vision*

An effective and efficient institution of traditional leadership that enhances sustainable development and service delivery.

#### *Mission statement*

To coordinate traditional affairs activities across government through:

- Development of appropriate policies, systems and regulatory framework governing Traditional Affairs; enhancement of organisational efficiency and effectiveness.
- Establishment of capacity development, systems and partnership models.
- Undertaking periodic research and development on traditional affairs matters; and
- Monitoring and evaluation of performance of DTA and its entities.

#### *Values*

Guided by Principles of Batho Pele we adhere to the following values:

- i) Honesty
- ii) Integrity
- iii) Respect

- iv) Collegiality
- v) Commitment to service
- vi) Activist Approach; and
- vii) Professionalism.

## 1. Legislative and Other Mandates

### 2.1 Legislative Mandate

After the reconfiguration of the new Department of Traditional Affairs within the CoGTA Ministry in 2009, the Minister of Cooperative Governance and Traditional Affairs, in his Budget Vote speech, made a policy statement that the Portfolio would “**shift from a focus on the institution of traditional leadership to a broader one on traditional affairs**”. That the Department would have the expanded mandate of overseeing a full range of tasks inherent in dealing with traditional affairs, and shifting the focus from the narrower approach of dealing only with the ***institution of traditional, Khoi and San leadership*** and communities.

It is within this context of a broader definition of traditional affairs that the Department was established. The concept of “traditional affairs” is defined, and includes, among others, the institution of traditional leadership, Khoi-San leadership, traditional communities, indigenous knowledge systems, traditional courts and indigenous law, indigenous languages and other valued community practices and protocols. The institution of traditional leadership including Khoi-San leadership remains the centre pillar or fulcrum of traditional affairs. It is against this

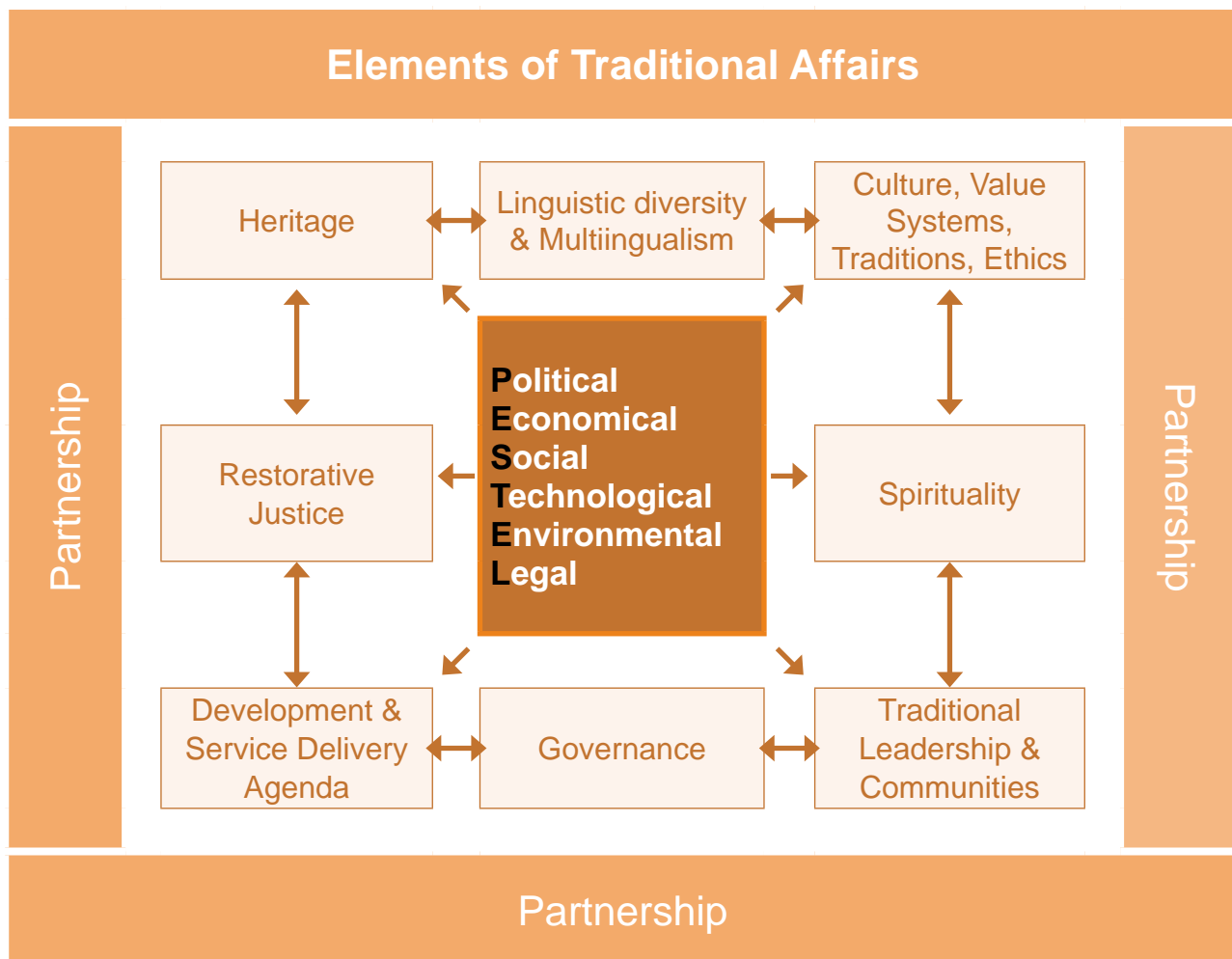


## PART B: DTA PERFORMANCE INFORMATION

background that the DTA leadership prioritised issues of traditional and Khoi-San leadership and communities when it got functional in 2011 after the appointment of staff.

The DTA further unpacked the notion of an “expanded mandate” to include other aspects of traditional affairs beyond traditional and Khoi-San leadership and communities, and came up with the following model:

**Figure 1: Elements of traditional affairs**



As stated earlier, the broad mandate of the Department consists of the following elements of traditional affairs as shown in the diagram above:

- Traditions, culture, value systems, ethics
- Traditional leadership including Khoi-San leadership
- Broader South African traditional communities, inclusive of Khoi-San, Afrikaner, Jewish, Indian communities
- Indigenous knowledge systems
- Traditional courts and indigenous law
- Spirituality (interfaith movement)
- Governance
- Development and Service delivery

- Restorative justice
- Traditional healing and medicine,
- Indigenous languages,
- Other cultural practices and protocols

At the centre of the traditional affairs framework, traditional affairs activities do not take place in a vacuum, but function in a political, economical, social, technological, environmental and legal context. Each and every element of traditional affairs is influenced by these factors. It is therefore important for the Department to take note of these factors when dealing with traditional affairs.

The DTA mandate is to play a key strategic role in assisting the institution of traditional leadership and the Khoi-San leadership to transform themselves to be central partners with Government in development of their respective **communities**, and to also aid in coordinating the traditional affairs activities of the Ministry and those of other government institutions at national, provincial and local government levels to ensure that the needs of traditional communities are significantly met.

## 2.2 Revision of legislative and other mandates

### 2.2.1 Constitutional Mandate

The work of the DTA in supporting the institution of traditional leadership, is informed by Chapter 12 of the Constitution, relevant policies, the legislation administered by the Department, national policies and laws relating to the public service as a whole, and those pieces of legislation that promote constitutional goals such as equality and accountability.

The Constitution of the Republic of South Africa, 1996, states as follows in section 211:

- 8) The institution, status and role of traditional leadership, according to customary law, are recognised, subject to the Constitution.
- 9) A traditional authority that observes a system of customary law may function subject to any

applicable legislation and customs, which includes amendments to, or repeal of, that legislation or those customs.

- 10) The courts must apply customary law when that law is applicable, subject to the Constitution and any legislation that specifically deals with customary law.

Section 212 of the Constitution furthermore states as follows:

- 1) National legislation may provide for a role for traditional leadership as an institution at local level on matters affecting local communities.
- 2) To deal with matters relating to traditional leadership, the role of traditional leaders, customary law and the customs of communities observing a system of customary law:
  - c) national or provincial legislation may provide for the establishment of houses of traditional leaders; and
  - d) national legislation may establish a council of traditional leaders.

In terms of Part A of Schedule 4 to the Constitution “Indigenous law and customary law” and “traditional leadership” are both functional areas of concurrent national and provincial legislative competence, subject to the provisions of Chapter 12 of the Constitution.

### 2.2.2 Legislative Mandates

The DTA administers two pieces of legislation namely the Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2003)(hereinafter referred to as the Framework Act) and the National House of Traditional Leaders Act, 2009 (Act No. 22 of 2009)(hereinafter referred to as the National House Act).

The Framework Act provides for the recognition of traditional communities, the establishment and recognition of traditional councils, leadership positions within the institution of traditional leadership, the recognition of traditional leaders and the removal of traditional leaders from office. It also provides for houses of traditional leaders, the functions and

## PART B: DTA PERFORMANCE INFORMATION

roles of traditional leaders, dispute resolution and the establishment of the Commission on Traditional Leadership Disputes and Claims.

The National House Act provides for the establishment of the National House of Traditional Leaders and determines the powers, duties and responsibilities of the House. It further provides for support to the House, the relationship between the House and the provincial houses, and the accountability of the House.

The said legislation is in the process of being consolidated and the new legislation, currently referred to as the National Traditional Affairs Bill, will also make provision for the National Traditional Affairs Bill to be drafted and consulted on. The purpose of consolidating the legislation is:

- To ensure an integrated approach in dealing with all matters relating to traditional affairs.
- To enhance the uniform manner in which matters relating to traditional affairs are dealt with across the country; and
- To address legal uncertainties and gaps that have been identified in the two pieces of legislation.

Three of the key objectives of the new legislation are:

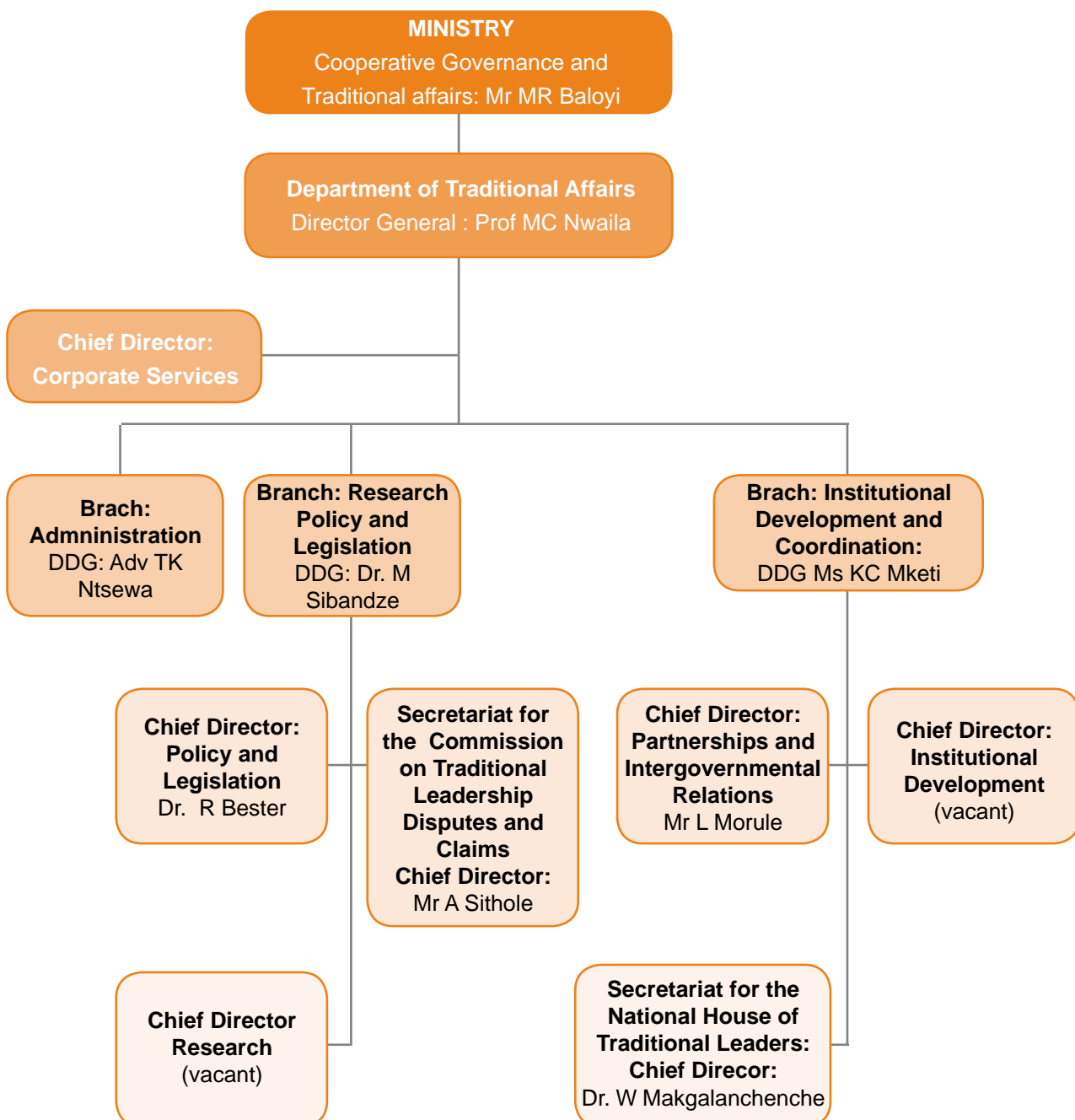
- To transform the traditional, Khoi-San institutions in line with constitutional imperatives such as the Bill of Rights;
- To restore the integrity and legitimacy of the institutions of traditional, Khoi -San leadership in line with customary law and practices; and
- To protect and promote the institutions of traditional, Khoi-San leadership.



## 2.2.3 Policy Mandates

The White Paper on Traditional Leadership and Governance, 2003, sets out a national framework and norms and standards that define the role and place of the institution of traditional leadership within South Africa's system of democratic governance. It seeks to support and transform the institution in accordance with constitutional imperatives and to restore the integrity and legitimacy of the institution in line with the African indigenous law and customs subject to the Constitution. These are the principles on which the Framework Act is based.

## Organisational Structure



### 3. Overview of Departmental Performance

The Department of Traditional Affairs consists of three main programmes; namely, Administration; Research, Policy and Legislation; and Institutional Support and Coordination. In addition, the Department provides support to two entities namely: the National House of Traditional Leaders (NHTL) and the Commission on Traditional Leadership Disputes and Claims (CTLDC). The following posts are vacant: Chief Director Corporate Services, Chief Director Research and Chief Director Institutional Development.

This organogram was approved with 127 posts of which 90 are funded and 76 are filled. The funded and filled posts include the Chairperson and Deputy Chairperson of the National House of Traditional Leaders as well as the Chairperson, Deputy Chairperson and three Commissioners on Traditional Leadership Dispute and Claims.

#### 3.1 Service Delivery Environment

The findings of the assessment pointed to the fact that Provinces have established Provincial Houses of Traditional Leaders with the exception of Gauteng. Gauteng Province was unable to establish a Provincial House due to the insufficient number of traditional leaders to constitute a House as there are only two recognized traditional leaders in the province. Gauteng Province, which promulgated its provincial traditional leadership legislation in 2011, will establish the Local House in 2012/2013 to align with the term of office of the NHTL.

In terms of local houses, Eastern Cape and Free State Provinces will amend their legislation to establish Local Houses of Traditional Leaders.

Furthermore, assessment findings indicated that all provinces have legislations based on the provisions of the Traditional Leadership and Governance Framework Act (TLGFA). The amendment of the Act requires that provinces also review their legislation to align them to the national legislation. While all provinces (with the exception of Gauteng)

had established provincial and local houses their functioning is of concern. Local houses were not funded, rendering them completely non-functional and ineffective in most cases. Coordination amongst the traditional structures need to be strengthened. Most of provinces' business plans did not reflect projects focussing on traditional affairs. This is attributed to the inadequate budget allocated to the institution of traditional leadership. The DTA is currently developing a Framework for Institutional support and generic functions for traditional affairs which will stipulate the allocation of resources and funding to the institution.

In addition, assessment findings indicated that funding requirements and allocations to support traditional affairs were acutely varied in Provinces. The allocation of budgets for Traditional Affairs did not take into consideration the size, number of Traditional Leaders and structures which required support.. Budgets were found to be exceedingly inadequate making it very difficult for traditional structures such as traditional councils to function. The DTA is developing guidelines on minimum norms and standards for support to the institution of traditional leadership and to address these challenges.

Furthermore, the assessment focused on structures solely within the institution of traditional leadership, which is only one element of the mandate of the Department. It did not include other elements of the mandate namely, Khoi-San leadership, heritage, indigenous knowledge systems, traditional courts and indigenous law, indigenous languages and other valued community practices and protocols. This is because the institution of traditional leadership including Khoi-San leadership, remains the centre pillar or fulcrum of traditional affairs, and given the limited resources during the two years of the Department's existence, the focus has been on these two elements of traditional affairs. The Department has completed a process of reviewing its organisational structure to address its entire mandate. A revised organisational structure has been consulted with all parties.



The Department does not have a Corporate and Financial Services Division (Human Resource Management, Financial Management, Facilities Management, Information and Communication Technologies, Legal Services and Asset Management). These services are provided by Department of Cooperative Governance (DCoG) and this arrangement compromises the performance of the DTA since DCOG has to share its limited resources.

### 3.2 Organisational Environment 2012/13

The mandate of the Department includes traditional leadership, Khoi-San leadership, traditional communities, social cohesion and heritage, indigenous knowledge systems, traditional courts and indigenous law, indigenous languages and other valued community practices and protocols. Currently the approved organizational structure only caters for traditional, Khoi- San leadership structures and communities. Other elements of the mandate are not included in the organizational structure. As a result of these constraints, the Department has not been able to perform other functions in relation to its mandate, namely: heritage and indigenous knowledge systems of the traditional, Khoi- San leadership.

The Department is also operating with limited financial and human resources, and therefore policy and legislative development processes are often

compromised. The result is that instead of conducting extensive consultations which extend up to a local level, the Department resorts to mainly provincial and national level consultations as far as policy and legislation are concerned.

Currently the Department does not have its own Corporate and Financial Services and these services are provided by the Department of Cooperative Governance through a memorandum of understanding. This not ideal and poses administrative challenges which affects the effective functioning of the Department.

In order to address the above challenges, the Department will in 2013/14, finalise the review of its organizational structure to ensure that is aligned with its mandate. Furthermore, the Department will establish its Corporate and Financial Services in phases within the current MTEF period.

### 3.3 Key policy development and legislative changes

During the 2012/2013 financial year, the Department submitted a draft policy on male initiation for consideration by Cabinet. The Department was subsequently requested to conduct research into all aspects of initiation, including female initiation. Comprehensive research on female initiation will therefore be undertaken during the 2013/2014 financial year to finalise the Initiation Policy.





## 4. Strategic outcome oriented goals

Strategic outcome oriented goal	Goal statement	Strategic objectives
Effective Department of Traditional Affairs	DTA developed to be a learning organization by 2014	To ensure the functionality of the Department of Traditional Affairs by establishing its capacity and capability to deliver on its mandate
		To support DTA entities, by ensuring that they play a central role towards development and service delivery
DTA aligned to DCOG	Empowered traditional communities	To enhance alignment and standardization in the regulatory, institutional and support framework for traditional affairs across provinces and municipalities
		To enhance knowledge management within traditional affairs
		To ensure that traditional communities are empowered by reviewing and developing the national support programme for traditional communities and governance structures.
Effective governance systems for traditional affairs	Established Department of Traditional Affairs governance systems by 2014; and improved developmental and governance capacity and capability of traditional affairs.	To promote and integrate the role and place of traditional affairs and the institution of traditional leadership, including Khoi-San Leadership, in the South African governance system by establishing synergetic relations with other governance structures across the three spheres of government.
Sustainable partnerships and collaboration for service delivery	Enhanced interface between local government and traditional affairs through fostering partnerships, social cohesion and developed traditional communities.	To promote and integrate the role and place of traditional affairs and the institution of traditional leadership, including Khoi-San Leadership, in the South African governance system by establishing synergetic relations with other governance structures across the three spheres of government.

## 5. Performance information by Programmes and entities

### 5.1 Summary of Programmes

The Department of Traditional Affairs has three programmes namely: Administration, Research, Policy and Legislation and Institutional Support and Coordination. In addition, the Department provides support to three entities namely: National House of Traditional Leaders (NHTL), Commission on Traditional Leadership Disputes and Claims (CTLDC) and Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities (CRLC). Administration programme provides administrative support to the two line function programmes and entities.

### 5.2 Programme 2: Research, Policy and Legislation

This programme consists of two sub-programmes; Research and Information Management and Policy and Legislation Development. It is responsible for the following focus areas:

- e) development, review, monitor and implementation of policies and legislation relevant to traditional affairs;
- f) coordination and monitoring of the implementation and review of policies and legislation relevant to traditional affairs by national and provincial government departments;

- g) conducting research and development of information management system relevant to traditional affairs; and
- h) supporting the Commission on Traditional Leadership Disputes and Claims (CTLDC), National House of Traditional Leadership (NHTL) and Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities (CRL Rights Commission), .

#### Sub-programmes:

The programme consists of two main sub programmes namely:

- Research and Information Management; and
- Policy and Legislation

#### Strategic Objective:

- To enhance alignment and standardization in the regulatory, institutional, and support framework for traditional affairs across provinces and municipalities; and
- To enhance knowledge management within traditional affairs.

The table below provides actual progress against planned targets per programme as well as deviation from planned target.



## PART B: DTA PERFORMANCE INFORMATION

Strategic Objectives	Actual Achievement 2011/12	Planned Target 2012/13	Performance Indicator	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Alignment and standardization in the regulatory, institutional and support framework for traditional affairs	The Guidelines on the determination of number of members of the Traditional council have been developed and gazetted.	Compliance Report on the Implementation of the Traditional Leadership Governance and Framework Act	Compliance report on the implementation of the Traditional Leadership Governance and Framework Act developed	<p><b>Achieved</b></p> <p>Legislative compliance reports (comparing provincial legislation with the Framework Act) have been done in respect of the following provinces:</p> <ul style="list-style-type: none"> <li>• Eastern Cape</li> <li>• Free State</li> <li>• Gauteng</li> <li>• Limpopo</li> <li>• Mpumalanga</li> <li>• Northern Cape</li> <li>• North West</li> </ul> <p>The legislation of KwaZulu-Natal has not been considered due to the fact that the Province has drafted a new Bill which is currently being considered by the province.</p> <p>Comprehensive desktop analysis of the Framework Act which serves as a basis for the assessment of provincial legislation has been completed. A similar analysis was also completed in respect of the National House Act</p> <p>Subsequent to the finalisation of a desktop analysis, Legislative compliance reports have been finalised in respect of Free State and Gauteng Provinces and preparatory work has been completed in respect of legislation for the Northern Cape province</p>	None	N/A

## PART B: DTA PERFORMANCE INFORMATION

Strategic Objectives	Actual Achievement 2011/12	Planned Target 2012/13	Performance Indicator	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
	The draft formula for determining the number of members of kingship/ queenship Councils and principal traditional councils have been developed and circulated for comments.	Gazette on the formula and compliance report on the establishment of kingship and queenship councils	Gazette on the formula for kingship/ queenship councils	<b>Partially Achieved</b> Draft formula has been developed and consultations are being conducted. It is also being considered by the Ministerial Task Team on Remuneration and Tools of Trade for Traditional Leaders	Draft formula for kingship/ queenship councils	Consultations on draft formula will be conducted in accordance with Section 3A(2)(a) of the Traditional Leadership Framework Act
	Draft Regulations on roles and functions of kings and queens	Regulations on roles and functions of kings and queens developed	Gazette on the regulations on roles and functions of kings and queens	<b>Partially Achieved</b> Draft regulations on roles and functions of kings and queens have been developed. The draft regulations are being considered by the Ministerial Task Team on Remuneration and Tools of Trade for Traditional Leaders	Draft regulations on roles and functions of kings and queen	Consultations on draft regulations still to be conducted
	Draft consultation report was developed	Approved Policy on Male Initiation	Approved Policy on male initiation	<b>Partially Achieved</b> The Draft Policy on male initiation was developed and submitted to Cabinet. The Policy is currently being revised to include female initiation as advised by Cabinet  Cabinet referred the draft policy back to Department and requested that research and consultations be done in respect of female initiation for possible inclusion in one comprehensive policy	Draft Policy on Male Initiation	Draft policy referred back to Department for further research and consultation

## PART B: DTA PERFORMANCE INFORMATION

Strategic Objectives	Actual Achievement 2011/12	Planned Target 2012/13	Performance Indicator	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
	-	Draft Bill on Male initiation	Draft Bill on Male Initiation	<b>Partially Achieved</b> Drafting of the Bill can only commence once the Policy on Male Initiation has been approved by Cabinet	Draft Policy on Male Initiation	Bill can only be drafted once policy is approved  Draft policy referred back to Department for further research and consultation
	The Bill was developed and consulted on	National Traditional Affairs Bill Published in the government gazette for public comments and submitted to cabinet for approval	National Traditional Affairs Bill published and consulted on	<b>Partially Achieved</b> Bill was drafted, extensive pre-Cabinet consultations were conducted and finalised, and it was refined based on the inputs from the consultations. Furthermore, the Bill has been certified by State Law advisors to support parliamentary processes; and it was found to be constitutionally correct.	Draft National Traditional Affairs Bill	Bill is not yet submitted to Cabinet for consideration and therefore not yet published in Gazette for public comments
Enhancement of the knowledge within traditional affairs	-	Research report on: Analysis of Headmanship and Headwomanship leadership positions  The developmental role of traditional leaders	Research reports on identified topics	<b>Partially Achieved</b> Draft Research Reports with an analysis on headmanship and Headwomanship position, including their appointment thereof has been developed. The report will be finalised by June 2013.  Research report on the developmental role of traditional leaders was developed.	Draft Research Reports with an analysis on headmanship and Headwomanship position	Delays are due to change of approach and focus on the project
	-	Two socio-economic provincial profiles on Traditional Affairs	Number of Socio-Economic Provincial profiles on Traditional Affairs developed	<b>Partially Achieved</b> A socio-economic profile of Limpopo province has been developed.	Only one socio-economic profile	Non availability of North West province to resume the project

## Strategies to overcome areas of under performance for Research Policy and Legislation

- The Department has prioritised the finalisation of the revised Departmental structure to ensure that it is aligned to its mandate. This will involve the filling of critical Corporate and Financial Management positions in 2013.
- The Department will improve the formulation of targets when developing the 2013/14 Annual

Performance Plan and ensure that such targets are within its control.

- Joint planning of DTA and Provinces will be initiated in the 2013/14 Financial year for the 2014/15 APP to ensure achievement of targets that require contribution by provincial government.
- The Traditional Affairs Implementation Forum will also be utilised to assist the Department to achieve some of the targets that are dependent on provincial support and cooperation.

## Linking performance with Budget

Economic Classification	2012/2013			2011/2012		
	Final Appropriation	Actual Expenditure	Over/ under Expenditure	Final Appropriation	Actual Expenditure	Over/ under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of Employees	10 887	11 452	(565)	13 956	13 956	-
Goods and Services	3 783	3 216	567	-	-	-
Transfer Payments	-	-	-	-	-	-
Payments for Capital Assets	-	-	-	80	80	-
<b>TOTAL</b>	<b>14 678</b>	<b>14 677</b>	<b>-</b>	<b>14 036</b>	<b>14 036</b>	<b>-</b>

## 5.3 Programme 3: Institutional Support and Coordination

This programme consists of two sub-programmes; Institutional and Capacity Building, and Partnerships. It is responsible for the following focus areas:

- Provide institutional development and capacity building within traditional affairs institutions
- Provide secretariat and administrative support services to the National House of Traditional Leaders
- Coordinate the establishment of intergovernmental relations and partnerships for service delivery and development for the institutions of traditional leadership and other traditional affairs institutions

The programme's core focus is to establish systems and develop programmes for capacity building of traditional affairs institutions as well as to coordinate matters of traditional affairs across the three spheres

of government. Furthermore, this programme is responsible for facilitation and coordination of partnerships between the institutions and other role players in the traditional affairs sector. In order for this programme to achieve its objectives it requires cooperation, collaboration and coordination with all DTA partners and other interested role players

### Sub-programmes:

The programme consists of two sub-programmes namely:

- Institutional Development and Capacity Building; and
- Partnership and Intergovernmental Relations

### Strategic Objective:

- To ensure that traditional communities are empowered by reviewing and developing the



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national support programme for traditional communities and governance structures.

other governance structure across the three spheres of government.

- To promote and integrate the role and place of traditional affairs and the institution of traditional leadership, in the South African governance system by establishing synergetic relations with

Strategic Objectives	Actual Achievement 2011/12	Planned Target 2012/13	Performance Indicator	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Promote and integrate the role and place of traditional affairs and the institution of traditional leadership	Provincial Assessment Reports of the following provinces were adopted: <ul style="list-style-type: none"> <li>• Eastern Cape</li> <li>• Free State</li> <li>• Gauteng</li> <li>• KwaZulu-Natal</li> <li>• Limpopo</li> <li>• Mpumalanga</li> <li>• North-West and</li> <li>• Northern Cape</li> </ul>	Draft Traditional Affairs Sector Strategy	Traditional Affairs Sector Strategy developed, implemented and reviewed	<b>Achieved</b> Draft Traditional Affairs Sector Strategy has been completed. The strategy is aimed at improving and strengthening coordination of traditional affairs matters across the three spheres of government	None	N/A
	Draft partnership strategy developed	Partnership Strategy approved	Partnership Strategy developed, implemented and reviewed	<b>Achieved</b> Partnership Strategy developed, implemented and reviewed	None	N/A



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Strategic Objectives	Actual Achievement 2011/12	Planned Target 2012/13	Performance Indicator	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
	1 National Assessment Report was adopted	Report on the implementation of the recommendations of the report on the assessment of state of governance of traditional leadership structures	Report on the implementation of Assessment findings	<p><b>Achieved</b></p> <p>Report on the implementation of the recommendations of the report on the assessment of state of governance of traditional leadership structures has been developed.</p> <p>The Department has developed the Traditional Leadership Empowerment programme for implementing the recommendations of the report on state of governance of traditional leadership structures.</p> <p>In order to implement the programme, the Department has established the National Implementation Forum constituted of the Department of Traditional Affairs, Provincial Traditional Affairs Departments; sector Departments, National and Provincial Houses of Traditional Leaders and relevant Public Entities.</p> <p>To this effect the Department has also supported Provinces to establish Provincial Traditional Affairs Implementation Forums.</p>	None	N/A



## PART B: DTA PERFORMANCE INFORMATION

Strategic Objectives	Actual Achievement 2011/12	Planned Target 2012/13	Performance Indicator	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
	Annual progress report on the performance of the three entities was developed and incorporated into DTA draft Annual Report	NHTL supported strategically as outlines in the legislation	NHTL supported on identified areas	<p><b>Achieved</b></p> <p>The NHTL has conducted induction for new members of the National House.</p> <p>The Department supported its entities financially and administratively for the reconstitution of Traditional Councils</p> <p>The Department also supported the Commission on Traditional Leadership Disputes and Claims (CTLDC) to process the 300 disputes and claims</p> <p>The Department established governance structures to support the work of the CTLDC and the National House at both policy and administrative levels to ensure sound working relations and for the Commission to deliver on their mandate by establishment of institutional arrangements for Minister's engagement with NHTL on national traditional leaderships matters</p> <p>Department supported the NHTL for the successful opening of the National House by the President in March 2013.</p> <p>Provided financial, human resources and professional support to the entities for the following activities:</p> <p>Celebration of identified cultural events</p> <p>Planning and performance management and reporting</p> <p>Inauguration of members of NHTL and opening of the NHTL</p>	None	N/A

## PART B: DTA PERFORMANCE INFORMATION

Strategic Objectives	Actual Achievement 2011/12	Planned Target 2012/13	Performance Indicator	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Ensure that Traditional communities are empowered	<p>Achieved</p> <p>Capacity Building Strategy and Implementation Plan consulted upon and approved</p> <p>The programme coordinated training of traditional leaders on indigenous law for members of NHTL and Eastern Cape PHTL, whereby 18 members of the NHTL and 26 members of the PHTL were trained.</p>	Traditional leadership institution empowered through training and linkages to other resources	Capacity Building Plan implemented	<p><b>Achieved</b></p> <p>The Department in collaboration with the Services Sector Education Training Authority (SSETA), coordinated training on the application of HIV/AIDS in a Sector/Workplace. Eight staff members from Houses of Traditional leaders and traditional councils were able to attend the workshop i.e. 2 officials from Eastern Cape, 2 from Free State, 2 from Mpumalanga and 2 from Gauteng. The Training took place at various locations within the four provinces.</p> <p>The Department coordinated training on Indigenous Law for forty traditional leaders Law in the Free State province in September 2012, which was offered by the Justice College. The programme is designed to empower traditional leaders and their officials with knowledge of various aspects of customary related legislation which impacts on their functions.</p> <p>The department also facilitated training on marine resource and fisheries for twenty nine (29) traditional leaders and officials which took place in Port Nolloth in the Northern Cape. The training programme was presented by Rhodes University in conjunction with Local Government Sector Education Training Authority (LGSETA). The aim of the program was to develop capacity of the traditional leaders with regards to the development of marine resources and create sustainable economic development along the coastline by exploring resources in line with the national development objectives</p>	None	N/A



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Strategic Objectives	Actual Achievement 2011/12	Planned Target 2012/13	Performance Indicator	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
				In addition, the department coordinated two awareness programmes in Water and Sanitation where a total of 133 traditional leaders were inducted on water and sanitation business opportunities in the Eastern Cape.		-
Support DTA entities	<p>CTLDC processed 139 traditional leadership disputes and claims</p> <p>Establishment of 5 provincial CTLDC committees</p> <p>Skills audit for traditional leaders was conducted and members trained on the following: customary law, indigenous law</p>	Entities supported to fulfil their mandate	NHTL supported on identified areas	<p><b>Achieved</b></p> <p>The Department has supported the NHTL, CTLDC and CRLRC with both administrative and financial support.</p> <p>The Department has coordinated various capacity building programmes in collaboration with other state departments. The following are some of the training interventions coordinated: Indigenous Law, Restorative Justice, induction of newly elected members of the NHTL</p>	-	-

### Strategies to overcome areas of under performance for Institutional Support and Coordination

The programme has performed satisfactory and there are no strategies for under performance

### Linking performance with Budget

Economic Classification	2012/2013			2011/2012		
	Final Appropriation	Actual Expenditure	Over/ under Expenditure	Final Appropriation	Actual Expenditure	Over/ under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of Employees	11,012	11,449	(437)	11,477	11,477	-
Goods and Services	2,166	1,765	401	-	-	-
Transfer Payments	-	-	-	-	-	-
Payments for Capital Assets	-	-	-	30	30	-
<b>TOTAL</b>	<b>13,178</b>	<b>13,214</b>	<b>-</b>	<b>11,507</b>	<b>11,507</b>	<b>-</b>

## 6. Overall Entities' Performance

### 6.1 Summary of DTA entities' performance for 2012/13

The Department provides support to three entities namely: National House of Traditional Leaders (NHTL), Commission on Traditional Leadership Disputes and Claims (CTLDC) and Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities (CRLC)

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
Commission on Traditional Leadership Disputes and Claims (CTLDC)	Finalisation of traditional leadership disputes and claims; Conducting research on traditional leadership disputes and claims;	R 10 212	R 10 212	<b>249 of 300</b> traditional leadership disputes and claims cases were finalised. In addition, a total of <b>118</b> out of 300 traditional leadership disputes and claims were researched
National House of Traditional Leaders (NHTL)	Reconstitution of the Houses; Supported various traditional councils during their cultural events as part of conserving their culture and tradition; Participate in service delivery improvement programmes	R 19 204	R 19 204	Successfully reconstituted all houses; NHTL hosted the Southern Sudan delegation during their fact finding mission; Inputs were provided to Parliament in support of the Black Administration Amendment Act extending time frames until the TCB is signed into law. Participation in Parliamentary Public hearings on the TCB Supported various traditional councils in preserving and celebrating their culture
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities (CRLC)	Resolve 80 cases lodged before the Commission Societal awareness on the work and role of the Commission Establishment of functional community councils	R 22 378	R 22 378	83 case investigated 1 of 83 mediated (19 cases closed); 18 resolved Distributed (15 000 pamphlets)/ information material and conduct several campaigns. Recognised and launched 10 district community councils nation wide



## 6.2 Commission on Traditional Leadership Disputes and Claims (CTLDC)

The CTLDC is empowered by Section 26A of the Framework Act which requires Premiers of the affected provinces to establish Provincial Committees to deal with the disputes and claims delegated to them by the Commission. To this end, the following progress was made towards the establishment of the following Provincial Committees during the period under review: Mpumalanga and Eastern Cape. The remaining three provinces are being engaged to establish their committees by 2012/13.

