



ANNUAL REPORT

2016 – 2017



cooperative governance

Department:
Cooperative Governance
REPUBLIC OF SOUTH AFRICA



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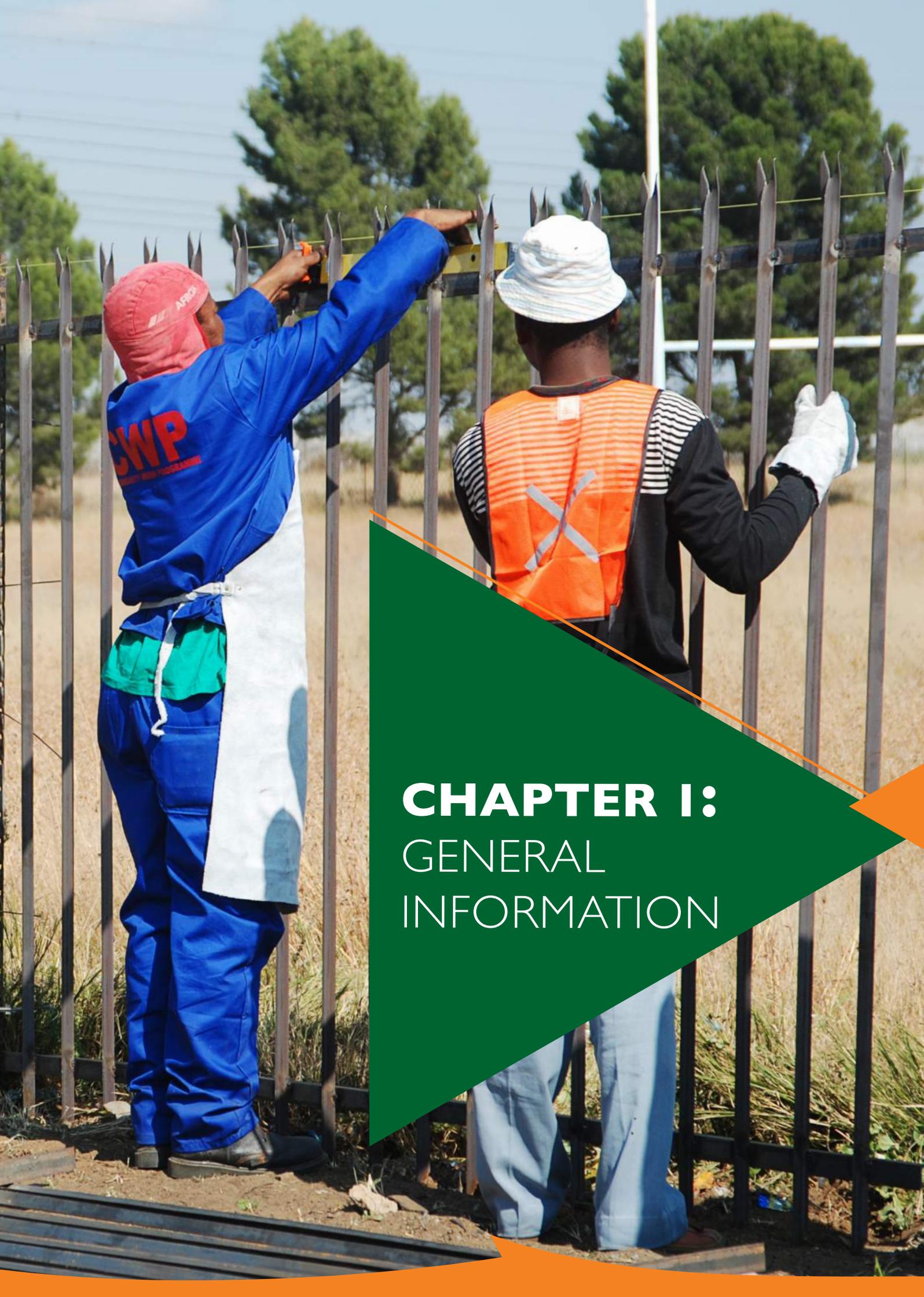
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CHAPTER I: GENERAL INFORMATION

1.1 DEPARTMENT'S GENERAL INFORMATION

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1.2 LIST OF ABBREVIATIONS/ACRONYMS

| | |
|-------------|---|
| AGSA | Auditor-General of South Africa |
| AO | Accounting Officer |
| APP | Annual Performance Plan |
| B2B | Back-to-Basics Programme |
| BCM | Buffalo City Municipality |
| BEPP | Built Environment Performance Plan |
| BPs | Business Plans |
| CEO | Chief Executive Officer |
| CFO | Chief Financial Officer |
| COGHSTA | Cooperative Governance, Human Settlements and Traditional Affairs |
| CoGTA | Cooperative Governance and Traditional Affairs |
| COUNT | Co-operative Organization for the Upgrading of Numeracy Training |
| CSIR | Council for Scientific and Industrial Research |
| CWP | Community Work Programme |
| DBSA | Development Bank of Southern Africa |
| DCoG | Department of Cooperative Governance |
| DG | Director-General |
| DGRV | German Co-operative and Raiffeisen Confederation |
| DM | District Municipality |
| DMAA | Disaster Management Amendment Act, 2015 (Act No. 16 of 2015) |
| DORA | Division of Revenue Act |
| DPME | Department of Planning, Monitoring and Evaluation |
| DPSA | Department of Public Service and Administration |
| DTA | Department of Traditional Affairs |
| DTI | Department of Trade and Industry |
| EC | Eastern Cape |
| ENE | Estimates of National Expenditure |
| EU | European Union |
| FBSA | Fire Brigade Services Act |
| FBS | Free Basic Services |
| FS | Free State |
| GEMS | Government Employee Medical Scheme |
| GP | Gauteng |
| G&IGR | Governance and Intergovernmental Relations |
| GIS | Geographic Information System |
| GTAC | Government Technical Advisory Centre |

| | |
|----------|--|
| HCM | Human Capital Management |
| HOD | Head of Department |
| HR | Human Resources |
| ICDM | Intergovernmental Committee on Disaster Management |
| IEC | Independent Electoral Commission |
| IDDR | International Day for Disaster Risk Reduction |
| IDP | Integrated Development Plan |
| IUDF | Integrated Urban Development Framework |
| IEC | Independent Electoral Commission |
| IGR | Intergovernmental Relations |
| IMSI | Intergovernmental Monitoring, Support and Intervention |
| IMC | Inter-Ministerial Committee |
| KPA | Key Performance Area |
| KZN | KwaZulu-Natal |
| LED | Local Economic Development |
| LGLN | Local Government Learning Network |
| LGSETA | Local Government Sector Education and Training Authority |
| LG TAS | Local Government Turnaround Strategy |
| LM | Limpopo |
| MP | Mpumalanga |
| M&E | Monitoring and Evaluation |
| MDB | 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 Committee |
| MPRA | Municipal Property Rates Act |
| MSA | Municipal Systems Act |
| MTEF | Medium Term Expenditure Framework |
| MTSF | Medium Term Strategic Framework |
| NC | Northern Cape |
| NCBCF | National Capacity Building Coordinating Forum |
| NDMC | National Disaster Management Centre |
| NDP | National Development Plan |
| NDRMET | National Disaster Risk Management Education and Training |
| NETaRNRA | National Education, Training and Research Needs and Resources Analysis |
| NFSF | National Fire Services Framework |

| | |
|--------|---|
| NGO | Non-Government Organisation |
| NIDRP | National Indicative Disaster Risk Profile |
| NT | National Treasury |
| NW | North West |
| UCGF | United Cities and Local Government of Africa |
| UNISDR | United Nations Strategy for Disaster Reduction (UNISDR) |
| PAAP | Post Audit Action Plan |
| PAJA | Promotion of Administrative Justice Act |
| PDMC | Provincial Disaster Management Centre |
| PMU | Project Management Unit |
| POA | Programme of Action |
| RMSC | Regional Management Support Contract |
| SA | South Africa |
| SACN | South African Cities Network |
| SADC | Southern African Development Community |
| SALGA | South African Local Government Association |
| SANCO | South African National Civic Organisation |
| SARS | South African Revenue Services |
| SASRIA | South African Special Risks Insurance Association |
| SCM | Supply Chain Management |
| SDIP | Service Delivery Improvement Plan |
| SFDRR | Sendai Framework for Disaster Risk Reduction |
| SITA | State Information Technology Agency |
| SMME | Small Medium and Micro Enterprises |
| SIU | Special Investigation Unit |
| SLA | Service Level Agreement |
| SMART | Specific, Measurable, Attainable, Realistic, Timely |
| SMS | Senior Management Services |
| TOR | Terms of Reference |
| TLGFA | Traditional Leadership Governance Framework Act |
| WC | Western Cape |

1.3 FOREWORD BY THE MINISTER



Mr Des Van Rooyen, MP

**Minister for Cooperative
Governance and Traditional Affairs**

It is my pleasure to present the 2016/17 Annual Report

The report comes out as we bask in the glow of the successful 2016 local government elections. This is a result of our close cooperation with a number of stakeholders, including the Municipal Demarcation Board (MDB) and the South African Local Government Association (SALGA). Both these entities have played a pivotal role in the run-up to, and the aftermath of the elections.

The report also marks the start of the new term of local government administration, which sets forth our vision for the next five years. This coincides with the adoption of the New Urban Agenda at the Habitat 3 conference. The New Urban Agenda sets a new global standard for sustainable urban development and will help us re-evaluate how we plan, manage and live in cities.

The adoption of the Integrated Urban Development Framework (IUDF), South Africa's national urban policy, tells us that we are on the right track. It requires all South Africans to join hands in developing cities that are compact, coordinated and connected.

During this period, the Back-to-Basics (B2B) programme entered its second phase and witnessed a number of successes. This included an improvement in public participation and municipal finances. A critical element of the latter was the verification of the indigent registers for the provision of Free Basic Services.

The Community Work Programme (CWP) also exceeded its annual targets for the creation of job opportunities. We are

currently working on a new implementation model for the CWP that we believe will build on its current accomplishments.

The National Disaster Management Centre (NDMC) continued to play its coordinating role in government's efforts to alleviate the drought's harsh effects. That most of the country has emerged from the drought with a reduced impact is no small measure due to the efforts of the NDMC. We continue with the implementation of risk reduction measures to improve society's resilience to disasters.

The Municipal Infrastructure Support Agent (MISA) played a vital role in accelerating service delivery. The provision of technical support to 27 Priority Districts and the training of both apprentices and officials has been a cornerstone of MISA's work.

Acknowledgement/s or Appreciation

We wish to extend our gratitude to the staff of the Department in what has been a demanding election year. Our thanks also go to the various Directors-General for holding the fort over the last year and steering us in the right direction.

Working together we have indeed moved South Africa forward.

A handwritten signature in black ink, appearing to be 'Des Van Rooyen', written over a horizontal line.

MR DES VAN ROOYEN, MP

Minister for Cooperative Governance and Traditional Affairs

Date 28 September 2017

1.4 DEPUTY MINISTER STATEMENT



Mr Andries Nel, MP

**Deputy Minister for the Department
of Cooperative Governance**

The 2016/17 Annual Report is an important cursor in our journey to entrenching democratic local government. The successful hosting of the fourth fully democratic local government elections, the adoption of the IUDF and the extension of the CWP augur well for the transformation of the local government sphere.

Transforming municipal spaces lies at the heart of our efforts to alleviate poverty, inequality and unemployment. The IUDF provides a blueprint for spatial transformation that will change the way in which millions of South Africans live, work and play. The IUDF aims to guide the development of inclusive, resilient and liveable urban settlements, while directly addressing the unique conditions and challenges facing South Africa's cities and towns. Importantly, it recognises that the country has different types of cities and towns, each with different roles and requirements.

The CWP continues to make a contribution to government's efforts to eradicate poverty and promote community development. As of March 2017, there were 243 162 citizens participating in the CWP. Our target for the 2017/18 financial year is 258 400 participants. More importantly, the CWP provides participants with both training and experience that allows them to receive a hand-up, rather than just a hand-out. We believe that such measures will have a long-term beneficial effect in the communities that the CWP serves.

It is through these efforts we believe we are transforming not just municipal spaces, but also the lives of millions of citizens.