Strategic Objectives	Actual Achievement 2011/12	Planned Target 2012/13	Performance Indicator	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Finalisation of all claims and disputes of traditional leadership	Achieved During the year under review the CTLDC processed and finalized a total of 139 claims and disputes	300 traditional leadership disputes and claims finalised	Number of claims and disputes finalised	<b>Partially Achieved</b> 249 of 300 traditional leadership disputes and claims cases were finalised.  In addition, a total of 118 out of 300 traditional leadership disputes and claims were researched	51 traditional leadership disputes and claims	Late establishment of CTLDC provincial committees in KZN, North West and Limpopo  None functionality of some of the provincial committees

### Strategies to overcome areas of under performance for the Commission on Traditional Leadership disputes and Claims

- Requested adequate financial resources to enable the Commission to increase its human resource capacity to undertake research; and
- Secure office space for Commissioners

### Linking performance with Budget

Entities	2012/2013			2011/2012		
	Final Appropriation	Actual Expenditure	Over/ under Expenditure	Final Appropriation	Actual Expenditure	Over/ under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
National House of Traditional Leaders	20,537	20,349	188	19,204	19,204	-
CRL Rights Commission	34,227	34,227	-	22,378	22,378	-
Commission on Disputes and Claims	11,864	11,694	170	10,212	10,212	-
<b>TOTAL</b>	<b>66,628</b>	<b>66,270</b>	<b>358</b>	<b>51,794</b>	<b>51,794</b>	<b>-</b>

## 6.3 National House Of Traditional Leaders (NHTL)

The National House of Traditional Leaders (NHTL) was, initially established in terms of the Council of Traditional Leaders Act of 1994, passed in terms of the Interim Constitution and later in terms of the National House of Traditional Leaders, passed in terms of Chapter 12 of the 1996 Constitution of the Republic of South Africa.

The National House of Traditional Leaders is responsible of preserving and promoting the customs and traditions of traditional communities including:

- Fostering partnerships with government and non-governmental entities to promote and participate in service delivery and development processes in traditional communities
- Promote unity among traditional communities and traditional leaders; and
- Advise government in policy and legislative development matters affecting traditional communities, customary law and traditions.

### Purpose of the NHTL:

To deal with matters relating to traditional leadership, the role of Traditional Leaders *in service delivery and rural development*, customary law and the customs of communities observing a system of customary law.

### Strategic Objectives of the NHTL

- Building Relations amongst houses of traditional leadership
- Capacity building of members of the NHTL traditional leaders on relevant skills and developmental needs
- Promotion of traditions, culture and customs
- Provide inputs on legislation impacting on traditional leadership; and
- Promote cooperative governance and good relations between government and the institution to improve service delivery and rural development.

Strategic Objectives	Actual Achievement 2011/12	Planned Target 2012/13	Performance Indicator	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
To promote cooperation between Provincial houses and the National House of traditional leaders in order for the houses to achieve its goals	-	Reconstitution of Houses	Number of Chairpersons' Forum meetings held and to report on implementation of decisions made	<b>Achieved</b> All houses were reconstituted	None	N/A

## PART B: DTA PERFORMANCE INFORMATION

Strategic Objectives	Actual Achievement 2011/12	Planned Target 2012/13	Performance Indicator	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
	-	Facilitate Four Chairpersons Forum meeting and monitor the implantation of decision made	Number of Chairpersons' Forum meetings held and to report on implementation of decisions made	<b>Partially Achieved</b> Forum convened on 29 – 30 October 2012 in Durban to consider inputs into ANC policy conference on land issues, service delivery and rural development , reconstitution of houses, reporting mechanisms, programs of houses, capacity building, support from government and tools of trade	3 Chairpersons Forum	The reconstitution of Houses took longer than anticipated
	-	Convene Secretary's Forum meeting and monitor implementation of decisions made	Number of Secretaries' Forum meeting convened and to report on the implementation of decisions made	<b>Partially Achieved</b> Secretaries met on 21 March 2013 to consider plans and programs for the Houses to promote synergy and alignment of activities in the sector. To consider resolutions of the previous Chairpersons Forum	3 Secretary's Forums	Coordination of Secretaries' Forum depends on the Chairperson's Forums and the reconstitution of Houses took longer than anticipated
	-	Facilitate Annual Conference of Traditional Leaders	Number of Annual Conference of Traditional Leaders convened	<b>Partially Achieved</b> Chairpersons Forum Executive <i>Lekgotla</i> scheduled for May 2013 to consider land and moral regeneration issues	Annual Conference of Traditional Leaders	The reconstitution of Houses took longer than anticipated

## PART B: DTA PERFORMANCE INFORMATION



Strategic Objectives	Actual Achievement 2011/12	Planned Target 2012/13	Performance Indicator	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
	The NHTL in collaboration with the Department has developed and implemented calendar of traditional and cultural events whereby the following traditional councils were supported: Silamba day celebration, Njhakanjhaka Cultural Day, Mahumani/Nkomo Heritage and Multi Cultural Festival, Mampuru Day, Ngobe Heroes Day, Mabunda, Dzumeri, Modjajdji, Moletji Day celebration.	Develop and monitor the implementation of calendar of cultural events/ activities for the House	Calendar of events for the House reviewed, developed and implemented	<b>Achieved</b> Calendar of cultural events developed and members of the House have attended some the events organized at national departments and some by Traditional Councils in various provinces.	None	N/A
	The NHTL participated in various government programme to improve service delivery.	Identification and monitoring of service delivery initiatives	Identification and monitoring of service delivery initiatives	<b>Achieved</b> The institution interacted with traditional leadership and communities, accompanying the Minister in areas facing unrests due to poor service delivery in the Northern Cape, Eastern Cape, North West and Limpopo provinces. Interaction with communities during the Ministerial Izimbizo and 'One for All' Summits to discuss and debate service delivery and development issues	None	N/A

## PART B: DTA PERFORMANCE INFORMATION

Strategic Objectives	Actual Achievement 2011/12	Planned Target 2012/13	Performance Indicator	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Effective involvement of Traditional Leadership on matters of service delivery and rural development	The NHTL participated in various projects organised by government departments, The House engaged the following departments and structures to improve service delivery and development in communities, DRDLR, SALGA, CoGTA, StatsSA, Women, Children and People with Disabilities, Justice & Constitutional Development and Social Development. Reached	Effective involvement of Traditional Leaders in socio-economic development and service delivery	Effective involvement of Traditional leaders in socio-economic development and service delivery	<b>Achieved</b> Participation in the 'One for All' Summit on service delivery matters in the Northern Cape province.  Participation in DRDLR programs on land ownership, the use and management of land  Engagements with SALGA at the NEC Lekgotla on improve relationship between municipalities and traditional leadership	None	N/A
Effective participation on policies and legislation development and implementation that matters to traditional leadership	Inputs provided to Parliament and departments on the SA Languages, NTAB, Constitutional Review, Customary Marriages Act, Childrens Act, Policy on IKS by Science and Technology, Restorative Justice Policy, Initiation Schools and Ukuthwala	Develop position paper for all policies and legislation referred to the National House of Traditional Leaders	Develop position paper for all policies and legislation referred to the National House of Traditional Leaders	<b>Achieved</b> Inputs made to the following draft Bills referred to the House: <ul style="list-style-type: none"> <li>• Traditional Courts Bill and attended public hearings on 18 – 20 September 2012.convened by Parliamentary Committee;</li> <li>• Black Administration Act Amendment Bill</li> <li>• Intellectual Property Amendment Bill;</li> <li>• Draft Infrastructure Development Bill and</li> <li>• Determination of Remuneration of Members of Constitutional Institutions Bill</li> </ul>	None	N/A

## PART B: DTA PERFORMANCE INFORMATION

Strategic Objectives	Actual Achievement 2011/12	Planned Target 2012/13	Performance Indicator	Actual Achievement 2012/13	Deviation from planned target to Actual Achievement for 2012/2013	Comment on deviations
Promote custodianship of culture, customs, traditions and values by traditional leadership	–	Cultural, Customary and Traditional Practices Model	Develop, implement and review Cultural, Customary and Traditional Practices Model	<b>Not Achieved</b>	Cultural, Customary and Traditional Practices Model	Inadequate resource capacity to implement some projects

### Strategies to overcome areas of under performance for the National House of Traditional Leaders

- Improved working relationship between the House and the Department and other spheres of government at all levels, including staffing
- Profiling of traditional leadership and institutions and
- To identify service delivery initiatives by traditional leaders

### Linking performance with Budget

Economic Classification	2012/2013			2011/2012		
	Final Appropriation	Actual Expenditure	Over/ under Expenditure	Final Appropriation	Actual Expenditure	Over/ under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of Employees	7,399	7,713	(314)	19,101	19,101	-
Goods and Services	11,173	10,739	436	-	-	-
Transfer Payments	1,965	1,897	67	-	-	-
Payments for Capital Assets	-	-	-	103	103	-
<b>TOTAL</b>	<b>20,537</b>	<b>20,349</b>	<b>188</b>	<b>19,204</b>	<b>19,204</b>	<b>-</b>





## 7. Summary of financial information

Economic Classification	2012/2013			2011/2012		
	Final Appropriation	Actual Expenditure	Over/ under Expenditure	Final Appropriation	Actual Expenditure	Over/ under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of Employees	41,273	41,273	-	36,367	36,367	-
Goods and Services	29,547	29,462	-	29,149	29,149	-
Transfer Payments	34,227	34,227	-	22,378	22,378	-
Households (Ex-gratia)	1,965	1,897	68			
Payments for Capital Assets	350	89	261	683	683	-
<b>TOTAL</b>	<b>107,362</b>	<b>106,948</b>		<b>88,577</b>	<b>88,577</b>	-

## 8. Success of key outputs of the Department for 2012/13

### DTA Support for Traditional Leadership

The Department has developed a draft Framework for Institutional Support to Houses and Traditional Councils, to provide a standard approach on the nature and support for Traditional Leadership and to identify prioritized focus areas of support for Houses and TCs.

The DTA has trained traditional leaders in the 8 provinces with recognised traditional leaders on Traditional Leadership and Governance Framework Act, 2003 and legislation impacting on the institution of traditional leadership; namely; Public Finance Management Act, Systems Act, Structures Act, Disaster Management Act, Intergovernmental Relations Act and Municipal Finance Management Act. To this effect, a training tool kit was developed and provided to all traditional leaders up to the level of senior traditional leaders.

The DTA has also developed and implemented a Capacity Building Implementation Plan. In an effort

to capacitate the traditional leaders, the Department has coordinated two training interventions on water and sanitation. As part of the implementation of this plan, a total of 18 members of the NHTL, 26 members of the Eastern Cape and 22 members of Free State Provincial Houses of Traditional Leaders have been trained on Customary Law. A total of 225 Traditional Leaders were trained on water and sanitation awareness and 200 Traditional Leaders trained on stakeholder management. Both programmes were piloted at the Eastern Cape in collaboration with the Departments of Water Affairs and Home Affairs respectively.

The DTA has signed a Memorandum of Understanding (MoU) with LGSETA on skills development and training related matters. Through this MoU, both partners have committed to conducting a skills audit for traditional leaders and Traditional Councils. This process will be finalised by the end of the 2012/13 financial year.

### Implementation of the Empowerment Programme

To ensure that the findings of the assessment are institutionalized within the Department, a **Traditional Affairs Empowerment Programme** has been developed and its projects were incorporated in the 2012-13 Annual Performance Plan. A National Traditional Affairs Implementation Forum, (An IGR Forum for Traditional Affairs) and two provincial Implementation Forums have been established. These forums serve as platforms for coordination of the implementation of the APP (Empowerment Programme) and engagement with provinces on Traditional Affairs priorities. The National Implementation Forum is also a platform to jointly address issues faced by traditional affairs with provincial CoGTAs, other Government Departments and Public Entities.

### Support to Identified Traditional Councils

As part of DTA's targeted support to the identified Traditional Councils, the Department undertook the following activities in some of the identified Traditional Councils:

The Department in collaboration with the National House of Traditional Leaders supported councils and traditional communities by providing financial and human resources to the following cultural events as part of the promotion and protection of cultural and linguistic communities. Furthermore, this was done to enhance unity, social cohesion and nation building within these communities. During the period under review, the Department supported the following activities:

- The Nelson Mandela Day Celebrations; support was given to the Gopane Traditional Council in Zeerust in the North West by donating blankets and requesting the donation for paint from the private sector, to revamp the traditional council building and providing resources to improve the Council's infrastructure;

- Komjekejeke Cultural Event
- Mabunda Day Celebration
- Njhakanjhaka Cultural day
- Vhaloyi Cultural Celebration
- Nwa'mitwa Cultural Event
- Mahumane Cultural Day Celebration
- Moletjie Cultural Day Celebration
- Indoni Cultural Event which is a successful National House of Traditional Leaders flagship cultural project;
- Mampuru Day celebrations
- Inauguration of Inkosi Mahlobo in Piet Retief and Inkosi Khumalo in Kabokweni.
- Supported the Nelson Mandela Birthday Celebrations in Zeerust

### Public Participation (IZIMBIZO)

The Department, in collaboration with the Department of Cooperative Governance, coordinated Ministerial Izimbizo, *"Taking Portfolio to the People"*, held in Moretele in North West, Malamulele in Limpopo and Kuruman in the Northern Cape. DTA participated in the establishment of the CoGTA Task Team This Task Team was deployed to these areas a week before the izimbizo to assess among others, governance issues, socio-economic and land issues.

DTA developed profiles of the Traditional Councils where the Izimbizo were held. The Task Team also ensured that Traditional Councils and leaders were invited to the izimbizo. Traditional leaders play an effective role in the affairs of their communities. As leaders themselves, the Ministry was able to engage them at the local level to ensure that their issues were addressed before the actual public participation. In the areas where the Izimbizo's were held, cordial relations between Traditional Councils and Municipal Councils exist.

### Promoting Unity among Khoi and San Leadership and Communities

The Department together with the National KhoiSan Council (NKC) noted the disunity that existed in a number of areas with regard to KhoiSan leadership. DTA and the NKC facilitated countrywide consultations with the Khoi and San leadership and communities with a view to promote unity, social cohesion and nation building. As a result of this process, a NKC, which is representative of all the five groups of the Khoi and San, namely; Cape- Khoi, Griqua, Korana, Nama and the San were established.

### DTA Participation on International Events

The Department participated in the 11<sup>th</sup> Session of the United Nations Permanent Forum on Indigenous Issues (UNPFII) in New York and presented two statements for South Africa dealing with the recognition of the Khoi and San communities and the restitution and redistribution of land rights of the said communities.

### Reconstitution of the National House of Traditional Leaders (NHTL)

The NHTL was reconstituted on 16 August 2012 after the term-of-office had ended on 18 May 2012. Delays were caused by the late reconstitution of local and provincial houses which have to be finalized before the House can reconstitute. Delayed reconstitution had implications for the operations of the House. The House was inaugurated by the Minister after the Judge President had sworn new members. New leadership was also elected on the same day to lead the house for next five year term-of-office.

The President of the Republic of South Africa officially addressed the newly reconstituted House on 1 November 2012 in Parliament, Cape Town and officially opened the House during the annual address of the sitting of the House on 7 March 2013 to continue with its operations.. The message re-affirmed the

position of government on the institution to promote cooperative governance and support to government programmes. A call was made for traditional leadership to lead the nation in moral regeneration campaigns and nation building, promotion of agriculture for food security, economic tourism in traditional communities and supporting government to deal with the triple challenges of unemployment, poverty and inequality.

### Southern Sudan Visit to South Africa

To ensure the promotion of the African Agenda and ensuring stability within the containment, the Department in collaboration with the National House of Traditional Leaders (NHTL) hosted the Southern Sudan delegation during their fact finding mission. The purpose of the tour was to learn best practice models for traditional leadership, governance structures and progress on policy and legislative development governing traditional leadership.

The delegation was addressed by the Minister for Cooperative Governance and Traditional Affairs on the transformation journey between government and traditional leaders and the important role played by traditional institutions towards traditional communities.

The tour was concluded with a site visit to King Mabena in Mpumalanga and Kgosi Montshiwa in North West Province. The NHTL was honoured by the Southern Sudan delegation and their courtesy visit and requested further engagements on the following issues:

- Integrated governance system at local level
- Promotion of culture tradition and heritage; and
- Reconstruction of Southern Sudan post civil war.

In order to implement some of the lessons learned during the exchange visit, the NHTL has identified amongst others a priority to develop and implement the Intergovernmental Relations Policy to promote the African Agenda. The policy will be developed and implemented over the MTEF period.

### 10. Projects that may not be achieved by end of 2012/13 financial year

Due to the aforementioned organisational challenges, the following projects may not be achieved by the end of the financial year and will be carried over in the next MTEF cycle.

- Tabling, enactment and implementation of Traditional Affairs Bill
- Establishment of Local Houses for Free State and Eastern Cape
- Reconstitution of some of the Traditional Councils (Constraint: Alignment of Provincial legislation to the Framework Act and inadequate budget)
- Draft Bill on Male Initiation; and
- Gazette on formula and compliance report on establishment of kingship and queenship councils.

### 11. DTA at a glance

#### Mahumane Cultural Day Celebration



Above: From left to right: Nkosikazi Mahumani, Hosi Mahumani, Minister Baloyi, MEC Masondo and Ambassador Sabaruddin Below: Government officials with Hosi Ndengeza





Vote of thanks by Hosi Mahumane during the Mahumane Day Celebration



Minister Baloyi being received by Kgoshi Mampuru III at the Moshate during the celebration of Mampuru Day



Minister Baloyi, Hosi Nwamitwa II and Deputy Minister Phaahla before the cutting of the ribbon, during the official opening of the Valoyi Traditional Authority Administration Offices.

The 39-office multi-million rand state of the art building was officially opened by the Minister of Cooperative Governance and Traditional Affairs, Mr R Baloyi, who was accompanied by Hosi Nwamitwa II, Deputy Minister Phaahla, Kgoshi Dikgale and other dignitaries on the 1<sup>st</sup> of September 2012



## 2.6 Summary of financial information

### 2.6.1 Departmental revenue

Description	2008/09 R'000	2009/10 R'000	2010/11 R'000	2011/12 R'000	2012/13 R'000
Sales of goods and services other than capital assets	150	146	149	160	166
Interest, dividends and rent on land	2	5	3	2	1
Sales of capital assets	-	105	-	151	95
Transactions in financial assets and liabilities	668	253	89	779	722
<b>Total revenue collected</b>	<b>820</b>	<b>509</b>	<b>241</b>	<b>1 092</b>	<b>984</b>
Departmental revenue collected	12%	-38%	230%	-35%	

### 2.6.2 Programme Expenditure (Attached under each programme)

### 2.6.3 Transfer payments (excluding public entities)

#### Conditional grants and earmarked funds

Per conditional grant	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000
Municipal Infrastructure (MIG)	13,881,633	13,879,162	2,471
Municipal Systems Improvement (MSIG)	230,096	230,096	-
Provincial Disaster Grant	330 000	850	329,150
Municipal Disaster Grant	180,000	73,180	106,820

### 2.6.4 Public Entities

#### Public Entities: Highlights for 2012/13

#### Transfer payments

The department is responsible for managing transfer payments to MIG, MSIG, and Local Government Equitable Share to municipalities. In this regard, the department is expected to provide intervention support, monitoring and evaluation to municipalities on the implementation of the two conditional grants that will ensure that the public get access to free basic services.

- **South African Local Government Association (SALGA)**

SALGA has been recognised in terms of the Organised Local Government Act (1998) recognises the association as representative of organised local government, and to participate in intergovernmental structure at a provincial and district level in order to influence national and provincial legislation and gauge its impact on local government.

- **Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities.**

The Commission is a Chapter 9 institution listed in terms of the PFMA and reports directly to Parliament. The commission focuses on: recovering diminished heritages through research, disseminating its findings, education and advocacy. The commission also facilitates the resolution of conflicts between individuals, group and communities.

- **The Municipal Demarcation Board (MDB)**

The Board is a constitutional institution listed in terms of the PFMA and section 155 (3)(b) of the constitution as an independent authority responsible for determining municipal boundaries and its independence is protected by section 3 of the Local Government Municipal Demarcation Act (1998) and various judgement of the Constitutional Court.

- **South African Cities Network (SACN)**

The transfer is a contribution to the operational costs which enables cooperation's between South African cities and maximises benefits through the exchange of information.

- **Municipalities**

Transfers made in terms of the Division of Revenue Act.

- **Non-Profit Institutions:**

### **United Cities and Local Governments of Africa (UCLGA)**

It is an organisation established to facilitate the inter-continental development and sharing of best practices amongst African Cities and Local Governments. The transfer contributes towards the operational costs and strengthening the capacity of UCLGA to implement its programmes.

The above institutions report on their financial results independently from the department and the entities and constitutional institutions are responsible for their Annual Reports which must be submitted to the Executive Authority for tabling in Parliament.

Per conditional grant	Final Appropriation	Actual Expenditure	Variance
	R'000	R'000	R'000
Municipal Infrastructure (MIG)	13,881,633	13,879,162	2,471
Municipal Systems Improvement (MSIG)	230,096	230,096	-
Provincial Disaster Grant	330 000	850	329,150
Municipal Disaster Grant	180,000	73,180	106,820

## 2.6.7 Donor Funds

The donor funds were utilized in the following areas:

Description	Closing Balance
Received in cash	R'000
• Decentralisation of LG in the DRC (African Renaissance)	R 10,259
• Results area 5 of the Local Economic Development Program (EU)	R 1,393
• Piloting Sebenza Nathi Initiative (EU)	R 11,349
• Start-up: Expanding and strengthening public participation in LG (EU)	(R 51)
• Phase 1: Expanding and strengthening public participation in LG (EU)	(R 487)
• Masibambane project (EU)	R 9,549
• Community Works Programme: ECSSP (DFID)	R 5,797
<b>Grand Total</b>	<b>R 37,809</b>
Received in Kind	
• Support to decentralisation and LG development policies in RSA (ITALY)	R 2,848



## PART C: GOVERNANCE

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## PART C: GOVERNANCE

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### 3.1 Risk Management

Risk management is a continuous, proactive and systematic process, effected by a department's Executive authority, Accounting Officer, Management and other personnel, applied in strategic planning and across the department, designed to identify potential events that may affect the department, and manage risks to be within its risk tolerance, to provide reasonable assurance regarding the achievement of department objectives.

The Department conducted an annual risk assessment, in accordance with the Risk Management Framework. The risk profile of the Department was developed based on Departmental objectives. The management of risks was monitored and reported on a quarterly basis through the existing governance structures.

The Risk Management unit also commenced with the Business Continuity Management project, where the Business Impact Analysis exercise was conducted in order to identify potential events that threaten the Department and to develop a strategy which will minimise disruptions within the Department and to recover the operations within a reasonable period, during a disaster. This exercise will be finalised in the 2013-14 financial year.

### 3.2 Fraud and Corruption

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

### 3.3 Minimising Conflict of Interest (Supply Chain Management)

The Treasury Regulations 16A, 2005, provides guidelines on how to manage conflict of interest and

ensure proper declarations are disclosed 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 interest 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 the record is kept for audit purposes.

### 3.4 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 in as far as discipline are concerned. It is endorsed by the PSCBC Resolution 1 of 2003 in that, **Annexure A** of the resolution contains numerous acts of misconduct which the Department Complies with and 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 and every newly appointed employee is provided with a copy for personal use. Any employee who contravenes or breaches the Code as indicated in the Collective Agreement (PSCBC Resolution 1 of 2003) commits a misconduct. A disciplinary process is followed as indicated in the Collective Agreement against any employee who breached or contravenes the code of conduct in the Department.

### 3.5 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

DPSA 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 including 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 established to ensure health and safety in the workplace.
- 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.
- Emergency procedures and response processes have been developed.
- Awareness demonstrations were conducted using emergency evacuation chairs.
- Safety inspections were conducted with inspectors from City of Tshwane for safety of premises.
- Reports of injuries or occupational diseases are investigated periodically and reported as when they occur.
- The Department has not experienced any major Occupational Health and Safety risks except

some compliance issues pointed out by the City of Tshwane.

- The Department is putting in place corrective measures to address gaps linked to the compliance issues as identified by the City of Tshwane; and
- The buildings that house CoGTA have some defects as they date back in time and do not comply with the current legislation.

### 3.6 Internal Audit Unit

The Internal Audit Unit and the Audit Committee have been functional during the period under review and continue to be important stakeholders in the corporate governance mechanisms of the Department.

The Internal Audit Unit executed its functions as per the approved Annual Plan for 2012/2013 and reported, on a quarterly basis, its performance to the Audit Committee.



We are pleased to present our report for the financial year ended 31 March 2013.

## 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. Five (5) meetings were held for the reported financial period.

NAME OF MEMBER	NUMBER OF MEETINGS ATTENDED
Ms Nonhlanhla Khumalo (Chairperson)	5
Mr William Ndlovu	3
Mr Thomas Ntuli	2

Mr Ntuli resigned as a member of the audit committee with effect from 22 November 2012. As a result thereof the Committee was placed under pressure, in respect of forming a quorum for such meetings. Ms Khumalo was the only member of the committee that attended the meeting of 22<sup>nd</sup> January 2013. Subsequently the department has appointed three, (3) additional members.

## 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 3.1.13. The Audit Committee also reports that it has adopted a formal terms of reference as per 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.

## 3. The Effectiveness of Internal Control

Although there were some improvements noted in the internal controls for the department in the year under review, the committee raised concerns regarding the control environment and more specifically the monitoring and evaluation of the Community Work Programme and instances of Irregular Expenditure. The Department was requested to strengthen the controls in these areas, amongst others. A Post Audit Action Plan was also implemented to provide reasonable assurance to the Audit Committee and Management that internal controls are being improved.

The Committee will endeavor to urge management to address the concerns raised with regard to the control environment and will continue to support and monitor the progress until the department's control environment and internal controls have improved significantly.

Improvements were noted in the functioning of the Internal Audit Activity during the year under review. A three year risk based strategic plan and the annual operation plan were approved and implemented by the Internal Audit Activity. The Internal Audit Activity also assisted the Department in facilitating the Risk Management Processes and in compiling the Risk Register.

It is our view that the internal controls were not effective during the year under review. Internal Audit Capacity remained a challenge during the year.

Internal Audit Management reported functionally to the Audit Committee, with Internal Audit reporting independently on the progress by management in implementing the plan.

#### 4. Quality of management and monthly / Quarterly Reports submitted in terms of the Act and the Division of Revenue Act

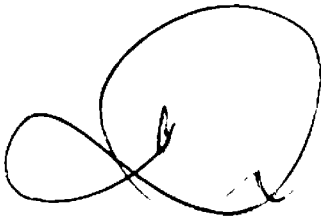
The Department presented and reviewed the financial management reports at its Quarterly Review Meetings. These reports were also tabled and discussed at the Audit Committee meetings. The Committee was satisfied with the reports being issued by the Accounting Officer and the Department during the year under review.

#### 5. Evaluation of Financial Statements

The Audit Committee has in the year under review:

- 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.



**Chairperson of the Audit Committee**

**Date: 30 July 2013**

## PART D: HUMAN RESOURCE MANAGEMENT

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## PART D: HUMAN RESOURCE MANAGEMENT

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## 4.1 Legislature that govern HR management

Public Service Regulations

Public Service Act

Collective agreements

## 4.2 Introduction

The Employee Health and Wellness Unit will continue to provide Wellness and Occupational Health and Safety services to departmental employees. Over the past years, the services have been offered according to the Employee Health and Wellness Framework of the Department of Public Service and Administration (DPSA), mainly focusing on:

a) HIV and AIDS Management

b) Employee Assistance Programmes

c) Health Prevention and Promotion

d) Occupational Health and Safety

The Department plans to organise at least three employee wellness activities this year focusing on employee health prevention and promotion. These activities will include different aspects of body weight, cholesterol, HIV and AIDS, financial wellness, ear and eye testing, etc. A Wellness Day Programme is planned with various activities to increase productivity of employees and to improve morale

There were no occupational injuries reported in the 2012/13 financial year, and this could be attributed to the awareness programmes, e.g. the unannounced drills. The Occupational Health and Safety Committee is functional and focuses with all OHS related issues in line with the OHSA.

## 5. Human Resources Oversight Statistics

### 5.1 Personnel related expenditure

**TABLE 5.1.1 - Personnel expenditure by Programme**

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services Expenditure (R'000)	Personnel Expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Program 1 Administration	183,613	97,508	617	7,212	54.7	174
Program 2 Policy, Research and Knowledge Management Support	50,092	20,374	117	1,635	40.8	36
Program 3 Governance and Intergovernmental Relations	37,372,453	18,779	176	3,845	0.1	33
Program 4 National Disaster Management Centre	114,113	19,929	373	8,173	17.4	36
Program 5 Provincial and Municipal Government Support	274,298	26,665	41	6,421	9.8	47
Program 6 Infrastructure and Economic Development	15,351,402	41,943	201	695,971	0.3	75
Program 7 Traditional Affairs	106,948	41,237	333	5,234	40.1	73
Z=Total as on Financial Systems (BAS)	<b>53,442,919</b>	<b>266,435</b>	<b>1,858</b>	<b>728,491</b>	<b>0.5</b>	<b>474</b>

# PART D: HUMAN RESOURCE MANAGEMENT

**TABLE 5.1.2 - Personnel costs by Salary band**

Salary Bands	Personnel Expenditure (R'000)	% of total personnel cost t	No. of employees	Average personnel cost per employee (R'000)
Skilled (Levels 3-5)	6,652	2.4	51	130,431
Highly skilled production (Levels 6-8)	30,849	11	136	226,831
Highly skilled supervision (Levels 9-12)	62,831	22.5	135	465,415
Senior management (Levels 13-16)	136,825	48.9	159	860,535
Contract (Levels 3-5)	2,897	1	35	82,771
Contract (Levels 6-8)	3,653	1.3	19	192,263
Contract (Levels 9-12)	6,615	2.4	12	551,250
Contract (Levels 13-16)	14,084	5	15	938,933
Periodical Remuneration	2,234	0.8	33	67,697
Abnormal Appointment	988	0.4	24	41,167
<b>TOTAL</b>	<b>267,628</b>	<b>95.7</b>	<b>619</b>	<b>432,355</b>

**TABLE 5.1.3 - Salaries, Overtime, Home Owners Allowance and Medical Aid by programme**

Salary bands	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as % of personnel cost	Amount (R'000)	Overtime as % of personnel cost	Amount (R'000)	HOA as % of personnel cost	Amount (R'000)	Medical aid as a % of personnel costs
<b>Program 1</b> Administration	79721	77.8	1315	1.3	1594	1.6	2541	2.5
<b>Program 2</b> Policy, Research and Knowledge Management Support	15258	76.1	199	1	550	2.7	509	2.5
<b>Program 3</b> Governance and Intergovernmental Relations	22239	80.7	0	0	635	2.3	437	1.6
<b>Program 4</b> National Disaster Management Centre	16660	74.6	80	0.4	493	2.2	418	1.9
<b>Program 5</b> Provincial and Municipal Government Support	26898	75.7	59	0.2	818	2.3	637	1.8
<b>Program 6</b> Infrastructure and Economic Development	20996	79.3	0	0	428	1.6	429	1.6
<b>Program 7</b> Traditional Affairs	26678	77.6	30	0.1	981	2.9	572	1.7
Fiscal Transfers	6435	58.3	0	0	405	3.7	149	1.4
<b>TOTAL</b>	<b>214885</b>	<b>76.8</b>	<b>1683</b>	<b>0.6</b>	<b>5904</b>	<b>2.1</b>	<b>5692</b>	<b>2</b>

**TABLE 5.1.4 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band**

Salary bands	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as % of personnel cost	Amount (R'000)	Overtime as % of personnel cost	Amount (R'000)	HOA as % of personnel cost	Amount. (R'000)	Medical aid as a % of personnel costs
Skilled (Levels 3-5)	4198	63	319	4.8	413	6.2	549	8.2
Highly skilled production (Levels 6-8)	21508	69.1	658	2.1	1269	4.1	2156	6.9
Highly skilled supervision (Levels 9-12)	49539	76.4	379	0.6	851	1.3	1563	2.4
Senior management (Levels 13-16)	113744	78.7	0	0	3360	2.3	1395	1
Contract (Levels 3-5)	2681	92.4	210	7.2	0	0	0	0
Contract (Levels 6-8)	3466	94.1	106	2.9	11	0.3	17	0.5
Contract (Levels 9-12)	6375	94.6	11	0.2	0	0	0	0
Contract (Levels 13-16)	13375	89.7	0	0	0	0	10	0.1
Periodical Remuneration	0	0	0	0	0	0	0	0
Abnormal Appointment	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>214886</b>	<b>76.8</b>	<b>1683</b>	<b>0.6</b>	<b>5904</b>	<b>2.1</b>	<b>5690</b>	<b>2</b>

## 5.2 Employment and Vacancies

**TABLE 5.2.1 - Employment and Vacancies by Programme**

Programme	Number of Posts on approved establishment	Number of Posts Filled	Vacancy Rate	Number of Employees Additional to the Establishment
Program 1 Administration	204	192	5.9	54
Program 2 Policy, Research and Knowledge Management Support	51	48	5.9	1
Program 3 Governance and Intergovernmental Relations	41	37	9.8	2
Program 4 National Disaster Management Centre	34	32	5.9	1
Program 5 Provincial and Municipal Government Support	47	41	12.8	2
Program 6 Infrastructure and Economic Development	47	47	0	38
Program 7 Traditional Affairs	77	63	18.2	5
<b>TOTAL</b>	<b>501</b>	<b>460</b>	<b>8.2</b>	<b>103</b>

**TABLE 5.2.2 - Employment and Vacancies by Salary Band**

Salary Band	Number of Posts on approved establishment	Number of Posts Filled	Vacancy Rate	Number of Employees Additional to the Establishment
Skilled (Levels 3-5)	54	54	0	39
Highly skilled production (Levels 6-8)	152	138	9.2	15
Highly skilled supervision (Levels 9-12)	150	136	9.3	8
Senior management (Levels 13-16)	145	132	9	41
<b>TOTAL</b>	<b>501</b>	<b>460</b>	<b>8.2</b>	<b>103</b>

**TABLE 5.2.3 - Employment and Vacancies by Critical Occupation**

Critical Occupation	Number of Posts on approved establishment	Number of Posts Filled	Vacancy Rate	Number of Employees Additional to the Establishment
Senior managers, Permanent	145	132	9	41
<b>TOTAL</b>	<b>145</b>	<b>132</b>	<b>9</b>	<b>41</b>

## 5.3 Job Evaluation

**TABLE 5.3.1 - Job Evaluation by Salary Band**

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
Contract (Levels 3-5)	38	0	0	0	0	0	0
Contract (Levels 6-8)	18	0	0	0	0	0	0
Contract (Levels 9-12)	8	0	0	0	0	0	0
Contract (Band A)	18	0	0	0	0	0	0
Contract (Band B)	19	0	0	0	0	0	0
Contract (Band C)	4	0	0	0	0	0	0
Skilled (Levels 3-5)	56	1	1.8	1	100	0	0
Highly skilled production (Levels 6-8)	171	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	172	0	0	0	0	0	0
Senior Management Service Band A	104	0	0	0	0	0	0
Senior Management Service Band B	40	0	0	0	0	0	0
Senior Management Service Band C	9	0	0	0	0	0	0
Senior Management Service Band D	3	0	0	0	0	0	0
<b>TOTAL</b>	<b>660</b>	<b>1</b>	<b>0.2</b>	<b>1</b>	<b>100</b>	<b>0</b>	<b>0</b>

**TABLE 5.3.2 - Profile of employees whose positions were upgraded due to their posts being upgraded**

Beneficiary	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	1	0	0	0	1
<b>Total</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>
Employees with a Disability	0	0	0	0	0

**TABLE 5.3.3 - Employees with salary levels higher than those determined by job evaluation by occupation**

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of Employees in Dept
Chief Operating Officer	1	15	16	Buy offer	563
Deputy Chief Financial Officer	1	14	15	Buy offer	563
Deputy Director	1	11	13	Buy offer	563
<b>TOTAL</b>	<b>3</b>				
Percentage of Total Employment	0.67				0



**TABLE 5.3.4 - Profile of employees who have salary levels higher than those determined by job evaluation**

Beneficiaries	African	Asian	Coloured	White	Total
Female	2	0	0	0	2
Male	0	0	1	0	1
<b>TOTAL</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>3</b>
Employees with a Disability	0	0	0	0	0
Total number of Employees whose remuneration exceeded the grade determined by job evaluation in 2012/13					3

## 5.4 Employment changes

**TABLE 5.4.1 - Annual Turnover Rates by Salary Band**

Salary Band	Number of employees at beginning of period-April 2012	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover Rate
Skilled (Levels 3-5)	41	12	0	0
Highly skilled production (Levels 6-8)	131	19	10	7.6
Highly skilled supervision (Levels 9-12)	129	15	11	8.5
Senior Management Service Band A	98	8	8	8.2
Senior Management Service Band B	46	3	5	10.9
Senior Management Service Band C	12	0	0	0
Senior Management Service Band D	2	0	0	0
Contracts	38	62	7	18.4
<b>TOTAL</b>	<b>497</b>	<b>119</b>	<b>41</b>	<b>8.2</b>

**TABLE 5.4.2 - Annual Turnover Rates by Critical Occupation**

Occupation	Number of employees at beginning of period-April 2012	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover Rate
Senior managers	163	17	15	9.2
<b>TOTAL</b>	<b>163</b>	<b>17</b>	<b>15</b>	<b>9.2</b>

**TABLE 5.4.3 - Reasons why staff left the Department**

Termination Type	Number	% of Total Resignations
Death	1	2.4
Resignation.	19	46.3
Expiry of contract	5	12.2
Dismissal-misconduct	1	2.4
Retirement	2	4.9
Transfers to other Public Service Departments	13	31.7
<b>TOTAL</b>	<b>41</b>	<b>100</b>
Total number of employees who left as a % of total employment		7.6

**TABLE 5.4.4 - Promotions by Critical Occupation**

Occupation	Employees 1 April 2012	Promotions to another Salary Level	Salary Level Promotions as a % of Employees by occupation	Progressions to another Notch within a Salary Level	Notch progressions as a % of Employees by occupation
Senior managers	163	2	1.2	112	68.7
<b>TOTAL</b>	<b>163</b>	<b>2</b>	<b>1.2</b>	<b>112</b>	<b>68.7</b>

**TABLE 5.4.5 - Promotions by Salary Band**

Salary Band	Employees 1 April 2012	Promotions to another Salary Level	Salary Bands Promotions as a % of Employees by salary levels	Progressions to another Notch within a Salary Level	Notch progressions as a % of Employees by salary bands
Skilled (Levels 3-5)	45	1	2.2	28	62.2
Highly skilled production (Levels 6-8)	144	4	2.8	72	50
Highly skilled supervision (Levels 9-12)	145	3	2.1	89	61.4
Senior management (Levels 13-16)	163	3	1.8	125	76.7
<b>TOTAL</b>	<b>497</b>	<b>11</b>	<b>2.2</b>	<b>314</b>	<b>63.2</b>

## 5.5 Employment Equity

**TABLE 5.5.1 - Total number of Employees (including employees with disabilities) in each of the following occupational Categories as at 31 March 2013**

Occupational Category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	139	7	6	13	126	2	5	12	310
Professionals	0	0	0	0	0	0	0	0	0
Technicians and Associate Professionals	0	0	0	0	0	0	0	0	0
Clerks	55	4	0	2	110	3	0	15	189
Service and Sales 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	51	0	0	0	13	0	0	0	64
Other	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>245</b>	<b>11</b>	<b>6</b>	<b>15</b>	<b>249</b>	<b>5</b>	<b>5</b>	<b>27</b>	<b>563</b>
Employees with disabilities	1	0	0	1	1	1	0	0	4

**TABLE 5.5.2 - Total number of Employees (including employees with disabilities) in each of the following occupational bands as at 31 March 2013**

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	77	6	3	8	60	1	4	12	171
Professionally qualified and experienced specialists and mid-management	62	1	3	6	66	1	1	5	145
Skilled technical and academically qualified workers, junior management, supervisors, foremen	41	4	0	1	97	3	0	10	156
Semi-skilled and discretionary decision making	65	0	0	0	26	0	0	0	91
<b>TOTAL</b>	<b>245</b>	<b>11</b>	<b>6</b>	<b>15</b>	<b>249</b>	<b>5</b>	<b>5</b>	<b>27</b>	<b>563</b>

**TABLE 5.5.3 – Recruitment**

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management	10	0	0	0	4	0	2	0	16
Professionally qualified and experienced specialists and mid-management	11	0	1	0	6	0	0	0	18
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	6	0	0	0	17	1	0	0	24
Semi-skilled and discretionary decision making, Permanent	45	1	0	0	14	0	0	0	60
<b>TOTAL</b>	<b>72</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>41</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>119</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

**TABLE 5.5.4 – Promotions**

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	0	0	0	0	2	0	0	0	2
Professionally qualified and experienced specialists and mid-management, Permanent	1	0	0	0	2	0	0	1	4
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	0	0	0	0	1	0	0	0	1
Semi-skilled and discretionary decision making, Permanent	3	0	0	0	1	0	0	0	4
<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>11</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

**TABLE 5.5.5 – Terminations**

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionally qualified and experienced specialists and mid-management, Permanent	6	0	0	0	4	1	0	2	13
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	4	0	0	0	5	1	0	0	10
Semi-skilled and discretionary decision making, Permanent	1	0	0	0	0	0	0	0	1
Contract (Top Management)	0	0	0	0	0	0	0	0	0
Contract (Senior Management)	0	0	0	0	0	0	0	0	0
Contract (Professionally qualified)	0	0	0	0	0	0	0	0	0
Contract (Skilled technical)	0	0	0	0	0	0	0	0	0
Contract (Semi-skilled)	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>41</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

**TABLE 5.5.6 - Disciplinary Action**

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	-	-	-	-	-	-	-	-	-



**TABLE 5.5.7 - Skills Development**

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	6	0	1	2	9	0	3	2	23
Professionals	4		1	3	11	0	0	0	19
Technicians and Associate Professionals	0	0	0	0	0	0	0	0	0
Clerks	42	0	0	0	67	0	0	3	112
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	1	0	0	0	0	0	0	0	1
<b>TOTAL</b>	<b>53</b>	<b>0</b>	<b>2</b>	<b>5</b>	<b>87</b>	<b>0</b>	<b>3</b>	<b>2</b>	<b>155</b>
Employees with disabilities	0	0	0	0	0	0	0	0	0

## 5.6 Performance Rewards

**TABLE 5.6.1 - Performance Rewards by Race, Gender and Disability**

Race and Gender	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number of Employees	% of total within group	Cost (R'000)	Average Cost per Employee
African, Female	73	228	32%	880,649	12,064
African, Male	50	192	26%	702,734	14,055
Asian, Female	0	5	0%	0	0
Asian, Male	1	4	25%	26,525	26,525
Coloured, Female	0	4	0%	0	0
Coloured, Male	3	11	27%	60,175	20,058
Total Blacks, Female	52	202	26%	880,649	16,936
Total Blacks, Male	43	177	24%	789,434	18,359
White, Female	15	26	58%	374,646	24,976
White, Male	6	12	50%	232,449	38,742
Employees with a disability	0	0	0%	0	0
<b>TOTAL</b>	<b>114</b>	<b>415</b>	<b>27%</b>	<b>3,947,261</b>	<b>34,625</b>



## PART D: HUMAN RESOURCE MANAGEMENT

**TABLE 5.6.2 - Performance Rewards by Salary Band for Personnel below Senior Management Service**

Race and Gender	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number of Employees	% of total within group	Cost (R'000)	Average Cost per Employee
Skilled (Levels 3-5)	27	44	61.4	137,027.58	5,075
Highly skilled production (Levels 6-8)	46	128	35.9	933,188	20,287
Highly skilled supervision (Levels 9-12)	43	135	31.9	984,723	22,901
Contract (Levels 3-5)	0	0	0	0	0
Contract (Levels 6-8)	0	0	0	0	0
Contract (Levels 9-12)	0	0	0	0	0
<b>TOTAL</b>	<b>116</b>	<b>307</b>	<b>37.8</b>	<b>2,054,938.58</b>	<b>17,715</b>

**TABLE 5.6.3 - Performance Rewards by Critical Occupation**

Race and Gender	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number of Employees	% of total within group	Cost (R'000)	Average Cost per Employee
Senior managers	10	130	7.7	966	96,600
<b>TOTAL</b>	<b>10</b>	<b>130</b>	<b>7.7</b>	<b>966</b>	<b>96,600</b>

**TABLE 5.6.4 - Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service**

SMS Band	Beneficiary profile			Cost		
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average Cost per employee	Total cost as % of the total personnel expenditure
Band A	13	107	12.1	502	38,615	0.6
Band B	11	50	22	478	43,455	0.9
Band C	2	12	16.7	249	124,500	1.6
Band D	0	5	0	0	0	0
<b>TOTAL</b>	<b>26</b>	<b>174</b>	<b>14.9</b>	<b>1229</b>	<b>47269.2</b>	<b>0.8</b>

### 5.7 Foreign Workers

**TABLE 5.7.1 - Foreign Workers by Salary Band**

Salary Band	01-Apr-12		31-Mar-13		Change	
	Number	% of total	Number	% of total	Number	% change
Senior management (Levels 13-16)	2	0	1	0	-1	0
Contract (Levels 9-12)	1	0	1	0	0	0
<b>TOTAL</b>	<b>3</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>-1</b>	<b>0</b>

**TABLE 5.7.2 - Foreign Workers by Major Occupation**

Major Occupation	01-Apr-12		31-Mar-13		Change	
	Number	%of total	Number	%of total	Number	% change
Professionals and managers	3	0	2	0	-1	0
<b>TOTAL</b>	<b>3</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>-1</b>	<b>0</b>

## 5.8 Leave utilisation

**TABLE 5.8.1 - Sick Leave**

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)	149.5	82.8	28	7.7	5	53
Highly skilled production (Levels 6-8)	893	92.6	117	32.4	8	524
Highly skilled supervision (Levels 9-12)	670	79.6	106	29.4	12	1007
Senior management (Levels 13-16)	743	94.4	110	30.5	15	2316
<b>TOTAL</b>	<b>2455.5</b>	<b>81.5</b>	<b>361</b>	<b>100</b>	<b>7</b>	<b>3900</b>

**TABLE 5.8.2 - Disability Leave (Temporary and Permanent)**

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)
Highly skilled production (Levels 6-8)	3	100	1	14.3	3	2
Highly skilled supervision (Levels 9-12)	52	100	4	57.1	13	94
Senior management (Levels 13-16)	17	100	2	28.6	9	46
<b>TOTAL</b>	<b>72</b>	<b>100</b>	<b>7</b>	<b>100</b>	<b>10</b>	<b>142</b>

**TABLE 5.8.3 - Annual Leave**

Salary Band	Total Days Taken	Number of Employees using annual leave	Average days per Employee
Skilled (Levels 3-5)	836.92	51	16
Highly skilled production (Levels 6-8)	3066	159	19
Highly skilled supervision (Levels 9-12)	2945	156	19
Senior management (Levels 13-16)	3405	187	18
<b>TOTAL</b>	<b>10252.92</b>	<b>553</b>	<b>19</b>

**TABLE 5.8.4 - Capped Leave**

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
Senior management (Levels 13-16)	11	3	4	45
<b>TOTAL</b>	<b>11</b>	<b>3</b>	<b>4</b>	<b>45</b>

**TABLE 5.8.5 - Leave Payouts**

Reason	Total Amount (R'000)	Number of Employees	Average per Employee (R'000)
Leave payout for 2012/13 due to non-utilisation of leave for the previous cycle	46	1	46000
Capped leave payouts on termination of service for 2012/13	72	5	14400
Current leave payout on termination of service for 2012/13	0	13	0
<b>TOTAL</b>	<b>118</b>	<b>19</b>	<b>6211</b>

## 5.9 HIV/AIDS & Health Promotion Programmes

**TABLE 5.9.1 - 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
	Condom dispensers at all gents and ladies room.



**TABLE 5.9.2 - Details of Health Promotion and HIV/AIDS Programmes**  
**[tick Yes/No and provide 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 have you designated specific staff members to promote 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 Deputy Director, 1 Assistant Director, and 1 Admin Clerk Budget of R600 000
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of the programme.	√		Employee Assistance Programme (counseling services), health promotion and life skills (awareness and workshops) and HIV and AIDS programme (awareness and VCT services)
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 the employment policies and practices of your department 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 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.	√		HIV and AIDS policy in place. The policy makes provisions for employees not to be discriminated on basis of HIV status. Care and Support referrals to support centres are established. Disciplinary and grievance procedures are in place to counter against those discriminating on 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 achieved.	√		Through bi-annual Health assessment and VCT screening and annual wellness day, VCT services are offered to employees. Referrals for counseling and VCT services are continuously made for employees.
8. Has the department developed measures/ indicators to monitor & evaluate the impact of your health promotion programme? If so, list these measures/indicators.		√	

## 5.10 Labour Relations

**TABLE 5.10.1 - Collective Agreements**

Subject Matter	Date
Not Applicable	Not Applicable
Not Applicable	Not Applicable

**TABLE 5.10.2 - Misconduct and Discipline Hearings Finalised**

Outcomes of disciplinary hearings	Number	Percentage of Total
Dismissal	1	50%
Demotion	1	50%
<b>TOTAL</b>	<b>2</b>	<b>100%</b>

**TABLE 5.10.3 - Types of Misconduct Addressed and Disciplinary Hearings**

Type of misconduct	Number	Percentage of Total
Misrepresentation of qualifications	1	50%
Fraud	1	50%
<b>TOTAL</b>	<b>2</b>	<b>100%</b>

**TABLE 5.10.4 - Grievances Lodged**

Number of grievances addressed	Number	Percentage of Total
Grievances Not Addressed	8	50%
Grievances addressed	8	50%
<b>TOTAL</b>	<b>16</b>	<b>100%</b>

**TABLE 5.10.5 - Disputes Lodged**

Number of disputes addressed	Number	% of total
Upheld	0	0%
Dismissed	1	33%
Settled	2	67%
<b>TOTAL</b>	<b>3</b>	<b>100%</b>

**TABLE 5.10.6 - Strike Actions**

Strike Actions	
Total number of person working days lost	0
Total cost of working days lost	0
Amount (R'000) recovered as a result of no work no pay	0

**TABLE 5.10.7 - Precautionary Suspensions**

Precautionary Suspensions	
Number of people suspended	1
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	60
Cost (R'000) of suspensions	17417

## 5.11 Skills Development

**TABLE 5.11.1 - Training Needs identified**

Occupational Category	Gender	Training needs identified at start of reporting period				
		Number of employees as at 1 April 2012	Learner-ships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	70	0	68	0	68
	Male	83	0	78	0	78
Professionals	Female	15		91	0	91
	Male	19	0	76	0	76
Technicians and associate professionals	Female	95	0	0	0	0
	Male	79	0	0	0	0
Clerks	Female	82	0	67	12	79
	Male	23	0	12	11	23
Service and sales workers	Female	0	0	0	0	0
	Male	3	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	8	0	0	0	0
Elementary occupations	Female	8	0	6	0	6
	Male	12	0	5	0	5
Sub Total	Female	270	0	232	12	244
	Male	227	0	171	11	182
<b>TOTAL</b>		<b>497</b>	<b>0</b>	<b>403</b>	<b>23</b>	<b>426</b>



**TABLE 5.11.2 - Training Provided for the period**

Occupational Category	Gender	Training provided within the reporting period				
		Number of employees as at 1 April 2012	Learner-ships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	70	0	14		14
	Male	83	0	9	0	9
Professionals	Female	15	0	11	0	11
	Male	19	0	8	0	8
Technicians and associate professionals	Female	95	0	0	0	0
	Male	79	0	0	0	0
Clerks	Female	82	0	70	0	70
	Male	23	0	42	0	42
Service and sales workers	Female	0	0	0	0	0
	Male	3	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	8	0	0	0	0
Elementary occupations	Female	8	0	0	0	0
	Male	12	0	1	0	1
Gender sub totals	Female	270	0	95	0	95
	Male	227	0	60	0	60
<b>TOTAL</b>		<b>497</b>	<b>0</b>	<b>155</b>	<b>0</b>	<b>155</b>

## 5.12 Injury on duty

**TABLE 5.12.1 - Injury on Duty**

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
<b>TOTAL</b>	<b>0</b>	<b>0</b>

## 5.13 Utilisation of Consultants

**TABLE 5.13.1 - Report on consultant appointments using appropriated funds**

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Development and Implementation of a Municipal Recruitment and Retention Strategy	6	50	R 473,870.64
Supporting seventy (70) municipalities to improve their human resource, planning and engineering capacity	7	540	R 2,699,338.00
Appointment of a service provider to develop an integrated capacity building and management information system (ICMIS)	6	80	R 499,320.00
Appointment of a service provider to conduct institutional capacity of Provincial Departments Responsible for Local Government and Develop National Guidelines to support effective monitoring of municipalities	4	270	R 1,092,120.00
Appointment of a service provider for the development of regulations setting uniform norms and standards for municipal staff systems and procedures (municipal staff regulations)	15	180	R 6,576,413.76
Appointment of a service provider for the assessment of lessons and impact of the provisions of the municipal managers to a Municipal Electoral term	6	74	R 998,202.00
Appointment of a service provider for implementation delivery agreement reporting and monitoring tool	4	120	R 2,295,000.00
Appointment of a service provider to provide programme management services for the establishment and operationalisation of functional business development forums in selected district municipalities over a period of 3 years	9	652	R 9,987,648.00
Development of a National Framework to Regulate the Duties, Remuneration, Conditions of Service and other benefits for senior managers in Local Government	5	48	R 360,625.00
Appointment of a service provider to pilot programme on coaching in the Branch : Provincial and Municipal Government Support for fifty (50) members of the senior management services (sms) and middle management service (mms)	4	400	R 1,474,590.00
Design and conduct Climate survey in the DcOG	4	120	R 421,800.00
Recruitment of lead agents for implementation of the Community Work Programme (CWP)	4	882	R 29,912,688.00
Recruitment of lead agents for implementation of the Community Work Programme(CWP)	4	882	R 29,999,999.00
Recruitment of lead agents for implementation of the Community Work Programme(CWP)	4	882	R 29,957,270.00
Co-sourcing of Internal Audit functions	3	176	R 2,960,218.00
<b>Total number of projects</b>	<b>Total individual consultants</b>	<b>Total duration: Work days</b>	<b>Total contract value in Rand</b>
15	85	5356	R 119,709,102.40

**TABLE 5.13.2 - Analysis of consultant appointments using appropriated funds, i.t.o. HDIs**

Project Title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of Consultants from HDI groups that work on the project
Development and Implementation of a Municipal Recruitment and Retention Strategy	100	100	6
Supporting seventy (70) municipalities to improve their human resource, planning and engineering capacity	24.18	24.18	3
Appointment of a service provider to develop an integrated capacity building and management information system (ICMIS)	100	100	4
Appointment of a service provider to conduct institutional capacity of Provincial Departments Responsible for Local Government and Develop National Guidelines to support effective monitoring of municipalities	100	100	1
Appointment of a service provider for the development of regulations setting uniform norms and standards for municipal staff systems and procedures (municipal staff regulations)	53	56	12
Appointment of a service provider for the assessment of lessons and impact of the provisions of the municipal managers to a Municipal Electoral term	50	108	6
Appointment of a service provider for implementation delivery agreement reporting and monitoring tool	100	100	4
Appointment of a service provider to provide programme management services for the establishment and operationalisation of functional business development forums in selected district municipalities over a period of 3 years	60	26.95	2
Development of a National Framework to Regulate the Duties, Remuneration, Conditions of Service and other benefits for senior managers in Local Government	28	50	3
Appointment of a service provider to pilot programme on coaching in the Branch : Provincial and Municipal Government Support for fifty (50) members of the senior management services (sms) and middle management service (mms)	60	50	4
Design and conduct Climate survey in the DcOG	N/A	46.87	2
Recruitment of lead agents for implementation of the Community Work Programme (CWP)	0	0	4
Recruitment of lead agents for implementation of the Community Work Programme(CWP)	0	0	4
Recruitment of lead agents for implementation of the Community Work Programme(CWP)	0	0	4
Co-sourcing of Internal Audit functions	60	60	5

**TABLE 5.13.3 - Report on consultant appointments using Donor funds**

Project Title	Total number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
<b>Tender:</b> Institutionalization of an Asset Management Unit at Sol Plaatjie Municipality		31	R 340,220.00
Support of Expansion and sustainability measures for the LED and LIGCT Networks as services to local government provided by SALGA		Financing Agreement - not able to determine No. of days	R 230,000.00
Implementation support for the staff retention, succession planning and career development policy for Kwadukuza LM		33	R 182,160.00
Good practice of Supply Chain Management within the Cacadu District Region - Policy adoption		23	R 160,650.00
Good practice of Supply Chain Management within the Cacadu District Region - procedure manual development		25	R 129,800.00
Assisting the Leandra community centre in establishing a public participation structure in Leandra, Govan Mbeki Municipality		41	R 148,450.00
<b>LS:</b> Creating an enabling environment for greater citizen voice and accountability through support to the Association of Independent Publishers and PAIA trainings in Mpumalanga and Limpopo		Local Subsidy - no. of days not determined	R 281,900.00
Support the appraisal of municipal planning within the continent and development of Africa Planning Report		53	R 368,950.00
Local Government Professionalisation Framework:Consultations on the draft Concept paper		26	R 215,413.00
Further capacity development support to the Ikwezi Municipality Youth development Forum		50.5	R 202,590.00
Further capacity development support to the Ikwezi Municipality religious Foru		67	R 194,020.00
Support and facilitate the GIZ-SLGP Programme Manager's Feedback 2011-2012		2	R 21,500.00
Conceptualization and multi-stakeholder dialogue towards the dev of governance and institutional arrangements		37.5	R 202,500.00
Development of a Division of revenue Act Brochure		8	R 53,000.00
Support to the GGLN to produce the fifth GGLN State of Local Governance Publication		Financing Agreement - not able to determine No. of days	R 200,000.00
Providing support to the Central Karoo DM on the Design & Establishment of a Governance Model		21.5	R 150,200.00
Support to Witzenberg LM - PAJA		3.5	R 20,650.00
Consultations on the Draft Concept Paper for LG Professionalisation Framework		6	R 43,880.00
Support to DCoG in the roll-out of Ethics management training & development of fraud prevention strategies		6	R 40,540.00
Supporting the SLGP programme "Legacy" Project including a publication on effective PP In LG		53	R 253,670.00
Mentoring the NGO Platform on Women & Youth participation in LG (OR Tambo DM)		8	R 26,200.00

## PART D: HUMAN RESOURCE MANAGEMENT

Project Title	Total number of consultants that worked on the project	Duration: Work days	Donor and Contract value in Rand
Review and document DCoG/SALGA interventions & develop the capacity of municipalities in HIV/AIDS mainstreaming		40.5	R 126,425.00
Provide support to SALGA on undertaking of an ERP in LG investigation		10	R 80,000.00
Training for Civil Society organisations based in Cacadu DM on Municipal Functions and procedures		5	R 20,470.00
Training of LMs on Civil Society engagements and moderate a dialogue session		4	R 18,650.00
Provide support to Khara Hais LM Strategic Planning Workshop		20	R 100,000.00
Strengthening youths in Queenstown through an LED orientated active citizenship program		18	R 60,000.00
Provide facilitation and document the SALGA/GIZ SLGP learning event on youth participation in local governance		7	R 36,440.00
Follow up on the status quo of municipal responses to HIV & AIDS, gender equality, youth development and disability		11.5	R 51,750.00
Development of a National Resource Product for the LED and Development Agency Officials Based on the Aspire Model		23	R 150,000.00
Analysis and insertion of key national and international policy considerations in the revised national LED framework		23	R 140,170.00
Prepare a guideline outlining the Legal & Regulatory Framework Governing Mobile Communication for the LG		7	R 35,000.00
Deliver a key note speech during the "Dialogue Event on the Participation of Rural Women & Youth in LG"		2	R 4,000.00
Development of a Shared services/inter-municipal cooperation model		34.5	R 200,100.00
The wheel of Hope/Mlungisi After Care Centre project of the Border kei Chamber of Business		Local Subsidy - no. of days not determined	R 49,000.00
Follow up on baseline survey on the status quo of municipal responses to HIV & AIDS, gender equality, youth development and disability			R 24,750.00
Undertaking of a financial & institutional Modelling for the establishment of an Inter-Municipal Cooperation Initiative on Waste Management btw Matzikamma & Cederberg LM		30.5	R 159,210.00
Consolidation of national resource product for LED and Development Agency officials		14.5	R 89,350.00
Provide mentoring to the Ikwezi LM and the Citizens' forum to enhance Public Participation in the IDP Process		17	R 70,600.00
Strengthening the Membership and Impact of the NGO Platform on Women and Youth participation in LG in OR Tambo District		Local Subsidy - no. of days not determined	R 38,598.00
			<b>R 4,920,806.00</b>
<b>Total number of projects</b>	<b>Total individual consultants</b>	<b>Total duration: Work days</b>	<b>Total contract value in Rand</b>
40		762.5	R 4,920,806.00

## PART E: FINANCIAL INFORMATION

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## Report of the Accounting Officer

for the year ended 31 March 2013

Report by the Accounting Officer to the Executive Authority and Parliament/Provincial Legislature of the Republic of South Africa.

### 1. General review of the state of financial affairs

The Accounting Officer is responsible for the preparation and integrity of the financial statements and related information included in the annual report. The financial statements are prepared in accordance with the basis of accounting determined by the National Treasury as set out in accounting policy note 1 to the financial statement including the disclosure notes in line with the accounting standards of the public institution and in the manner required by the PFMA (Act No1 of 1999) as amended. These are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

#### 1.1 Important policy decisions and strategic issues

The Departments of Cooperative Governance and Traditional Affairs (CoGTA) had embarked on a process of refining Delivery Agreement on Outcome 9. The refinement was intended to culminate in a Delivery Agreement that is more purposeful and focus on a core set of key indicators. The Local Government Turn-around Strategy is the core instrument used to help the department achieve its objectives of restoring and sustaining public confidence on our Municipalities, and to build effective, efficient, responsive and developmental Local Government structure and corresponding Traditional communities for targeted and specialised support.

Other key policy decisions were to review legislation and other mandates which include powers and functions, Municipal Property Rates Act, Monitoring, support and Intervention Bill 2011, Review of the Fire Brigade Services Act, 1987 and the development of a National Fire Services Framework, and transform the traditional and Khoi-San institutions in line with constitutional imperatives such as the Bill of Rights in order to restore its integrity and legitimacy. The department continues to create job opportunities and improve the state of municipalities through the following projects; Community Works Program (CWP) and Municipal Infrastructure Support Agency (MISA).

#### 1.2 Significant event that took place during the year

The department through CWP managed to support 140 identified municipalities to implement CWP in at least 2 wards. The 2012/2013 target of 171 500 work opportunities had been exceeded; with a cumulative to 204 454 (19.2%) work opportunities having been created by the end of March 2013. The target for 2012/13 was to implement the Clean Communities Programme in 8 sites. Achievement in 2012/13 financial year was as follows: the programme has been rolled out in 4 provinces, 15 municipalities, and 26 sites. 11 action plans have been developed.

MISA has deployed technical assistance (Technical Experts & Young Professionals) to local government in order to strengthen their capacity to undertake infrastructure development and deliver basic municipal services and there were able to spend their R192 061 000.

## Report of the Accounting Officer

for the year ended 31 March 2013

## 1.3 Spending trends

The total expenditure of the department, excluding local and foreign aid assistance, amount to R53 434 365 000 representing 97.4% of the total appropriation. The under spending of R1 420 813 000 was, therefore, 2.6% of the total budget. This reflects a continued trend of reduction in the annual under expenditure which was at 4.11% in 2011/12.

This comprised mainly of compensation of employees; goods and services; payments of capital assets and transfers & subsidies. The following table reflects the savings trend since 2006/07:

Year	Expenditure R '000	Saving %	Saving R '000
2006/07	24 573 267	3,33	817 739
2007/08	30 029 716	0,02	7 035
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	53 434 365	2.57	1 420 813

The main Estimates of National Expenditure provided for the appropriation of an amount of R54 715 590 000, and this was increased by R139 588 000 in the Adjustments Estimate to bring the total amount voted to R54 855 178 000. This represented an increase of R6 650 516 000 (13.8%) over the previous financial year. The main increases were in respect of the Local Government Equitable Share and Community Works Programme.

The comparative revised budget allocations are as follows:

	Previous year R'000	Current year R'000
<b>Allocations per programme</b>		
Programme 1 – Administration	208 467	205 838
Programme 2 – Policy, Research and Knowledge Management	40 321	51 763
Programme 3 – Governance and Intergovernmental Relations	34 474 202	38 108 109
Programme 4 – National Disaster Management Centre	812 832	556 458
Programme 5 – Provincial and Municipal Government Systems	252 437	274 437
Programme 6 – Infrastructure and Economic Development	12 327 826	15 551 211
Programme 7 – Department of Traditional Affairs	88 577	107 362
<b>Total</b>	<b>48 204 662</b>	<b>54 855 178</b>
<b>Allocation per economic classification</b>		
Compensation of employees	246 615	292 770
Goods and services	446 543	1 804 505
Interest and rent on land	81	-
Financial transactions in assets and liabilities	1 193	914
Transfers and subsidies	47 490 434	52 738 886
Payment for capital assets	19 796	18 103
<b>Total</b>	<b>48 204 662</b>	<b>54 855 178</b>

**Report of the Accounting Officer**

for the year ended 31 March 2013

***Under/ (over) spending***

The Department was able to spend 97.4% of the adjusted allocation. Therefore, the total under expenditure amounted to R1 420 813 000 which translate to 2.6% of the adjusted voted. The main contributing aspect to the under expenditure was Local Government Equitable Share, Disaster Relief Fund, CWP and MISA to the value of R1 367 531 000. The Equitable Share (R733 919 000) was withheld by National Treasury mainly due to poor performance of municipalities on other conditional grants in the previous financial years; the Disaster Relief Fund (R435 970) is a contingency fund that is only utilised for immediate relief once the disasters have been declared, which is based on complied applicable regulatory requirements; the Community Work Programme (R158 955) under spend due to invoices submitted on the last month on 28 March 2013 by the Lead Agents and have been paid out of the 2013/14 Financial Year Budget.

The MISA (R47 947 000) under spend due to delay because a contract with DPSA and Engineers to implement the back-logs of infrastructure at municipalities are paid in the following month after the service has been rendered and the verification process is completed. Lastly, the operational budget under spend with R37 034 000 in goods and services mainly due to invoices were delayed at DPW offices. The department normally receives them on the second week of the following month as in the case of Municipal services on water and lights readings are taken every month end and projects that were not finalised before the end of the financial year, and also on projects that were not completed before the end of the financial year.

**1.4 Virement**

The following Virement were effected in terms of section 43 of the PFMA (Act No. 1 of 1999) as amended.

**1.4.1 Compensation of employees**

The virements in compensation of employees are mainly due to decisions that have been finalized and will be reflected on the organisational structure. This will abolish officials who are additional to the establishment.