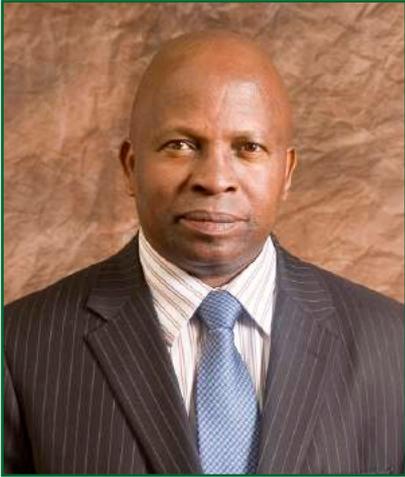
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MR ANDRIES NEL, MP

Deputy Minister

Date 28 September 2017

1.5 REPORT OF THE ACCOUNTING OFFICER



Dr MC Nwaila

**Director-General – Acting for
Department of Cooperative Governance**

1.5.1 Overview of the Operations of the Department

I am pleased to present the 2016/17 Annual Report for the Department of Cooperative Governance (**DCoG**). This is because the Department recorded a significant improvement in achieving the majority of its planned targets. During the reporting period, 20 (91%) out of the planned 22 annual targets were achieved. This level of performance is attributed to a number of interventions and commitment by the staff despite the unusual operating environment that is characterised by, amongst others, stringent government cost containment measures. Some of the interventions put in place related to ensuring that all governance structures like the Bid Evaluation Committees, the Internal Controls Committee, Internal Audit Steering Committee, External Audit Committees, ICT Committee and the Risk Management Committee are in place and fully functional for purposes of improving management practices and adherence to all prescripts. Following the qualification by the Auditor-General in the past financial year, we capacitated the Internal Controls Unit and developed an Integrated Management Tool (IMT) to drive the implementation of the 'Clean Audit Roadmap' as part of managing improvements in audit outcomes and the Management Performance Assessment Tool (MPAT).

The To-Be exercise is underway and this will assist in the design of a Service Delivery Model that will enable us to execute our mandate to the fullest and put in place systems that will ease strategic decision-making processes. This, therefore, requires us to scan our internal environment in order to refocus our resources and capabilities accordingly. We started doing this in the year under review by introducing

an organisational wide Enterprise Architecture exercise with the intention of knowing our current delivery mode and blockages within **DCoG**. We have mapped out the As-Is picture and are in the process of mapping out what needs to be done in areas of Business, Data, Application Architecture and Technology Architecture.

Fourth Democratic Local Government Elections

We successfully facilitated the fourth democratic local government elections in 2016 working closely with key stakeholders like the Inter-Ministerial Committee (IMC) on Elections, which was tasked with overseeing the smooth running of the elections and ensuring that voters are able to cast their votes in an environment that is free and fair; the Independent Electoral Commission (IEC), which successfully managed the elections in a transparent, diligent and exemplary fashion with only minimal negative incidents; the MDB, which laid the foundation through the re-determination of municipal boundaries, the number of Local municipalities has now been reduced by 21 to 205 and we now have 257 municipalities across the country; the South African Police Service (SAPS), which provided static protection duties at all voting stations; the Justice, Crime Prevention and Security Cluster, which used the tried and tested National Joints Operational and Intelligence Structure, along with the Provincial Joint Operational Centres in each province; the Department of Home Affairs in ensuring that people could vote by providing them with identity documents. Our successful elections are a victory for democracy and, indeed cooperative governance at work! Our key role was to introduce amendments to the Municipal Structures Act relating in the main, to improving the administration and management of local government elections.

Post the Local Government election, we worked with the SALGA, to implement the Integrated Councillor Induction Programme. To date, the majority of elected councillors have been inducted. We will continue to capacitate councillors to have a broad understanding of their roles and responsibilities, the legislative framework, policies and procedures, in pursuit of the broader developmental local government agenda.

Implementation of the IUDF

Subsequent to the adoption of the South Africa's IUDF and Implementation Plan by Cabinet in April 2016, key stakeholders rallied behind pursuing a national vision for spatial development as stated in the National Development Plan. In the year under review, the Department worked with National Treasury's City Support Programme (CIP) to guide metros in the preparation of their Built Environment Performance Plans (BEPPs) 2016/17– 2018/19. All 8 Metros have Developed BEPPs.

Diagnostic studies were done in Polokwane and Umhlathuze LM to test policy objectives of the IUDF. We also signed MOUs with the World Bank and Sweden on funding work related to Secondary Cities.

We need the buy-in of all stakeholders, from local government actors, national and provincial government Departments, community-based organisations, community members, planners, academics, and the private sector to use the IUDF as an essential tool for resolving past spatial failures. We will manage our continuous process of stakeholder engagement and sharing of information so that we are all empowered to participate meaningfully in the creation of our urban future.

Local Economic Development

The National Development Plan (NDP): Vision for 2030, identifies poverty, inequality and unemployment as significant obstacles to development. We can help speed this up by putting in place effective systems that would accelerate the attainment of specific development priorities, such as local economic development. However, there are still some rigid rules that are bureaucratic and hinder decision-making. Since the beginning of the financial year, we were able to support 21 municipalities to implement red tape reduction initiatives as part of improving the ease of doing business between municipalities and the private sector.

Disaster Risk Reduction

A key focus last year for the NDMC was to coordinate drought intervention plans across the country to address its devastating effects on our country.

50 Fire Safety Officers from 27 municipalities were trained on Fire Risk Assessment and Safety Strategies as well as Fire Investigation in partnership with the Fire Protection Association of Southern Africa.

NDMC also played a key role in facilitating the launch of the new "Sendai Seven" campaign, centred on the seven targets of the Sendai Framework Disaster Risk Reduction 2015-2030, which focuses on focussed on increasing national and local disaster risk reduction strategies by 2020 and enhanced international cooperation to developing countries and increased availability of multi-hazard early warning systems.

The Four Priorities for Action are: 1. Understanding disaster risk, 2. strengthening disaster risk governance to manage disaster risk, 3. investing in disaster risk reduction for resilience and 4. Enhancing disaster preparedness for effective response.

Community Work Programme

The Community Work Programme contributed to providing our poorest communities in most of the municipalities across South Africa with an employment safety net.

In 2016/17, an additional 21 423 work opportunities were provided, bringing the total number of work opportunities maintained to 243,162; this out of an annual target of 234 823. We also managed to facilitate training for 23 483 participants during the same period.

Despite these achievements, we acknowledge the challenges experienced in the implementation of this programme, which led to the audit outcome for **DCoG** to regress from an unqualified to a qualified audit. Reasons for this regression can be attributed to the fact that prior to the 2015/16 financial year, CWP assets were not recognised as part of the **DCoG** assets. Implementing Agents experienced challenges in providing accurate and complete asset registers for each of the CWP sites and failed to adhere to Supply Chain Management procedures when procuring services, which resulted in irregular expenditure.

As part of the interventions, the Department has developed a roadmap to getting back to an unqualified audit outcome and a new CWP Model is being developed in consultation with Government Technical Advisory Centre (GTAC) to take into consideration the current challenges and developing more stringent terms.

We will continue to work with partners in order to reach the target of 1 million work opportunities by end 2018/19.

Delivering Quality Municipal Infrastructure

The challenging economic climate necessitates a strong focus on improving municipal expenditure and grant management. The delivery of quality municipal infrastructure and uninterrupted services remain our priorities. During the year under review, we monitored 1 362 Municipal Infrastructural Grant (MIG) projects in relation to financial compliance with DoRA. We also published the MIG framework in February 2017 as part of providing guidance to stakeholders on their MIG responsibilities.

Back-to-Basics Programme in Action

The number of most vulnerable municipalities was reduced from 71 to 46 (A shift and improvement of 25 vulnerable municipalities to a risk level category).

The number of Well Performing Municipalities increased from 47 to 59 (an increase of 12 municipalities from risk category)

40 dysfunctional municipalities were supported to create effective community engagement mechanisms.

Subsequent to the Local Government elections, 7 Category A and 201 Category B municipalities were supported to establish ward committees. This translates to a total of 3 956 (90%) of ward committees established out of 4 392 in Categories A (Metropolitan) and B (Local) municipalities across RSA.

Revenue Improvement Plans

A generic revenue plan was developed and implemented in 30 municipalities. Implementation entails the review and update of municipal financial policies, assistance to recover outstanding government debt and data cleansing. We are continuing our support to municipalities to recover outstanding government debt working with key stakeholders.

Municipal Property Rates Act Implementation

We managed to assess 193 municipalities and guided those not in compliance with prescripts of rating aspects of the Municipal Property Rates Act (MPRA).

We will continue to monitor and assess municipalities in terms of compliance with the rating aspects of the MPRA and findings and recommendations communicated to non-compliant municipalities on corrective measures. This is to ensure that we assist in building economically and financially viable municipalities that are enabled to meet the service delivery priorities of their communities.

Implementation of Indigent Policy

40 municipalities were supported to update their indigent registers. Findings were communicated and recommendations for corrective measures were provided to 60 Municipalities. A Memorandum of Understanding (MOU) to formalise the partnership with SARS was finalised and is currently awaiting the formal signature by the Commissioner of SARS and the Acting Director-General for **DCoG**. Support will also be provided for the review and updating of Indigent Registers to ensure credibility and manage the implementation of the SLA between **DCoG** & SARS on the verification of the municipal indigent registers.

Implementation of Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)

In the past year, we developed and consulted extensively on Municipal Staff Regulations incorporating minimum competency requirements for lower level staff. These regulations and guidelines will go a long way in normalising key elements like Performance Management, Recruitment, Selection, and Appointment of Staff, Terms and Conditions of Employment, Disciplinary Code and Procedures, amongst others. Public comments were incorporated into the regulations by 31 December 2016. We will continue to monitor the appointments of senior managers concluded in line with the MSA regulations and ensure that corrective actions are taken to enforce compliance.

Tackling Corruption

Engagements with regard to the implementation of forensic reports were held with the following municipalities and law

enforcement agencies: Harry Gwala District Municipality (DM), Setsoto Local Multiplicity (LM), Nelson Mandela Metropolitan Municipality, Tshwane Metropolitan Municipality, Bela Bela LM, Limpopo Province, KwaZulu-Natal Province, and the Directorate for Priority Crime Investigations (Hawks) and the Special Investigating Unit (SIU). We received feedback from Nelson Mandela Bay Metro on 21 forensic reports.

We planning to intensify our anti-corruption campaigns to improve ethical conduct working with the key partners mentioned above.

We intend rolling out training on the local government anti-corruption strategy across all 44 district municipalities by March 2019, starting with 18 in 2017/18.



“The challenging economic climate necessitates a strong focus on improving municipal expenditure and grant management.”

1.5.2 Overview of the Financial Results of the Department

Table 1: Departmental receipts since the 2015/16 financial year

| Departmental receipts | 2016/2017 | | | 2015/2016 | | |
|--|--------------|-------------------------|-------------------------|--------------|-------------------------|-------------------------|
| | Estimate | Actual Amount Collected | (Over)/Under Collection | Estimate | Actual Amount Collected | (Over)/Under Collection |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Sale of goods and services other than capital assets | 172 | 167 | 5 | 351 | 158 | 193 |
| Transfers received | - | - | - | 244 | - | 244 |
| Fines, penalties and forfeits | - | - | - | - | - | - |
| Interest, dividends and rent on land | 575 | 1 218 | (643) | 13 | 291 | (278) |
| Sale of capital assets | 150 | 40 | 110 | - | - | - |
| Financial transactions in assets and liabilities | 268 | 22 026 | (21 758) | 540 | 667 | 127 |
| Total | 1 165 | 23 451 | (22 286) | 1 148 | 1 116 | 32 |

In the 2016/17 financial year, the Department budgeted R1.165 million for Departmental receipts accrued from the collection of parking fees, recovered debt, commission on insurance policy premiums, the recovery of private telephone expenses and expenditure due to a breach of study loan contracts. The actual revenue generated for the 2016/17 financial year increased at a rate of 192.1 % to the value of R23.451 million. This is mainly due to a refund made by one of the municipalities, which did not fully utilise their grant in the 2015/16 financial year.

The Department is not a revenue generating entity, as such, there are no tariff charges for goods sold and/or services rendered.

Programme Expenditure

Below is a summary of the actual expenditure incurred in the 2016/17 financial year in comparison to the adjusted appropriation amounts for both the current and previous financial year. The financial information is presented per programme to reflect the key reasons for under/over expenditure with corrective actions in order to prevent the recurrence thereof in the future.

Programme 1: Administration

The actual expenditure of Programme 1 against the adjusted appropriation only reflects a 1.5 % under-spending, which is immaterial. The comparison of the current spending indicates a 1.3 % increase in the spending for the previous financial year (2015/16). This is mainly due to the inflation-related increases.