- PROGRAMME 5: PMGS TO PROGRAMME 1: ADMINISTRATION R 12,124,000
- PROGRAMME 5: PMGS TO PROGRAMME 7: TRADITIONAL AFFAIRS R 460,000
- PROGRAMME 5: PMGS TO PROGRAMME 4: NDMC R 4,950 000
- PROGRAMME 2: PRKM TO PROGRAMME 1: ADMINISTRATION R 1,400,000
- PROGRAMME 2: PRKM TO PROGRAMME 3: GOVERNANCE & IGR R 130,000

**1.4.2 Goods and services**

The virements in goods and services are due to projects that were re-prioritised in line with the direction the department is taking that is placing more emphasis on monitoring and evaluation.

- PROGRAMME 1: ADMINISTRATION TO PROGRAMME 2: PRKM R 4,000,000
- PROGRAMME 3: GOVERNANCE & IGR TO PROGRAMME 5: PMGS R 3,500,000
- PROGRAMME 3: GOVERNANCE & IGR TO PROGRAMME 7: TRADITIONAL AFFAIRS R 410,000
- PROGRAMME 4: NDMC TO PROGRAMME 7: TRADITIONAL AFFAIRS R 4,000,000
- PROGRAMME 6: INFRASTRUCTURE TO PROGRAMME 5: PMGS R3 100 000

## Report of the Accounting Officer

for the year ended 31 March 2013

### 1.4.3 Transfers and subsidies

The increase to the foreign government and international organisation on an annual subscription fee to all Africa Ministerial Conference on decentralization and local development, devoted to the finalisation of the institutional and legal framework of the organisation and membership of the Commonwealth. We also had to increase Households: Social benefits as a result of three officials who opted to take severance packages and leave gratuity.

- PROGRAMME 1: ADMINISTRATION GOODS & SERVICES TO HOUSEHOLDS R 900 000
- PROGRAMME 4: NDMC GOODS AND SERVICES TO HOUSEHOLDS R 360,000
- PROGRAMME 6: INFRASTRUCTURE GOODS AND SERVICES TO FOREIGN GOVERNMENTS & INTERNATIONAL ORGANISATIONS R 279,000

### 1.4.4 Payments to financial assets (Theft and losses)

- PROGRAMME 1: ADMINISTRATION GOODS AND SERVICES TO FINANCIAL ASSETS - AUTHORISED LOSSES: R 826,000

The breakdown of the amount is as follows:

Description	Amount
Accident and Damage GG Vehicles	R909,000
Cancellation Fees: Air tickets	R5 000
<b>Total</b>	<b>R914,000</b>

All the items, which are referred to above, have been subjected to due process in terms of the policies and procedures of investigations and assurance that punitive measures are enforced. All Virement done within the department were approved by National Treasury

### 1.4.5 Capital Assets

- PROGRAMME 1: ADMINISTRATION GOODS AND SERVICE TO MACHINERY AND EQUIPMENT R2 365 000
- PROGRAMME 2 PRKM GOODS AND SERVICES TO MACHINERY AND EQUIPMENT R175 000
- PROGRAMME 2: PRKM TO PROGRAMME 4: NDMC R 116 000
- PROGRAMME 2: PRKM TO PROGRAMME 6: INFRASTRUCTURE R 384 000
- PROGRAMME 6 INFRASTRUCTURE GOODS AND SERVICES :TO MACHINERY AND EQUIPMENT R 2 993 000

### 1.4.6 Any other material matter

The department did not incur any expenditure relating to unauthorised. However, an amount of R727 438 000 was incurred as irregular expenditure due to reasons provided for in the Management letter of the Auditor General. These matters will be investigated to determine whether they are recoverable, and then they will be

## Report of the Accounting Officer

for the year ended 31 March 2013

recovered while the internal controls measures are reviewed and enforced to prevent any occurrence of this type of expenditure.

## 2. Service rendered by the department

2.1 The department did not render any service during the period under review and it did not provide services for which a tariff must be determined, or rendered a free service as contemplated in Treasury Regulation 7.3.2.

2.2 Inventories

Inventories on hand at year end amounted to R386 566 consisting mainly of stationery. The average price costing method as provided for by the LOGIS system was utilized.

## 3. Capacity constraints

The Departments of Cooperative Governance and Traditional Affairs has since December 2011 embarked on a realignment process of the organisational structures to align the organisational structure to the mandate of the Ministry, in order to address local government priorities and placing the current staff according to their expertise. The finalisations of the re-alignment processes are well underway, and the first phase of approving the realigned structure in consultation with the Department of Public Service and Administration and the National Treasury is nearing completion.

Given the nature and scope of the Ministry mandate, the re-alignment process also seeks to address the capacity challenges that impact negatively on the implementation of key programmes. The Departments are confident that the process will be completed before the start of the MTEF process so that the new organisational structures could be implemented in a phased-in approach starting in the 2013/14 financial year.

## 4. Utilisation of donor funds

The donor funds were utilized in the following areas:

Description	Closing Balance
<b>Received in cash</b>	<b>R'000</b>
• Decentralisation of LG in the DRC (African Renaissance)	R 10 259
• Results area 5 of the Local Economic Development Program (EU)	R 1 393
• Piloting Sebenza Nathi Initiative (EU)	R 11 349
• Start-up: Expanding & strengthening public participation in LG (EU)	(R 51)
• Phase 1: Expanding & strengthening public participation in LG (EU)	(R 487)
• Masibambane project (EU)	R 9 549
• Community Works Programme: ECSSP (DFID)	R 5 797
<b>Grand Total</b>	<b>R 37 809</b>
<b>Received in Kind</b>	
• Support to decentralisation and LG development policies in RSA (ITALY)	R 2 848



## Report of the Accounting Officer

for the year ended 31 March 2013

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### 5. Trading entities and public entities

There are no trading entities under the control of the Department.

The South African Local Government Association (SALGA) is the only listed public entity which is fully operational.

### 6. Organisations to whom transfer payments have been made

- **South African Local Government Association (SALGA)**

SALGA has been recognised in terms of the Organised Local Government Act (1998) recognises the association as representative of organised local government, and to participate in intergovernmental structure at a provincial and district level in order to influence national and provincial legislation and gauge its impact on local government.

- **Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities.**

The Commission is a Chapter 9 institution listed in terms of the PFMA and reports directly to Parliament. The commission focuses on: recovering diminished heritages through research, disseminating its findings, education and advocacy. The commission also facilitates the resolution of conflicts between individuals, group and communities.

- **The Municipal Demarcation Board (MDB)**

The Board is a constitutional institution listed in terms of the PFMA and section 155 (3)(b) of the constitution as an independent authority responsible for determining municipal boundaries and its independence is protected by section 3 of the Local Government Municipal Demarcation Act (1998) and various judgement of the Constitutional Court.

- **South African Cities Network (SACN)**

The transfer is a contribution to the operational costs which enables cooperation's between South African cities and maximises benefits through the exchange of information.

- **Municipalities**

Transfers made in terms of the Division of Revenue Act.

- **Non-Profit Institutions:-**

- **United Cities and Local Governments of Africa (UCLGA)**

It is an organisation established to facilitate the inter-continental development and sharing of best practices amongst African Cities and Local Governments. The transfer contributes towards the operational costs and strengthening the capacity of UCLGA to implement its programmes.

## Report of the Accounting Officer

for the year ended 31 March 2013

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The above institutions report on their financial results independently from the department and the entities, and constitutional institutions are responsible for their Annual Reports which must be submitted to the Executive Authority for tabling in Parliament.

### 7. Public private partnerships (PPP)

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

### 8. Corporate governance arrangements

The Department regards good corporate governance as an effective mechanism for encouraging efficiency in the operations of the Department, prevention of corruption and combating fraud. It is therefore, continuously strives towards achieving 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.

#### 8.1 Audit Committee

The Audit Committee is fully functional and met regularly during the year to provide an oversight role on the operations of the Department and systems of corporate governance supporting the achievement of the Department's objectives. The Audit Committee also approved the Three Year Strategic Rolling Plan for the period 2011/12-2013/14 and the Annual Project Plan of Internal Audit. Quarterly reports are submitted to the Audit Committee which enabled the committee to monitor the performance of Internal Audit against the Internal Audit Annual Project Plan.

#### 8.2 Risk Management

The Department conducted an annual risk assessment, in accordance with the Risk Management Policy. The risk profile of the Department was developed and monitored based on Departmental objectives. The Departmental risk register was used to develop the three year rolling Internal Audit plan as the Department follows a risk based audit approach.

The Department is continuously integrating the risk management processes in the Department's operational activities.

#### 8.3 Internal Audit

A risk based Internal Audit Plan was developed which was approved by the Audit Committee and subsequently implemented. The Unit conducted a number of internal audits and ad hoc projects during the year and provided comprehensive recommendations for improvement, to the Department where appropriate. Internal Audit also played a key role in verifying the completeness and accuracy of the Irregular Expenditure Register.

### Report of the Accounting Officer

for the year ended 31 March 2013

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The Strategic Management Committee (SMC) discussed and adopted the Post Audit Action Plan to ensure implementation of the said plan so that the internal control weaknesses that were identified are corrected. The Plan was verified by Internal Audit and weaknesses identified were brought to the attention of SMC for their intervention.

#### 8.4 Prevention of fraud and corruption

The Department has adequate and effective policies and procedures in place to prevent, detect and address acts of corruption. Regular awareness sessions were conducted to strengthen the department's ability to prevent and detect fraud and corruption.

#### 8.5 Other

The physical environment is managed by Facility Management unit and matters of safety and health are priorities within the rented buildings occupied by the Department. Personal health matters are addressed by the Quality of Work-life unit through awareness campaigns and periodic arrangement of Wellness Day to monitor vital health indicators.

### 9. Discontinued activities/activities to be discontinued

There were no discontinued activities or activities to be discontinued during the 2012/13 financial year.

### 10. New/proposed activities

There were no proposed activities on the year under review.

### 11. Irregular expenditure

The department has detected some irregularities, which are fully disclosed in note 24 to the financial statements. Irregular expenditure amounting to R727 438 000 was incurred mainly due to non-compliance with procurement policies. These cases are currently under investigation by the Internal Audit unit to determine the appropriate action to be taken against transgressors as well as to apply for condonement.

### 12. Fruitless and wasteful expenditure

The department has incurred fruitless and wasteful expenditure to the value of R2 000 which is disclosed in note 25 to the financial statements. In addition to the amount that is disclosed in the financial statements, the department has discovered a possible fruitless and wasteful expenditure that amounts to R21 631 118 which is currently under investigation by the Internal Audit unit.

## Report of the Accounting Officer

for the year ended 31 March 2013

### 13. Asset management

The department has maintained an up to date asset register for the financial year with periodic verifications as per the approved policy. The exceptions from these verification processes are investigated and resolved to ensure a consistently up to date asset register. The department decentralised the responsibility and accountability for the assets to each branch where assets controllers were appointed to do reconciliation and report monthly to asset management unit on the verification, movement and any other exceptions of assets in order to update the asset register.

### 14. Events after the reporting date

None

### 15. Performance information

Since the introduction of the Framework for Management Programme Performance Information, the department complies with the requirements of this framework. Quarterly Review Meetings are held and Branches reports are generated which reflects quarterly and progressive performance, including expenditure and its link with the risk areas highlighted in the risk assessment report.

The strategic objectives are set out in the Annual Performance Plan which is linked to the departmental appropriation. As required the plan had outputs, performance measures, the baseline and performance targets in expression of projects to be achieved during the 2012/13 financial year.

### 16. SCOPA resolutions

The SCOPA resolutions have not been finalised by Parliament

### 17. 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 of matter on the reliability of information and non-compliance of certain laws and regulations.	2011/12	Subsequent to the 2011/12 year end audit, a Post Audit Action Plan was adopted in order for the internal control weaknesses identified to be corrected.

### 18. Exemptions and deviations received from the National Treasury

None

Report of the Accounting Officer

for the year ended 31 March 2013

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## 19. Approval

The Annual Financial Statements set out on pages 171 to 291 have been approved by the Accounting Officers.



**Mr. V Madonsela**  
**Director-General**  
Department of Cooperative Governance  
31 July 2013



**Prof. MC Nwaila**  
**Director-General**  
Department of Traditional Affairs  
31 July 2013

## Report of the Auditor-General

for the year ended 31 March 2013

**REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO.3: DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS FOR THE YEAR ENDED 31 MARCH 2013****REPORT ON THE FINANCIAL STATEMENTS****Introduction**

1. I have audited the financial statements of the Department of Cooperative Governance and Traditional Affairs set out on pages 171 to 229, which comprise the appropriation statement, statement of financial position as at 31 March 2013, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and 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 of these financial statements in accordance with Departmental financial reporting framework prescribed by National Treasury and the requirements of the Public Finance Management Act of South Africa, 2003 (Act no. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2012 (Act no. 5 of 2012) (DoRA) and for such internal control as management 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 the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 the Department of Cooperative Governance and Traditional Affairs as at 31 March 2013, and its financial performance and cash flows for the year then ended in accordance with the *Departmental financial reporting framework* prescribed by the National Treasury and the requirements of PFMA and DoRA.



**Report of the Auditor-General**

for the year ended 31 March 2013

**Emphasis of matters**

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

**Municipal Infrastructure Support Agency (MISA)**

8. With reference to note 32 to the financial statements, the department has disclosed the accounting for the Municipal Infrastructure Support Agency (MISA). In terms of Government Gazette No. 35313 dated 11 May 2012, MISA was proclaimed as a government component under Part A of Schedule 3 of the Public Service Act with effect from 1 April 2012. The transactions relating to MISA are accounted for in the accounting records of the department for the 2012-13 financial year .

**Additional matters**

I draw attention to the matters below. My opinion is not modified in respect of these matters.

**Unaudited supplementary schedules**

9. The supplementary information set out on pages 230 to 291 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.

**Financial reporting framework**

10. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. The wording of my opinion on compliance framework should reflect that the financial statements have been properly prepared in accordance with this framework. Section 20(2) (a) of the PAA, however requires me to express an opinion on the fair presentation of the financial statements. The wording of my opinion therefore will reflect this requirement.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

11. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

**Predetermined objectives**

12. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 37 to 122 of the annual report.
13. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury *Framework for managing programme performance information (FMPPi)*.

The reliability of the information in respect of the selected objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

## Report of the Auditor-General

for the year ended 31 March 2013

14. The material findings are as follows :

**Usefulness of information measurability**

15. The *FMPPI* requires that performance targets be specific in clearly identifying the nature and required level of performance. A total of 29% of the targets for programme 2: Policy, Research and Knowledge Management, programme 3: Governance and Intergovernmental Relations, programme 4: Disaster Response Management , programme 5: Provincial and Municipal Government Systems and programme 6: Infrastructure and Economic Development of the Department of Cooperative Governance were not specific in clearly identifying the nature and the required level of performance, nor were they measurable as the required performance could not be measured.

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 of the *FMPPI*. Furthermore, management misinterpreted the requirements of the *FMPPI* as technical indicator descriptions were not developed for each indicator.

16. The *FMPPI* requires that indicators should have clear unambiguous data definitions so that data is collected consistently and is easy to understand and use. A total of 31% of the indicators programme 2: Policy, Research and Knowledge Management, programme 3: Governance and Intergovernmental Relations, programme 4: Disaster Response Management, programme 5: Provincial and Municipal Government Systems and programme 6: Infrastructure and Economic Development were not well defined in that clear, unambiguous data definitions of the Department of Cooperative Governance were not available to allow for data to be collected consistently.

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 of the *FMPPI*. Furthermore, management misinterpreted the requirements of the *FMPPI* as technical indicator descriptions were not developed for each indicator.

17. The *FMPPI* requires that it must be possible to validate the processes and systems that produce the indicator. A total of 31% of the indicators programme 2: Policy, Research and Knowledge Management, programme 3: Governance and Intergovernmental Relations, programme 4: Disaster Response Management, programme 5: Provincial and Municipal Government Systems and programme 6: Infrastructure and Economic Development of the Department of Cooperative Governance were not verifiable in that valid processes and systems that produce the information on actual performance did not exist.

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 of the *FMPPI*. Furthermore , management misinterpreted the requirements of the *FMPPI* as technical indicator descriptions were not developed for each indicator.

**Reliability of information**

18. The *FMPPI* requires that institutions should 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.
19. Significantly important targets with respect to Programme 3: Governance and Intergovernmental Relations were materially misstated. This was due to the planned indicators not being verifiable and planned performance targets not being specific in clearly identifying the nature and required level of performance, thus not allowing for the actual achievement to be measured against what was predetermined.

### Report of the Auditor-General

for the year ended 31 March 2013

20. Significantly important targets with respect to Programme 5: Provincial and Municipal Government Support were materially misstated. This was due to the planned indicators not being verifiable and planned performance targets not being specific in clearly identifying the nature and required level of performance, thus not allowing for the actual achievement to be measured against what was predetermined.
21. Significantly important targets with respect to Programme 6: Infrastructure and Economic Development were materially misstated. This was due to the planned indicators not being verifiable and planned performance targets not being specific in clearly identifying the nature and required level of performance, thus not allowing for the actual achievement to be measured against what was predetermined.

#### **Additional matter**

22. I draw attention to the following matter below. These matters do not have an impact on the predetermined objectives audit findings reported above.

#### **Achievement of planned targets**

23. Of the total number of 23 targets planned for the Department of Traditional Affairs for the year, 12 of targets were not achieved during the year under review. This represents 57% of total planned targets that were not achieved during the year under review.
24. This was as a result of the departments not considering relevant systems and evidential requirements during the annual strategic planning process.

#### **Material adjustments to the annual performance report**

25. Material audit adjustments in the annual performance report were identified during the audit for the Department of Traditional Affairs, all of which were corrected by management and those that were not corrected have been reported accordingly.

#### **Compliance with laws and regulations**

26. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA are as follows:

#### **Strategic planning and performance management**

27. The accounting officer did not ensure that the department had and maintained an effective, efficient and transparent system of internal control regarding performance management, which described and represented how the institution's processes of performance planning, monitoring, measurement, review and reporting were conducted, organised and managed as required by section 38(1)(a)(i) and (b) of the PFMA.

#### **Annual financial statements, performance and annual report**

28. The financial statements submitted for auditing were not fully prepared in all material respects in accordance with the prescribed financial reporting framework as required by section 40(1)(b) of the PFMA.

**Report of the Auditor-General**

for the year ended 31 March 2013

29. Material misstatements of capital assets, minor assets, intangible assets, cash and cash equivalents, accruals and commitments disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

***Procurement and contract management***

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 and services of a transaction value above R500 000 were procured without inviting competitive bids, as required by Treasury Regulations 16A6.1.
32. Contract and quotations were awarded to suppliers whose tax matters had not been declared by the South African Revenue Service to be in order, as required by Treasury Regulation 16A9.1(d), Preferential Procurement Regulations and PN 8 of 2007-08 par 6.

***Expenditure management***

33. The accounting officer did not take effective steps to prevent irregular and fruitless and wasteful expenditure, as required by section 38(1)(c)(ii) of the PFMA and TR 9.1.1.
34. Payments due to creditors were not always settled within 30 days from the receipt of an invoice as per the requirements of section 38(1)(f) of the PFMA and TR 8.2.3.

***Human resource management and compensation***

35. Persons in charge at pay points did not always certify that the employees receiving payment were entitled thereto as required by TR 8.3.
36. Funded vacant posts were not filled within 12 months as required by Public Service Regulation 1VII/C.1A.2.

***Internal control***

37. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on the annual performance report and the findings on compliance with laws and regulations included in this report.

***Leadership***

38. The accounting officers did not exercise adequate oversight responsibility regarding performance reporting, compliance and related internal controls.
39. The accounting officer did not establish and communicate formal documented policies and procedures to enable and support the understanding and execution of internal control objectives, processes and responsibilities relating to predetermined objectives of the Department of Cooperative Governance.

## Report of the Auditor-General

for the year ended 31 March 2013

### *Financial and performance management*

40. Management did not adequately review and monitor compliance with applicable laws and regulations.
41. Management did not prepare regular, accurate and complete financial reports that are supported and evidenced by reliable information.

### *Governance*

42. The accounting officers did not ensure that there is an adequately resourced and functioning internal audit unit that identifies internal control deficiencies and recommends corrective action effectively.

## OTHER REPORTS

### *Investigations*

43. An investigation was conducted on allegations of utilisations of funds of the department by a service provider from whom services were not received. the investigation was conducted prior to date of this report and has been referred to department's legal services
42. A further two investigations were initiated based on allegations of payments owed to a service provider by the National Disaster Management Centre as well as the authenticity of payments made to non-governmental organisations. These investigations were completed after year end and no irregularities were identified.
43. A forensic investigation was conducted by an independent consulting firm on request of the former Minister. The investigation was initiated based on a number of allegations and complaints regarding the implementation of the Community Work Programme (CWP). The investigation focused on procurement and Irregularities in the awarding of the tender to the lead agents and validity of the participants.

### *Agreed upon procedures*

44. As requested by the department, an engagement was conducted during the year under review concerning the donor funding received from the European Union for project Masibambane. The report covered the period 1 April 2011 to 31 March 2012 and was issued on 31 July 2013.

*Auditor-General*

Pretoria

31 July 2013



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Appropriation Statement

for the year ended 31 March 2013

## Appropriation per programme

APPROPRIATION STATEMENT	2012/13						2011/12		
	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
<b>1. ADMINISTRATION</b>									
Current payment	192 377	-	4 242	196 619	174 496	22 123	88.7%	195 560	195 009
Transfers and subsidies	260	-	900	1 160	1 070	90	92.2%	7 328	7 243
Payment for capital assets	4 780	-	2 365	7 145	7 145	-	100%	4 386	2 636
Payment for financial assets	88	-	826	914	914	-	100%	1 193	1 193
	197 505	-	8 333	205 838	183 625	22 213		208 467	206 081
<b>2. POLICY, RESEARCH AND KNOWLEDGE MANAGEMENT</b>									
Current payment	43 487	-	2 276	45 763	43 930	1 833	96%	33 689	33 521
Payment for capital assets	5 806	-	194	6 000	5 981	19	99.7%	6 632	4 414
	49 293	-	2 470	51 763	49 911	1 852		40 321	37 935
<b>3. GOVERNANCE AND INTERGOVERNMENTAL RELATIONS</b>									
Current payment	32 732	-	(3 780)	28 952	23 347	5 605	80.6%	25 852	22 909
Transfers and subsidies	38 079 137	-	-	38 079 137	37 340 814	738 323	98.1%	34 448 350	33 247 845
Payment for capital assets	20	-	-	20	-	20	-	-	-
	38 111 889	-	(3 780)	38 108 109	37 364 161	743 948		34 474 202	33 270 754
<b>4. DISASTER RESPONSE MANAGEMENT</b>									
Current payment	43 213	-	590	43 803	37 604	6 199	85.8%	35 388	32 885
Transfers and subsidies	510 029	-	360	510 389	74 243	436 146	14.5%	775 000	47 283
Payment for capital assets	2 150	-	116	2 266	2 266	-	100%	2 444	490
	555 392	-	1 066	556 458	114 113	442 345		812 832	80 658



## Appropriation Statement

for the year ended 31 March 2013

APPROPRIATION STATEMENT	2012/13						2011/12		
	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
<b>5. PROV &amp; MUN GOVT SYSTEMS</b>									
Current payment	55 027	-	(10 934)	44 093	43 954	139	99.7%	32 193	32 193
Transfers and subsidies	230 096	-	-	230 096	230 096	-	100%	220 210	220 210
Payment for capital assets	55	-	193	248	248	-	100%	34	8
	285 178	-	(10 741)	274 437	274 298	139		252 437	252 411
<b>6. INFRA &amp; ECONOMIC DEVELOPMENT</b>									
Current payment	1 671 646	-	(4 440)	1 667 206	1 459 775	207 431	87.6%	305 041	276 318
Transfers and subsidies	13 881 633	-	279	13 881 912	13 879 441	2 471	100%	12 017 168	12 006 074
Payment for capital assets	150	-	1 943	2 093	2 093	-	100%	5 617	2 756
	15 553 429	-	(2 218)	15 551 211	15 341 309	209 902		12 327 826	12 285 148
<b>7. TRADITIONAL AFFAIRS</b>									
Current payment	65 950	-	4 870	70 820	70 734	86	99.9%	65 516	65 516
Transfers and subsidies	36 192	-	-	36 192	36 125	67	99.8%	22 378	22 378
Payment for capital assets	350	-	-	350	89	261	25.4%	683	683
	102 492	-	4 870	107 362	106 948	414		88 577	88 577
Subtotal	54 855 178	-	-	54 855 178	53 434 365	1 420 813	97.4%	48 204 662	46 221 564
<b>TOTAL</b>	<b>54 855 178</b>	<b>-</b>	<b>-</b>	<b>54 855 178</b>	<b>53 434 365</b>	<b>1 420 813</b>	<b>97.4%</b>	<b>48 204 662</b>	<b>46 221 564</b>

Appropriation Statement

for the year ended 31 March 2013

	2012/13		2011/12	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
<b>TOTAL (brought forward)</b>				
Reconciliation with Statement of Financial Performance				
ADD				
Departmental receipts	984	-	1 092	-
Aid assistance	-	-	4 320	-
Actual amounts per Statement of Financial Performance (total revenue)	54 856 162	2 859	48 210 074	15 515
ADD: Aid Assistance		2 952		
<b>Actual amounts per statement of financial performance (total expenditure)</b>		<b>53 437 317</b>		<b>46 237 079</b>

## Appropriation Statement

for the year ended 31 March 2013

## Appropriation per economic classification

	2012/13					2011/12			
	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
<b>Current payments</b>									
Compensation of employees	290 396	2 374	-	292 770	266 374	26 396	91%	246 615	234 987
Goods and services	1 814 036	(2 374)	(7 157)	1 804 505	1 587 471	217 034	88%	446 543	423 283
Interest and rent on land	-	-	-	-	-	-	-	81	81
<b>Transfers and subsidies</b>									
Provinces and municipalities	52 495 225	-	-	52 495 225	51 322 791	1 172 434	97.8%	46 546 715	44 884 236
Departmental agencies and accounts	101 315	-	2 122	103 437	101 315	2 122	97.9%	86 346	86 346
Foreign governments and international organisations	-	-	279	279	279	-	100%	208	208
Public corporations and private enterprises	-	-	-	-	-	-	-	179 678	179 678
Non-profit institutions	8 025	-	(2 122)	5 903	3 693	2 210	62.6%	10 164	5 716
Households	132 782	-	1 260	134 042	133 706	336	99.7%	667 323	394 849
Gifts and donations	-	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>									
Machinery and equipment	13 311	-	4 678	17 989	17 708	281	98.5%	18 036	10 987
Software and other intangible assets	-	-	114	114	114	-	100%	1 760	-
<b>Payments for financial assets</b>	88	-	826	914	914	-	100%	1 193	1 193
<b>Total</b>	<b>54 855 178</b>	<b>-</b>	<b>-</b>	<b>54 855 178</b>	<b>53 434 365</b>	<b>1 420 813</b>	<b>97.4%</b>	<b>48 204 662</b>	<b>46 221 564</b>

## Appropriation Statement

for the year ended 31 March 2013

Details per Sub-Programme	2012/13						2011/12		
	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
<b>1.1 MINISTRY</b>									
Current payment	24,723	3,162	5 804	33 689	33,675	14	100%	26,869	26,869
Transfers and subsidies	100	-	900	1,000	912	88	91.2%	3	2
Payment for capital assets	80	13	356	449	449	-	100%	66	8
<b>1.2 MANAGEMENT</b>									
Current payment	15,767	(3,162)	-	12,605	12,605	-	100%	12,288	12,288
Transfers and subsidies	-	-	-	-	-	-	-	84	-
Payment for capital assets	1,900	(1,134)	(543)	223	223	-	100%	1,716	30
<b>1.3 CHIEF OPERATING OFFICER</b>									
Current payment	20,117	-	(36)	20,081	16,122	3,959	80.3%	34,074	34,074
Transfers and subsidies	-	-	-	-	-	-	-	780	780
Payment for capital assets	200	-	(25)	175	175	-	100%	67	67
<b>1.4 CORPORATE SERVICES</b>									
Current payment	36,607	557	2,789	39,953	39,921	32	99.9%	41,852	41,301
Transfers and subsidies	160	-	-	160	158	2	98.8%	6,461	6,461
Payment for capital assets	1,200	1 121	3 211	5,532	5,532	-	100%	2,415	2,415
<b>1.5 FINANCIAL SERVICES</b>									
Current payment	19,481	2,422	1,400	23,303	23,393	10	100%	19,400	19,400
Payment for capital assets	1,000	(52)	(634)	314	314	-	100%	80	74
Payment for financial assets	88	-	826	914	914	-	100%	1,193	1,193

## Appropriation Statement

for the year ended 31 March 2013

Details per Sub-Programme	2012/13						2011/12		
	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
<b>1.6 COMMUNICATION AND LIAISON</b>									
Current payment	22,301	(2,979)	(5,715)	13,607	11,108	2,499	81.6%	12,110	12,110
Payment for capital assets	400	(85)	-	315	315	-	100%	28	28
<b>1.7 LEGISLATION REVIEW&amp;DRAFTING</b>									
Current payment	11,485	-	-	11,485	6,378	5,107	55.5%	10,246	10,246
<b>1.8 INTERNAL AUDIT &amp; RISK MNGMNT</b>									
Current payment	11,461	-	-	11,461	8,146	3,315	71.1%	9,597	9,597
Payment for capital assets	-	137	-	137	137	-	100%	14	14
<b>1.9 OFFICE ACCOMODATION</b>									
Current payment	30,435	-	-	30,435	23,248	7,187	76.4%	29,124	29,124
<b>Total</b>	<b>197,505</b>	<b>-</b>	<b>8,333</b>	<b>205,838</b>	<b>183,625</b>	<b>22,213</b>	<b>89.2%</b>	<b>208,467</b>	<b>206,081</b>

## Appropriation Statement

for the year ended 31 March 2013

Programme 1 Per Economic classification	2012/13						2011/12		
	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
<b>Current payments</b>									
Compensation of employees	81,644	2,340	13,524	97,508	97,504	4	100%	98,988	98,988
Goods and services	110,733	(2,340)	(9 282)	99,111	76,993	22,118	77.7%	96,491	95,940
Interest and rent on land	-	-	-	-	-	-	-	81	81
<b>Transfers &amp; subsidies</b>									
Provinces & municipalities	100	-	-	100	20	80	20%	99	14
Households	160		900	1,060	1,049	11	99%	7,229	7,229
<b>Payment for capital assets</b>									
Machinery & equipment	4,780		2 365	7 145	7 145	-	100%	4,386	2,636
Payment for financial assets	88	-	826	914	914	-	100%	1,193	1,193
<b>Total</b>	197,505	-	8,333	205,838	183,625	22,213	89.2%	208,467	206,081



## Appropriation Statement

for the year ended 31 March 2013

<b>Detail per programme 2 - POLICY, RESEARCH AND KNOWLEDGE MANAGEMENT</b>									
For the year ended 31 March 2013									
Details per Sub-Programme	2012/13					2011/12			
	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
<b>2.1 MANAGEMENT: RESEARCH AND POLICY</b>									
Current payment	3,050	-	-	3,050	3,033	17	99.4%	2,780	2,780
Payment for capital assets	150	-	-	150	131	19	87.3%	-	-
<b>2.2 POLICY METHODS AND RESEARCH</b>									
Current payment	8,579	(1,280)	(1,530)	5,769	5,760	9	99.8%	6,716	6,609
<b>2.3 KNOWLEDGE AND INFORMATION MANAGEMENT</b>									
Current payment	10,523	(1,585)	(194)	8,744	8,126	618	92.9%	7,747	7,686
Payment for capital assets	12			12	12	-	100%	94	94
<b>2.4 INFORMATION, COMMUNICATION AND BUSINESS TECHNOLOGIES</b>									
Current payment	21,335	2,865	4,000	28,200	27,011	1,189	95.8%	16,446	16,446
Payment for capital assets	5,644	-	194	5,838	5,838	-	100%	6,538	4,320
<b>Total</b>	<b>49,293</b>	<b>-</b>	<b>2,470</b>	<b>51,763</b>	<b>49,911</b>	<b>1,852</b>	<b>96.4%</b>	<b>40,321</b>	<b>37,935</b>

## Appropriation Statement

for the year ended 31 March 2013

Programme 2 Per Economic classification	2012/13						2011/12		
	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
<b>Current payments</b>									
Compensation of employees	22,005	-	(1,530)	20 475	20 374	101	99.5%	20,191	20,191
Goods and services	21,482	-	3 825	25 307	23 556	1 751	93.1%	13,498	13,330
<b>Payment for capital assets</b>									
Machinery & equipment	5,806	-	175	5 981	5 981	-	100%	4,872	4,414
Software & other intangible assets	-	-	-	-	-	-	-	1,760	-
<b>Total</b>	<b>49,293</b>	<b>-</b>	<b>2 470</b>	<b>51 763</b>	<b>49 911</b>	<b>1 852</b>	<b>96.4%</b>	<b>40,321</b>	<b>37,935</b>

## Appropriation Statement

for the year ended 31 March 2013

## Detail per programme 3 - GOVERNANCE AND INTERGOVERNMENTAL RELATIONS

For the year ended 31 March 2013

Details per Sub-Programme	2012/13						2011/12		
	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
<b>3.1 MANAGEMENT: GOVERNANCE</b>									
Current payment	4,824	-	130	4,954	4,471	483	90.3%	4,098	4,098
<b>3.2 INTERGOVMTL COORDINATION</b>									
Current payment	9,516	-	(3,910)	5,606	5,576	30	99.5%	3,623	3,623
Payment for capital assets	20	-	-	20	-	20	-	-	-
<b>3.3 INTERGOVMTL FISCAL RELATION</b>									
Current payment	12,177	-	-	12,177	10,397	1,780	85.4%	12,430	12,430
Transfers and subsidies	130,628	-	-	130,628	130,556	72	99.9%	266,317	4,922
<b>3.4 GOVERNANCE AND PUBLIC PARTICIPATION</b>									
Current payment	6,215	-	-	6,215	2,903	3,312	46.7%	5,701	2,758
<b>3.5 SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION FISCAL TRANSFER</b>									
Transfers and subsidies	26,726	-	2,122	28,848	26,726	2,122	92.6%	25,486	25,486
<b>3.6 MUNICIPAL DEMARCATION BOARD</b>									
Transfers and subsidies	40,362	-	-	40,362	40,362	-	100%	38,482	38,482
<b>3.7 SA CITY NETWORK</b>									
Transfers and subsidies	5,540	-	-	5,540	3,693	1,847	66.7%	5,282	5,282
<b>3.8 UNIT CITI&amp;LOC GOV- AFRICA</b>									
Transfers and subsidies	2,485	-	(2,122)	363	-	363	-	4,882	434
<b>3.9 EQUITABLE SHARE</b>									
Transfers and subsidies	37,873,396	-	-	37,873,396	37 139 477	733,919	98.1%	34,107,901	33,173,239
<b>Total</b>	<b>38,111,889</b>	<b>-</b>	<b>(3,780)</b>	<b>38,108,109</b>	<b>37,364,161</b>	<b>743,948</b>	<b>98%</b>	<b>34,474,202</b>	<b>33,270,754</b>