Programme 2: Regional and Urban Development and Legislative Support

The actual expenditure of Programme 2 against the adjusted appropriation reflects an under-spending of 10.2 %, which is mainly due to the delays that emanated from the implementation of the 2016/17 Procurement Plan and additional funds

received for the Municipal Demarcation Transition Grant through the rollover process and due to technicalities for reclassification, which could not be paid out. The current spending indicates a 7.7 % decrease in the spending for the same period in the previous financial year (2015/16). This is mainly due to the implementation of cost containment measures for the use of consultants and other line items such as catering, venues and travel and subsistence in the Branch.

Programme 3: Institutional Development

The actual expenditure of Programme 3 against the adjusted appropriation reflects an under-spending of 2.9 %, which is mainly due to the offsetting/withholding of Local Government Equitable Share funds from some municipalities, which did not comply with the DORA requirements, as well as delays in the spending of the Municipal Systems Improvement Grant, which has been converted into an indirect Grant. The current spending rate is 0.6 % higher than the spending rate in the previous financial year (2015/16) due to the reasons mentioned above.

Programme 4: National Disaster Management Centre

The actual expenditure of Programme 4 against the adjusted appropriation reflects an under-spending of 50.1 %, which is mainly due to the uncertainty with the payment of disaster relief grants. This grant is only paid when disasters are declared and with the approval of the National Treasury. The current spending reflects a 6.2 % increase in the expenditure for the previous financial year (2015/16), due to the uncertainty when Disaster Relief grants will be paid.

Programme 5: Local Government Support and Intervention Management

The actual expenditure of Programme 5 against the adjusted appropriation reflects an under-spending of 12.7 %, which is mainly due to the lower amount paid to non-returning councillors than projected and the slow start with the implementation of the 2016/17 procurement plan. The current spending rate of 12.7 %, is similar when compared to the spending rate of the previous financial year (2015/16).

Programme 6: Community Work Programme

The actual expenditure of Programme 6 against the adjusted appropriation reflects an under-spending of 25.7 %. The under-spending is mainly due to the delays with the procurement processes for the material used by participants, at site level, the delays in the submission of the invoices from the side of the CWP Implementing Agents and the review process of the payments that resulted in some invoices not being paid before the end of the 2016/17 financial year. The current spending reflected a 25.9 % decrease in the spending for the same period in the previous financial year, 2015/16, which is mainly due to the induction of new Implementing Agents, especially in the supply-chain management processes.



Table 2: Savings trends since 2010/11 financial year

| Year | Expenditure R '000 | Saving % | Saving R '000 |
|---------|-----------------------|-------------|------------------|
| 2010/11 | 44 457 917 | 0.26 | 1 15 202 |
| 2011/12 | 46 221 564 | 4.11 | 1 983 096 |
| 2012/13 | 53 442 919 | 2.57 | 1 412 259 |
| 2013/14 | 56 401 572 | 3.51 | 2 057 335 |
| 2014/15 | 59 386 548 | 6.41 | 4 067 337 |
| 2015/16 | 68 097 537 | 3.83 | 2 717 940 |
| 2016/17 | 69 852 230 | 4.35 | 3 169 970 |

The table 2 below depicts the total expenditure of the Department, excluding local and foreign aid assistance, which amounts to R69.852 billion or 95.7 % of the total appropriation. An under-spending of R3.170 billion or 4.35 % of the total budget is reflected, which is a slight increase in the annual under-expenditure amount when compared with the 2015/16 financial year, which reflects an under-expenditure of 3.91 %

Table 3: Financial information for the current and previous financial year

| Programme Name | 2016/2017 | | | 2015/2016 | | |
|---|------------------------|-----------------------|------------------------------|------------------------|-----------------------|-----------------------------|
| | Final Appropriation | Actual Expenditure | (Over)/ Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Administration | 271 245 | 267 266 | 3 979 | 243 174 | 236 494 | 6 680 |
| Regional and Urban Development and Legislative Support | 357 390 | 320 969 | 36 421 | 38 202 | 37 202 | 1 000 |
| Institutional Development | 68 113 231 | 66 163 451 | 1 949 780 | 67 448 161 | 65 072 866 | 2 375 295 |
| National Disaster Management Centre | 591 492 | 295 282 | 296 210 | 591 355 | 258 158 | 333 197 |
| Local Government Support and Intervention Management | 497 363 | 434 166 | 63 197 | 118 646 | 118 587 | 59 |
| Community Work Programme | 3 191 185 | 2 371 096 | 820 089 | 2 375 939 | 2 374 230 | 1 709 |
| Total | 73 021 906 | 69 852 230 | 3 169 676 | 70 815 477 | 68 097 537 | 2 717 940 |

Table 3 indicates the final appropriated budget of the Department of Cooperative Governance for the 2016/17 financial year to the amount of R73 022 billion. During the 2016/17 Adjusted Estimates of National Expenditure, the Department received an additional appropriation to the value of R27 858 million, which slightly increased the appropriation to R73.022 billion.

This represents an increase of R2.207 billion (3.02%) when compared to the budget allocation for the previous financial year. The increased allocation for the 2016/17 financial year was mainly in respect of the approved roll-over for the Municipal Demarcation Transition Grant.

Virements/Roll-overs

The following virements were put into effect in terms of section 43 of the PFMA (Act No. 1 of 1999) as amended to fund the overruns and increased spending levels of the different Programmes of the Department of Cooperative Governance during the 2016/17 financial year, in line with the mandate and priorities of the Department:

Compensation of Employees

R2.605 million was shifted from Programme 5: Local Government Support and Intervention Management to increase the compensation of employees' allocation of Programme 4: National Disaster Management

Goods and Services

R11.3 million was shifted from Programme 3 Governance and Intergovernmental Relations to increase the goods and services allocation of Programme 1: Administration.

Shifting

Further to the above-mentioned virements, the following shifting of funds are proposed within the main division and economic classifications for approval to fund the over-expenditure due to the increased spending levels:

Further to the above-mentioned virements, the following shifting of funds are proposed within the main division and economic classifications for approval to fund the over-expenditure due to the increased spending levels:

Programme 1: Administration

R1 809 million was shifted from the goods and services allocation to increase the transfers and subsidies allocation: Households, to provide for the payment of severance/exit packages to the amount of R165 thousand, R30 thousand under payments for Financial Assets (theft and losses) and R1 614 million under payments for Capital Assets.

Programme 2: Regional and Urban Development and Legislative Support

R33 000 was shifted from goods and services to increase the transfers and subsidies allocation: Households, to provide for the payment of severance/exit packages.

Programme 3: Governance and Intergovernmental Relations

R19 000 was shifted from goods and services to increase the Payment for Capital Assets allocation: Office Equipment

Programme 4: National Disaster Management Centre

R2.251 million was shifted from goods and services to increase the transfers and subsidies allocation for Households, to provide for the payment of severance/exit packages R2.246 million and R5 000 for the payments to Provinces for Vehicle licences.

Programme 5: Local Government Support and Interventions Management

R162 000 was shifted from goods and services to increase the transfers and subsidies allocation: Households, to provide for the payment of severance/exit packages.

Programme 6: Community Work Programme

R1.304 million was shifted from goods and services to increase the transfers and subsidies allocation (R14 000): Households to provide for the payment of severance/exit packages and Payment of Capital Assets (R1.290 million) to provide for the major CWP assets purchased during the 2016/17 financial year.

All Virements done in the Department were approved by the Acting Director-General. Subsequently, the National Treasury and the Executive Authority were also informed of the approved virements.

Roll-over

The roll-over of funds from the 2014/15 financial year was done in terms of Section 30 (2) (g) and 31 (2) (g) of the PFMA, 1999 to fund projects that were carried over to the 2016/17 financial year.

- An unspent amount of R2.370 billion was requested

to be rolled-over to the 2016/17 financial year from the National Treasury in respect of the Local Government Equitable Share Grant, Municipal Demarcation Transition Grant and Community Work Programme.

- The amount of R27 858 million was approved by National Treasury for the Municipal Demarcation Transition Grant.

Unauthorised, Fruitless and Wasteful Expenditure and the Amounts Involved as well as Steps Taken to Address and Prevent a Recurrence

The Department has not discovered any potential unauthorised expenditure. The Fruitless expenditure is disclosed in note x for the 2016/17 financial year statements.

Future Plans of the Department

The Department will continue to facilitate the Implementation of the 2nd phase of the Back-to-Basics Approach in the 2017/18 Financial year.

Public Private Partnerships

The Department has not entered into any Public Private Partnerships.

Discontinued Activities/Activities to be Discontinued

There were no activities discontinued during the 2016/17 financial year.

New or Proposed Activities

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

Supply Chain Management

The Department did not conclude any unsolicited bids proposals for the year under review. The Department has processes and systems in place to detect and prevent irregular expenditure. The Department has functional bid committees to ensure transparency, fairness and compliance with the Supply Chain Management procedures for tenders.

Challenges Experienced in SCM and How They Were Resolved

The Department has experienced difficulties in the

implementation of the Departmental procurement plan due to late submission of Terms of Reference/specifications to initiate tendering processes and the unavailability of bid committee members. The Department has addressed these challenges by setting timeframes and due dates for late submission of Terms of Reference/specifications to initiate the tendering process and also by including all bid committee meetings in the strategic diary of the Department.

Gifts and Donations Received in Kind From Non-Related Parties

The Department did not receive any gifts and donations in the 2016/17 financial year.

Exemptions and Deviations Received from the National Treasury

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

Events after the Reporting Date

The Department appointed a service provider in March 2017 to assist with the physical verification and compilation of asset registers, inventory and consumable sheets of each of the CWP sites. The outcome of the verification process has led to the restatement of the comparative figures for the movable assets for the 2015/16 financial year. Flowing from the detailed CWP asset verification process a number of assets are still under investigation that will be addressed during the 2017/18 financial year.

The above verification process also enabled the Department to prepare for the implementation of the inventory disclosure requirements with effect from 01 April 2017.

Possible over-runs are expected on two contracts entered into during the 2016/17 financial year. One is related to the CWP asset verification process and the other to the forensic investigations in respect of the CWP Programme.

Estimate of the Financial Effect of the Subsequent Non-Adjusting Events

The second phase of the forensic investigation on travel and accommodation costs have been concluded. The report was provided to Management and the recommendations are in the process of being implemented.

The second phase of the forensic investigation on the awarding of tenders to and the procurement of goods/ services by the CWP Implementing Agents (IA) has also been concluded at the end of March 2017. Management is in the process of implementing the recommendations of this report.

As part of the investigation of the 29 cases of possible theft and fraud related to CWP recorded: seven (7) cases are finalised and closed; 14 cases were handed over to the SAPS to start with criminal proceedings against the individuals concerned; and eight (8) cases require disciplinary action by the CWP: IAs.

The agreement was reached between the **DCoG** and Traditional Affairs (DTA) that the movable assets identified for transfer to DTA, will no longer be transferred, but will remain in the asset register of **DCoG**. The process to retrieve these assets from DTA will commence on June 2017.

Any Other Material Matters

The Department of Cooperative Governance is experiencing capacity constraints across the different programmes as a result of the decreases in the compensation of employee funds, since the 2016 MTEF period. All efforts are made to explore different options to address this situation in order to avoid a negative impact on service delivery and compliance levels to legislative and policy requirements.

The Community Work Programme is faced with challenges due to the nature of its implementation model which entails working with non-profit organisations (NPOs) contracted as Implementing Agents (IAs). These challenges were highlighted by audits conducted by the Auditor-General South Africa (AGSA) and an assessment of the GTAC. GTAC is an agency of National Treasury established to support amongst others, public finance management and project management.

The challenges experienced with regard to CWP can be summarised as follows:

- Inappropriate design as a result of the involvement of the programme since inception and related systemic and capacity challenges.
- Large amounts of irregular expenditure incurred and possible fraud.
- Non-adherence to government procurement pre scripts.
- Non-compliance to administrative procedures (bid evaluation and adjudication).
- Inadequate record management and internal controls.
- Inappropriate source documents for Project Management fees claimed.
- Inaccurate or non-existence of asset registers.
- Inadequate warehouse management of store items.
- Incomplete or no availability of participants records (e.g. Contracts, IDs, Bank account records, and time sheets).

In an attempt to address the above-mentioned challenges, which is further negatively impacted by the distance between the local space and national **DCoG**, different implementation options for CWP were explored from early in the 2016/17 financial year in collaboration with the National Treasury.