## Appropriation Statement

for the year ended 31 March 2013

Programme 3 Per Economic classification	2012/13						2011/12		
	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
<b>Current payments</b>									
Compensation of employees	18,663	-	130	18,793	18,779	14	99.9%	17,797	17,347
Goods and services	14,069	-	(3,910)	10,159	4,568	5,591	45%	8,055	5,562
<b>Transfers &amp; subsidies</b>									
Provinces & municipalities	37,873,396	-	-	37,873,396	37,139,477	733,919	98.1%	34,107,901	33,173,239
Departmental agencies & accounts	67,088	-	2,122	69,210	67,088	2,122	96.9%	63,968	63,968
Non-profit institutions	8,025	-	(2,122)	5,903	3,693	2,210	62.6%	10,164	5,716
Households	130,628	-	-	130,628	130,556	72	99.9%	266,317	4,922
<b>Payment for capital assets</b>									
Machinery & equipment	20	-	-	20	-	20	-	-	-
<b>Total</b>	<b>38,111,889</b>	<b>-</b>	<b>(3,780)</b>	<b>38,108,109</b>	<b>37,364,161</b>	<b>743,948</b>	<b>98%</b>	<b>34,474,202</b>	<b>33,270,754</b>

COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 3

Appropriation Statement

for the year ended 31 March 2013

**Detail per programme 4 - DISASTER RESPONSE MANAGEMENT**

For the year ended 31 March 2013

Details per Sub-Programme	2012/13					2011/12			
	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
<b>4.1 MANAGEMENT: HEAD OF DISASTER</b>									
Current payment	2,914	244	4,950	8,108	8,108	-	100%	8,595	8,595
Payment for capital assets	110	(30)	-	80	80	-	100%	50	25
<b>4.2 LEGISLATION, POLICY AND COMPLIANCE MANAGEMENT</b>									
Current payment	7,238	(244)	(360)	6,634	6,148	486	92.7%	6,529	6,473
Transfers and subsidies	29	-	360	389	213	176	54.8%	-	-
Payment for capital assets	40	6	-	46	46	-	100%	65	-
<b>4.3 PLANNING COORDINATION AND SUPPORT</b>									
Current payment	12,789	-	-	12,789	10,102	2,687	79%	14,020	12,516
Payment for capital assets	-	-	-	-	-	-	-	750	252
<b>4.4 INTELLIGENCE AND INFORMATION SYSTEMS MANAGEMENT</b>									
Current payment	20,272	-	(4,000)	16,272	13,246	3,026	81.4%	6,244	5,301
Payment for capital assets	2,000	24	116	2,140	2,140	-	100%	1,579	213
<b>4.5 DISASTER RELIEF TRANSFERS</b>									
Transfers and subsidies	510,000	-	-	510,000	74,030	435,970	14.5%	775,000	47,283
<b>Total</b>	<b>555,392</b>	<b>-</b>	<b>1,066</b>	<b>556,458</b>	<b>114,113</b>	<b>442,345</b>	<b>20.5%</b>	<b>812,832</b>	<b>80,658</b>

## Appropriation Statement

for the year ended 31 March 2013

Programme 4 Per Economic classification	2012/13							2011/12	
	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
<b>Current payments</b>									
Compensation of employees	15,239	-	4,950	20,189	19,929	260	98.7%	17,088	15,958
Goods and services	27,974	-	(4,360)	23,614	17,678	5,936	74.9%	18,300	16,927
<b>Transfers &amp; subsidies</b>									
Provinces & municipalities	510,000	-	-	510,000	74,036	435,964	14.5%	775,000	47,283
Households	29	-	360	389	204	185	52.4%	-	-
<b>Payment for capital assets</b>									
Machinery & equipment	2,150	-	116	2,266	2,266	-	100%	2,444	490
<b>Total</b>	<b>555,392</b>	<b>-</b>	<b>1,066</b>	<b>556,458</b>	<b>114,113</b>	<b>442,345</b>	<b>20.5%</b>	<b>812,832</b>	<b>80,658</b>



## Appropriation Statement

for the year ended 31 March 2013

## Detail per programme 5 - PROV &amp; MUN GOVT SYSTEMS

For the year ended 31 March 2013

Details per Sub-Programme	2012/13						2011/12		
	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
<b>5.1 MNGMNT: PROV &amp; LOCAL GOV SUPP</b>									
Current payment	27,027	-	(13,453)	13,574	13,435	139	99%	9,674	9,674
Payment for capital assets	10	-	134	144	144	-	100%	8	8
<b>5.2 PROV GOVT SUPP&amp;INTERVENTION</b>									
Current payment	9,057	-	(2,588)	6,469	6,469	-	100%	6,755	6,755
Payment for capital assets	-	-	20	20	20	-	100%	-	-
<b>5.3 LOC GOVT SUPP&amp;INTERVENTION</b>									
Current payment	10,363	-	4,534	14,897	14,897	-	100%	7,321	7,321
Payment for capital assets	-	3	39	42	42	-	100%	-	-
<b>5.4 DEVELOPMENT PLANNING</b>									
Current payment	8,580	-	573	9,153	9,153	-	100%	8,443	8,443
Payment for capital assets	45	(3)	-	42	42	-	100%	26	-
<b>5.5 MUNICIPAL SYS IMPROV GRANT</b>									
Transfers and subsidies	230,096	-	-	230,096	230,096	-	100%	220,210	220,210
<b>Total</b>	<b>285,178</b>		<b>(10,741)</b>	<b>274,437</b>	<b>274,298</b>	<b>139</b>	<b>99.9%</b>	<b>252,437</b>	<b>252,411</b>

## Appropriation Statement

for the year ended 31 March 2013

Programme 5 Per Economic classification	2012/13							2011/12	
	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
<b>Current payments</b>									
Compensation of employees	44,294	-	(17,534)	26,760	26,665	95	99.6%	22,912	22,912
Goods and services	10,733	-	6,600	17,333	17,289	44	99.7%	9,281	9,281
<b>Transfers &amp; subsidies</b>									
Provinces & municipalities	230,096			230,096	230,096	-	100%	220,210	220,210
<b>Payment for capital assets</b>									
Machinery & equipment	55	-	193	248	248	-	100%	34	8
<b>Total</b>	<b>285,178</b>		<b>(10,741)</b>	<b>274,437</b>	<b>274,298</b>	<b>139</b>	<b>99.9%</b>	<b>252,437</b>	<b>252,411</b>

COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 3

Appropriation Statement

for the year ended 31 March 2013

**Detail per programme 6 - INFRA & ECONOMIC DEVELOPMENT**

For the year ended 31 March 2013

Details per Sub-Programme	2012/13					2011/12			
	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
<b>6.1 MANAGEMENT INFRASTRUCTURE</b>									
Current payment	3,053	2,328	-	5 381	5 288	93	98.3%	21,253	8,986
Payment for capital assets	-	29	-	29	29	-	100%	-	-
<b>6.2 LOCAL ECONOMIC DEVELOPMENT PLAN</b>									
Current payment	9,868	(1,099)	(2,379)	6,390	6,390	-	100%	5,072	4,651
Transfers and subsidies	-	-	279	279	279	-	100%	208	208
Payment for capital assets	-	16	-	16	16	-	100%	17	17
<b>6.3 INFRASTRUCTURE DEVELOPMENT</b>									
Current payment	13,174	(1,229)	(1,000)	10,945	10,509	436	96%	11,527	11,527
Payment for capital assets	150	(150)	-	-	-	-	-	-	-
<b>6.4 MUNICIPAL INFRASTRUCTURE GRA</b>									
Transfers and subsidies	13,881,633	-	-	13,881,633	13,879,162	2,471	100%	11,443,505	11,443,490
<b>6.5 COMMUNITY WORK PROGRAM</b>									
Current payment	1,448,877	-	-	1,448,877	1,289,922	158,955	89%	254,122	238,087
Transfers and subsidies	-	-	-	-	-	-	-	393,777	382,698
Payment for capital assets	-	-	-	-	-	-	-	5,600	2 739
<b>6.6 SPECIAL PURPOSE VEHICLE</b>									
Current payment	196,674	-	(1,061)	195,613	147,666	47,947	75.5%	13,067	13,067
Transfers and subsidies	-	-	-	-	-	-	-	179,678	179,678
Payment for capital assets	-	105	1 943	2 048	2,048	-	100%	-	-
<b>Total</b>	<b>15,553,429</b>	<b>-</b>	<b>(2,218)</b>	<b>15 551 211</b>	<b>15 341 309</b>	<b>209 902</b>	<b>98.7%</b>	<b>12,327,826</b>	<b>12,285,148</b>

COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

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Appropriation Statement

for the year ended 31 March 2013

Programme 6 Per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
<b>Current payments</b>									
Compensation of employees	67,772	-	-	67,772	41,850	25,922	61.8%	33,272	23,224
Goods and services	1,603,874	-	(4 440)	1,599,434	1,417,925	181,509	88.7%	271,769	253,094
<b>Transfers &amp; subsidies</b>									
Provinces & municipalities	13,881,633	-	-	13,881,633	13,879,162	2,471	100%	11,443,505	11,443,490
Foreign governments & international organisations	-	-	279	279	279	-	100%	208	208
Public corporations & private enterprises	-	-	-	-	-	-	-	179,678	179,678
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	393,777	382,698
<b>Payment for capital assets</b>									
Machinery & equipment	150	-	1 829	1 979	1 979	-	100%	5,617	2 756
Software & other intangible assets	-	-	114	114	114	-	100%	-	-
<b>Total</b>	<b>15,553,429</b>	<b>-</b>	<b>(2,218)</b>	<b>15,551,211</b>	<b>15,341,309</b>	<b>209,902</b>	<b>98.7%</b>	<b>12,327,826</b>	<b>12,285,148</b>

COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 3

Appropriation Statement

for the year ended 31 March 2013

Detail per programme 7 - TRADITIONAL AFFAIRS

For the year ended 31 March 2013

Details per Sub-Programme	2012/13						2011/12		
	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
<b>7.1 MAN: HEAD OF TRADI AFFAIRS</b>									
Current payment	9,970	96	2,571	12,637	12,637	-	100%	10,770	10,770
Transfers and subsidies	-	99	-	99	99	-	100%	-	-
Payment for capital assets	150	(8)	-	142	50	92	35.2%	470	470
<b>7.2 POL AND LEGIS FOR TRADI AFFAIR</b>									
Current payment	12,455	-	2,215	14,670	14,670	-	100%	13,956	13,956
Payment for capital assets	-	8	-	8	8	-	100%	80	80
<b>7.3 INSTI, SUPPORT AND COORDINATION</b>									
Current payment	13,094	36	84	13,214	13,214	-	100%	11,477	11,477
Payment for capital assets	-	-	-	-	-	-	-	30	30
<b>7.4 NAT HOUSE OF TRAD LEADERS</b>									
Current payment	19,202	(567)	-	18,635	18,549	86	99.5%	19,101	19,101
Transfers and subsidies	1,965	(99)	-	1,866	1,799	67	96.4%	-	-
Payment for capital assets	-	-	-	-	-	-	-	103	103
<b>7.5 COM ON TRAD LEADER DISP &amp; CLAM</b>									
Current payment	11,229	435	-	11,664	11,664	-	100%	10,212	10,212
Payment for capital assets	200	-	-	200	31	169	15.5%	-	-
<b>7.6 C FOR THE P&amp;P OF THE RC, R&amp;LC</b>									
Transfers and subsidies	34,227	-	-	34,227	34,227	-	100.0%	22,378	22,378
<b>Total</b>	<b>102,492</b>	<b>-</b>	<b>4,870</b>	<b>107,362</b>	<b>106,948</b>	<b>414</b>	<b>99.6%</b>	<b>88,577</b>	<b>88,577</b>

## Appropriation Statement

for the year ended 31 March 2013

Programme 7 Per Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R '000	R '000	R '000	R '000	R '000	R '000	%	R '000	R '000
<b>Current payments</b>									
Compensation of employees	40,779	34	460	41,273	41,273	-	100%	36,367	36,367
Goods and services	25,171	(34)	4,410	29,547	29,462	85	99.7%	29,149	29,149
<b>Transfers &amp; subsidies</b>									
Departmental agencies & accounts	34,227	-	-	34,227	34,227	-	100%	22,378	22,378
Households	1,965	-	-	1,965	1,897	68	96.5%	-	-
<b>Payment for capital assets</b>									
Machinery & equipment	350	-	-	350	89	261	25.4%	683	683
<b>Total</b>	<b>102,492</b>	<b>-</b>	<b>4,870</b>	<b>107,362</b>	<b>106,948</b>	<b>414</b>	<b>99.6%</b>	<b>88,577</b>	<b>88,577</b>



## Notes to the Appropriation Statement

for the year ended 31 March 2013

### 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.



## Notes to the Appropriation Statement

for the year ended 31 March 2013

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

4.1	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
Per programme:	R'000	R'000	R'000	%
<b>ADMINISTRATION</b>	205,838	183,625	22,213	11%

Office Accommodation was not paid in time due to delays on invoicing from Public Works. Communication survey and training workshops at local government were not completed on time.

**POLICY, RESEARCH  
AND KNOWLEDGE  
MANAGEMENT**

51,763	49,911	1,852	4%
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Final invoices for SITA contracts were submitted late.

**GOVERNANCE AND  
INTERGOVERNMENTAL  
RELATIONS**

38,108,109	37,364,161	743,948	2%
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National Treasury withheld transfer to Equitable Share due to poor performance of municipalities on other conditional grants in the previous financial year. South African Local Government Association appropriation was increased, but the approval for the virement was received after year end, however, a roll-over was applied for. Final transfer to South Cities Network was not applied for on time, but a request was sent to National Treasury to roll-over unspent funds.

**DISASTER RESPONSE  
MANAGEMENT**

556,458	114,113	442,345	79%
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The delay in verification and quantification of disaster damages delayed the disbursement of disaster relief funds to affected provinces and municipalities.

**PROV & MUN GOVT  
SYSTEMS**

274,437	274,298	139	0%
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In line with expenditure

**INFRA & ECONOMIC  
DEVELOPMENT**

15,551,211	15,341,309	209,902	1%
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In line with expenditure

<b>TRADITIONAL AFFAIRS</b>	107,362	106,948	414	0%
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In line with expenditure

## Notes to the Appropriation Statement

for the year ended 31 March 2013

## 4.2 Per economic classification:

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
<b>Current expenditure</b>				
Compensation of employees	292,770	266,374	26,396	9%
Goods and services	1,804,505	1,587,471	217 034	12%
Interest and rent on land	-	-	-	-
Unauthorised expenditure approved	-	-	-	-
<b>Transfers and subsidies</b>				
Provinces and municipalities	52,495,225	51,322,791	1,172,434	2%
Departmental agencies and accounts	103,437	101,315	2,122	2%
Universities and Technikons	-	-	-	-
Public corporations and private enterprises	-	-	-	-
Foreign governments and international organisations	279	279	-	0%
Non-profit institutions	5,903	3,693	2,210	37%
Households	134,042	133,706	336	0%
Gifts and donations	-	-	-	-
<b>Payments for capital assets</b>				
Buildings and other fixed structures	-	-	-	-
Machinery and equipment	17,989	17,708	281	2%
Heritage assets	-	-	-	-
Specialised military assets	-	-	-	-
Biological assets	-	-	-	-
Land and subsoil assets	-	-	-	-
Software and other intangible assets	114	114	-	0%
<b>Payments for financial assets</b>	914	914	-	0%
<b>TOTAL</b>	<b>54 885 178</b>	<b>53 434 365</b>	<b>1 420 813</b>	<b>2.7%</b>

## Notes to the Appropriation Statement

for the year ended 31 March 2013

**Compensation of employees:** Under spending is on earmarked sub programs Community Work Program and Special Purpose Vehicle (MISA) mainly due to delays in recruitment processes, therefore the whole years allocation was not spent on programmes.

**Goods and services:** Office Accommodation was not paid for on time due to delays in invoicing from Public Works. Communication survey and training workshops at local government were not completed on time. Invoice from the CWP Lead Agents submitted on the last month on 28 March 2013 and have been paid out of the 2013/14 Financial Year.

**Transfers and subsidies:** National Treasury withheld transfer to Equitable Share due to poor performance of municipalities on other conditional grants in the previous financial year. South African Local Government Association appropriation was increased, but the approval for the virement was received after year end, however, a roll-over was applied for. Final transfer to South Cities Network was not applied for on time, but a request was sent to National Treasury to roll-over unspent funds.

**4.3 Per conditional grant****Coop Governance & Tradition Aff**

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Mun Infrastructure (Mig)	13,881,633	13,879,162	2,471	0%
Mun Systems Improv(Msig)	230,096	230,096	-	0%
Provincial Disaster Grant	330,000	850	329,150	100%
Municipal Disaster Grant	180,000	73,180	106,820	59%

The delay in verification and quantification of disaster damages delayed the disbursement of disaster relief funds to affected provinces and municipalities.

# COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

## VOTE 3

### Statement of Financial Performance

for the year ended 31 March 2013

<b>PERFORMANCE</b>	<b>Note</b>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>REVENUE</b>			
Annual appropriation	1	54 855 178	48 204 662
Departmental revenue	2	984	1 092
Aid assistance	3	-	4 320
<b>TOTAL REVENUE</b>		<b>54 856 162</b>	<b>48 210 074</b>
<b>EXPENDITURE</b>			
<b>Current expenditure</b>			
Compensation of employees	4	266 374	234 987
Goods and services	5	1 587 471	425 993
Interest and rent on land	6	-	81
Aid assistance	3	2 952	15 515
<b>Total current expenditure</b>		<b>1 856 797</b>	<b>676 576</b>
<b>Transfers and subsidies</b>			
Transfers and subsidies	8	51 561 784	45 551 033
<b>Total transfers and subsidies</b>		<b>51 561 784</b>	<b>45 551 033</b>
<b>Expenditure for capital assets</b>			
Tangible capital assets	9	17 708	8 277
Software and other intangible assets	9	114	-
<b>Total expenditure for capital assets</b>		<b>17 822</b>	<b>8 277</b>
<b>Payments for financial assets</b>	<b>7</b>	<b>914</b>	<b>1 193</b>
<b>TOTAL EXPENDITURE</b>		<b>53 437 317</b>	<b>46 237 079</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>1 418 845</b>	<b>1 972 995</b>
<b>Reconciliation of Net Surplus/(Deficit) for the year</b>			
Voted funds		1 420 813	1 983 098
Annual appropriation		256 671	43 147
Conditional grants		1 164 142	1 939 951
Unconditional grants		-	-
Departmental revenue and NRF Receipts	15	984	1 092
Aid assistance	3	(2 952)	(11 195)
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>1 418 845</b>	<b>1 972 995</b>

## Statement of Financial Position

for the year ended 31 March 2013

<b>6. POSITION</b>	<b>Note</b>	<b>2012/13 R'000</b>	<b>2011/12 R'000</b>
<b>ASSETS</b>			
<b>Current assets</b>		<b>1 457 956</b>	<b>39 276</b>
Unauthorised expenditure	10	1 123	1 123
Cash and cash equivalents	11	1 450 386	32 710
Prepayments and advances	12	420	459
Receivables	13	5 522	4 984
Aid assistance receivable	3	505	-
<b>TOTAL ASSETS</b>		<b>1 457 956</b>	<b>39 276</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>		<b>1 457 956</b>	<b>39 276</b>
Voted funds to be surrendered to the Revenue Fund	14	1 419 117	(5 383)
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	15	123	630
Payables	16	403	3 269
Aid assistance unutilised	3	38 313	40 760
<b>TOTAL LIABILITIES</b>		<b>1 457 956</b>	<b>39 276</b>
<b>NET ASSETS</b>		<b>-</b>	<b>-</b>
<b>Represented by:</b>			
Capitalisation reserve		-	-
Recoverable revenue		-	-
Retained funds		-	-
Revaluation reserves		-	-
<b>TOTAL</b>		<b>-</b>	<b>-</b>



## Statement of Changes in Net Assets

for the year ended 31 March 2013

NET ASSETS	<i>Note</i>	2012/13 R'000	2011/12 R'000
<b>Capitalisation Reserves</b>			
Opening balance		-	-
Transfers:			
Movement in Equity		-	-
Movement in Operational Funds		-	-
Other movements		-	-
Closing balance		-	-
<b>Recoverable revenue</b>			
Opening balance			
Transfers:		-	-
Irrecoverable amounts written off		-	-
Debts revised		-	-
Debts recovered (included in departmental receipts)		-	-
Debts raised		-	-
Closing balance		-	-
<b>Retained funds</b>			
Opening balance		-	-
Transfer from voted funds to be surrendered (Parliament/Legislatures ONLY)		-	-
Utilised during the year		-	-
Other		-	-
Closing balance		-	-
<b>Revaluation Reserve</b>			
Opening balance		-	-
Revaluation adjustment (Housing departments)		-	-
Transfers		-	-
Other		-	-
Closing balance		-	-
<b>TOTAL</b>		-	-

## Cash Flow Statement

for the year ended 31 March 2013

	<i>Note</i>	2012/13 R'000	2011/12 R'000
<b>7. CASH FLOW</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts		<b>54 859 754</b>	<b>46 221 442</b>
<b>Annual appropriated funds received</b>	<b>1.1</b>	54 858 865	46 216 181
Departmental revenue received	2	889	941
Aid assistance received	3	-	4 320
Net (increase)/decrease in working capital		(3 365)	(407)
Surrendered to Revenue Fund		(1 491)	(117 185)
Current payments		(1 856 797)	(676 576)
Payments for financial assets		(914)	(1 193)
Transfers and subsidies paid		(51 561 784)	(45 551 033)
<b>Net cash flow available from operating activities</b>	<b>17</b>	<b>1 435 403</b>	<b>(124 952)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for capital assets	9	(17 822)	(8 277)
Proceeds from sale of capital assets	2.3	95	151
<b>Net cash flows from investing activities</b>		<b>(17 727)</b>	<b>(8 126)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase/(decrease) in net assets		-	-
<b>Net cash flows from financing activities</b>		-	-
Net increase/(decrease) in cash and cash equivalents		1 417 676	(133 078)
Cash and cash equivalents at beginning of period		32 710	165 788
<b>Cash and cash equivalents at end of period</b>	<b>18</b>	<b>1 450 386</b>	<b>32 710</b>

## Accounting Policies

for the year ended 31 March 2013

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the Financial Statements and to comply with the statutory requirements of the Public Finance Management Act, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 5 of 2012.

### 1. Presentation of the Financial Statements

#### 1.1 *Basis of preparation*

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid.

#### 1.2 *Presentation currency*

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

#### 1.3 *Rounding*

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

#### 1.4 *Comparative figures*

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

#### 1.5 *Comparative figures - Appropriation Statement*

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

### 2. Revenue

#### 2.1 *Appropriated funds*

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

## Accounting Policies

for the year ended 31 March 2013

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

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

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

### **2.2 Departmental revenue**

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

Any amount owing to the National/Provincial Revenue Fund at the end of the financial year is recognised as a payable in the statement of financial position.

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

### **2.3 Direct Exchequer receipts**

All direct exchequer receipts are recognised in the statement of financial performance when the cash is received and is subsequently paid into the National/Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the National/Provincial Revenue Funds at the end of the financial year is recognised as a payable in the statement of financial position.

### **2.4 Direct Exchequer payments**

All direct exchequer payments are recognised in the statement of financial performance when final authorisation for payment is effected on the system (by no later than 31 March of each year).

### **2.5 Aid assistance**

Aids assistance is recognised as revenue when received

All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexures to the Annual Financial Statements

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

The value of the assistance expensed prior to the receipt of funds is recognised as a receivable in the statement of financial position.

### Accounting Policies

for the year ended 31 March 2013

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Inappropriately expensed amounts using aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as expenditure in the statement of financial performance when final authorisation for payments effected on the system (by no later than 31 March of each year)

Inappropriately expensed amounts using CARA funds are recognised as payables in the statement of financial position. Any unutilised amounts are transferred to retained funds as they are not surrendered to the revenue fund.

### 3. Expenditure

#### 3.1 *Compensation of employees*

##### 3.1.1 *Salaries and wages*

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

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

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

##### 3.1.2 *Social contributions*

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

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

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

## Accounting Policies

for the year ended 31 March 2013

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### 3.2 Goods and services

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

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

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

### 3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year). This item excludes rental for the use of buildings or other fixed structures. If it is not possible to distinguish between payment for the use of land and the fixed structures on it, the whole amount should be recorded under goods and services.

### 3.4 Payments for financial assets

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

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

### 3.5 Transfers and subsidies

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

### 3.6 Unauthorised expenditure

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

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

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



### Accounting Policies

for the year ended 31 March 2013

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#### **3.7 Fruitless and wasteful expenditure**

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

#### **3.8 Irregular expenditure**

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

### **4. Assets**

#### **4.1 Cash and cash equivalents**

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

Bank overdrafts are shown separately on the face of the statement of financial position.

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

#### **4.2 Other financial assets**

Other financial assets are carried in the statement of financial position at cost.

#### **4.3 Prepayments and advances**

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

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

#### **4.4 Receivables**

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

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

## Accounting Policies

for the year ended 31 March 2013

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### 4.5 *Inventory*

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

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

### 4.6 *Capital assets*

#### 4.6.1 *Movable assets*

##### **Initial recognition**

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

All assets acquired prior to 1 April 2002 are included in the register R1.

##### **Subsequent recognition**

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

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

#### 4.6.2 *Intangible assets*

##### **Initial recognition**

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

All intangible assets acquired prior to 1 April 2002 can be included in the asset register at R1.

##### **Subsequent expenditure**

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as “expenditure for capital asset” and is capitalised in the asset register of the department.

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

### Accounting Policies

for the year ended 31 March 2013

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#### 5. Liabilities

##### 5.1 Payables

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

##### 5.2 Contingent liabilities

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

##### 5.3 Contingent assets

Contingent assets are included in the disclosure notes to the financial statements when it is probable that an inflow of economic benefits will flow to the entity.

##### 5.4 Commitments

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

##### 5.5 Accruals

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

##### 5.6 Employee benefits

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

##### 7.7 Lease commitments

###### 7.7.1 Finance lease

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

###### 7.7.2 Operating lease

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

## Accounting Policies

for the year ended 31 March 2013

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### 5.8 *Impairment*

The department tests for impairment where there is an indication that a receivable, loan or investment may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. An estimate is made for doubtful loans and receivables based on a review of all outstanding amounts at year-end. Impairments on investments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows / service potential flowing from the instrument.

### 5.9 *Provisions*

Provisions are disclosed when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

## 6. Receivables for departmental revenue

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements.

## 7. Net Assets

### 7.1 *Capitalisation reserve*

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

### 7.2 *Recoverable revenue*

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

## 8. Related party transactions

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

## 9. Key management personnel

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

COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS  
VOTE 3

Notes to the Annual Financial Statements

for the year ended 31 March 2013

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:

	Final Appropriation	2012/13 Actual Funds Received	Funds not requested/ not received	2011/12 Appropriation received
	R'000	R'000	R'000	R'000
ADMINISTRATION	205 838	205 838		208 467
POLICY, RESEARCH AND KNOWLEDGE MANAGEMENT	51 763	51 763		40 321
GOVERNANCE AND INTERGOVERNMENTAL RELATIONS	38 108 109	38 111 796	(3 687)	32 485 721
DISASTER RESPONSE MANAGEMENT	556 458	556 458		812 832
PROV&MUN GOVT SYSTEMS	274 437	274 437		252 437
INFRA&ECONOMIC DEVELOPMENT	15 551 211	15 551 211		12 327 826
TRADITIONAL AFFAIRS	107 362	107 362		85 577
<b>Total</b>	<b>54 855 178</b>	<b>54 858 865</b>	<b>(3 687)</b>	<b>46 216 181</b>

The difference of (R3 687 000) comprises of the following:

Funds for Equitable Share grants that were not received at the end of the previous year	( R5 383 000)
Funds for Equitable Share grants that were not requested in the current year	R1 696 000

2. Departmental revenue

	Note	2012/13 R'000	2011/12 R'000
Tax revenue		-	-
Sales of goods and services other than capital assets	2.1	166	160
Fines, penalties and forfeits		-	-
Interest, dividends and rent on land	2.2	1	2
Sales of capital assets	2.3	95	151
Transactions in financial assets and liabilities	2.4	722	779
Transfer received		-	-
<b>Total revenue collected</b>		<b>984</b>	<b>1 092</b>
<b>Departmental revenue collected</b>		<b>984</b>	<b>1 092</b>

## Notes to the Annual Financial Statements

for the year ended 31 March 2013

**2.1 Sales of goods and services other than capital assets**

	<i>Note</i>	<b>2012/13</b>	<b>2011/12</b>
	2	<b>R'000</b>	<b>R'000</b>
Sales of goods and services produced by the department		165	158
Sales by market establishment		92	95
Administrative fees		-	-
Other sales		73	63
Sales of scrap, waste and other used current goods		1	2
<b>Total</b>		<b>166</b>	<b>160</b>

**2.2 Interest, dividends and rent on land**

	<i>Note</i>	<b>2012/13</b>	<b>2011/12</b>
	2	<b>R'000</b>	<b>R'000</b>
Interest		1	2
Dividends		-	-
Rent on land		-	-
<b>Total</b>		<b>1</b>	<b>2</b>

**2.3 Sale of capital assets**

	<i>Note</i>	<b>2012/13</b>	<b>2011/12</b>
	2	<b>R'000</b>	<b>R'000</b>
<b>Tangible assets</b>		<b>95</b>	<b>151</b>
Machinery and equipment	30	95	151
<b>Total</b>		<b>95</b>	<b>151</b>

**2.4 Transactions in financial assets and liabilities**

	<i>Note</i>	<b>2012/13</b>	<b>2011/12</b>
	2	<b>R'000</b>	<b>R'000</b>
Other Receipts including Recoverable Revenue		722	779
<b>Total</b>		<b>722</b>	<b>779</b>



## Notes to the Annual Financial Statements

for the year ended 31 March 2013

## 3. Aid assistance

## 3.1 Aid assistance received in cash from RDP

	<i>Note</i>	2012/13 R'000	2011/12 R'000
<b>Local</b>		<b>10 259</b>	<b>10 259</b>
Opening Balance		-	-
Revenue		-	-
Expenditure		-	-
Current		-	-
Capital		-	-
Transfers		-	-
Prepayments		-	-
Surrendered to the RDP		-	-
<b>Closing Balance</b>		<b>10 259</b>	<b>10 259</b>
<b>Foreign</b>			
Opening Balance		30 501	41 696
Revenue		-	4 320
Expenditure		(2 952)	(15 515)
Current		(2 952)	(15 515)
Capital		-	-
Transfers		-	-
Prepayments		-	-
Surrendered to the RDP		-	-
<b>Closing Balance</b>		<b>27 549</b>	<b>30 501</b>

## 3.2 Total assistance

	2012/13 R'000	2011/12 R'000
Opening Balance	40 760	51 955
Revenue	-	4 320
Expenditure	(2 952)	(15 515)
Current	(2 952)	(15 515)
Capital	-	-
Transfers	-	-
Prepayments	-	-
Surrendered / Transferred to retained funds	-	-
<b>Closing Balance</b>	<b>37 808</b>	<b>40 760</b>

## Notes to the Annual Financial Statements

for the year ended 31 March 2013

**3.3 Analysis of balance**

	<i>Note</i>	<b>2012/13</b> <b>R'000</b>	<b>2011/12</b> <b>R'000</b>
Aid assistance receivable		(505)	-
RDP		(505)	-
Other sources		-	-
CARA Fund		-	-
Aid assistance unutilised		38 313	40 760
RDP		<b>38 313</b>	<b>40 760</b>
Other sources		-	-
CARA Fund		-	-
<b>Closing balance</b>		<b>37 808</b>	<b>40 760</b>

**4. Compensation of employees****4.1 Salaries and Wages**

	<i>Note</i>	<b>2012/13</b> <b>R'000</b>	<b>2011/12</b> <b>R'000</b>
Basic salary		173 927	150 650
Performance award		2 532	2 799
Service Based		486	500
Compensative/circumstantial		3 878	2 579
Periodic payments		1 336	14
Other non-pensionable allowances		58 689	55 458
<b>Total</b>		<b>240 848</b>	<b>212 000</b>

**4.2 Social contributions**

	<i>Note</i>	<b>2012/13</b> <b>R'000</b>	<b>2011/12</b> <b>R'000</b>
<b>Employer contributions</b>			
Pension		19 796	17 672
Medical		5 701	5 289
UIF		-	-
Bargaining council		29	26
<b>Total</b>		<b>25 526</b>	<b>22 987</b>
<b>Total compensation of employees</b>		<b>266 374</b>	<b>234 987</b>
Average number of employees		566	487

## Notes to the Annual Financial Statements

for the year ended 31 March 2013

## 5. Goods and services

	<i>Note</i>	2012/13 R'000	2011/12 R'000
Administrative fees		70	96
Advertising		4 410	5 835
Assets less than R5,000	5.1	3 003	1 334
Bursaries (employees)		3 005	4 848
Catering		7 149	4 762
Communication		10 872	8 875
Computer services	5.2	17 104	10 266
Consultants, contractors and agency/outsourced services	5.3	1 433 495	281 999
Entertainment		1	-
Audit cost – external	5.4	5 501	5 058
Fleet services		-	-
Inventory	5.5	10 819	7 099
Housing		-	-
Operating leases		21 411	22 071
Property payments	5.6	8 950	18 405
Travel and subsistence	5.7	51 949	46 975
Venues and facilities		5 199	5 439
Training and staff development		1 694	1 158
Other operating expenditure	5.8	2 839	1 773
<b>Total</b>		<b>1 587 471</b>	<b>425 993</b>

## 5.1 Assets less than R5,000

	<i>Note</i>	2012/13 R'000	2011/12 R'000
<b>Tangible assets</b>	5	<b>3 003</b>	<b>1 334</b>
Machinery and equipment		3 003	1 334
<b>Total</b>		<b>3 003</b>	<b>1 334</b>

## 5.2 Computer services

	<i>Note</i>	2012/13 R'000	2011/12 R'000
SITA computer services	5	7 633	5 314
External computer service providers		9 471	4 952
<b>Total</b>		<b>17 104</b>	<b>10 266</b>

## Notes to the Annual Financial Statements

for the year ended 31 March 2013

**5.3 Consultants, contractors and agency/outsourced services**

	<b>Note</b>	<b>2012/13</b>	<b>2011/12</b>
	<b>5</b>	<b>R'000</b>	<b>R'000</b>
Business and advisory services		711 791	268 420
Legal costs		7 659	7 067
Contractors		713 401	5 280
Agency and support/outsourced services		644	1 232
<b>Total</b>		<b>1 433 495</b>	<b>281 999</b>

**5.4 Audit cost – External**

	<b>Note</b>	<b>2012/13</b>	<b>2011/12</b>
	<b>5</b>	<b>R'000</b>	<b>R'000</b>
Regularity audits		5 501	4 919
Performance audits		-	139
<b>Total</b>		<b>5 501</b>	<b>6 058</b>

**5.5 Inventory**

	<b>Note</b>	<b>2012/13</b>	<b>2011/12</b>
	<b>5</b>	<b>R'000</b>	<b>R'000</b>
Learning and teaching support material		-	1
Fuel, oil and gas		12	86
Other consumables		760	852
Materials and supplies		37	63
Stationery and printing		9 992	6 085
Medical supplies		-	12
Medicine		18	-
Military stores			
<b>Total</b>		<b>10 819</b>	<b>7 099</b>

Other consumables comprise of toiletries, uniform, protective clothing, insecticides, crockery and cutlery.