The Department is also in the process of establishing a Project Management Unit for CWP to assist with the overall management of the programme; to intensify the monitoring and implementation of the norms and standards by the CWP: IA; and to facilitate a smooth transfer to the new implementation model for CWP, to be implemented during the 2017/18 financial year.

Gifts and Donations Received in Kind from Non-Related Parties

The Department received the following donor funds/ donations in-kind in the 2016/17 financial year from:

- GIZ Government Support Programme to provide support on the Strengthening of the District Governance Programme.
- The Departments of Human Settlements and International Cooperation as partners in the formulation of a strategic position for South Africa towards the 2016 UN Conference – Habitat III.
- Oxfam Italia to develop a proposal for “Closing the loop: Innovative ideas for an effective Community Complaints Management System”.
- Oxfam Italia to the National Disaster Management Centre and the implementation of pilot initiatives at

the municipal level to test the guidelines and technical measures.

Exemptions and Deviations Received from the National Treasury

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

Conclusion

We wish to express our sincere appreciation for the guidance and support from the Honourable Minister Des van Rooyen in the execution of our mandate and for the acknowledgment of the achievements of the Department.

Acknowledgement/s or Appreciation

I would like to thank the Minister and Deputy Minister for their valuable insight and contribution in unlocking some of the blockages that hinder service delivery. My appreciation also goes to all the **DCoG** staff for their dedication and

commitment, which resulted in the achievement of a significant number of planned targets and adhering to Government's call for cost containment measures.

Approval and Sign-Off

The Annual Financial Statements set out on pages 156 to 295 have been approved by the Accounting Officer.



DR MC NWAILA
ACCOUNTING OFFICER - ACTING FOR **DCoG**
Department of Cooperative Governance

Date: 28 September 2017

1.6 STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

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

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

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

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

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

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

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2017.

Yours faithfully



DR MC NWAILA
ACCOUNTING OFFICER - ACTING FOR **DCoG**
Department of Cooperative Governance

1.7 STRATEGIC OVERVIEW

Vision

A functional and developmental local government system that delivers on its constitutional and legislative mandates within a system of cooperative governance.

Mission

To ensure that all municipalities perform their basic responsibilities and functions without compromise by:

- Putting people and their concerns first;
- Supporting the delivery of municipal services to the right quality and standard;
- Promoting good governance, transparency and accountability;
- Ensuring sound financial management and accounting; and
- Building institutional resilience and administrative capability.

Values

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

- Commitment to public service;
- Integrity and dedication to fighting corruption;
- A hands-on approach to dealing with local challenges;
- Public participation and people centred approach;
- Professionalism and goal orientation;
- Passion to serve; and
- Excellence and accountability.

1.8 LEGISLATIVE AND OTHER MANDATES

Constitutional Mandate

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

Chapter 3 - This chapter deals with cooperative government and intergovernmental relations. The Department will need to ensure that we observe and adhere to the principles in this chapter and that we conduct our activities within the parameters of this chapter.

Chapter 5 - This chapter deals with national intervention in provincial administration when a province cannot or does not fulfil an executive obligation in terms of the Constitution or legislation.

Chapter 6 - This chapter deals with provincial intervention in local government, in particular, when municipalities are unable to fulfil their executive obligations. Chapter 6 is also relevant when a municipality, as a result of financial crisis, breaches its obligations to provide basic services in order to meet its financial obligations.

Chapter 7 - This chapter deals inter alia with municipalities in cooperative governance. The Department, by legislation, must support and strengthen the capacity of municipalities to manage their own affairs, exercise their powers and perform their functions.

Chapter 9 - This chapter deals with those institutions whose role involves strengthening the constitutional democracy of the country. The Department has to comply with all legislative frameworks in this chapter in order to conform to rules made under the auspices of institutions such as the Auditor-General and the Public Protector.

Our primary mandate is to:

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

Legislative Mandate

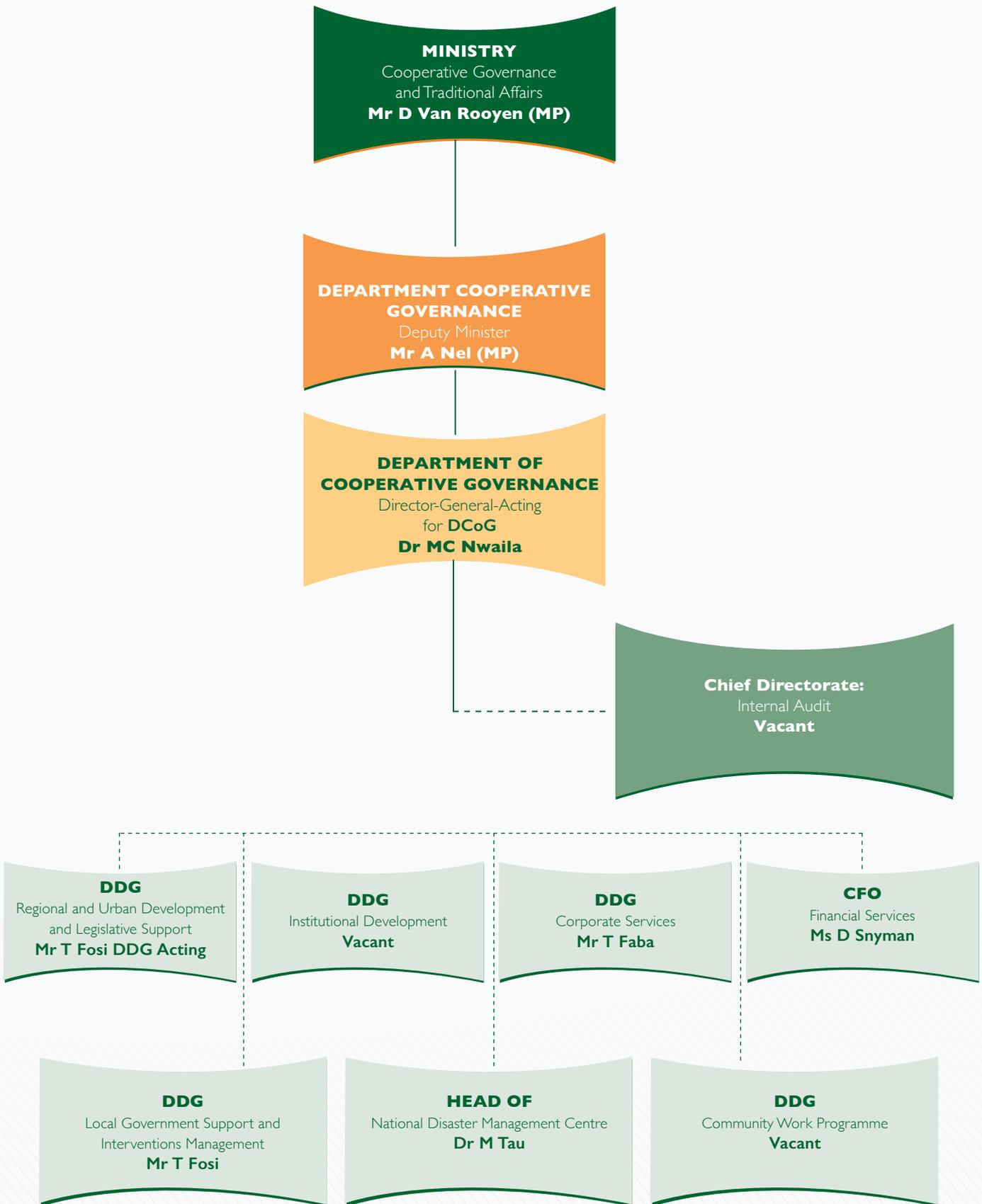
As a national Department, our function is to develop national policies and legislation with regard to local government and to monitor, inter alia, the implementation of the following:

| Name of Legislation | Mandate |
|--|--|
| Municipal Property Rates Act, 2004 (Act No.6 of 2004) | To regulate the power of a municipality to impose rates on property; to exclude certain properties from rating in the national interest; to make provision for municipalities to implement a transparent and fair system of exemptions, reductions and rebates through their rating policies; to make provision for fair and equitable valuation methods of properties; and to make provision for an objections and appeals process. |
| Disaster Management Act, 2002 (Act No. 57 of 2002) | <p>To provide for:</p> <ul style="list-style-type: none"> • An integrated and coordinated disaster management policy, which focuses on preventing or reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective response to disasters and post-disaster recovery. • The establishment of national, provincial and municipal disaster management centres. • Disaster management volunteers. • Matters incidental thereto. |
| Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) | To provide for the core principles, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities; to ensure universal access to essential services that are affordable to all; to define the legal nature of a municipality, including the local community within the municipal area, to provide for municipal powers and functions; to provide for community participation; to establish an enabling framework for the core processes of planning, performance management, resource mobilisation and organisational change, to provide a framework for local public administration and human resource development; to empower the poor and ensure that municipalities establish service tariffs and credit control policies that take their needs into account. |
| Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) | To provide for the establishment of municipalities, in accordance with the requirements relating to categories and types of municipality; to establish criteria for determining the category of municipality to be established in an area; to define the types of municipality that may be established within each category; to provide for an appropriate division of functions and powers between categories of municipality; to regulate the internal systems, structures and office-bearers of municipalities; to provide for appropriate electoral systems. |

| | |
|--|--|
| <p>The Intergovernmental Relations Framework Act (Act No. 13, of 2005)</p> | <p>The objective of this Act is to facilitate coordination by the three spheres of government in the implementation of policy and legislation. It is a Framework Act, which allows for flexibility between the spheres in meeting the challenges within the conduct and practice of cooperative government. It also provides for the basic architecture of intergovernmental structures and for processes to guide the settlement of intergovernmental disputes.</p> |
| <p>Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998)</p> | <p>To provide for criteria and procedures for the determination of municipal boundaries by an independent authority, and to provide for matters connected thereto.</p> |
| <p>Organised Local Government Act, (Act No. 52 of 1997)</p> | <p>To provide for the recognition of national and provincial organisations representing the different categories of municipalities; to determine procedures by which local government may designate representatives to participate in the National Council of Provinces; to determine procedures by which local government may consult with national and provincial government; to determine procedures by which local government may nominate persons to the Financial and Fiscal Commission; and to provide for matters connected therewith.</p> |
| <p>Fire Brigade Services Act, (Act No. 99 of 1987)</p> | <p>To provide for the establishment, maintenance, employment, coordination and standardisation of Fire Brigade Services; and for matters connected therewith.</p> |
| <p>Remuneration of Public Bearers Act, (Act No. 20 of 1998)</p> | <p>To provide a framework determining the salaries and allowances of the President, members of the National Assembly, permanent delegates to the National Council of Provinces, Deputy President, ministers, deputy ministers, traditional leaders, members of provincial Houses of Traditional Leaders and members of the Council of Traditional Leaders; to provide for a framework determining the upper limit of salaries and allowances of Premiers.</p> |
| <p>Local Government: Cross-Boundary Municipal Act, (Act No. 29 of 2000)</p> | <p>To give effect to section 155(6A) of the Constitution by authorising the provincial executives affected to establish cross-boundary municipalities; to provide for the re-determination of the boundaries of such municipalities under certain circumstances, and to provide for matters connected therewith.</p> |
| <p>Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)</p> | <p>To secure sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government; to establish treasury norms and standards for the local sphere of government, and to provide for matters connected therewith.</p> |

1.9

ORGANISATIONAL STRUCTURE



1.10 ENTITIES REPORTING TO THE MINISTER

The table below indicates the entities that report to the Minister and highlights for 2016/17:

South African Local Government Association (SALGA)

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 the organised local government and allows the 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 the 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.

| Name of Entity | Legislative Mandate | Financial Relationship | Nature of Operations |
|--|--|--|--|
| South African Local Government Association (SALGA) | <ul style="list-style-type: none"> • The Constitution of South Africa • The Organised Local Government (OLG) Act: • The White Paper on Local Government: • The Municipal Systems Act: • The Municipal Finance Management Act: • The Intergovernmental Relations Framework Act: | <ul style="list-style-type: none"> • Municipal levy • Grant Allocation | <ul style="list-style-type: none"> • Lobby, Advocacy and representing the interests of municipalities in legislatures and other policy - making and oversight structures. And also engaging with various stakeholders in public debates and other platforms in the interest of local government. • Employer Body that represents its municipalities in collective bargaining as stipulated in the Labour Relations Act. • Capacity Building by facilitating capacity building initiatives for municipalities and also representing municipalities' interests in the Local Government Sector Education Authority (LGSETA). Support and Advice services to enable municipalities to understand and interpret trends, policies and legislation affecting local government and implementation thereof. • Strategic profiling: Elements here refer to enhancing the profile and image of local government as an important and credible agent for the delivery of services. Profiling needs to take place on a national level, but also in Africa and the rest of the world. • Knowledge and Information Sharing to build and share a comprehensive hub of local government knowledge and intelligence. The knowledge hub is also a useful reference point for all who seek local government information. |

HIGHLIGHTS FOR 2016/17

Support in Managing the 2016 Local Government Election Transition

The 2016/17 financial year was a very significant year for SALGA as the sector went through a transition due to the local government elections held on 03 August 2016. Prior, during and post the election, SALGA supported municipalities to manage the local government elections and related matters. A set of guiding documents was developed and launched at a SALGA National Members Assembly in May 2016. These were shared with municipalities to prepare for the transition occasioned by the elections. The following materials were developed and distributed to all municipalities:

- Guidelines for the First Council Meeting of Newly Elected Municipal Council Meetings to be held after the 2016 LG Elections;
- Guidelines for the appointment of the Municipal Manager;
- Guidelines for a report on strategic issues to bring to the attention of the newly elected political office bearers;
- Standing Rules of Orders for the meetings of the Council and its Committees;
- The relationship between district and local municipalities and reporting mechanisms;
- Process flow chart support, monitoring and the application of Section 139 of the Constitution as well as Section 105 and 106 of the Municipal Systems Act, 2000;
- The role of the Municipal Manager before, during and after the 2016 Local Government Election;
- Appointment and Terms of Reference for Municipal Elections Officers and other Elections Officers;
- Continued meetings of the Executive/Mayoral Committee/Council during the Election period and the extent of Delegations of Powers to Heads of Administration during the Transition;
- Funding of political activities related to the 2016 Local Government Election by municipality;
- Guideline Document on the Roles and Responsibilities

of Political Structures, Political Office Bearers and the Municipal Manager.

Support for Non-Returning Councillors

As part of managing the transition, SALGA successfully lobbied for an exgratia payment to be paid to non-returning councillors from the National Fiscus. The payment was approved at the CoGTA MinMEC on 11 November 2016. All councillors that served for a continuous period of more than 24 months are to receive the exgratia payment aimed at providing a short term relief for non-returning councillors after their municipal leadership service had ended.

SALGA Provincial and National Conferences

Another key milestone for the year was the convening of the provincial and national SALGA conferences. Outcomes of the provincial conferences were consolidated and informed the draft strategic framework which was then discussed at length at the National Conference. The conference resolutions were then translated into the SALGA Strategic Plan 2017-2022. Another key outcome of the SALGA conference was the election of new SALGA leadership, which was done successfully in all the provinces as well as at the national conference. SALGA now has nine new Provincial Executive Committees, a National Executive Committee, a Council of Speakers, a Council of Mayors and a SALGA Women's Commissions. These governance structures shall lead SALGA over the next five years up to 2021.

Integrated Councillor Induction Programme (ICIP)

Following the local government elections held on 3rd August, SALGA in collaboration with CoGTA, National Treasury, the National School of Government, LGSETA and a range of stakeholders within and outside of government embarked on an integrated councillor induction programme, which was rolled out from September 2016 to November 2016. The integrated councillor induction programmes is a sector programme coordinated by SALGA with these key stakeholders anchored on the 5 pillars of the Back-to-Basics approach. It aspires to respond to the National Capacity Building Framework (NCBF) imperatives and represents the foundational learning layer of a Councillor Development Macro Learning Pathway that is set out for the full duration of the term of Municipal Councils (2016-2021). The current ICIP

represents in many respects a departure and paradigm shift from the 2011 CIP offering in that it harmonises the political, social, legislative and the vastly increased use of technology, including social media, which has evolved the environment in which councillors carry out their responsibilities. For the first time, traditional leaders were inducted together with the newly elected councillors. Post the 2016 local government municipal elections, a total of 8174 councillors and traditional leaders were inducted.

Councillor Development Programme (CDP)

The Councillor Development Programme (CDP) is an LGSETA funded programme aimed at building a cadre of effective and efficient Councillors capable of discharging their duties in respect of providing strategic direction, policy formulation, administrative oversight, improving public participation and communication with all the stakeholders in their municipalities and other partners in the context of sound intergovernmental relations environment within which municipalities operate. In the period under review, 8 training sessions were convened in the Northern Cape, North West, Mpumalanga and Western Cape. A total of 115 councillors attended the programme and certificates of competence were issued to councillors deemed competent in the programme. A total of 3183 councillors have been trained since the beginning of the programme in 2014 and 2924 certificates of competence have been issued as at end March 2016. The impact achieved in this programme is a high level of professional competence (knowledge and skill), experience, behaviour and ethics on the part of elected officials of local government.

Profiling and International Relations

SALGA's key mandate is to profile South African local government regionally, continentally and globally and contribute to strengthening the role of local government in development. As part of profiling, SALGA played a pivotal role in ensuring Cllr Parks Tau is elected as President of the World Body of local government (United Cities and Local Governments) in Bogota, Colombia, in October 2016. The efforts in this regard ensured a victory, not just for South Africa but for the African Continent and the World. Other developments on the international arena; SALGA facilitated the participation and representation of South African municipalities in the Sustainable Development Goals (SDGs)

International Conference hosted by the VVSG in Belgium on 27 May 2016, with the theme "think global, act local". Preceding this, SALGA facilitated city-to-city learning partnerships between Belgian and South African municipalities to be implemented in the period 2017-2020. The significance of these exchanges is that SALGA is playing a leading role in the localisation of SDGs. The municipal examples served as demonstration projects to other local authorities around the world on localisation in the build up to the UCLG World Congress held in October 2016. Through the work executed during the year under review, SALGA has regained the confidence of the donor community, which among others led to the conclusion of two major partnership programmes in the 2016/17 financial year. Partnership agreements were signed with the European Union as well as the Federation of Canadian Municipalities. SALGA is currently implementing a three year "Strengthening governance and capacity in local government" programme funded by the European Union. The programme commenced implementation in 2016 and it aims to strengthen SALGA's capacity to support member municipalities and improve local government's performance in the area of service delivery and good governance through amongst others technology and innovation. In December 2016, SALGA in partnership with the Federation of Canadian Municipalities (FCM) launched the Building Inclusive and Green Municipalities (BIGM) Program to be implemented over a 52 month period. The goal of BIGM is to strengthen the capacity of the South African municipal sector to effectively contribute to South Africa's priorities for advancing democracy and economic growth by reducing poverty and improving climate change mitigation and adaptation in targeted municipalities of the Eastern Cape Province. The programme pilots initiatives in six Eastern Cape municipalities that promote job creation, poverty reduction, and enhanced well-being, while empowering women, youth and vulnerable groups, and ensuring their inclusion as decision-makers and beneficiaries. As such, BIGM will also improve municipal-level plans and policies targeting climate change adaptation.

Knowledge Management

On research, SALGA conducted a baseline survey to identify the service authority support that municipalities need to effectively fulfil their authority functions. The report developed from the assessment has been used to concretise the relevant support to municipalities. A support programme

has been developed with implementation phases. The 2016/17 phase focussed on developing the documents that will assist in the support to be provided to municipalities. The following supporting documents were developed:

- A guideline in regard to the role of municipalities as a service authority for solid waste management.
- A guideline in regard to the role of municipalities as a service authority for electricity.
- A model service level agreement for waste management.
- A model service level agreement for electricity.
- A model of bylaws for roads and transport and electricity.
- Infrastructure investment framework for water.
- Cost of services study

The launch of the Local Government Knowledge Hub is a significant step in the improvement of the management and dissemination of SALGA and the sector's information and knowledge resources. Over time, the Local Government

Knowledge Hub will build a body of knowledge (institutional memory) of the local government sector that will serve as a reference for the future. The SALGA Municipal Barometer provided data and intelligence support to a number of stakeholders. A number of socio-economic profiles have been developed and shared with end users. It is envisaged that the socio-economic profiles provided necessary information and intelligence, which enabled informed discussions and decision-making processes.

South African Cities Network (SACN)

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

| Name of Entity | Legislative Mandate | Financial Relationship | Nature of Operations |
|-------------------------------------|--|------------------------------------|---|
| South African Cities Network (SACN) | Established as a section 21 company in terms of the South African Companies Act, 2008. | Municipal Levy Grant Allocation | <ul style="list-style-type: none"> • Knowledge and information exchange, experiences and best practices on urban development and city management amongst members. • Secretariat to oversee governance, administration and programmatic functions. • Active Board for oversight and championship. • Providing thought leadership by producing and disseminating credible and continual research about cities and key urban themes. • Enable and support cities to act and speak with one voice. • Establish strategic relations locally, regionally and internationally to support the work of the network |

Highlights for 2016/17

During the year under review, the work of SACN was guided by its new 2016/17 Strategic Framework, which envisages that by 2021, CITIES AT THE CENTRE should be empowered through institutional reconfiguration and decentralisation of powers and authority for their effective and efficient management. Guided by the key national frameworks such as the IUDF, NDP and the New Urban Agenda which supports the Sustainable Development Goals, the key SACN themes for the new strategic period are about: People, Space, Systems, Institutions, and Engagement. The first year of the 5-year period was spent bedding down the new framework and embarking upon some of the activities, while also wrapping off key projects from the previous cycle. Some of the highlights of the network in the period are the following:

The 4th State of South African Cities Report: Every five years, the SACN releases its flagship output, the State of South African Cities Report (SoCR). The SoCR monitors city development and service delivery performance against local benchmarks and strategies, national urban development priorities, and international development targets. This report influences national policy and strategy through messages about what is required to achieve the desired urban development outcomes. It is also used to advise and inform the plans and strategies of cities by generating specialised and technical evidence and insights. The reports also contain data tables and maps presenting relevant data and statistics, and typically include an almanac of downloadable data corresponding with the SACN's thematic areas, which represent the key broad themes within which cities' progress is tracked and analysed over time. The 4th SoCR was launched on 22 June 2016 in the City of Johannesburg at a well-attended, high profile event. The report (and its supporting products) were very well-received, and country-wide dissemination efforts continued throughout 2016/2017, as part of the orientation and agenda-setting of the new city administrations.

Strategic Framework to enhance Built Environment Integration: In 2016, SACN embarked upon a Cities practitioner panel-based project to examine how local government can transform spatially within a context where the devolution of the human settlements function lay in abeyance. The objective of the project was to take a pragmatic, operational view of the role of the Metros in

guiding and enabling integrated spatial interventions that will result in transformed urban areas with more equitable, just and sustainable access to cities. This included a review of the necessary administrative and technical arrangements within local government, as well as the approach to the coordination of the relevant actors involved in an integrated built environment (BE) function. The study engaged with key city BE managers to develop a Roadmap for how the Metros can move from the status quo of "fragmented Metro level BE functions, and a disjointed and uncoordinated external BE environment" towards "more integrated and coordinated Metro level BE functions, working in concert with a coordinated and focused external BE environment". The work that came out of this initiative provides the basis for an ongoing programme of work to follow, working with cities on how to strengthen their integrated delivery of the BE function.

Infrastructure Dialogues Series: The Dialogues continued to be hosted by SACN jointly with the DBSA, the National Business Initiative, the DPME in the Presidency, and the Department of Economic Development to deliberate on infrastructure matters affecting urban areas with the purpose of sharing of views and perspectives between senior government, private sector and civil society stakeholders in the infrastructure sector.

Key Publications: During the year under review, the SACN produced several publications such as the Sustainable Cities Report: Sustainability needs to be viewed holistically, as a fundamental concept that straddles the different city Departments, and an integral part of a city's growth and development strategies. Sustainability is a journey, not a destination, and cities must create their unique path for transitioning towards sustainability, based on their needs and available resources. SACN's programme of work around this issue has sought to understand cities' vulnerabilities, preparedness for and performance in driving local and national development.

Transit-Oriented Density Framework: As cities emphasised the need for higher residential densities, for public transport services to be effective and sustainable, this study looks at urban density that supports public transport ridership and how it can be measured. The report proposes a ten-point framework that can be used to understand the

extent to which density levels support public transport use.