**5.6 Property payments**

	<b>Note</b>	<b>2012/13</b>	<b>2011/12</b>
	<b>5</b>	<b>R'000</b>	<b>R'000</b>
Municipal services		4 288	9 466
Property management fees		1 158	-
Other		3 504	8 939
<b>Total</b>		<b>8 950</b>	<b>18 405</b>

Other comprise of pest control, cleaning and gardening services.

## Notes to the Annual Financial Statements

for the year ended 31 March 2013

**5.7 Travel and subsistence**

	<b>Note</b>	<b>2012/13</b>	<b>2011/12</b>
	5	<b>R'000</b>	<b>R'000</b>
Local		48 844	44 790
Foreign		3 105	2 185
<b>Total</b>		<b>51 949</b>	<b>46 975</b>

**5.8 Other operating expenditure**

	<b>Note</b>	<b>2012/13</b>	<b>2011/12</b>
	5	<b>R'000</b>	<b>R'000</b>
Learnerships		988	-
Professional bodies, membership and subscription fees		697	12
Resettlement costs		425	1 231
Gifts		21	-
Other		708	530
<b>Total</b>		<b>2 839</b>	<b>1 773</b>

Other comprise of drivers licences and permits, car valet, courier and delivery services.

**6. Interest and rent on land**

	<b>Note</b>	<b>2012/13</b>	<b>2011/12</b>
		<b>R'000</b>	<b>R'000</b>
Interest paid		-	81
Rent on land		-	-
<b>Total</b>		<b>-</b>	<b>81</b>

**7. Payments for financial assets**

	<b>Note</b>	<b>2012/13</b>	<b>2011/12</b>
		<b>R'000</b>	<b>R'000</b>
Other material losses written off	6.1	914	1 193
<b>Total</b>		<b>914</b>	<b>1 193</b>

**7.1 Other material losses written off**

	<b>Note</b>	<b>2012/13</b>	<b>2011/12</b>
	6	<b>R'000</b>	<b>R'000</b>
<b>Nature of losses</b>			
Cancellation fees on transport and subsistence		5	67
Car Accident claims		909	1 126
<b>Total</b>		<b>914</b>	<b>1 193</b>

## Notes to the Annual Financial Statements

for the year ended 31 March 2013

## 8. Transfers and subsidies

		2012/13 R'000	2011/12 R'000
	<b>Note</b>		
Provinces and municipalities	<i>Annex 1A, Annex 1B</i>	51 332 792	44 884 237
Departmental agencies and accounts	<i>Annex 1C</i>	101 315	86 346
Foreign governments and international organisations	<i>Annex 1E</i>	279	208
Public corporations and private enterprises	<i>Annex 1D</i>	-	179 678
Non-profit institutions	<i>Annex 1F</i>	3 693	5 716
Households	<i>Annex 1G</i>	133 426	394 819
Gifts, donations and sponsorships made	<i>Annex 1J</i>	279	29
<b>Total</b>		<b>51 561 784</b>	<b>45 551 033</b>

## 9. Expenditure for capital assets

	<b>Note</b>	2012/13 R'000	2011/12 R'000
<b>Tangible assets</b>		<b>17 708</b>	<b>8 277</b>
Heritage assets		-	-
Machinery and equipment	30	18 708	8 277
<b>Software and other intangible assets</b>			
Computer software	31	114	-
<b>Total</b>		<b>17 822</b>	<b>8 277</b>

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

	Voted funds R'000	Aid assistance R'000	Total R'000
<b>Tangible assets</b>	<b>17 708</b>		<b>17 708</b>
Machinery and equipment	17 708	-	17 708
<b>Software and other intangible assets</b>	<b>114</b>		<b>114</b>
Computer software	114	-	114
<b>Total</b>	<b>17 822</b>	<b>-</b>	<b>17 822</b>



## Notes to the Annual Financial Statements

for the year ended 31 March 2013

**9.2 Analysis of funds utilised to acquire capital assets – 2011/12**

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
<b>Tangible assets</b>	<b>8 277</b>		<b>8 277</b>
Machinery and equipment	8 277	-	8 277
<b>Total</b>	<b>8 277</b>	<b>-</b>	<b>8 277</b>

**10. Unauthorised expenditure****10.1 Reconciliation of unauthorised expenditure**

	Note	2012/13 R'000	2011/12 R'000
Opening balance		1 123	1 123
<b>Unauthorised expenditure awaiting authorisation / written off</b>		<b>1 123</b>	<b>1 123</b>

**10.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification**

	2012/13 R'000	2011/12 R'000
Current	1 123	1 123
<b>Total</b>	<b>1 123</b>	<b>1 123</b>

**10.3 Analysis of unauthorised expenditure awaiting authorisation per type**

	2012/13 R'000	2011/12 R'000
Unauthorised expenditure relating to overspending of the vote or a main division within a vote	1 123	1 123
<b>Total</b>	<b>1 123</b>	<b>1 123</b>

**11. Cash and cash equivalents**

	Note	2012/13 R'000	2011/12 R'000
Consolidated Paymaster General Account		1 450 356	32 680
Cash on hand		30	30
<b>Total</b>		<b>1 450 386</b>	<b>32 710</b>

## Notes to the Annual Financial Statements

for the year ended 31 March 2013

## 12. Prepayments and advances

	<i>Note</i>	2012/13 R'000	2011/12 R'000
Staff advances		42	16
Travel and subsistence		178	109
Advances paid to other entities		200	334
<b>Total</b>		<b>420</b>	<b>459</b>

## 12.1 Prepayments and advances

	<i>Note</i>	2012/13 R'000	2011/12 R'000
National departments	<i>Annex 8A</i>	200	334
<b>Total</b>		<b>200</b>	<b>334</b>

## 13. Receivables

	<i>Note</i>	2012/13			2011/12
		R'000 Less than one year	R'000 One to three years	R'000 Older than three years	R'000 Total
Claims recoverable	<i>12.1 Annex 4</i>	241		14	255
Staff debt	<i>12.2</i>	959	1 488	225	2 671
Other debtors	<i>12.3</i>	417	2 022	156	2 596
<b>Total</b>		<b>1 617</b>	<b>3 510</b>	<b>395</b>	<b>5 522</b>

## 13.1 Claims recoverable

	<i>Note</i>	2012/13 R'000	2011/12 R'000
National departments	<i>18</i>	255	72
Provincial departments		-	21
<b>Total</b>		<b>255</b>	<b>93</b>

## Notes to the Annual Financial Statements

for the year ended 31 March 2013

**13.2 Staff debt**

	<b>Note</b>	<b>2012/13</b>	<b>2011/12</b>
	<b>18</b>	<b>R'000</b>	<b>R'000</b>
Tax debt		43	33
Bursary debt		21	12
Car Accidents		1 612	1 726
Salary overpayment		707	59
Salary reversal control		103	58
Other		127	649
Debt receivable income		-	11
Salary ACB Recalls		58	-
<b>Total</b>		<b>2 671</b>	<b>2 548</b>

Other relates to fruitless and wasteful expenditure which has to be recovered from a former employee of the department.

**13.3 Other debtors**

	<b>Note</b>	<b>2012/13</b>	<b>2011/12</b>
	<b>12</b>	<b>R'000</b>	<b>R'000</b>
VAT on donor projects		2 398	2 172
Disallowance Miscellaneous		193	166
Medical aid contribution		5	5
<b>Total</b>		<b>2 596</b>	<b>2 343</b>

**14. Voted funds to be surrendered to the Revenue Fund**

	<b>Note</b>	<b>2012/13</b>	<b>2011/12</b>
		<b>R'000</b>	<b>R'000</b>
Opening balance		(5 383)	116 709
Transfer from statement of financial performance		1 420 813	1 983 098
Voted funds not requested/not received	1.1	3 687	(1 988 481)
Paid during the year		-	(116 709)
<b>Closing balance</b>		<b>1 419 117</b>	<b>(5 383)</b>

## Notes to the Annual Financial Statements

for the year ended 31 March 2013

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

	<b>Note</b>	<b>2012/13</b> <b>R'000</b>	<b>2011/12</b> <b>R'000</b>
Opening balance		630	14
Transfer from Statement of Financial Performance		984	1 092
Paid during the year		(1 491)	(476)
<b>Closing balance</b>		<b>123</b>	<b>630</b>

## 16. Payables – current

	<b>Note</b>	<b>2012/13</b> <b>R'000</b>	<b>2011/12</b> <b>R'000</b>
Advances received	16.1	-	37
Clearing accounts	16.2	204	767
Other payables	16.3	199	2 465
<b>Total</b>		<b>403</b>	<b>3 269</b>

## 16.1 Advances received

	<b>Note</b>	<b>2012/13</b> <b>R'000</b>	<b>2011/12</b> <b>R'000</b>
National departments	16 <i>Annex 8B</i>	-	37
<b>Total</b>		<b>-</b>	<b>37</b>

## 16.2 Clearing accounts

	<b>Note</b>	<b>2012/13</b> <b>R'000</b>	<b>2011/12</b> <b>R'000</b>
LGSETA advance	16	-	582
Petty cash		-	3
Salary Disallowance		-	11
Salary Deduction		20	11
Tax Debt		2	2
T&S Advance		36	2
Disallowance Miscellaneous		29	156
Claim Recoverable		117	-
<b>Total</b>		<b>204</b>	<b>767</b>

## Notes to the Annual Financial Statements

for the year ended 31 March 2013

**16.3 Other payables**

	<b>Note</b>	<b>2012/13</b>	<b>2011/12</b>
	16	<b>R'000</b>	<b>R'000</b>
Salaries and deductions		-	1 699
Other Payables		-	691
Salary ACB recall		-	50
Pension recoverable		36	14
Debt Receivable Income		-	11
Salary income tax		155	-
Pension Fund		8	-
<b>Total</b>		<b>199</b>	<b>2 465</b>

**17. Net cash flow available from operating activities**

	<b>Note</b>	<b>2012/13</b>	<b>2011/12</b>
		<b>R'000</b>	<b>R'000</b>
Net surplus/(deficit) as per Statement of Financial Performance		1 418 845	1 972 995
Add back non cash/cash movements not deemed operating activities		16 558	(2 097 947)
(Increase)/decrease in receivables – current		(538)	(2 304)
(Increase)/decrease in prepayments and advances		39	1 781
(Increase)/decrease in other current assets			
Increase/(decrease) in payables – current		(2 866)	116
Proceeds from sale of capital assets		(95)	(151)
Expenditure on capital assets		17 822	8 277
Surrenders to Revenue Fund		(1 491)	(117 185)
Surrenders to RDP Fund/Donor		-	-
Voted funds not requested/not received		3 687	(1 988 481)
<b>Net cash flow generated by operating activities</b>		<b>1 435 403</b>	<b>(124 952)</b>

**18. Reconciliation of cash and cash equivalents for cash flow purposes**

	<b>Note</b>	<b>2012/13</b>	<b>2011/12</b>
		<b>R'000</b>	<b>R'000</b>
Consolidated Paymaster General account		1 450 356	32 680
Cash on hand		30	30
<b>Total</b>		<b>1 450 386</b>	<b>32 710</b>

## Disclosure notes to the Annual Financial Statements

for the year ended 31 March 2013

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

### 19. Contingent liabilities and contingent assets

#### 19.1 Contingent liabilities

		Note	2012/13 R'000	2011/12 R'000
<b>Liable to</b>	<b>Nature</b>			
Motor vehicle guarantees	Employees	<i>Annex 3A</i>		
Housing loan guarantees	Employees	<i>Annex 3A</i>	75	120
Claims against the department		<i>Annex 3B</i>	170	4 398
Other departments (interdepartmental unconfirmed balances)		<i>Annex 5</i>	41	1 756
Other		<i>Annex 3B</i>	-	70
<b>Total</b>			<b>286</b>	<b>6 344</b>

Housing guarantees relate to guarantees by the department to assist employees to secure housing loans. The department does not have a reliable estimate of the guarantees since it is dependent on the employees' failure to meet their obligation.

Claims against the department relate to legal claims for which the department does not have a reliable estimate as it is dependent on the outcome of the case.

Intergovernmental payables relate to amounts owing by the department which are not confirmed due to the disagreement on the amount claimed.

Last year's figure relating to claims against the department was restated to include an amount of R133 319 which was erroneously omitted.

### 20. Commitments

	Note	2012/13 R'000	2011/12 R'000
<b>Current expenditure</b>			
Approved and contracted		169 906	124 754
Approved but not yet contracted		113 476	-
		<u>283 369</u>	<u>124 754</u>
<b>Capital expenditure</b>			
Approved but not yet contracted		-	261 395
		<u>-</u>	<u>261 395</u>
<b>Total Commitments</b>		<b><u>283 369</u></b>	<b><u>386 149</u></b>



## Disclosure notes to the Annual Financial Statements

for the year ended 31 March 2013

Commitments which are longer than a year:

All MISA contracts	16 months	R103 475 971
MISA Technical Experts contracts	18 months	R88 736 432
Contracts with the department	>24 months	R56 224 375

## 21. Accruals

Listed by economic classification	30 Days	30+ Days	2012/13	2011/12
			R'000	R'000
			Total	Total
Goods and services	78 387	5 624	84 011	61 484
Capital assets	-	-	-	388
<b>Total</b>	<b>78 387</b>	<b>5 624</b>	<b>84 011</b>	<b>61 872</b>

Listed by programme level	Note	2012/13	2011/12
		R'000	R'000
Programme 1 – Administration		21 754	4 778
Programme 2 – Policy, Research and Knowledge Man		6 525	2 026
Programme 3 – Governance and Intergovernmental Relations		170	5
Programme 4 – Disaster Response Management		1 795	66
Programme 5 – Prov&Mun Government Systems		3 631	175
Programme 6 – Infrastructure & Econ Development		49 303	54 273
Programme 7 – Traditional Affairs		833	368
Donor		-	181
<b>Total</b>		<b>84 011</b>	<b>61 872</b>

Confirmed balances with other departments	Note	2012/13	2011/12
		R'000	R'000
Confirmed balances with other departments	Annex 5	167	630
<b>Total</b>		<b>167</b>	<b>630</b>

## 22. Employee benefits

	Note	2012/13	2011/12
		R'000	R'000
Leave entitlement		9 500	7 894
Service bonus (Thirteenth cheque)		6 326	5 760
Capped leave commitments		7 492	6 777
<b>Total</b>		<b>23 318</b>	<b>20 431</b>

## Disclosure notes to the Annual Financial Statements

for the year ended 31 March 2013

Leave entitlement of R4 301 612 relating to the previous cycle was erroneously omitted in the previous financial year's figure. This error has been retrospectively corrected and comparative figures have been appropriately restated

## 23. Lease commitments

## 23.1 Operating leases expenditure

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
<b>2012/13</b>					
Not later than 1 year	-	-	420	-	420
<b>Total lease commitments</b>	-	-	<b>420</b>	-	<b>420</b>
<b>2011/12</b>					
Not later than 1 year	-	-	2 540	-	2 540
<b>Total lease commitments</b>	-	-	<b>2 540</b>	-	<b>2 540</b>

Operating leases are only for the rental of parking areas based on the contract signed with the department. Operating leases excludes buildings since the department is still negotiating the renewal of office accommodation lease contracts. The department erroneously included lease commitment relating to motor vehicles to the value of R1 070 000 as operating lease in the previous financial year. This error has been retrospectively corrected and comparative figures have been appropriately restated.

## 23.2 Finance leases expenditure

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
<b>2012/13</b>					
Not later than 1 year	-	-	-	3 065	3 065
Later than 1 year and not later than 5 years	-	-	-	1 814	1 814
<b>Total lease commitments</b>	-	-	-	<b>4 879</b>	<b>4 879</b>
<b>2011/12</b>					
Not later than 1 year	-	-	-	2 163	2 163
Later than 1 year and not later than 5 years	-	-	-	2 385	2 385
<b>Total lease commitments</b>	-	-	-	<b>4 548</b>	<b>4 548</b>
LESS: finance costs	-	-	-	-	-
<b>Total present value of lease liabilities</b>	-	-	-	<b>4 548</b>	<b>4 548</b>

## Disclosure notes to the Annual Financial Statements

for the year ended 31 March 2013

*Finance leases comprise of vehicles, cellphones and photocopiers based on contracts entered into by the department. The department erroneously included lease commitment relating to motor vehicles to the value of R1 070 000 as operating lease in the previous financial year. This error has been retrospectively corrected and comparative figures have been appropriately restated.*

## 24. Irregular expenditure

## 24.1 Reconciliation of irregular expenditure

	Note	2012/13 R'000	2011/12 R'000
Opening balance		750 758	471 828
Add: Irregular expenditure – relating to prior year		140 450	46 978
Add: Irregular expenditure – relating to current year		503 359	427 527
Less: Amounts condoned		(3 951)	(195 575)
Less: Amounts not recoverable (not condoned)		(663 178)	-
<b>Irregular expenditure awaiting condonation</b>		<b>727 438</b>	<b>750 758</b>
<b>Analysis of awaiting condonation per age classification</b>			
Current year		499 408	425 903
Prior years		228 030	324 855
<b>Total</b>		<b>727 438</b>	<b>750 758</b>

Amounts not recovered and not condoned relate to the previous years' expenditure for which no official was found liable in law

## 24.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2012/13 R'000
Non compliance with procurement policy	In the process of investigation by Internal Audit	499 408
Lease of office equipment	RT contracts condoned by National Treasury	3 951
<b>Total</b>		<b>503 359</b>

## 24.3 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2012/13 R'000
Lease of office equipment	RT contracts condoned by National Treasury	3 951
<b>Total</b>		<b>3 951</b>

Disclosure notes to the Annual Financial Statements

for the year ended 31 March 2013

**24.4 Details of irregular expenditure not recoverable (not condoned)**

Incident	Not condoned by (condoning authority)	2012/13 R'000
Various cases of non compliance with SCM policy relating to 2010/11 financial year		276 750
Various cases of non compliance with SCM policy relating to 2011/12 financial year		386 428
<b>Total</b>		<b>663 178</b>

Approval was granted by the National Treasury for the abovementioned irregular expenditure to be removed from the books of the department since no official was found liable in law for this expenditure.

**24.5 Details of irregular expenditures under investigation**

Incident	2012/13 R'000
Non compliance with procurement policy	727 438
<b>Total</b>	<b>727 438</b>

**25. Fruitless and wasteful expenditure**

**25.1 Reconciliation of fruitless and wasteful expenditure**

	Note	2012/13 R'000	2011/12 R'000
Opening balance		1 015	336
Fruitless and wasteful expenditure – relating to prior year		-	-
Fruitless and wasteful expenditure – relating to current year		2	679
Less: Amounts resolved		(888)	-
Less: Amounts transferred to receivables for recovery		(127)	-
<b>Fruitless and wasteful expenditure awaiting resolution</b>		<b>2</b>	<b>1 015</b>

**25.2 Analysis of awaiting resolution per economic classification**

	2012/13 R'000	2011/12 R'000
Current	2	1 015
<b>Total</b>	<b>2</b>	<b>1 015</b>

## Disclosure notes to the Annual Financial Statements

for the year ended 31 March 2013

### 25.3 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2012/13 R'000
Interest on Telkom account	Under Investigation	2
<b>Total</b>		<b>2</b>

### 26. Related party transactions

Payments made	Note	2012/13 R'000	2011/12 R'000
Goods and services		132 798	1 355
Purchases of capital assets		2 722	-
<b>Total</b>		<b>135 520</b>	<b>1 355</b>

*South African Local Government Association*

**R23 940**

*The relationship with the above mentioned entity is based on the fact that the department makes Dora transfers to this entity.*

*Development Bank of Southern Africa*

**R135 496 000**

*The relationship with the above mentioned entity is based on the fact that this entity expenses on behalf of the department and then recovers the funds from the department.*

*The other related parties for which there are no related party transactions except for the transfers are CRL commission, UCGLA, Municipal Demarcation Board, South African Cities Network and the Commission for promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities.*

### 27. Key management personnel

	No. of Individuals	2012/13 R'000	2011/12 R'000
Political office bearers (provide detail below)			
Officials:	2	3 658	3 459
Level 15 to 16	16	18 980	15 951
Level 14 (incl. CFO if at a lower level)	59	49 064	50 036
Family members of key management personnel		-	-
<b>Total</b>		<b>71 702</b>	<b>69 446</b>

Disclosure notes to the Annual Financial Statements

for the year ended 31 March 2013

28. Impairment

	<i>Note</i>	2012/13 R'000	2011/12 R'000
<b>Impairment</b>			
Debtors		256	1 005
<b>Total</b>		<b>256</b>	<b>1 005</b>

Impairment of debtors was erroneously classified under the impairment and provisions note in the previous financial year. The impairment and provisions note has been split into two separate notes in the current year.

29. Provisions

	<i>Note</i>	2012/13 R'000	2011/12 R'000
Provision for legal claims confirmed		-	47
<b>Total</b>		<b>-</b>	<b>47</b>

The department erroneously disclosed future lease payments relating to office and parking rentals amounting to R23 804 000 and R428 000 respectively. This error has been retrospectively corrected and the comparative figures have been appropriately restated.

30. Movable Tangible Capital Assets

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

	Opening balance	Curr Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
<b>HERITAGE ASSETS</b>	80				80
Heritage assets	80	-	-	-	80
<b>MACHINERY AND EQUIPMENT</b>	<b>51 349</b>	<b>36</b>	<b>15 510</b>	<b>3 096</b>	<b>63 799</b>
Transport assets	6 436	-	3 980	-	10 416
Computer equipment	34 036	20	5 734	2 866	36 924
Furniture and office equipment	5 874	42	2 841	80	8 677
Other machinery and equipment	5 003	(26)	2 955	150	7 782
<b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>51 429</b>	<b>36</b>	<b>15 510</b>	<b>3 096</b>	<b>63 879</b>

## Disclosure notes to the Annual Financial Statements

for the year ended 31 March 2013

**30.1 Additions****ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013**

	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
<b>HERITAGE ASSETS</b>					
Heritage assets	-	-	-	-	-
<b>MACHINERY AND EQUIPMENT</b>	<b>14 691</b>	<b>819</b>			<b>15 510</b>
Transport assets	3 980	-	-	-	3 980
Computer equipment	5 141	593	-	-	5 734
Furniture and office equipment	2 731	110	-	-	2 841
Other machinery and equipment	2 839	116	-	-	2 955
<b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>14 691</b>	<b>819</b>	<b>-</b>	<b>-</b>	<b>15 510</b>

**30.2 Disposals****DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013**

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
<b>MACHINERY AND EQUIPMENT</b>		<b>3 096</b>	<b>3 096</b>	<b>95</b>
Transport assets	-	-	-	95
Computer equipment	-	2 866	2 866	-
Furniture and office equipment	-	80	80	-
Other machinery and equipment	-	150	150	-
<b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b>	<b>-</b>	<b>3 096</b>	<b>3 096</b>	<b>95</b>



## Disclosure notes to the Annual Financial Statements

for the year ended 31 March 2013

**30.3 Movement for 2011/12****MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
<b>HERITAGE ASSETS</b>	<b>80</b>			<b>80</b>
Heritage assets	80	-	-	80
<b>MACHINERY AND EQUIPMENT</b>	<b>47 335</b>	<b>8 453</b>	<b>4 439</b>	<b>51 349</b>
Transport assets	4 819	2 252	635	6 436
Computer equipment	32 078	4 992	3 034	34 036
Furniture and office equipment	5 079	837	42	5 874
Other machinery and equipment	5 359	372	728	5 003
<b>TOTAL MOVABLE TANGIBLE ASSETS</b>	<b>47 415</b>	<b>8 453</b>	<b>4 439</b>	<b>51 429</b>

**30.4 Minor assets****MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2013**

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	64	-	13 451	-	13 515
Curr Year Adjustments to Prior Year balances	-	-	1	981	-	982
Additions	-	-	-	2 653	-	2 653
Disposals	-	-	-	484	-	484
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>64</b>	<b>1</b>	<b>16 601</b>	<b>-</b>	<b>16 666</b>

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	770	-	-	770
Number of minor assets at cost	-	43	-	14 408	-	14 451
<b>TOTAL NUMBER OF MINOR ASSETS</b>	<b>-</b>	<b>43</b>	<b>770</b>	<b>14 408</b>	<b>-</b>	<b>15 221</b>

## Disclosure notes to the Annual Financial Statements

for the year ended 31 March 2013

## MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2012

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	66	-	12 047	-	12 113
Additions	-	1	-	2 091	-	2 092
Disposals	-	3	-	687	-	690
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>64</b>	<b>-</b>	<b>13 451</b>	<b>-</b>	<b>13 515</b>

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of minor assets at cost	-	28	-	12 439	-	12 467
<b>TOTAL MINOR ASSETS</b>	<b>-</b>	<b>28</b>	<b>-</b>	<b>12 439</b>	<b>-</b>	<b>12 467</b>

## 31. Intangible Capital Assets

## MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Opening balance R'000	Current Year Adjust- ments to prior year balances R'000	Additions R'000	Disposals R'000	Closing Balance R'000
COMPUTER SOFTWARE	10 827	(7 202)	114	-	3 739
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>10 827</b>	<b>(7 202)</b>	<b>114</b>	<b>-</b>	<b>3 739</b>

## 31.1 Additions

## ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2013

	Cash R'000	Non-Cash R'000	(Develop- ment work in progress – current costs) R'000	Received current year, not paid (Paid current year, received prior year) R'000	Total R'000
COMPUTER SOFTWARE	114	-	-	-	114
<b>TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS</b>	<b>114</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>114</b>

Disclosure notes to the Annual Financial Statements

for the year ended 31 March 2013

31.2 Movement for 2011/12

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Opening balance R'000	Additions R'000	Disposals R'000	Closing balance R'000
COMPUTER SOFTWARE	12 830	-	2 003	10 827
<b>TOTAL INTANGIBLE CAPITAL ASSETS</b>	<b>12 830</b>	<b>-</b>	<b>2 003</b>	<b>10 827</b>

32. Municipal Infrastructure Support Agency (MISA)

In terms of Government Gazette No. 35313 dated 11 May 2012, MISA was proclaimed as a government component under Part A of Schedule 3 of the Public Service Act with effect from 1 April 2012. The transactions relating to MISA of R149 714 138 are accounted for in the accounting records of the department for the 2012/13 financial year.



## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 1A

## STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT		2011/12
	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	%
<b>Municipal Systems Improvement Grant</b>										
<b>Eastern Cape</b>										
EC101 CAMDEBOO	800			800	800			800	697	87%
EC102 BLUE CRANE ROUTE	800			800	800			800	800	100%
EC103 IKWEZI	800			800	800			800	164	21%
EC104 MAKANA	800			800	800			800	278	35%
EC105 NDLAMBE	800			800	800			800	10	1%
EC106 SUNDAYS RIVER VALLEY	800			800	800			800	-	-
EC107 BAVIAANS	800			800	800			800	361	45%
EC108 KOUGA	800			800	800			800	227	28%
EC109 KOUKAMMA	800			800	800			800	800	100%
DC10:CACADU DISTRICT MUNICIPALITY	1,000			1,000	1,000			1,000	-	-
EC121 MBHASHE	800			800	800			800	5	1%
EC122 MNQUMA	840			840	840			840	380	45%
EC123 GREAT KEI	800			800	800			800	-	-
EC124 AMAHLATHI	800			800	800			800	-	-
EC126 GQUSHWA	800			800	800			800	-	-
EC127 NKONKUBE	800			800	800			800	-	-

Annexures to the Annual Financial Statements

for the year ended 31 March 2013

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT		2011/12
	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	%
EC128 NXUBA	800			800	800			800	795	99%
DC12 AMATHOLE DIST MUNICIPALITY	1,000			1,000	1,000			1,000	741	74%
EC131 INXUBA YETHEMBA	800			800	800			800	-	-
EC132 TSOLWANA	800			800	800			800	608	76%
EC133 INKWANCA	800			800	800			800	266	33%
EC134 LUKHANJI	800			800	800			800	273	34%
EC135 INTSIKA YETHU	800			800	800			800	-	-
EC136 EMALAHLENI	800			800	800			800	-	-
EC137 ENGCOBO	800			800	800			800	-	-
EC138 SAKHISIZWE	800			800	800			800	108	14%
DC13 CHRIS HANI DIST MUNICIPALIT	1,000			1,000	1,000			1,000	-	-
EC141 ELUNDINI	800			800	800			800	364	46%
EC142 SENQU	800			800	800			800	505	63%
EC143 MALETSWAI	800			800	800			800	40	5%
EC144 GARIEP	840			840	840			840	-	-
DC14 JOE GQABI DIST MUNICIPALY	1,000			1,000	1,000			1,000	-	-
EC153 NGQUZA HILL	800			800	800			800	484	61%
EC154 PORT ST JOHNS	800			800	800			800	284	36%
EC155 NYANDENI	800			800	800			800	501	63%

## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 1A

## STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT		2011/12	
	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 municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %
EC156 MHLONTLO	800			800	800			800	-	790
EC157 KING SABATA DALINDYEBO	800			800	800			800	-	790
DC15 OR TAMBO DIST MUNICIPALITY	1,000			1,000	1,000			1,000	-	790
EC05B2 UMZIMVUBU	800			800	800			800	133	790
EC05B3 MATATIELE	800			800	800			800	580	790
EC443 MBIZANA	800			800	800			800	-	790
EC152 NTABANKULU--	800			800	800			800	-	790
DC44 ALFRED NZO DIST MUNICIPAL	1,000			1,000	1,000			1,000	33	-
<b>SUB TOTAL EASTERN CAPE</b>	<b>35,680</b>	<b>-</b>	<b>-</b>	<b>35,680</b>	<b>35,680</b>			<b>35,680</b>	<b>9,437</b>	<b>33,970</b>
FS161 LETSEMENG	800			800	800			800	257	790
FS162 KOPANONG	800			800	800			800	-	790
FS163 MOHOKARE	800			800	800			800	131	790
FS16 NALEDI	800			800	800			800	397	790
DC16 KHARIEP DISTRICT MUNICIPAL	1,000			1,000	1,000			1,000	665	790
FS181 MASILONYANA	800			800	800			800	174	790
FS182 TOKOLOGO	800			800	800			800	581	790
FS183 TSWELOPELE	800			800	800			800	800	840
FS184 MATJHABENG	800			800	800			800	123	790
FS185 NALA	800			800	800			800	800	790

## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 1A

## STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT		2011/12 Division of Revenue Act		
	R'000	R'000	R'000	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality		Amount spent by municipality	%
DC18 LEJWELEPUTSWA DIST MUNICIPAL	1,000		1,000	1,000	1,000			1,000	96	10%	790
FS191 SETSOTO	800		800	800	800			800	-	-	790
FS192 DIHLABENG	800		800	800	800			800	761	95%	790
FS193 NKETOANA	800		800	800	800			800	303	38%	790
FS194 MALUTI-A-PHOFUNG	800		800	800	800			800	800	100%	790
FS195 PHUMELELA	800		800	800	800			800	799	100%	790
FS196 MANTSOPA	800		800	800	800			800	-	-	790
DC19 THABO MOFUTSANYANA DIST MUN	1,000		1,000	1,000	1,000			1,000	-	-	790
FS201 MOQHAKA	800		800	800	800			800	-	-	790
FS203 NGWATHE	800		800	800	800			800	-	-	790
FS204 METSIMAHOLO	800		800	800	800			800	349	44%	790
FS205 MAFUBE	800		800	800	800			800	224	28%	790
DC20 FEZILE DABI DIST MUNICIPAL	1,000		1,000	1,000	1,000			1,000	346	35%	790
<b>SUB TOTAL FREE STATE</b>	<b>19,200</b>	<b>-</b>	<b>19,200</b>	<b>19,200</b>	<b>19,200</b>			<b>19,200</b>	<b>7,606</b>	<b>40%</b>	<b>18,220</b>
GT421 EMFULENI	1,000		1,000	1,000	1,000			1,000	315	32%	800
GT422 MIDVAAL	1,000		1,000	1,000	1,000			1,000	101	10%	800
GT423 LESEDI	1,000		1,000	1,000	1,000			1,000	153	15%	800
DC42 SEDIBENG DISTRICT MUNICIPAL	1,500		1,500	1,500	1,500			1,500	1,209	81%	800
GT481 MOGALE CITY	1,000		1,000	1,000	1,000			1,000	1,216	122%	800



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## STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT		2011/12	
	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 municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %
GT482 RANDFONTEIN	1,000			1,000	1,000			1,000	987	99%
GT483 WESTONARIA	1,000			1,000	1,000			1,000	532	53%
NW405 MERAFONG CITY	1,000			1,000	1,000			1,000	-	-
DC48 WEST RAND DIST MUNICIPALITY	1,500			1,500	1,500			1,500	413	28%
<b>SUB TOTAL GAUTENG</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>10,000</b>	<b>10,000</b>			<b>10,000</b>	<b>4,926</b>	<b>49%</b>
KZN211 VULAMEHLO	800			800	800			800	1	0%
KZN212 UMDONI	800			800	800			800	800	100%
KZN213 UMZUMBE	800			800	800			800	-	-
KZN214 UMUZIWABANTU	800			800	800			800	235	29%
KZN215 EZINGQOLWENI	800			800	800			800	-	-
KZN216 HIBISCUS COAST	800			800	800			800	-	-
DC21 UGU DISTRICT MUNICIPALITY	1,000			1,000	1,000			1,000	98	10%
KZN221 UMSHWATHI	800			800	800			800	226	28%
KZN222 UMGENI	800			800	800			800	-	-
KZN223 MPOFANA	800			800	800			800	-	-
KZN224 IMPENDLE	800			800	800			800	-	-
KZN225 THE MSUNDUZI MUNICIPALITY	800			800	800			800	-	-
KZN226 MKHAMBATHINI	800			800	800			800	-	-
KZN227 RICHMOND	800			800	800			800	276	35%