The Impact of Bus Rapid Transit on Neighbourhoods:

An explicit objective of investing in BRT systems is to galvanise the transformation of surrounding neighbourhoods into compact, mixed-use areas that cater for diverse income groups. However, without a systematic assessment, it is not possible to know whether investment in these public transport systems leads to a change in the fabric and function of neighbourhoods. Therefore, the SACN commissioned a study to assess the neighbourhood impacts of BRT investment in Soweto (Johannesburg) that built on a 2013 study by the University of the Witwatersrand. The report provides some important lessons for other cities that are investing in BRT systems.

Urban Safety Report 2016: Cities have distinct safety challenges and often higher rates of crime, which have implications for growth, development and quality of life. In South Africa, the legacy of apartheid-era planning and other socio-economic factors mean that low-income areas, such as townships and informal settlements, suffer from particularly poor levels of safety. This uneven spatial distribution of safety affects the overall inclusivity, efficiency and functioning of cities. The report presents, possibly for the first time, a consolidated city-level reading of the state of crime and violence in South Africa. It examines city-level safety and security trends, with the overall objective of providing a sound evidence base (aggregated to city level) to inform policy and practice, and to strengthen the case for improved fiscal allocations to the urban safety functions of cities.

Strategic Relationships: Cities Partner with Property Owners Association: A key message from State of the Cities Report 2016 was that for city development to be effective all actors, be they from government, knowledge institutions or other sectors need to cooperate and align their actions. It is in this regard that SACN has sought to build relationships beyond the city government sphere, and not least with

the private sector. For example, SACN has had a long running relationship with the National Business Initiative (NBI) in hosting the Infrastructure Dialogues. A significant strengthened private sector relationship over this period has been that between SACN and the South African Property Owners Association (SAPOA) which represents the property industry in the Country. This relationship is founded on a signed Memorandum of Understanding between the two organisations. The partnership has involved cross-participation of both organisations in each other's respective fields (including SACN's Spatial Planning and Land Use Reference Group and SAPOA's annual convention); joint publication of media articles on issues of mutual concern, such as the legal challenges faced by the private sector in the implementation of SPLUMA (3 during the period); joint funding of research on Transit Orientated Development (TOD) implementation in South Africa; and so forth. The joint TOD research report was titled "Developing a Collective Approach to Mixed Use Development in TOD Precincts". It emphasised the need for coordinated action between the private and public sector in realising the potential of development around public transport stations, be it in Mamelodi or Sandton. It is hoped that the successful cooperation realised by SAPOA and SACN will continue and strengthen and that the mutual benefits that the two organisations have to offer one another can multiply.

Municipal Demarcation Board (MDB)

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

| Name of Entity | Legislative Mandate | Financial Relationship | Nature of Operations |
|-----------------------------|---|------------------------|--|
| Municipal Demarcation Board | Local Government: Municipal Demarcation Act, 1998 (Act 27 of 1998) Local Government: Municipal Structures Act, 1998 (Act 108 of 1998) Constitution of the Republic of South Africa (Act 108 of 1996) Cabinet resolutions | Grant funding | <ul style="list-style-type: none"> Determine and re-determine municipal outer boundaries. Delimitation of wards for local government elections. Conduct capacity assessments of district and local municipalities to perform their functions and exercise their powers, and provide advice to MECs. Render advisory service in respect of matters provided for in the Municipal Demarcation Act. By way of cabinet resolution the MDB also assists government Departments to align their service delivery boundaries to municipal boundaries. |

Highlights for 2016/17

For the first time since its inception, the MDB held a consultative conference with the theme Demarcation and Spatial Transformation, on 23 and 24 June 2016. This consultative conference included a number of stakeholders and the outcomes highlighted the necessity for the MDB to focus on, amongst others, the need for legislative reform, a regional presence and the strengthening of public participation and public education; as central and continuous components of the demarcation processes. The challenges tackled by the conference broadly addressed the question of public unhappiness regarding demarcation decisions, even when courts consistently affirmed the decisions of the board

During 2016/17, the boundaries of all 213 local municipalities were technically assessed. These technical assessments were conducted in order to inform the MDB's 2017 to 2019 municipal boundary re-determination process. The conclusion of the assessment process led to the detection of over 1 000 cases of misaligned municipal boundaries. Misaligned boundaries are instances where the municipal boundary is either not aligned to cadastral boundaries, or splitting farms and/or settlements.

Furthermore, a framework on public participation and stakeholder engagement was developed. This framework will be of utmost importance during the imminent 2017 to 2019 technical boundary re-determination process. Additional valuable communication channels have also been established, primarily for communication purposes. These include the establishment of a Blog page, revamping of the website to be more interactive and informative as well as other social media pages for the benefit of the organisation and the recipients of information on these platforms.

The MDB has developed a regionalisation model, which will cascade the work of the institution and allow it to operate at a provincial level. The model is also aimed at, amongst others, enhancing local participatory democracy to enable the public to have easier access to the MDB, whilst strengthening public participation and education. It will also increase understanding of regional and local dynamics, facilitating a systematic shift from reliance on municipalities to forging and driving MDB engagements and activities.

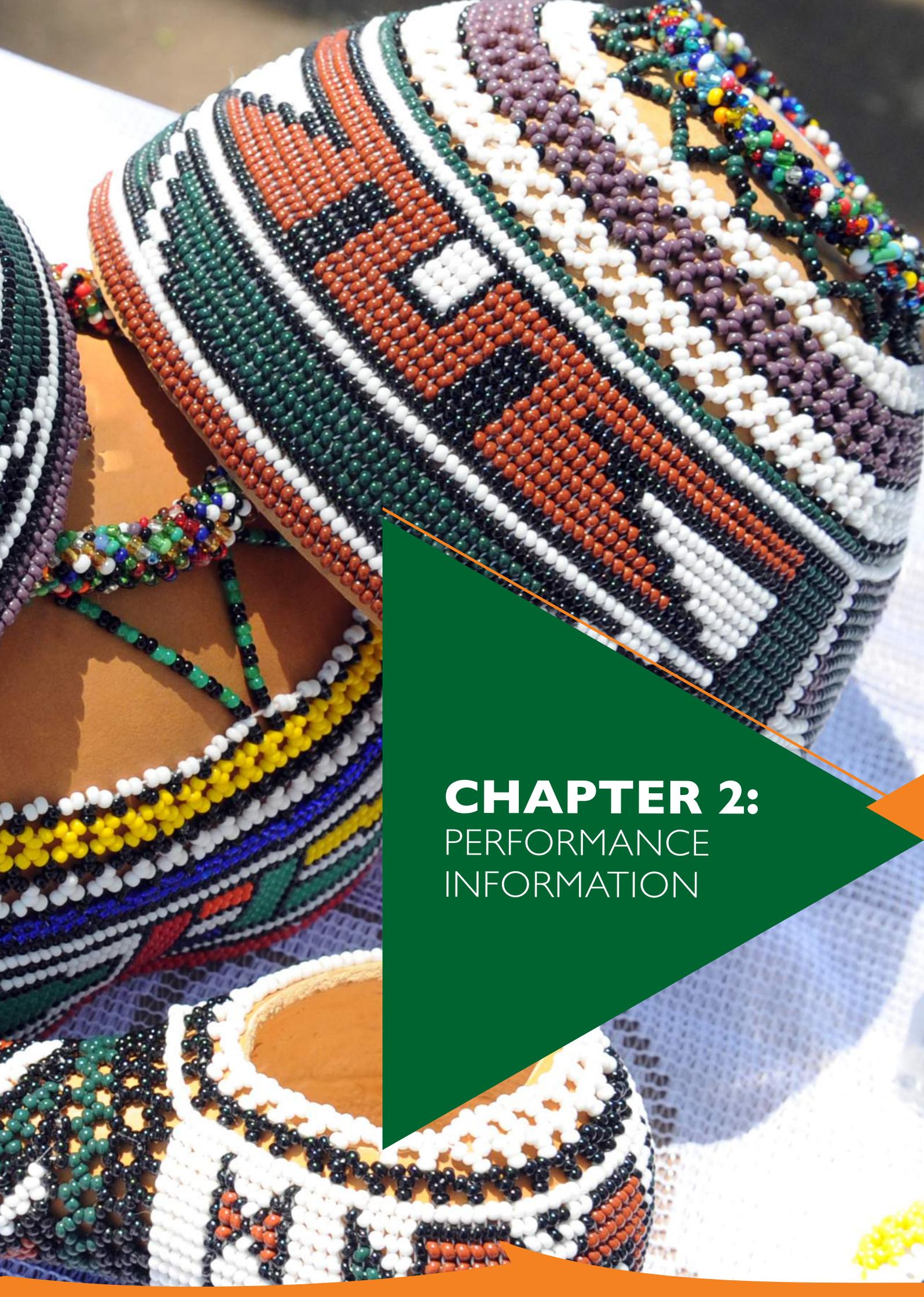
National Treasury and CoGTA were engaged to increase the MTEF allocation, this in support of the regionalisation model. However, the allocation was not increased and the Board is committed to further engage with National Treasury, Parliamentary Portfolio Committee and MinMEC to sensitise them of our dire financial situation and the implication it has on fulfilling our legislative mandate.



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CHAPTER 2: PERFORMANCE INFORMATION

2.1 AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA has performed procedures to obtain evidence about the usefulness and reliability of performance information reported against pre-determined objectives to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings reported on predetermined objectives. The detailed findings and other legal and regulatory requirements are outline on page 149 in Part E: Financial Information.

2.2 OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.2.1 Service Delivery Environment

Introduction

From 1994, the democratic Government has prioritised programmes for the delivery of infrastructure, and for the provision of the maintenance thereof. The importance of providing basic services to vulnerable communities includes a range of social services to address the country's triple challenges of **poverty, unemployment, and inequality**. These services have had an extremely positive impact on improving the living standard of numerous households. Millions of people who were previously shut out of the government system, now have access to basic services and the state machinery.

Alongside the South African Constitution, the policy framework for Developmental Local Government remains one of the best in the world. The driving vision of building developmental and responsive municipalities through active collaboration between the state, civil society, business and ordinary residents, remains as fundamental as ever. The mandate of local government to address the most grinding dimensions of material poverty also remains as vital as ever. This policy vision makes municipalities the places where a just and more equitable South Africa must be shaped and take root.

DCoG is tasked to equip local government to meet the needs of a consolidated democracy. The challenges include addressing apartheid-legacy underdevelopment of the

regions and municipalities, fostering participatory governance at the local level, consolidating local government to facilitate sustainable development and improving service delivery.

Impact of the 2016 Local Government elections

The Local Government Elections on Wednesday, 3 August 2016, was the country's 5th democratic local government election since the advent of democracy in 1994.

The 2016 Municipal Elections was the most competitive and highly contested local elections to date. A record total of 26.3 million voters were registered for these elections, including 1.3 million new voters. A record number of parties and candidates contested the elections. The highest voter turnout in a local election, namely 58%, was achieved.

In the end, it was a fiercely contested election across the board, with the impact being most pronounced in South Africa's major metropolitan councils of Johannesburg, Tshwane and Nelson Mandela Bay. In these three cities, no party obtained an overall majority and opposition coalitions emerged in control. These political shifts also manifested itself in 27 hung councils across South Africa, which required the formation of coalition governments to constitute a government in each council.

While the number of metropolitan municipalities (8) and district municipalities (44) remained the same, there was a reduction in the number of local municipalities elected due to redemarcation and amalgamation. The number of local municipalities was reduced from 226 to 205.

Back-to-Basics Programme

The B2B programme is built on 5 pillars:

1. Put people and their concerns first and ensure constant contact with communities through effective public participation platforms.
2. Create conditions for decent living by consistently delivering municipal services to the right quality and standard. This includes planning for and delivery of infrastructure and amenities, maintenance and upkeep, including the requisite budgeting to do this and ensuring that there are no failures in services,

- and where there are, restore services with urgency.
3. Be well governed and demonstrate good governance and administration, this includes cutting wastage, spending public funds prudently, hiring competent staff, and ensuring transparency and accountability.
 4. Ensure sound financial management and accounting, and prudently manage resources so as to sustainably deliver services and bring development to communities.
 5. Build and maintain sound institutional and administrative capabilities, administered and managed by dedicated and skilled personnel at all levels.

First Phase

B2B emphasised the need for municipalities to do the basics right, for improved delivery of services and developmental outcomes. The foundation for a developmental local government is doing the basics right, and there is therefore, a correlation between pursuance of developmental outcomes, effective delivery of services, changing living conditions of our people and meeting compliance requirements, and doing the basics as provided for in the legislations that govern local government.

Lessons Learnt during B2B's First Phase

The following lessons emerged from the first phase, and will guide phase two of the B2B programme:

1. B2B is not an end in itself, but the continuation of a journey in pursuance of South Africa's developmental objectives;
2. The direct 'hands-on' support from spheres of government to municipalities has yielded improved performance;
3. Positive lessons were realised from the various support packages and interventions;
4. Political instability and weaknesses in governance are two of the primary causes of poor service delivery at municipal level;
5. Evidence is emerging that reducing vacancy rates of municipal managers in municipalities seem to have a huge positive effect on improved audit

- outcomes.
6. Municipalities with weaknesses in governance and corporate management functions such as financial management, human resource management and supply chain management, also tend to experience difficulties in service delivery;
 7. Whilst municipalities focused on the delivery of infrastructure to eradicate backlogs, they have sometimes neglected the operations and maintenance thereof;
 8. Citizen engagements are generally weak in those municipalities categorised as 'dysfunctional' and 'at risk'; and
 9. Municipalities generally have weak technical capacity in planning, project management, and the designing and procurement of infrastructure.

Thus, municipalities that are not succeeding in getting the basics right yet, will still need to concentrate on getting the foundation pillars right first. **DCoG** and all involved stakeholders and sector Departments will continue to support these municipalities as outlined in the action-plans developed during the first phase of B2B.

Those municipalities who are successful in getting the basics right must continue to do the basics right, and simultaneously move beyond the first phase of the Back-to-Basics programme to the second phase.

B2B Monthly Reporting by Municipalities

The first batch of B2B Monthly indicator questionnaires were sent out by the Department to all municipalities on 31 October 2014. Every month municipalities were requested to respond to a set of questions covering the broad B2B areas.

The recent report consolidating the B2B responses from municipalities on a monthly basis was finalised by 31 March 2017. It provided a summary of the information received from municipalities for a 21-month period, from October 2014 to June 2016. The end of June 2016 coincided with the end of the 2015/16 municipal financial year, and also the conclusion of the first phase of B2B.

It differed from previous reports consolidating the responses from municipalities, in that it also looked at emerging aspects, trends and challenges identified in the 1st phase of B2B and how these could be linked to the B2B priorities in the 10-Point Plan for the second phase of B2B.

If the number of templates submitted is compared with the total number that should have been provided over the 21 months, it is found that the overall percentage response rate over the 21 months was 67%.

Although the responses from municipalities have begun to provide a data base from which emerging trends can be described and analysed, a remaining challenge is that not all the municipalities have been reporting consistently each month, or have responded timeously.

The Second Phase of B2B

The second phase of B2B is meant to take Local Government to a higher developmental trajectory in pursuit of national priorities and realisation of the NDP goals.

In this regard, the second phase of B2B is conceptually predicated on the theme *“Managing Municipal Spaces for Radical Social and Economic Transformation”*. The second phase requires a paradigm shift regarding how Local Government is viewed, how support for municipalities is coordinated, the perennial challenges resolved, how intergovernmental and private sector support is mobilised, and lastly, how CoGTA organises itself and performs its mandate.

Going forward, through its developmental agenda, B2B must now also advance the vision of radical transformation of municipal spaces, and how this may be effected through a greater focus on regional socio-economic transformation initiatives. This means in practice that the pillars of the first phase of Back-to-Basics will now become the foundation on which we need to build further.

The B2B 10-Point Plan should guide its continuing implementation. The 10-Point Plan highlights the following priorities:

1. Positive Community Experiences;
2. Municipalities Consistently Receiving Disclaimer Audit Opinions;

3. Revenue Enhancement Programmes;
4. Appointment of Senior Managers in Municipalities;
5. Services and Infrastructure action-plans;
6. Implementation of Forensic Reports;
7. Metropolitan B2B Programmes;
8. Strengthening Roles of District Municipalities;
9. Spatial Regional Integration Zones/Spatial Contracts; and
10. Strengthen the capacity and the role of Provincial CoGTA Departments.

The second phase, however, requires a government-wide paradigm shift in perceptions of the role of Local Government and will require a reorientation of the approach to implementation of the Back-to-Basics Programme. The enormity of the developmental challenges, and the severe fiscal and other resource constraints South Africa is currently facing as a country, requires all three spheres of government to work together effectively and efficiently towards common goals for transformation.

The second phase requires, therefore, moving beyond the basics and placing a focus on issues such as:

- A spatial planning focus;
- A local economic development (LED) focus to stimulate local economies;
- Integrated Urban Development Framework (IUDF) priorities and its implementation modalities; and
- A reconfiguration of the district system to augment regional economic development, regional infrastructure planning and delivery, as well as spatial transformation.

The second phase of the Back-to-Basics programme will focus on the following key interventions:

1. A continuation of supporting the Back-to-Basics programme in our municipalities as a building block for what the National Development Plan defines as developmental local governance.

2. Agreeing on ways to further strengthen the system of local government in the second phase of the B2B programme, in the following three areas:

- Addressing spatial injustice and spatial dislocation, which continue to impact on the lives of our people;
- Building of resilient communities to avoid and reduce the impact of climate change and disasters; and
- Achieving social and economic transformation can best be achieved at local level.

3. To forge government-wide agreements on approaches and concrete actions to advance radical social and economic transformation at a local level, over the current five-year term.

To attain these goals, attention must be focused on far greater levels of integrated planning, involving all spheres and sectors, as this is the best way to manage rapid urbanisation – and to ensure development happens across all types of municipalities, whether categorised spatially as rural or urban.

The enormity of the developmental challenges, and the severe fiscal and other resource constraints to be faced to achieve the above, requires all three spheres of government to work together effectively and efficiently towards the common goal. **DCoG** and its partners, both inside and outside of government, must now move beyond doing the basics right only. Now is the time to also place the focus on fundamentally reshaping the colonial and apartheid geography. Spatial planning is, therefore, a critical instrument of Government to realise radical socio-economic transformation.

Integrated Urban Development Framework (IUDF)

The National Development Plan, reinforced by the IUDF and the further elaboration of the National Spatial Framework should be the overall structure and context within which, and in iterations with which, provincial and municipal planning should develop.

Ultimately, planning is about enhancing the dignity of our people, enhancing their economic well-being and creating an inclusive dynamic that reduces poverty, inequality and unemployment. South Africa's policy aspirations for urban

development as set out in the NDP and the IUDF, present a vision of South Africa's urban future that spatially manifests the nation's ideals of equity, prosperity and sustainability

The IUDF is the new national framework to guide the urban vision for South Africa. Its vision is: **'Liveable, safe, resource-efficient cities and towns that are socially integrated, economically inclusive and globally competitive, where residents actively participate in urban life'**. It sets a policy framework to guide the development of inclusive, resilient and liveable urban settlements while addressing the unique conditions and challenges facing South Africa's cities and towns.

A shared understanding across government and society about how best to manage urbanisation across all municipal typologies must be established. The government has recognised the need for greater responsibilities for cities in land use management, the development of human settlements and the provision of public transport services. It is recognised that empowering cities to perform these functions will support integrated planning and spatial development, as well as ensure greater accountability to communities.

Progress is being made by South Africa's metropolitan municipalities in reversing the spatial legacy of apartheid. Targeted investment in high-density corridors is attempting to link townships and cities. But much more remains to be done. Spatial transformation is a massive challenge involving land acquisition and development, infrastructure and transport services, housing and industrial and enterprise support.

Rural-urban inter-dependency recognises the need for a more comprehensive, integrated approach to urban development that responds to both the urban and the rural environments. It is important to understand that urban development is not an alternative to rural development. Urban and rural areas are dynamically interconnected, through flows of people, and natural and economic resources.

Importance Of Disaster Risk Reduction for our Communities

Disaster risk reduction is about avoiding risks or limiting them, by focusing on a population's vulnerabilities and capacities. Its aims are to increase the likelihood that a household, community, city or any area will be able to anticipate, resist or recover from the losses sustained from a disaster. The risks and vulnerabilities that people face from natural disasters are

as much a product of their social situation, as their physical environment.

The extent of damages following fires in informal settlements shows the extent of community vulnerability to disasters. Local government has a major role to play in reducing community vulnerability to disasters. Disaster management is part and parcel of the local problems that local government needs to pay attention to. In implementing disaster risk reduction three major roles of local governments can be highlighted:

- 1) A municipality must play a central role in coordinating and sustaining a multi-level, multi-stakeholder platform to promote disaster risk reduction in the region or for a specific hazard. Thus the active commitment and leadership of a local government is important for the implementation of any local disaster risk reduction measures.
- 2) Municipalities must engage local communities and citizens with disaster risk reduction activities and link their concerns with government priorities. As the most immediate public service provider, local governments are in the best position to raise citizens' awareness of disaster risks and to listen to their concerns.
- 3) Municipalities must strengthen their own institutional capacities and implement practical disaster risk reduction actions. As the governmental body responsible for the long-term development and viability of its area, a municipality is required to consider and institutionalise disaster risk reduction in its day-to-day operations, including development planning, land use control and the provision of public facilities and services.

Specific Priorities for DCoG Going Forward

a) Support and strengthen the introduction of SPLUMA

The Spatial Planning and Land Use Management Act (SPLUMA) makes provision for inclusive, developmental, equitable and efficient spatial planning at the different spheres of government. The coordination of efforts and the capacity and skill requirements for the preparation and development of Spatial Development Frameworks (the SDFs), as anticipated in legislation, must be supported and strengthened.

b) Improve integrated planning and management

Far greater intergovernmental collaboration is needed for integrated planning, spatial frameworks, and access and availability of well-located land. While cities are responsible for planning in their areas, national and (in particular) provincial governments must take into account the various local government plans, such as city development strategies, spatial development plans, Integrated Development Plans (IDPs), precinct plans, etc. This is especially important when planning for the provision of social (such as schools, health facilities, libraries, etc.) and economic infrastructure.

c) Maximise existing IGR structures as a mechanism for planning coordination

Intergovernmental Relation (IGR) structures have been established but are neither functional nor strategic. This is not unexpected, considering a policy vacuum regarding how to align the plans. The NDP is the first national plan to guide development in the country. With it in place and with the alignment of government plans, IGR structures must be used as vehicles to strengthen planning and monitor the progress of development in municipal spaces. These structures are a key mechanism for setting political development priorities, aligning the plans and programmes of government, and monitoring progress against the strategic plans.

d) Strengthen intergovernmental and long-term planning

Intergovernmental and differentiated planning needs to be strongly positioned within the local government governance framework, together with initiatives to build spatial and long-term intergovernmental planning capabilities for growth and development. Greater analytical capabilities within government need to be developed, in order to pave the way for evidence-based policy adjustments.

A framework should be developed to guide and promote the multi-jurisdictional collaboration imperatives of city development plans, to promote regional development with clearly aligned and sequenced plans. Planning approaches should facilitate growth management strategies, to allow convergence between planning for development, service delivery and economic development. With regard to informality, aspects of informal settlements management and planning should be formalised or adapted for applicability, while municipal by-laws should similarly be applied more widely across settlement areas. A more proactive approach is also required to identify and resolve inter-governmental and

planning problems. This could include the use of mechanisms such as spatial compacts to negotiate spatial conflicts between spheres, sectors or other actors.

e) Expand the instruments for spatial intervention

SDFs must be developed based on proper analysis and understanding of urban economies and socio-spatial trends. They must be elaborated into more spatially detailed plans that provide a meaningful basis for adjudicating development applications and guiding capital investment by the public and private sector. Explicit attention must be given to infrastructure within strategic spatial planning (for example, through the development of growth management strategies and their integration into SDFs).

It is time to overcome the inadequacy of progress in respect of the spatial transformation of our cities and more urgently and assertively address the stubborn persistence of spatial patterns enforced in the apartheid years. Reversing the apartheid spatial patterns requires bold and consistent efforts across the various levels of government.

2.2.2 Service Delivery Improvement Plan (SDIP)

The Department has not revised its 2014-2016 Service Delivery Improvement Plan (SDIP), which was based on improvements related to MIG allocations. A comprehensive SDIP will be developed once the Enterprise Architecture exercise is completed.