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## STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT		2011/12 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	%
DC22 UMGUNGUNDLOVU DIST MUN	1,000			1,000	1,000			1,000	478	48%
KZN232 EMNAMBITHI/LADYSMITH	800			800	800			800	430	54%
KZN233 INDAKA	800			800	800			800	7	1%
KZN234 UMTSHEZI	800			800	800			800	800	100%
KZN235 OKHAHLAMBA	800			800	800			800	-	-
KZN236 IMBABAZANE	800			800	800			800	-	-
DC23 UTHUKELA DIST MUNICIPALITY	1,000			1,000	1,000			1,000	304	30%
KZN241 ENDUMENI	800			800	800			800	465	58%
KZN242 NQUTHU	800			800	800			800	204	26%
KZN244 MSINGA	800			800	800			800	-	-
KZN245 UMVOTI	800			800	800			800	-	-
DC24 UMZINYATHI DIST MUNICIPAL	1,000			1,000	1,000			1,000	220	22%
KZN252 NEWCASTLE	800			800	800			800	-	-
KZN253 EMADLANGENI	800			800	800			800	395	49%
KZN54 DANNHAUSER	800			800	800			800	534	67%
DC25 AMAJUBA DIST MUNICIPALITY	1,000			1,000	1,000			1,000	-	-
KZN261 EDUMBE	800			800	800			800	393	49%
KZN262 UPHONGOLO	800			800	800			800	-	-
KZN263 ABAQULUSI	800			800	800			800	142	18%

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NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT		2011/12
	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	%
KZN265 NONGOMA	800			800	800			800	725	91%
KZN266 ULUNDI	800			800	800			800	-	-
DC26 ZULULAND DIST MUNICIPALITY	1,000			1,000	1,000			1,000	89	9%
KZN271 UMHLABUYALINGANA	800			800	800			800	308	39%
KZN272 JOZINI	800			800	800			800	786	98%
KZN273 THE BIG FIVE FALSE BAY	800			800	800			800	579	72%
KZN274 HLABISA	800			800	800			800	773	97%
KZN275 MTUBATUBA	800			800	800			800	190	24%
DC27 UMKHANYAKUDE DIST MUNICIPALITY	1,000			1,000	1,000			1,000	-	-
KZN281 MFOLOZI	800			800	800			800	-	-
KZN282 UMHLATHUZE	800			800	800			800	223	28%
KZN283 NTAMBANANA	800			800	800			800	33	4%
KZN284 UMLALAZI	800			800	800			800	97	12%
KZN285 MTHONJANENI	800			800	800			800	531	66%
KZN286 NKANDLA	800			800	800			800	176	22%
DC28 UTHUNGULU DIST MUNICIPALITY	1,000			1,000	1,000			1,000	261	26%
KZN291 MANDENI	800			800	800			800	818	102%
KZN292 KWADUKUZA	800			800	800			800	520	65%
KZN93 NDWEDWE	800			800	800			800	151	19%

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	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	%
KZN294 MAPHUMULO	800			800	800			800	-	790
DC29 ILEMBE DISTRICT MUNICIPAL	1,000			1,000	1,000			1,000	-	790
KZN431 INGWE	800			800	800			800	-	790
KZN432 KWA SANI	800			800	800			800	736	92%
KZN433 GREATER KOKSTAD	800			800	800			800	723	90%
KZN434 UBUHLEBEZWE	800			800	800			800	697	87%
KZN435 UMZIMKHULU	800			800	800			800	794	99%
DC43 SISONKE DISTRICT MUNICIPAL	1,000			1,000	1,000			1,000	-	790
<b>SUB TOTAL KZN MUN</b>	<b>50 000</b>			<b>50 000</b>	<b>50 000</b>			<b>50 000</b>	<b>15 218</b>	<b>30%</b>
LIM471 EMPRAIM MOGALE	800			800	800			800	401	50%
NP03A2 MAKHUDUTHAMAGA	800			800	800			800	641	80%
NP03A3 FETAKGOMO	800			800	800			800	447	56%
NP03A5 ELIAS MOTSOLEDI	800			800	800			800	800	100%
NP03A6 GREATER TUBATSE	800			800	800			800	650	81%
DC47 GREATER SEKHUKHUNE DIST MUN	1,000			1,000	1,000			1,000	541	54%
NP331 GREATER GIYANI	800			800	800			800	-	790
NP332 GREATER LETABA	800			800	800			800	-	790
NP333 GREATER TZANEEN	800			800	800			800	800	100%
NP334 BA-PHALABORWA	800			800	800			800	702	88%

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	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	%
NP335 MARULENG	800			800	800			800	569	71%
DC33 MOPANI DIST MUNICIPALITY	1,000			1,000	1,000			1,000	181	18%
NP341 MUSINA	800			800	800			800	-	-
NP342 MUTALE	800			800	800			800	10	1%
NP343 THULAMELA	800			800	800			800	-	-
NP344 MAKHADO	800			800	800			800	48	6%
DC34 VHEMBER DIST MUNICIPALITY	1,000			1,000	1,000			1,000	-	-
NP351 BLOUBERG	800			800	800			800	-	-
NP352 AGANANG	800			800	800			800	-	-
NP353 MOLEMOLE	800			800	800			800	36	5%
NP354 POLOKWANE	800			800	800			800	598	75%
LIM355 LEPELLE-NKUMPI	800			800	800			800	154	19%
DC35 CAPRICORN DIST MUNICIPALITY	1,000			1,000	1,000			1,000	313	31%
NP361 THABAZIMBI	800			800	800			800	169	21%
NP362 LEPHALE	800			800	800			800	210	26%
NP364 MOOKGOPONG	800			800	800			800	200	25%
NP365 MODIMOLLE	800			800	800			800	-	-
NP366 BELA BELA	800			800	800			800	-	-
NP367 MOGALAKWENA	800			800	800			800	39	5%

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## STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT		2011/12
	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	%
DC36 WATERBERG DIST MUNICIPALITY	1,000			1,000	1,000			1,000	-	
<b>SUB TOTAL LIMPOPO PROV</b>	<b>25 000</b>			<b>25 000</b>	<b>25 000</b>			<b>25 000</b>	<b>7 509</b>	<b>30%</b>
MP301 ALBERT LUTHULI	860			860	860			860	35	4%
MP302 MSUKALIGWA	800			800	800			800	235	29%
MP303 MKHONDO	800			800	800			800	287	36%
MP304 PIXLEY KA SEME	800			800	800			800	-	-
MP305 LEKWA LOCAL MUN	800			800	800			800	-	-
MP306 DIPALESENG	800			800	800			800	-	-
MP307 GOVAN MBEKI	800			800	800			800	800	100%
DC30 GERT SIBANDE DIST MUNICIPAL	1,000			1,000	1,000			1,000	430	43%
MP311 VICTOR KHANYE LOC MUN	800			800	800			800	427	53%
MP312 EMALAHLENI	800			800	800			800	-	-
MP313 STEVE TSHWETE	800			800	800			800	507	63%
MP314 EMAKHAZENI	800			800	800			800	74	9%
MP315 THEMBSISILE	800			800	800			800	651	81%
MP316 DR J.S. MOROKA	800			800	800			800	-	-
DC31 NKANGALA DIST MUNICIPALITY	1,000			1,000	1,000			1,000	-	-
MP321 THABA CHWEU	800			800	800			800	-	-
MP322 MBOMBELA	800			800	800			800	-	-

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	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 municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %	Division of Revenue Act R'000
MP323 UMJINDI	800			800	800			800	786	98%	790
MP324 NKOMAZI	800			800	800			800	-	-	790
MP325 BUSHBUCKRIDGE	800			800	800			800	44	6%	-
DC32 EHLANZENI DIST MUNICIPALITY	1,000			1,000	1,000			1,000	316	32%	1,000
<b>SUB TOTAL MPUMALANGA PROV</b>	<b>17,460</b>			<b>17460</b>	<b>17 460</b>			<b>17,460</b>	<b>4,678</b>	<b>27%</b>	<b>16,840</b>
NC451 MOSHAWENG	800			800	800			800	-	-	790
NC452 GA-SEGONYANA	800			800	800			800	450	56%	790
NC453 GAMAGARA	800			800	800			800	103	13%	790
DC45 JOHN TAOLO GAETSWEWE MUN	1,000			1,000	1,000			1,000	5	1%	790
NC061 RICHTERSVELD	800			800	800			800	815	102%	790
NC062 NAMA KHOI	800			800	800			800	-	-	790
NC064 KAMIESBERG	800			800	800			800	-	-	790
NC065 HANTAM	800			800	800			800	722	90%	790
NC066 KAROO HOOGLAND	800			800	800			800	211	26%	790
NC067 KHAI-M	800			800	800			800	512	64%	790
DC6 NAMAKWA DISTRICT MUNICIPALIT	1,000			1,000	1,000			1,000	619	62%	790
NC071 UBUNTU	800			800	800			800	215	27%	790
NC072 UMSOBOMVU	800			800	800			800	512	64%	790
NC073 EMTHANJENI	800			800	800			800	265	33%	790



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	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	%
NC074 KAREEBERG	800			800	800			800	744	93%
NC075 RENOSTERBERG	800			800	800			800	35	4%
NC076 THEMBELIHLE	800			800	800			800	476	60%
NC077 SIYATHEMBA	800			800	800			800	404	51%
NC078 SIYANCUMA	800			800	800			800	863	108%
DC7 PIXLEY KA SEME	1,200			1,200	1,200			1,200	-	-
NC081 MIER	800			800	800			800	288	36%
NC082 KAI GARIB	1,200			1,200	1,200			1,200	572	48%
NC083 KHARA HAIS	800			800	800			800	471	59%
NC084 KHEIS	800			800	800			800	12	2%
NC085 TSANTSABANE	800			800	800			800	-	-
NC086 KGATELOPELE	800			800	800			800	-	-
DC8 SIYANDA DISTRICT MUNICIPAL	1,000			1,000	1,000			1,000	-	-
NC091 SOL PLAATJIE	800			800	800			800	-	-
NC092 DIKGATLONG	800			800	800			800	904	113%
NC093 MAGARENG	800			800	800			800	-	-
NC094 PHOKWANE	800			800	800			800	250	31%
DC9 FRANCES BAARD DIST MUNICIPAL	1,000			1,000	1,000			1,000	189	19%
SUB TOTAL NORTHERN CAPE PROV	27,200			27,200	27,200			27,200	9,637	35%

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	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	%
NW371 MORETELE	800			800	800			800	284	36%
NW372 MADIBENG	800			800	800			800	-	-
NW373 RUSTENBURG	800			800	800			800	451	56%
NW374 KGETLENGRIVIER	800			800	800			800	-	-
NW375 MOSES KOTANE	1,000			1,000	1,000			1,000	153	15%
DC37 BOJANALA PLATINUM DIST MUN	1,000			1,000	1,000			1,000	1,000	100%
NW381 RATLOU	800			800	800			800	-	-
NW382 TSWAING	800			800	800			800	-	-
NW383 MAFIKENG	800			800	800			800	-	-
NW384 DITSOBOTLA	1,200			1,200	1,200			1,200	568	47%
NW385 RAMOTSHERE MOILOA	1,200			1,200	1,200			1,200	1,969	164%
DC38 NGAKA MODIRI MOLEMA DIST MU	1,000			1,000	1,000			1,000	903	90%
NW392 NALEDI	800			800	800			800	600	75%
NW393 MAMUSA	800			800	800			800	535	67%
NW394 GREATER TAUNG	800			800	800			800	113	14%
NW396 LEKWA-TEEMANE	800			800	800			800	-	-
NW397 KAGISANO+MOLOPO	1,256			1,256	1,256			1,256	-	-
DC39 DR RUTH SEGOMOTSI MOMPATI	1,000			1,000	1,000			1,000	138	14%
NW401 VENTERSDORP	800			800	800			800	231	29%

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	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	%
NW402 TLOKWE	800			800	800			800	366	46%
NW403 CITY OF MATLOSANA	800			800	800			800	27	3%
NW404 MAQUASSI HILLS	800			800	800			800	-	-
DC40 DR KENNETH KAUNDA MUN	1,000			1,000	1,000			1,000	206	21%
<b>SUB TOTAL NORTH WEST PROV</b>	<b>20,656</b>			<b>20,656</b>	<b>20,656</b>			<b>20,656</b>	<b>7,544</b>	<b>37%</b>
WC011 MATZIKAMA	800			800	800			800	545	68%
WC012 CEDERBERG	800			800	800			800	342	43%
WC013 BERGRIVIER	800			800	800			800	157	20%
WC014 SALDANHA BAY	800			800	800			800	-	-
WC015 SWARTLAND	800			800	800			800	207	26%
DC1 WEST COAST DIST MUNICIPALITY	1,000			1,000	1,000			1,000	495	50%
WC022 WITZENBERG	800			800	800			800	287	36%
WC023 DRAKENSTEIN	800			800	800			800	323	40%
WC024 STELLENBOSCH	800			800	800			800	-	-
WC025 BREEDE VALLEY	800			800	800			800	550	69%
BREEDE VALLEY WINELANDS	-			-	-			-	-	-
WC026 LANGEBERG	800			800	800			800	139	17%
DC2 CAPE WINELANDS DIST MUNICIPALITY	1,000			1,000	1,000			1,000	-	-
WC031 THEEWATERSKLOOF	800			800	800			800	593	74%

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## ANNEXURE 1A

## STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT		2011/12
	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 municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %
WC032 OVERSTRAND	800			800	800			800	164	21%
WC033 CAPE AGULHAS	800			800	800			800	136	17%
WC034 SWELLENDAM	800			800	800			800	-	-
DC3 OVERBERG DISTRICT MUNICIPAL	1,000			1,000	1,000			1,000	643	64%
WC041 KANNALAND	1,500			1,500	1,500			1,500	1,186	79%
WC042 HESSEQUA	800			800	800			800	526	66%
WC043 MOSSEL BAY	800			800	800			800	1	0%
WC044 GEORGE	800			800	800			800	54	7%
WC045 OUDTSHOORN	800			800	800			800	704	88%
WC047 BITOU	800			800	800			800	201	25%
WC048 KNYSNA	800			800	800			800	168	21%
DC4 EDEN DISTRICT MUNICIPALITY	1,000			1,000	1,000			1,000	724	72%
WC051 LAINGSBURG	800			800	800			800	120	15%
WC052 PRINCE ALBERT	800			800	800			800	-	-
WC053 BEAUFORT WEST	800			800	800			800	705	88%
DC5 CENTRAL KAROO DIS MUNICIPALITY	1,000			1,000	1,000			1,000	599	60%
<b>SUB TOTOAL WESTERN CAPE</b>	<b>24,900</b>	<b>-</b>	<b>-</b>	<b>24,900</b>	<b>24,900</b>			<b>24,900</b>	<b>9,569</b>	<b>38%</b>
<b>Municipal Infrastructure Grant</b>										

## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 1A

## STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT		2011/12
	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	%
<b>Eastern Cape</b>										
Nelson Mandela	15,735			15,735	15,735			15,735	15,605	99%
Camdeboo	20,345			20,345	20,345			20,345	8,638	42%
Blue Crane Route	10,244			10,244	10,244			10,244	3,935	38%
Ikwezi	29,490			29,490	29,490			29,490	12,464	42%
Makana	27,230			27,230	27,230			27,230	14,795	54%
Ndlambe	23,659			23,659	23,659			23,659	13,685	58%
Sundays River Valley	12,672			12,672	12,672			12,672	5,172	41%
Baviaans	27,902			27,902	27,902			27,902	15,070	54%
Kouga	17,763			17,763	17,763			17,763	9,274	52%
Kou-kamma	-			-	-			-	-	-
Cacadu District Municipality	39,800			39,800	39,800			39,800	16,804	42%
Mbhashe	53,815			53,815	53,815			53,815	40,523	75%
Mnquma	14,426			14,426	14,426			14,426	8,404	58%
Great Kei	27,759			27,759	27,759			27,759	18,627	67%
Amahlathi	-			-	-			-	-	-
Buffalo City	20,934			20,934	20,934			20,934	4,066	19%
Ngqushwa	26,315			26,315	26,315			26,315	11,340	43%
Nkonkobe										

## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 1A

## STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT		2011/12
	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	11,729			11,729	11,729			11,729	5,119	44%
Amatole District Municipality	389,786			389,786	389,786			389,786	138,091	35%
Inxuba Yethemba	13,228			13,228	13,228			13,228	3,687	28%
Tsolwana	11,683			11,683	11,683			11,683	4,749	41%
Inkwanca	9,991			9,991	9,991			9,991	5,645	57%
Lukhanji	32,122			32,122	32,122			32,122	5,832	18%
Intsika Yethu	31,461			31,461	31,461			31,461	21,477	68%
Emalahleni	23,311			23,311	23,311			23,311	8,313	36%
Engcobo	26,227			26,227	26,227			26,227	15,319	58%
Sakhisizwe	16,292			16,292	16,292			16,292	11,101	68%
Chris Hani District Municipality	345,243			345,243	345,243			345,243	345,243	100%
Elundini	27,253			27,253	27,253			27,253	16,094	59%
Senqu	28,025			28,025	28,025			28,025	10,882	39%
Maletswai	15,300			15,300	15,300			15,300	6,452	42%
Gariep	12,044			12,044	12,044			12,044	2,675	22%
Joe Gqabi Dist Municipality	174,629			174,629	174,629			174,629	119,768	69%
Mbizana	38,263			38,263	38,263			38,263	13,764	36%
Ntabankulu	24,569			24,569	24,569			24,569	11,746	48%
Ngquza Hill	39,753			39,753	39,753			39,753	24,968	63%

## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 1A

## STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT		2011/12
	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	%
Port St Johns	34,376			34,376	34,376			34,376	17,355	50%
Nyandeni	56,139			56,139	56,139			56,139	19,838	35%
Mhlonlto	682,682			682,682	682,682			682,682	356,310	52%
King Sabata Dalindyebo	34,926			34,926	34,926			34,926	24,644	71%
O.R. Tambo District Municipality	37,795			37,795	37,795			37,795	15,443	41%
Umzimvubu	35,718			35,718	35,718			35,718	12,938	36%
Matatiele	23,853			23,853	23,853			23,853	8,038	34%
Alfred Nzo District Municipality	373,803			373,803	373,803			373,803	322,351	86%
<b>Sub Total Eastern Cape</b>	<b>2,918,290</b>			<b>2,918,290</b>	<b>2,918,290</b>			<b>2,918,290</b>	<b>1,746,244</b>	<b>60%</b>
Free State										
Letsemeng	22,090			22,090	22,090			22,090	12,959	59%
Kopanong	23,521			23,521	23,521			23,521	15,880	68%
Mohokare	18,840			18,840	18,840			18,840	10,328	55%
Naledi	17,163			17,163	17,163			17,163	7,681	45%
Mantsopa	27,625			27,625	27,625			27,625	19,120	69%
Masilonyana	36,782			36,782	36,782			36,782	19,491	53%
Tokologo	21,658			21,658	21,658			21,658	16,462	76%
Tswelopele	30,344			30,344	30,344			30,344	23,488	77%
Matjhabeng	200,030			200,030	200,030			200,030	113,871	57%



## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 1A

## STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT		2011/12
	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	%
Nala	55,367			55,367	55,367			55,367	30,396	55%
Setsotho	76,379			76,379	76,379			76,379	43,918	58%
Dihlabeng	51,733			51,733	51,733			51,733	28,912	56%
Nketoana	34,018			34,018	34,018			34,018	15,678	46%
Maluti-a-Phofung	207,842			207,842	207,842			207,842	117,509	57%
Phumelela	26,624			26,624	26,624			26,624	15,270	57%
Mooqaka	46,897			46,897	46,897			46,897	33,611	72%
Ngwathe	50,441			50,441	50,441			50,441	22,085	44%
Metsimaholo	47,118			47,118	47,118			47,118	37,722	80%
Mafube	25,841			25,841	25,841			25,841	15,882	61%
<b>Sub Total Free State</b>	<b>1,020,313</b>			<b>1,020,313</b>	<b>1,020,313</b>			<b>1,020,313</b>	<b>600,263</b>	<b>59%</b>
<b>Gauteng</b>										
Emfuleni	154,041			154,041	154,041			154,041	82,797	54%
Midvaal	27,711			27,711	27,711			27,711	14,195	51%
Lesedi	28,070			28,070	28,070			28,070	4,496	16%
Mogale City	98,206			98,206	98,206			98,206	57,406	58%
Randfontein	36,736			36,736	36,736			36,736	8,381	23%
Westonaria	65,728			65,728	65,728			65,728	12,338	19%
Merapong City	74,163			74,163	74,163			74,163	30,870	42%
<b>Sub Total Gauteng</b>	<b>484,655</b>			<b>484,655</b>	<b>484,655</b>			<b>484,655</b>	<b>210,483</b>	<b>43%</b>

## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 1A

## STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT		2011/12
	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	%
KwaZulu-Natal										
eThekweni	16,408			16,408	16,408			16,408	5,972	36%
Vulamehlo	15,803			15,803	15,803			15,803	7,323	46%
Umdoni	29,908			29,908	29,908			29,908	13,366	45%
Urmzombe	18,351			18,351	18,351			18,351	8,072	44%
uMuziwabantu	13,496			13,496	13,496			13,496	8,689	64%
Ezinqolweni	30,787			30,787	30,787			30,787	8,849	29%
Hibiscus Coast	289,979			289,979	289,979			289,979	178,073	61%
Ugu District Municipality	18,404			18,404	18,404			18,404	10,012	54%
uMshwathi	16,190			16,190	16,190			16,190	6,258	39%
uMngeni	11,728			11,728	11,728			11,728	5,753	49%
Mpofana	10,761			10,761	10,761			10,761	3,055	28%
Impendle	153,399			153,399	153,399			153,399	76,458	50%
Msunduzi	12,442			12,442	12,442			12,442	4,445	36%
Mkhambathini	16,376			16,376	16,376			16,376	8,923	54%
Richmond	104,142			104,142	104,142			104,142	71,007	68%
uMgungundlovu District Municipality	30,758			30,758	30,758			30,758	20,059	65%
Emnambithi-Ladysmith										

## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 1A

## STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT		2011/12
	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	%
Indaka	20,343			20,343	20,343			20,343	2,997	15%
Umtshezi	12,749			12,749	12,749			12,749	6,162	48%
Okhahlamba	23,233			23,233	23,233			23,233	11,889	51%
Imbabazane	20,963			20,963	20,963			20,963	19,466	93%
Uthukela District Municipality	182,858			182,858	182,858			182,858	91,870	50%
Endumeni	12,434			12,434	12,434			12,434	2,720	22%
Nquthu	25,498			25,498	25,498			25,498	13,492	53%
Msinga	26,665			26,665	26,665			26,665	20,255	76%
Umvoti	17,870			17,870	17,870			17,870	7,728	43%
Umzinyathi District Municipality	196,447			196,447	196,447			196,447	123,284	63%
Newcastle	90,038			90,038	90,038			90,038	49,046	54%
eMahlangueni	10,461			10,461	10,461			10,461	2,673	26%
Dannhauser	18,604			18,604	18,604			18,604	8,897	48%
Amajuba District Municipality	49,992			49,992	49,992			49,992	12,166	24%
eDumbe	15,462			15,462	15,462			15,462	4,811	31%
uPhongolo	20,371			20,371	20,371			20,371	10,710	53%
Abaqulusi	25,444			25,444	25,444			25,444	9,695	38%
Nongoma	25,314			25,314	25,314			25,314	12,120	48%
Ulundi	26,700			26,700	26,700			26,700	21,492	80%

COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS  
VOTE 3

Annexures to the Annual Financial Statements

for the year ended 31 March 2013

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT		2011/12
	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	%
Zululand District Municipality	275,487			275,487	275,487			275,487	198,925	72%
Umhlabuyalingana	24,149			24,149	24,149			24,149	12,953	54%
Jozini	29,322			29,322	29,322			29,322	13,181	45%
The Big Five False Bay	11,202			11,202	11,202			11,202	7,233	65%
Hlabisa	21,870			21,870	21,870			21,870	7,490	34%
Mtubatuba	10,903			10,903	10,903			10,903	11,979	110%
Umkhanyakude District Municipality	226,773			226,773	226,773			226,773	108,769	48%
Mfolozi	17,558			17,558	17,558			17,558	3,361	19%
uMhlatuze	86,617			86,617	86,617			86,617	28,386	33%
Ntambanana	12,364			12,364	12,364			12,364	7,059	57%
Umlalazi	27,031			27,031	27,031			27,031	12,415	46%
Mthonjaneni	13,053			13,053	13,053			13,053	3,598	28%
Nkandla	21,698			21,698	21,698			21,698	9,892	46%
uThungulu District Municipality	195,223			195,223	195,223			195,223	71,213	36%
Mandeni	25,659			25,659	25,659			25,659	17,932	70%
KwaDukuza	35,149			35,149	35,149			35,149	6,391	18%
Ndwedwe	24,496			24,496	24,496			24,496	4,713	19%
Maphumulo	20,477			20,477	20,477			20,477	7,638	37%
iLembe District Municipality	179,292			179,292	179,292			179,292	90,662	51%

## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 1A

## STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT		2011/12
	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	%
Ingwe	20,099			20,099	20,099			20,099	6,665	33%
Kwa Sani	9,567			9,567	9,567			9,567	1,442	15%
Greater Kokstad	19,320			19,320	19,320			19,320	12,185	63%
Ubuhlebezwe	21,118			21,118	21,118			21,118	6,950	33%
Urmzimkhulu	48,144			48,144	48,144			48,144	25,530	53%
Sisonke District Municipality	165,717			165,717	165,717			165,717	84,459	51%
<b>Sub Total KwaZulu-Natal</b>	<b>3,152,666</b>			<b>3,152,666</b>	<b>3,152,666</b>			<b>3,152,666</b>	<b>1,628,808</b>	<b>52%</b>
Limpopo										
Makhuduthamaga	41,436			41,436	41,436			41,436	4,920	12%
Fetakgomo	18,690			18,690	18,690			18,690	10,835	58%
Empiraim Mogale	21,678			21,678	21,678			21,678	8,326	38%
Elias Motsoaledi	35,223			35,223	35,223			35,223	32,465	92%
Greater Tubatse	44,048			44,048	44,048			44,048	18,678	42%
Greater Sekhukhune District Municipality	417,548			417,548	417,548			417,548	170,908	41%
Greater Giyani	36,331			36,331	36,331			36,331	2,034	6%
Greater Letaba	40,027			40,027	40,027			40,027	21,972	55%
Greater Tzaneen	56,665			56,665	56,665			56,665	18,815	33%
Ba-Phalaborwa	20,778			20,778	20,778			20,778	14,737	71%
Maruleng	30,174			30,174	30,174			30,174	19,281	64%
Mopani District Municipality	319,302			319,302	319,302			319,302	45,055	14%

## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 1A

## STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT		2011/12
	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	%
Musina	14,604			14,604	14,604			14,604	4,452	30%
Mutale	16,977			16,977	16,977			16,977	11,929	70%
Thulamela	74,355			74,355	74,355			74,355	57,441	77%
Makhado	67,400			67,400	67,400			67,400	23,557	35%
Vhembe District Municipality	359,404			359,404	359,404			359,404	281,270	78%
Blouberg	30,904			30,904	30,904			30,904	8,779	28%
Aganang	26,371			26,371	26,371			26,371	13,518	51%
Molemole	23,916			23,916	23,916			23,916	22,239	93%
Polokwane	221,514			221,514	221,514			221,514	99,867	45%
Lepelle-Nkumpi	34,836			34,836	34,836			34,836	28,940	83%
Capricorn District Municipality	210,968			210,968	210,968			210,968	43,946	21%
Thabazimbi	42,153			42,153	42,153			42,153	38,742	92%
Lephalale	43,557			43,557	43,557			43,557	13,178	30%
Mookgopong	16,420			16,420	16,420			16,420	11,391	69%
Modimolle	41,434			41,434	41,434			41,434	8,646	21%
Bela Bela	18,824			18,824	16,353			16,353	14,317	76%
Mogalakwena	137,346			137,346	137,346			137,346	34,361	25%
<b>Sub Total Limpopo</b>	<b>2,462,883</b>			<b>2,462,883</b>	<b>2,460,412</b>			<b>2,460,412</b>	<b>1,084,599</b>	<b>44%</b>
Mpumalanga										

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for the year ended 31 March 2013

## ANNEXURE 1A

## STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT		2011/12
	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	%
Albert Luthuli	77,236			77,236	77,236			77,236	57,689	75%
Msukaligwa	40,377			40,377	40,377			40,377	18,238	45%
Mkhondo	59,081			59,081	59,081			59,081	22,028	37%
Pixley Ka Seme	32,237			32,237	32,237			32,237	5,361	17%
Lekwa	43,521			43,521	43,521			43,521	8,964	21%
Dipaleseng	21,691			21,691	21,691			21,691	5,918	27%
Govan Mbeki	91,896			91,896	91,896			91,896	27,206	30%
Victor Khanye Loc Municipality	24,893			24,893	24,893			24,893	15,167	61%
Emalahleni	94,768			94,768	94,768			94,768	31,440	33%
Steve Tshwete	37,552			37,552	37,552			37,552	28,930	77%
Emakhazeni	15,929			15,929	15,929			15,929	4,718	30%
Thembisile	108,092			108,092	108,092			108,092	37,698	35%
Dr JS Moroka	110,783			110,783	110,783			110,783	34,314	31%
Thaba Chweu	32,377			32,377	32,377			32,377	9,154	28%
Mbombela	188,062			188,062	188,062			188,062	68,015	36%
Umjindi	27,181			27,181	27,181			27,181	13,306	49%
Nkomazi	136,116			136,116	136,116			136,116	92,011	68%



## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 1A

## STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT		2011/12
	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	%
Bushbuckridge	286,082			286,082	286,082			286,082	49,459	17%
<b>Sub Total Mpumalanga</b>	<b>1,427,874</b>			<b>1,427,874</b>	<b>1,427,874</b>			<b>1,427,874</b>	<b>529,616</b>	<b>37%</b>
Northern Cape										
Moshaweng	56,479			56,479	56,479			56,479	47,756	85%
Ga-Segonyana	55,163			55,163	55,163			55,163	16,792	30%
Gamagara	10,697			10,697	10,697			10,697	10,670	100%
John Taolo Gaetsewe District Municipality										
Richtersveld	8,628			8,628	8,628			8,628	-	
Nama Khoi	16,088			16,088	16,088			16,088	1,622	10%
Kamiesberg	11,686			11,686	11,686			11,686	4,331	37%
Hantam	12,743			12,743	12,743			12,743	11,370	89%
Karoo Hoogland	11,381			11,381	11,381			11,381	3,159	28%
Khai-Ma	10,723			10,723	10,723			10,723	-	
Namakwa District Municipality										
Ubuntu	11,510			11,510	11,510			11,510	5,002	43%
Umsobomvu	14,271			14,271	14,271			14,271	6,596	46%
Emthanjeni	16,141			16,141	16,141			16,141	4,800	30%
Kareeberg	9,574			9,574	9,574			9,574	2,753	29%
Renosterberg	9,911			9,911	9,911			9,911	2,603	26%

## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 1A

## STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT		2011/12
	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	%
Thembehle	13,569			13,569	13,569			13,569	9,095	67%
Siyathemba	12,429			12,429	12,429			12,429	5,032	40%
Siyancuma	20,513			20,513	20,513			20,513	7,657	37%
Pixley Ka Seme District Municipality										
Mier	11,384			11,384	11,384			11,384	3,713	33%
!Kai! Garib	20,977			20,977	20,977			20,977	15,126	72%
//Khara Hais	23,789			23,789	23,789			23,789	10,680	45%
!Kheis	13,870			13,870	13,870			13,870	6,777	49%
Tsantsabane	14,420			14,420	14,420			14,420	2,627	18%
Kgatelopele	9,373			9,373	9,373			9,373	-	
Siyanda District Municipality										
Sol Plaatje	55,028			55,028	-			-	-	
Dikgatlong	25,617			25,617	55,028			55,028	21,008	38%
Magareng	13,099			13,099	25,617			25,617	25,616	100%
Phokwane	26,366			26,366	13,099			13,099	8,180	62%
Frances Baard District Municipality					26,366			26,366	14,421	55%
<b>Sub Total Northern Cape</b>	<b>515,429</b>			<b>515,429</b>	<b>515,429</b>			<b>515,429</b>	<b>247,386</b>	<b>48%</b>
North West	103,975			103,975	103,975			103,975	28,185	27%
Moretele										

## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 1A

## STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT		2011/12
	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	%
Madibeng	198,870			198,870	198,870			198,870	121,702	61%
Rustenburg	202,518			202,518	202,518			202,518	64,733	32%
Kgetlengrivier	20,137			20,137	20,137			20,137	12,694	63%
Moses Kotane	123,800			123,800	123,800			123,800	2,355	2%
Bojanala Platinum District Municipality										
Ratlou	21,923			21,923	21,923			21,923	4,174	19%
Tswaing	25,435			25,435	25,435			25,435	4,897	19%
Mafikeng	42,919			42,919	42,919			42,919	7,361	17%
Ditsobotla	30,804			30,804	30,804			30,804	29,372	95%
Ramotshere Moiloa	27,401			27,401	27,401			27,401	4,967	18%
Ngaka Modiri Molema District Municipality	203,144			203,144	203,144			203,144	112,497	55%
Kagisano										
Naledi	14,567			14,567	14,567			14,567	6,555	45%
Mamusa	16,739			16,739	16,739			16,739	9,372	56%
Greater Taung	32,722			32,722	32,722			32,722	4,138	13%
Molopo	29,856			29,856	29,856			29,856	10,209	34%
Lekwa-Teemane										
Dr. Ruth Segomotsi Mompati District Municipality	111,098			111,098	111,098			111,098	38,329	35%

## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 1A

## STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT		2011/12
	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	%
Ventersdorp	24,317			24,317	24,317			24,317	11,672	48%
Tlokwe	41,475			41,475	41,475			41,475	-	
City of Matlosana	122,046			122,046	122,046			122,046	9,801	8%
Maquassi Hills	34,470			34,470	34,470			34,470	24,296	70%
Dr. Kenneth Kaunda District Municipality										
<b>Sub Total North West</b>	<b>1,428,216</b>			<b>1,428,216</b>	<b>1,444,203</b>			<b>1,444,203</b>	<b>507,309</b>	<b>36%</b>
Western Cape										
City of Cape Town										
Matzikama	18,584			18,584	18,584			18,584	11,152	60%
Cederberg	15,544			15,544	15,544			15,544	3,029	19%
Bergrivier	11,799			11,799	11,799			11,799	1,355	11%
Saldanha Bay	18,394			18,394	18,394			18,394	13,255	72%
Swartland	14,525			14,525	14,525			14,525	14,525	100%
West Coast District Municipality										
Witzenberg	22,112			22,112	22,112			22,112	12,637	57%
Drakenstein	35,080			35,080	35,080			35,080	25,271	72%
Stellenbosch	25,420			25,420	25,420			25,420	16,036	63%
Breede Valley	30,911			30,911	30,911			30,911	17,729	57%
Langeberg	18,376			18,376	18,376			18,376	8,118	44%

COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS  
VOTE 3

Annexures to the Annual Financial Statements

for the year ended 31 March 2013

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT		2011/12
	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	%
Cape Winelands District Municipality										
Theewaterskloof	26,174			26,174	26,174			26,174	11,607	44%
Overstrand	16,947			16,947	16,947			16,947	7,248	43%
Cape Agulhas	10,284			10,284	10,284			10,284	4,889	48%
Swellendam	11,125			11,125	11,125			11,125	6,537	59%
Overberg District Municipality										
Kannaland	11,517			11,517	11,517			11,517	4,092	36%
Hessequa	12,799			12,799	12,799			12,799	2,859	22%
Mossel Bay	17,156			17,156	17,156			17,156	9,854	57%
George	44,044			44,044	44,044			44,044	18,683	42%
Oudtshoorn	17,505			17,505	17,505			17,505	9,043	52%
Bitou	14,655			14,655	14,655			14,655	11,868	81%
Knysna	24,180			24,180	24,180			24,180	15,070	62%
Eden District Municipality										
Laingsburg	8,194			8,194	8,194			8,194	2,724	33%
Prince Albert	8,558			8,558	8,558			8,558	5,671	66%
Beaufort West	21,437			21,437	21,437			21,437	19,357	90%
Central Karoo District Municipality										
<b>Sub Total Western Cape</b>	<b>455,320</b>			<b>455,320</b>	<b>455,320</b>			<b>455,320</b>	<b>252,607</b>	<b>55%</b>

## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 1A

## STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT		2011/12
	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	%
<b>National Total</b>										
<b>Disaster relief</b>										
<b>Western Cape</b>										
Langeberg	1,570				1,570			1,570		
Bitou	13,835				13,835			13,835		
<b>Eastern Cape</b>										
Nelson Mandela Bay	6,730				6,730			6,730		
Makana	2,788				2,788			2,788		
Ndlambe	30,760				30,760			30,760		
Sunday's River	233				233			233		
Kouga	3,014				3,014			3,014		
Koukamma	50				50			50		
<b>Limpopo</b>										
Mopani	14,200				14,200			14,200		

## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 1A

## STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT		2011/12
	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	%
Limpopo Province	850				850			850		
<b>Subtotal</b>	<b>74,030</b>				<b>74,030</b>			<b>74,030</b>		<b>47,283</b>
<b>National Total</b>	<b>14,169,772</b>	<b>-</b>	<b>-</b>	<b>- 14,095,742</b>	<b>14,183,288</b>	<b>-</b>	<b>-</b>	<b>- 14,183,288</b>	<b>6,883,439</b>	<b>11,710,983</b>

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



## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 1B

## STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT		2011/12
	Amount R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Amount received by Municipality R'000	Amount spent by municipality R'000	% %
<b>Local Government Equitable Share</b>									
<b>EASTERN CAPE</b>									
Buffalo City	651,565				639,766		640		583,628
Nelson Mandela	729,226				708,783		709		656,653
Camdeboo	37,264				37,264		37		33,093
Blue Crane Route	39,254				39,254		39		34,998
Ikwezi	15,627				15,595		16		13,753
Makana	67,002				66,809		67		59,143
Ndlambe	55,952				48,270		48		49,522
Sundays River Valley	36,314				36,314		36		32,105
Baviaans	17,189				8,823		9		15,153
Kouga	47,299				53,647		54		41,038
Kou-kamma	29,210				28,111		28		25,910
Cacadu District Municipality	71,324				71,325		71		67,220
Mbhashe	120,099				120,099		120		105,237
Mnquma	154,089				153,148		153		136,070
Great Kei	31,853				31,398		31		28,209
Amahlathi	90,283				88,511		89		79,616

## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 1B

## STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT		2011/12
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by Municipality	Amount spent by municipality	% of available funds spent by municipality
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%
Ngqushwa	62,426			62,426	62,426		62	62	55,140
Nkonkobe	86,351			86,351	86,351		86	86	76,099
Nxuba	20,983			20,983	18,925		19	19	18,627
Amatole District Municipality	583,540			583,540	583,410		583	583	530,281
Inxuba Yethemba	40,558			40,558	40,496		40	40	35,770
Tsolwana	24,741			24,741	22,961		23	23	21,878
Inkwanca	17,833			17,833	15,025		15	15	15,748
Lukhanji	109,210			109,210	104,382		104	104	96,062
Intsika Yethu	88,676			88,676	88,676		89	89	78,404
Emalahleni	69,797			69,797	68,503		69	69	61,619
Engcobo	76,102			76,102	65,306		65	65	66,596
Sakhisizwe	38,813			38,813	35,127		35	35	34,165
Chris Hani District Municipality	359,914			359,914	359,060		359	359	325,909
Elundini	73,466			73,466	73,466		73	73	64,855
Senqu	89,723			89,723	89,427		89	89	79,190
Maletswai	22,944			22,944	22,944		23	23	20,224
Gariep	24,997			24,997	20,376		20	20	22,167
Joe Gqabi District Municipality	166,056			166,056	165,965		166	166	149,031
Ngquza Hill	111,157			111,157	107,948		108	108	97,182
Port St Johns	67,852			67,852	67,852		68	68	59,537

Annexures to the Annual Financial Statements

for the year ended 31 March 2013

ANNEXURE 1B

STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT		2011/12
	Amount R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Amount received by Municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %
Nyandeni	127,388				121,517		122		111,925
Mhlontlo	99,507				95,773		96		87,213
King Sabata Dalindyebo	169,531				161,236		161		153,086
O.R. Tambo District Municipality	449,945				449,045		449		416,224
Urmzimvubu	106,050				106,043		106		92,993
Matatiele	105,328				99,175		99		92,449
Mbizana	112,442				106,463		106		98,860
Ntabankulu	62,559				61,826		62		54,929
Alfred Nzo District Municipality	297,598				295,564		296		265,536
<b>TOTAL EASTERN CAPE</b>	<b>5,859,036</b>				<b>5,742,385</b>		<b>5,742</b>		<b>5,243,046</b>
<b>Free State</b>									
Mangaung	608,634				566,706		567		546,417
Letsemeng	50,533				50,533		51		45,212
Kopanong	88,546				88,546		89		79,334
Mohokare	51,002				51,002		51		45,632
Naledi	37,182				37,182		37		33,288
Xhariep District Municipality	22,802				22,762		23		20,629
Masilonyana	81,091				81,091		81		72,352
Tokologo	43,058				43,058		43		38,552
Tswelopele	62,058				62,058		62		55,333

## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 1B

## STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT		2011/12
	Amount R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Amount received by Municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %
Matjhabeng	432,357				430,648		431		390,659
Nala	134,966				133,226		133		120,920
Lejweleputswa District Municipality	97,137				97,112		97		93,735
Setsofo	165,468				157,668		158		147,875
Dihlabeng	129,367				129,367		129		114,851
Nketoana	77,933				77,857		78		69,567
Maluti-a-Phofung	338,076				338,046		338		305,453
Phumelela	56,039				56,039		56		49,899
Mantsopa	66,714				66,714		67		59,517
Thabo Mofutsanyana District Municipality	76,578				76,578		77		72,399
Mochaka	163,244				162,661		163		145,181
Ngwathe	153,983				148,104		148		137,311
Metsimaholo	97,653				93,822		94		88,125
Mafofane	75,102				72,863		73		67,075
Fezile Dabi District Municipality	131,146				131,146		131		127,132
<b>TOTAL FREE STATE</b>	<b>3,240,669</b>				<b>3,174,789</b>		<b>3,175</b>		<b>2,926,448</b>

## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 1B

## STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT		2011/12
	Amount R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Amount received by Municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %
<b>Gauteng</b>	-	-	-	-	-	-	-	-	-
Ekurhuleni	1,825,341				1,825,341		1,825	1,644,128	
City of Johannesburg	2,125,543				2,122,457		2,122	1,897,561	
City of Tshwane	1,040,630				1,038,528		1,039	923,020	
Empuleni	597,485				597,142		597	539,842	
Midvaal	50,833				50,833		51	44,379	
Lesedi	59,701				59,701		60	52,626	
Sedibeng District Municipality	226,009				226,009		226	220,439	
Mogale City	210,117				210,117		210	189,605	
Randfontein	92,992				92,992		93	81,638	
Westonaria	98,840				98,840		99	87,796	
Merafong City	185,846				175,334		175	167,868	
West Rand District Municipality	166,903				166,903		167	163,221	
<b>TOTAL GAUTENG</b>	<b>6,680,240</b>				<b>6,664,197</b>		<b>6,664</b>	<b>6,012,123</b>	
<b>KwaZulu Natal</b>									
eThekweni	1,769,412				1,721,783		1,722	1,595,941	
Vuylamehlo	35,614				35,481		35	31,146	
Umdoni	27,805				27,805		28	24,104	
Umzumbi	86,177				86,177		86	76,198	
uMuziwabantu	43,500				32,399		32	38,288	

## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 1B

## STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT		2011/12
	Amount R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Amount received by Municipality R'000	Amount spent by municipality R'000	Total Available R'000
Ezinqolweni	26,036				26,036		26		23,010
Hibiscus Coast	85,382				67,382		67		76,844
Ugu District Municipality	260,269				248,660		249		235,738
uMshwathi	55,649				55,307		55		49,180
uMngeni	35,302				34,554		35		30,559
Mpofana	21,925				21,925		22		19,485
Impendle	23,775				22,756		23		21,087
Msunduzi	338,903				330,215		330		304,835
Mkhambathini	28,180				28,180		28		24,863
Richmond	29,226				29,266		29		25,849
uMgungundlovu District Municipality	314,311				314,311		314		286,019
Emnambithi-Ladysmith	106,393				103,921		104		93,368
Indaka	59,607				55,489		55		53,002
Umtshezi	29,664				27,547		28		25,843
Okhahlamba	62,494				57,764		58		55,031
Imbabazane	64,584				58,379		58		57,268
Uthukela District Municipality	253,410				253,183		253		229,471
Endumeni	32,355				32,277		32		27,416
Nquthu	71,672				71,042		71		62,785
Msinga	69,621				61,621		62		61,218

## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 1B

## STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT		2011/12
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by Municipality	Amount spent by municipality	% of available funds spent by municipality
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%
Umvoti	41,962				41,688		42		36,785
Umzinyathi District Municipality	177,373				177,373		177		160,451
Newcastle	270,475				270,475		270		244,400
eMadlangeni	13,989				12,751		13		12,256
Dannhauser	47,617				47,502		48		42,091
Amajuba District Municipality	97,319				92,043		92		88,571
eDumbe	36,417				33,472		33		32,113
uPhongolo	59,760				50,343		50		52,612
Abaqulusi	79,053				76,587		77		69,224
Nongoma	72,001				71,777		72		62,891
Ulundi	78,231				77,992		78		68,274
Zululand District Municipality	258,854				258,854		259		234,326
Umhlabuyalingana	56,693				56,693		57		49,682
Jozini	73,817				70,325		70		64,897
The Big Five False Bay	14,141				12,412		12		12,396
Hlabisa	25,755				22,306		22		38,543
Mtubatuba	48,763				48,763		49		42,041
Umkhanyakude District Municipality	176,384				173,241		173		159,548
Mfolozi	43,392				42,310		42		37,931
uMhlatuze	179,139				177,754		178		161,654



## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 1B

## STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT		2011/12
	Amount R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Amount received by Municipality R'000	Amount spent by municipality R'000	Total Available R'000
Ntambanana	20,311				19,194		19		17,675
Umlalazi	79,831				79,831		80		69,515
Mthonjaneni	25,107				25,107		25		22,096
Nkandla	50,777				43,237		43		44,648
uThungulu District Municipality	328,762				328,482		328		299,178
Mandeni	65,009				65,009		65		57,058
KwaDukuza	72,649				71,595		72		65,237
Ndwedwe	58,371				58,309		58		50,875
Maphumulo	48,830				48,562		49		43,137
iLembe District Municipality	228,010				227,576		228		206,729
Ingwe	50,739				50,739		51		44,868
Kwa Sani	12,054				12,054		12		10,517
Greater Kokstad	48,477				48,477		48		42,946
Ubuhlebezwe	50,309				50,309		50		44,405
Urmzikhulu	85,299				85,299		85		75,003
Sisonke District Municipality	203,556				203,556		204		182,881
<b>TOTAL KZN</b>	<b>7,210,512</b>				<b>7,035,457</b>		<b>7,035</b>		<b>6,476,001</b>

## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 1B

## STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT		2011/12
	Amount R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Amount received by Municipality R'000	Amount spent by municipality R'000	% %
<b>Limpopo</b>									
Makhuduthamaga	143,213				143,213		143		126,339
Fetakomo	46,115				46,115		46		40,562
Empiraim Mogale	68,729				68,729		69		60,529
Elias Motsoaledi	129,556				129,556		130		114,134
Greater Tubatse	129,796				129,796		130		114,137
Greater Sekukhune District Municipality	365,585				364,585		365		330,878
Greater Giyani	132,615				132,615		133		116,853
Greater Letaba	133,166				132,835		133		117,473
Greater Tzaneen	195,684				195,684		196		176,879
Ba-Phalaborwa	61,461				59,982		60		53,751
Maruleng	53,513				53,513		54		47,176
Mopani District Municipality	463,410				458,567		459		419,718
Musina	31,447				28,634		29		27,908
Mutale	42,892				37,589		38		37,628
Thulamela	260,695				260,695		261		235,608
Makhado	235,434				231,457		231		212,830
Vhembe District Municipality	476,439				476,439		476		431,171
Blouberg	90,331				82,086		82		79,413

## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 1B

## STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT		2011/12
	Amount R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Amount received by Municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %
Aganang	75,680				75,680		76		66,770
Molemole	74,498				73,997		74		66,171
Polokwane	388,232				388,232		388		350,705
Lepelle-Nkumpi	124,157				116,322		116		109,337
Capricorn District Municipality	402,162				402,162		402		365,229
Thabazimbi	60,104				57,621		58		53,095
Lephalale	80,984				80,984		81		73,300
Mookgopong	25,758				19,893		20		22,822
Modimolle	56,393				56,376		56		50,075
Bela Bela	45,008				30,818		31		39,790
Mogalakwena	249,145				230,691		231		225,142
Waterberg District Municipality	90,530				90,530		91		87,880
<b>TOTAL LIMPOPO</b>	<b>4,732,732</b>				<b>4,655,396</b>		<b>4,655</b>		<b>4,253,303</b>
<b>Mpumalanga</b>									
Albert Luthuli	159,110				159,110		159		141,281
Msukaligwa	105,157				105,157		105		93,142
Mkhondo	100,346				99,692		100		88,732
Pixley Ka Seme	84,113				84,113		84		74,975
Lekwa	79,067				79,067		79		69,959
Dipaleseng	44,041				44,041		44		39,319

## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 1B

## STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT		2011/12
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by Municipality	Amount spent by municipality	% of available funds spent by municipality	
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	%	R'000
Govan Mbeki	189,937				189,092		189			171,429
Gert Sibande District Municipality	252,910				252,910		253			246,282
Victor Khanye	50,861				50,861		51			45,078
Emalahleni	181,640				180,641		181			163,854
Steve Tshwete	85,818				85,818		86			77,312
Emakhazeni	35,648				35,648		36			31,562
Thembisile	221,044				218,428		218			196,665
Dr. JS Moroka	230,199				230,199		230			205,518
Nkangala District Municipality	299,711				299,711		300			291,974
Thaba Chweu	75,312				72,184		72			66,696
Mbombela	312,298				312,298		312			282,081
Umgjindi	48,789				41,247		41			43,164
Nkomazi	259,653				259,653		260			234,566
Bushbuckridge	445,036				445,036		445			398,491
Ehlanzeni District Municipality	178,734				178,053		178			170,414
<b>TOTAL MPUMALANGA</b>	<b>3 439 424</b>				<b>3 422 959</b>		<b>3,423</b>			<b>3,132,492</b>
<b>Northern Cape</b>	-									
Moshaweng	72,127				67,506		68			63,808
Ga-Segonyana	65,874				65,087		65			58,219
Gamagara	20,705				20,705		21			18,283

## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 1B

## STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT		2011/12
	Amount R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Amount received by Municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %
John Taolo Gaetsewe District Municipality	55,361				53,857		54		50,939
Richtersveld	11,904				10,878		11		10,415
Nama Khoi	32,468				25,190		25		28,625
Kamiesberg	12,477				10,678		11		10,907
Hantam	20,014				17,056		17		17,683
Karoo Hoogland	13,175				13,111		13		11,544
Khai-Ma	12,489				12,489		12		10,921
Namakwa District Municipality	32,116				32,116		32		29,792
Ubuntu	17,705				15,601		16		15,669
Umsobomvu	29,319				26,171		26		26,095
Emthanjeni	34,322				34,160		34		30,439
Kareeberg	11,941				11,941		12		10,466
Renosterberg	14,691				13,161		13		12,912
Thembelihe	14,630				13,978		14		12,849
Siyathemba	20,108				19,373		19		17,829
Siyancuma	35,680				31,121		31		31,726
Pixley Ka Seme District Municipality	27,054				26,571		27		24,727
Mier	9,959				8,357		8		8,620
!Kai! Garib	46,950				46,071		46		41,556

## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 1B

## STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT		2011/12
	Amount R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Amount received by Municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %
//Khara Hais	52,652				52,074		52		46,121
!Kheis	15,852				15,336		15		13,955
Tsantsabane	25,422				23,340		23		22,454
Kgatelopele	14,659				12,856		13		12,918
Siyanda District Municipality	42,890				42,890		43		39,818
Sol Plaatje	146,493				146,493		146		132,176
Dikgatlong	44,948				37,209		37		40,046
Magareng	28,704				28,303		28		25,546
Phokwane	63,719				63,719		64		56,719
Frances Baard District Municipality	87,442				87,442		87		79,281
<b>TOTAL NORTHERN CAPE</b>	<b>1,133,850</b>				<b>1,084,840</b>		<b>1,085</b>		<b>1,013,062</b>
<b>North West</b>									
Moretele	155,654				152,700		153		138,282
Madibeng	273,733				197,613		198		247,326
Rustenburg	256,520				239,749		240		231,669
Kgetlengrivier	42,641				41,141		41		38,032
Moses Kotane	228,799				212,799		213		203,756
Bojanala Platinum District Municipality	239,064				239,064		239		232,094
Ratlou	67,258				63,937		64		59,576

COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS  
VOTE 3

Annexures to the Annual Financial Statements

for the year ended 31 March 2013

ANNEXURE 1B

STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT		2011/12
	Amount R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Amount received by Municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %
Tswaing	63,830				63,830		64		56,186
Mafikeng	121,440				103,715		104		109,725
Ditsobotla	79,407				79,407		79		69,696
Ramotshere Moiloa	80,152				80,152		80		70,458
Ngaka Modiri Molema District Municipality	394,002				355,942		356		357,615
Naledi	33,235				32,581		33		29,119
Mamusa	31,940				29,825		30		28,210
Greater Taung	100,547				80,510		81		88,632
Lekwa-Teemane	28,302				28,302		28		24,989
Kagisano-Molopo	66,113				66,113		66		58,504
Dr. Ruth Segomotsi Mompoti District Municipality	209,603				209,603		210		188,347
Ventersdorp	45,869				45,869		46		40,951
Tlokwe	85,150				84,297		84		76,801
City of Matlosana	335,773				331,799		332		303,560
Maquassi Hills	77,840				76,836		77		69,259
Dr. Kenneth Kaunda District Municipality	156,438				156,089		156		153,622
<b>TOTAL NORTH WEST</b>	<b>3,173,310</b>				<b>2,971,873</b>		<b>2,972</b>		<b>2,876,409</b>



## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 1B

## STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT		2011/12
	Amount R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Amount received by Municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %
<b>Western Cape</b>									
City of Cape Town	1,084,415				1,084,000		1,084		970,473
Matzikama	36,388				33,837		34		32,066
Cederberg	26,013				26,013		26		23,008
Bergivier	22,679				22,679		23		19,898
Saldanha Bay	34,054				34,054		34		29,296
Swartland	26,752				26,752		27		22,887
West Coast District Municipality	70,000				70,000		70		68,652
Witzenberg	46,200				46,054		46		40,561
Drakenstein	69,397				79,707		80		62,476
Stellenbosch	41,241				30,931		31		36,977
Breede Valley	62,986				62,986		63		56,804
Langeberg	51,280				51,048		51		45,172
Cape Winelands District Municipality	205,814				200,081		200		200,739
Theewaterskloof	53,343				53,343		53		46,935
Overstrand	36,146				32,183		32		31,156
Cape Agulhas	16,877				16,877		17		14,805
Swellendam	18,897				18,428		18		16,648
Overberg District Municipality	43,926				43,689		44		41,692
Kannaland	18,989				16,735		17		16,840

Annexures to the Annual Financial Statements

for the year ended 31 March 2013

ANNEXURE 1B

STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		SPENT		2011/12
	Amount R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	Amount received by Municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality %
Hessequa	26,522				26,484		26		23,227
Mossel Bay	42,495				42,495		42		36,942
George	80,370				80,370		80		72,201
Oudtshoorn	43,034				43,034		43		37,618
Bitou	23,375				23,375		23		20,415
Knysna	30,859				30,859		31		26,687
Eden District Municipality	125,699				125,699		126		122,912
Laingsburg	9,536				9,536		10		8,239
Prince Albert	10,586				10,586		11		9,200
Beaufort West	32,764				32,765		33		28,956
Central Karoo District Municipality	12,981				12,981		13		11,535
<b>TOTAL WESTERN CAPE</b>	<b>2,403,618</b>				<b>2,387,581</b>		<b>2 388</b>		<b>2,175,017</b>
<b>Total of unconditional grants</b>	<b>37,873,396</b>				<b>37 139 477</b>				<b>34,107,901</b>
<b>Vehicle licences</b>									
<b>Gauteng</b>									
City of Tshwane	27				27				14
<b>Total of unconditional grants</b>	<b>37 873 399</b>				<b>37 139 504</b>				<b>34,107,915</b>

## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 1C

## STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2011/12 Appropriation Act R '000
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R '000	R '000	R '000	R '000	R '000	%	
South African Local Government Association	26 726	-	-	26 726	26 726	100%	25 486
Municipal Demarcation Board	40 362	-	-	40 362	40 362	100%	38 482
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	34 227	-	-	34 227	34 227	100%	22 170
	101 315	-	-	101 315	101 315		86 138

## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 1D

## STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

NAME OF PUBLIC CORPORATION/ PRIVATE ENTERPRISE	TRANSFER ALLOCATION				TRANSFER			2011/12 Appropri- ation Act R '000
	Adjusted Appropri- ation R '000	Roll Overs R '000	Adjust- ments R '000	Total Available R '000	Actual Transfer R '000	% of Available funds Trans- ferred %	Capital R '000	
							Current R '000	
<b>Public Corporations</b>								
Development Bank of SA	-	-	-	-	-	-	-	179 678
Transfers								
<b>Total</b>	-	-	-	-	-	-	-	<b>179 678</b>
	-	-	-	-	-	-	-	<b>179 678</b>

Annexures to the Annual Financial Statements

for the year ended 31 March 2013

ANNEXURE 1E

STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2011/12 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 %	
<b>Transfers</b>							
All Africa Ministerial Forum (Amcod)	-	-	-	-	-	-	208
Commonwealth Local Gov Forum	279	-	-	279	279	100%	
	<b>279</b>	<b>-</b>	<b>-</b>	<b>279</b>	<b>279</b>	<b>100%</b>	<b>208</b>
<b>Total</b>	<b>279</b>	<b>-</b>	<b>-</b>	<b>279</b>	<b>279</b>	<b>100%</b>	<b>208</b>

Annexures to the Annual Financial Statements

for the year ended 31 March 2013

ANNEXURE 1F

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2011/12 Appropriation Act R'000
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjust- ments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds transferred %	
	R'000	R'000	R'000	R'000	R'000	%	
<b>Transfers</b>							
South African Cities Network	3 693	-	-	3 693	3 693	100%	5 282
United Cities and Local Governments of Africa	-	-	-	-	-	0%	4 000
	<b>3 693</b>	<b>-</b>	<b>-</b>	<b>3 693</b>	<b>3 693</b>		<b>9 282</b>
<b>Subsidies</b>							
	-	-	-	-	-	-	-
	<b>3 693</b>	<b>-</b>	<b>-</b>	<b>3 693</b>	<b>3 693</b>		<b>9 282</b>
<b>Total</b>							

## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 1G

## STATEMENT OF TRANSFERS TO HOUSEHOLDS

	TRANSFER ALLOCATION				EXPENDITURE			2011/12
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred	Appropriation Act R'000	
<b>HOUSEHOLDS</b>								
<b>Transfers</b>								
Employees Early Retirement	895			895	895	100%		2 016
Employees Severance Package	153			153	153	100%		-
Employees (Leave gratuity)	204			204	204	100%		-
Employee (Arbitration Awards)	-			-	-	-		5 183
Ex Gratia payments and Act of grace	132 174			132 174	132 174	100%		266 317
	133 426			133 426	133 426	100%		273 516
<b>Subsidies</b>								
Community Work Programme	-			-	-	-		393 777
								393 777
<b>Total</b>	<b>133 426</b>	<b>-</b>	<b>-</b>	<b>133 426</b>	<b>133 426</b>	<b>100%</b>	<b>667 293</b>	

Payments to Community Works Programme were previously disclosed as transfers to households. This payment now forms part of normal expenditure (i.e. contracts: casual labourers) and not transfers to households.



Annexures to the Annual Financial Statements

for the year ended 31 March 2013

ANNEXURE 1H

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2012/13	2011/12
		R'000	R'000
<b>Received in cash</b>			
University of KwaZulu-Natal	Monetary gift for preparing and presenting at a conference		20
Data Centrix	Jazz Festival Package		1
Ntlabezo	Birthday Gift Voucher		1
Gijjima	Invitation for a golf day		2
AVIS	Invitation to the R1 Million dollar Golf with Minister Chabane		1
Siyanqoba seminars	Philips voice recorder		3
Siyanqoba seminars	Samsung digital camera		4
Siyanqoba seminars	Asus notebook		2
Siyanqoba seminars	Camera		1
Siyanqoba seminars	Philips voice recorder		5
Harvard training institute	Android tablet PC		1
Tsogo Sun	J&B Met Ticket	1	
University of Cape Town	Exclusive book voucher	2	
Democracy Development Programme (NGO)	Gift for Conference speaker	1	
Ms Seme N	Shopping Mall Voucher	1	
For Aucwork UNDO/GIZ	Air ticket and accommodation	80	
<b>Subtotal</b>		<b>84</b>	<b>41</b>
<b>TOTAL</b>			
		<b>84</b>	<b>41</b>

## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 1I

## STATEMENT OF AID ASSISTANCE RECEIVED

NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	CLOSING BALANCE
		R'000	R'000	R'000	R'000
<b>Received in cash</b>					
African Renaissance	Decentralization of Local Government in the DRC	10 259	-	-	10 259
European Union	Masibambani project	9 650	-	(101)	9 549
European Union	Start-Up Expanding and Strengthening public participation in Local Government	(51)	-	-	(51)
European Union	Phase 1 Expanding and Strengthening public participation in Local Government	1 141	-	1 628	(487)
European Union	Result Area five of the Local Economic Development Programme	1 393	-	-	1 393
European Union	Piloting Sebenza Nathi Initiative	11 349	-	-	11 349
DFID	Community Work Programme:ECSSP	7 019	-	1 222	5 797
<b>Subtotal</b>		<b>40 760</b>	<b>-</b>	<b>2 951</b>	<b>37 809</b>
<b>Received in kind</b>					
Italy	Support Programme to Decentralisation and local development policies in South Africa	2 848	10 944	10 944	2 848
GIZ	SLPG	-	37 657	37 657	-
<b>Subtotal</b>		<b>2 848</b>	<b>48 601</b>	<b>48 601</b>	<b>2 848</b>
<b>TOTAL</b>		<b>43 608</b>	<b>48 601</b>	<b>51 552</b>	<b>40 657</b>

Annexures to the Annual Financial Statements

for the year ended 31 March 2013

ANNEXURE 1J

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2012/13	2011/12
	R'000	R'000
<b>Paid in cash</b>		
Funeral contributions	279	29
<b>Subtotal</b>	<b>279</b>	<b>29</b>
<b>Made in kind</b>		
<b>Subtotal</b>	-	-
<b>Remissions, refunds, and payments made as an act of grace</b>		
<b>Subtotal</b>		
<b>TOTAL</b>	<b>279</b>	<b>29</b>

Annexures to the Annual Financial Statements

for the year ended 31 March 2013

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2012 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2012	Guarantees draw downs during the year	Guarantees repayments/cancelled/reduced/released during the year	Revaluations	Closing balance 31 March 2013	Guaranteed interest for year ended 31 March 2013	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Motor vehicles	-	-	-	-	-	-	-	-
	<b>Subtotal</b>	-	-	-	-	-	-	-	-
	Housing								
Standard Bank	Employees	11	11	-	-	-	11	-	-
People's Bank	Employees	19	19	-	-	-	19	-	-
ABSA Bank	Employees	45	45	-	-	-	45	-	-
ABSA Bank	Employees	10	10	(10)	-	-	-	-	-
ABSA Bank	Employees	36	36	(36)	-	-	-	-	-
	<b>Subtotal</b>	<b>121</b>	<b>121</b>	<b>(46)</b>	-	-	<b>75</b>	-	-
	Other								
	<b>Subtotal</b>	-	-	-	-	-	-	-	-
	<b>TOTAL</b>	<b>121</b>	<b>121</b>	<b>(46)</b>	-	-	<b>75</b>	-	-

## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 3B

## STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2012

Nature of Liability	Opening Balance 1 April 2012	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2013
	R'000	R'000	R'000	R'000	R'000
<b>Claims against the department</b>					
Black Moon Advertising	133	-	133	-	-
PCU International vs Cogta	4 095	-	4 095	-	-
DML Facilitators vs Minister for Cogta	170	-	-	-	170
<b>Subtotal</b>	<b>4 398</b>	<b>-</b>	<b>4 228</b>	<b>-</b>	<b>170</b>
<b>Other</b>					
SOMA	70	-	70	-	-
<b>Subtotal</b>	<b>70</b>	<b>-</b>	<b>70</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>4 468</b>	<b>-</b>	<b>4 298</b>	<b>-</b>	<b>170</b>

The SOMA project amounting to R70 000 was erroneously excluded in the previous financial year. The error has been retrospectively corrected and comparatives have been appropriately restated.

Annexures to the Annual Financial Statements

for the year ended 31 March 2013

ANNEXURE 4

CLAIMES RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
<b>Department</b>						
Eastern Cape Dept of Local Government and Trad Aff	-	-	14	-	14	-
Eastern Cape Provincial Treasury	-	-	29	-	29	-
Gauteng Dept of Health and Social Development	-	-	12	6	12	6
Limpopo Dept Roads and Transport	-	-	58	-	58	-
Dept of Rural Dev&Land Reform	-	-	-	12	-	-
Dept of International Relations and Cooperations	-	-	-	300	-	-
Government Printing Works	-	-	-	34	-	-
Gauteng Provincial Government	-	-	-	1	-	-
SA Social Security Agency	-	-	-	41	-	-
Provincial Legislation Eastern Cape	-	-	-	14	-	-
Department of Public Service and Administration	-	-	-	19	-	-
	-	-	113	427	113	6
<b>Other Government Entities</b>						
Merafong Local Municipality	-	-	73	-	73	-
Randfontein Local Municipality	-	-	69	-	69	-
	-	-	142	-	142	-
<b>TOTAL</b>	-	-	255	427	255	6

Annexures to the Annual Financial Statements

for the year ended 31 March 2013

ANNEXURE 5

INTER-GOVERNMENT PAYABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
<b>DEPARTMENTS</b>						
<b>Current</b>						
Department of Defence	-	-	41	-	41	-
Department of International Relations and Cooperation	60	-	-	-	60	-
North West Dept Human Settlement, Public Safety	36	-	-	-	36	-
Department of Health	36	-	-	-	36	-
National Treasury	35	-	-	-	35	-
Department of Justice Constitutional Development	-	185	-	921	-	1 106
Department of Public Works(Property Management)	-	243	-	751	-	994
GCLIS	-	-	-	-	-	-
Department of Water Affairs and Forestry	-	-	-	17	-	17
Presidency	-	91	-	22	-	113
DPSA	-	97	-	45	-	142
KZN Education	-	10	-	-	-	10
Dept of Energy	-	4	-	-	-	4
<b>Subtotal</b>	<b>167</b>	<b>630</b>	<b>41</b>	<b>1 756</b>	<b>208</b>	<b>2 386</b>
<b>Total</b>	<b>167</b>	<b>630</b>	<b>41</b>	<b>1 756</b>	<b>208</b>	<b>2 386</b>



## Annexures to the Annual Financial Statements

for the year ended 31 March 2013

## ANNEXURE 6

## INVENTORY

Inventory	Note	Quantity	2012/13	Quantity	2011/12
			R '000		R '000
Opening balance		92 147	310	84 740	384
Add/(Less): Adjustments to prior year balance					
Add: Additions/Purchases - Cash		76 995	947	83 518	637
Add: Additions - Non-cash		81	1	498	4
(Less): Disposals					
(Less): Issues		(79 079)	(871)	(76 249)	(711)
Add/(Less): Adjustments		(50)		(360)	(5)
<b>Closing balance</b>		<b>90 094</b>	<b>387</b>	<b>92 147</b>	<b>309</b>

Annexures to the Annual Financial Statements

for the year ended 31 March 2013

ANNEXURE 8A

INTER-ENTITY ADVANCES PAID

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
<b>NATIONAL DEPARTMENTS</b>						
Department of Foreign Affairs			200	300	200	300
Government Printing Works				34	-	34
<b>Subtotal</b>	-	-	<b>200</b>	<b>334</b>	<b>200</b>	<b>334</b>
<b>TOTAL</b>	-	-	<b>200</b>	<b>334</b>	<b>200</b>	<b>334</b>

ANNEXURE 8B

INTER-ENTITY ADVANCES RECEIVED

	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2013	31/03/2012	31/03/2013	31/03/2012	31/03/2013	31/03/2012
	R'000	R'000	R'000	R'000	R'000	R'000
<b>NATIONAL DEPARTMENTS</b>						
<b>Current</b>						
Department of Communication				37	-	37
<b>Subtotal</b>	-	-	-	<b>37</b>	-	<b>37</b>
<b>TOTAL</b>	-	-	-	<b>37</b>	-	<b>37</b>
<b>Current</b>	-	-	-	<b>37</b>	-	<b>37</b>

# NOTES

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