The following tables highlight the SDIP and the achievements:

| Main Services | Beneficiaries | Current/actual standard of service | Desired standard of service | Actual achievement |
|---|----------------|--|---|--|
| Support municipalities to implement the MIG programme and improve expenditure. 1 362 MIG projects were monitored in relation to financial compliance with DoRA. | Municipalities | Verification of proof of payment before transfers are made. | Verification of proof of payment before transfers are made. | All proof of payment for MIG qualifying Municipalities were verified quarterly before payment was made. |
| | Municipalities | Not all qualifying municipalities are using 100% of the MIG MIS system. | All qualifying municipalities are using 100% of the MIG MIS system. | All MIG qualifying Municipalities are using the MIG MIS; training is being conducted on a quarterly basis to identified municipalities that are not using some of the MIG MIS modules. |
| | | Not all MIG receiving Municipalities report on required reporting template (DoRA) on time and accurately to payment schedule and non-financial progress. | All MIG receiving Municipalities report on required reporting template (DoRA), on time and accurately to payment schedule and non-financial progress. | The majority of MIG receiving Municipalities report on required reporting template (DoRA) on time and accurately. There was withholding of Local Government Equitable Share funds from some municipalities that did not perform according to the DORA requirements. |

| Main Services | Beneficiaries | Current/actual standard of service | Desired standard of service | Actual achievement |
|---------------|----------------|---|-----------------------------|---|
| | Municipalities | Quarterly non-financial report released by DCoG to stakeholders. | Maintain the standard. | The 2016/17 MIG end on 30 June 2017. The 2016/17 MIG allocation is R14, 9 billion and ends on 30 June 2017. All R14, 9 billion has been transferred and the expenditure was R9, 5 billion, which is 64% of the total MIG allocation. 3 Quarterly non-financial reports were released by DCoG to stakeholders. |
| | Municipalities | Retraining on MIG-MIS. Annual DoRA workshops. Quarterly MIG workshop with Provinces. Annual allocation letters to MIG municipalities. Update of the industry guide on unit cost guide. MIG quarterly newsletter. | Maintain the standard. | Quarterly training sessions were conducted to identified municipalities that are not using some of the MIG MIS modules. Quarterly MIG workshops were being conducted with identified provinces. MIG framework was issued in February 2017 as part of providing guidance to stakeholders on their MIG responsibilities. |
| | Municipalities | Monitor the eradication of backlogs through the utilisation of the MIG. | Maintain the standard. | The MIG financed infrastructure to 131 337 poor households for water; 134 327 poor households for sanitation; 2 150 km of roads servicing; 10 recycling facilities and solid waste disposal sites; 221 sports facilities in poor communities; 76 public facilities in poor communities, including work opportunities to 161 697 people. |
| | Municipalities | Improve timeous receipt of annual performance report from municipalities to improve on quality of annual performance report submitted to National Treasury by DCoG . | Maintain the standard. | There has been a significant improvement in the timeous submission of annual performance reports. -Non-compliance letters are being issued to those that do not submit on time. |

| Main Services | Beneficiaries | Current/actual standard of service | Desired standard of service | Actual achievement |
|---------------|---------------|---|---|--|
| | | <p>Improve coordination of various disciplines within CoGTA dealing with MIG processes.</p> <p>The capacity of sections in CoGTA dealing with reporting and monitoring.</p> | <p>Improve coordination of various disciplines within CoGTA dealing with MIG processes.</p> <p>The capacity of sections in CoGTA dealing with reporting and monitoring.</p> | <p>To accelerate the spending level of struggling municipalities, the Department is considering developing the financial unit capacity to handle MIG conversions and also transferring the MIG Programme from the DCoG to MISA.</p> |

The adoption and implementation of the new organisational structure in 2015 and the introduction of the Back-to-Basics Programme, prompted the need to relook at our delivery and operations model. The initiative to develop the Departmental Enterprise Architecture started in 2016 as part of mapping a picture of the current delivery mode and blockages within **DCoG**. The As-Is business architecture assessment identified several optimisation opportunities in the Business Architecture, Data Architecture, Application Architecture and Technology Architecture as outlined in the table below:

| Focus | Areas of Optimisation |
|--------------------------|---|
| Business Architecture | <ul style="list-style-type: none"> • Organisational Structure and Evaluation; • Business Performance and Associated Metrics; • Business Processes; and • Organisational Governance. |
| Data Architecture | <ul style="list-style-type: none"> • Data Design; • Data Classification; • Data Governance; • Data Duplication; and • Business Intelligence and Analytics. |
| Application Architecture | <ul style="list-style-type: none"> • Application Landscape; • Application Criticality; • Application Lifecycle and Support; and • Application Awareness and Governance. |
| Technology Architecture | <ul style="list-style-type: none"> • Policies, Processes, and Procedures Opportunities; • Hardware Opportunities; • Disaster Recovery / High Availability Opportunities; and • Organisational Design Opportunities. |

These optimisation opportunities can potentially improve how the Department operates. Processes are underway to develop the To-Be picture which will begin to map out ways to tackle challenges faced by the Department in the delivery of quality services. There is synergy between the enterprise architecture and the Service Delivery Model, which gives impetus to

the development of the Service Delivery Improvement Plan (SDIP). Once the To-Be exercise is complete, a comprehensive Service Delivery Model (SDM) and related Improvement Plan will be developed in order to map out a true picture with empirical evidence of areas that need improvement. The Service Delivery Improvement engagement process will start immediately after the To-Be analysis is done.

Consultation Arrangements with Customers

| Type of arrangement | Actual customers | Potential customers | Actual achievements |
|--|---|---------------------|---|
| Consultative fora | Key stakeholders in The Local Government sector including public, private, non-government sectors and development partners. | Municipalities | <p>Consultations were held through the following for a:</p> <ul style="list-style-type: none"> The 4th Pan-African Local Climate Solutions for Africa Congress. 2016 SALGA National Conference. the 2016 International Day for Disaster Reduction. State of the Cities Report 2016 Media Briefing. Launch of "Electing Councillors: A Guide to the Municipal Elections." SALGA Women's Commission Lekgotla. Commonwealth Local Government Forum Southern African Regional Conference. 2nd Institute of South African Municipal Accounting Officers Conference. 2016 Municipal Demarcation Board Conference at the Youth Development Dialogue. African Capital Cities Sustainability Forum 2016. Launch of Community Work Programme in Mbombela Municipality. Debate In The National Assembly On The Events In Vuwani, 17 May 2016, Cape Town. Special SALGA National Members' Assembly, 19 May 2016, Nelson Mandela Bay Metro. |
| Access to all HR services and information | All employees in the DCoG . | DCoG Staff | Information is accessible on request. The staff is regularly updated through the Departmental internet site and circulars. E-mail is disseminated internally to all staff members on a regular basis. These circulars include instructions from Top Management, resolutions, financial delegations, supply chain management procedures and procurement, National Treasury and DPSA notices, leave policy, PMDS. A daily newspaper clipping is circulated to all staff on a daily basis. |
| Active engagement with affected employees and organised labour on matters of mutual interest | Organised labour organisations. | DCoG Staff | Regular engagement with stakeholders takes place in the Bargaining Chamber. |

Service Delivery Access Strategy

| Access Strategy | Actual achievements |
|--|--|
| Circulars, briefings to management, induction sessions and workshops | <ul style="list-style-type: none"> • Circulars and key notices are also circulated to staff members through emails on a daily basis. • Two Departmental wide Izimbizo were held with the Minister, Deputy Minister the Director-General present • The Department holds quarterly performance review sessions where SMS members engage on the performance of the Department • Orientation sessions were not held due to the moratorium on the filling of posts. |

Service Information Tool

| Types of information tool | Actual achievements |
|--|---|
| Quarterly reporting against the Government Programme of Action on Outcome 9, Annual Performance Plan and Operational Plans | <ul style="list-style-type: none"> • The Department held three quarterly review sessions and reported progress against the Annual Performance Plan and Operational Plans. Related Quarterly Progress Reports were approved by the Minister and submitted to DPME and National Treasury. Presentations were also made to the Parliamentary Portfolio Committees on Cooperative Governance • Three POA reporting sessions were held with sector Departments, Cabinet Memorandum prepared and submitted to Cabinet for approval. |

2.2.3 Organisational Environment

Subsequent to the announcement of further cost containment measures in the 2016 Budget Speech and endorsement thereof by Cabinet, the Department evaluated its internal control processes and measures and has put in place measures in line with cutting fruitless and wasteful expenditure. Stringent controls were introduced in areas such as catering, entertainment allowance, freezing of non-critical posts and day-to-day cost containment measures related to sharing of printers and minimising of printing of documents for meetings. Related policies were also revised accordingly.

For the 2015/16 Management of Performance Assessment Tool (MPAT) assessment period, the Department scored an overall average of 2,8. Our plans as outlined in the Annual Performance Plan for 2017/18 is to improve this score to at least 3 by the end of 2017/18.

The Department ensured that there is management stability to enhance delivery and continuity in the implementation of our strategy after the resignation of the Director-General in 2015 and Deputy Director-General responsible for the Institutional Development in the 3rd quarter of 2016/17. Despite the above, more than 90% of the APP projects have been achieved. Notwithstanding this performance, there is still an inability for the Department to deliver fully on the core mandate due to the disjointed business process model.

Challenges were experienced in the Regional and Urban Development and Legislative Support Programme, where key personnel responsible for implementation of the IUDF resigned in the first quarter of 2016/17. These critical vacancies are in the process of being filled.

The mandate and strategic goals of the **DCoG** as set in the Strategic Plan continued to guide and inform the operations of the organisation. Aligned with this, the Department identified strategic and operational risks together with mitigation strategies to ensure the valuable functioning of the organisation.

DCoG has a total staff complement of 454, of which 392 (86%) positions are filled, comprising 45% male and 55 % female staff members. Filled SMS posts constitute 105 %. Only 1% constitute staff members with disabilities. The vacancies as at 31 March 2016 were 62 %, and vacancy rate was 14%

Management acknowledges that more needs to be done to facilitate a more fitting Departmental Service Delivery Model. Also apparent is the need to institutionalise the Back-to-Basics Programme into our business model, particularly in the areas of collaborative work between line functions and key stakeholders and key players internally and externally.

The Department presented a business case to National Treasury on motivating for funding to the Medium Term Expenditure Committee (MTEC) over the Medium Term Expenditure Framework (MTEF) Period 2017/18-2019/20. This was to drive implementation of the following 6 priority areas Priority 1: Implement initiatives to improve financial stability and revenue management of Municipalities; Priority 2: 2016 Local Government post-election programme; Priority 3: Implementation of the Integrated Urban Development Framework (IUDF); Priority 4: Eradication of Municipal Infrastructure Delivery Backlogs; Priority 5: Implementation of Community Work Programme; Priority 6: Improve and strengthen the system of disaster management and Fire services across South Africa. Due to cost cutting measures and fiscal pressures within government, the Departmental funding will decrease over the MTEF. This puts pressure on the Department and requires an alternative funding model.

Given the evolving nature of the Department's core business and the urgent need to continue with the implementation of the 2nd phase of B2B programme, as well as regulatory issues, some operations could not be carried out owing to the inability to fill posts because of the reduction in allocations for personnel over the MTEF 2017/18-2019/20. In areas where additional capacity was needed, arrangements were made to second staff to improve operations. This included the appointment of contract workers to attend to urgent issues like the acceleration of payment of non-returning Councillors and the verification of CWP assets.

2.2.4 Key Policy Developments and Legislative Changes

During the 2016/17 financial year, the Department

amended the Local Government: Municipal Demarcation and Municipal Structures Act, 1998. The Local Government: Municipal Demarcation Act, 1998 ("the MDA") and the Local Government: Municipal Structures Act, 1998 ("the MSA") were enacted prior to the first democratic local government elections (LGE) which were held on 5 December 2000. Since then, there were general LGEs held on 1 March 2006; 18 May 2011 and 3 August 2016. Apart from the four general LGEs that were held, there have also been many by-elections during the terms, as follows:

- 2000 - 60 by-elections;
- 2006 - 54 by-elections;
- 2011 - 741 by elections; and
- 2016 - 25 by elections (8 months into the term).

While the municipal general elections were held, various lessons were learnt by the various stakeholders with regard to the current legislative practice, which affirmed the need for the amendment of legislation to strengthen good governance and participatory democracy. The Independent Electoral Commission (IEC) and the Municipal Demarcation Board (MDB) based on its experience with managing the LGEs and municipal boundaries re-determinations have also identified various provisions in the Municipal Structures Act that need refinement and amendment in order to better facilitate LGE. In addition to the proposals from the IEC and MDB, the **DCoG** also proposed certain amendments to the Act.

The Local Government Legislative Review Technical Workshop was held from 01 to 02 March 2017 and was attended by various stakeholders inclusive of Government Departments, all provinces, SALGA, IEC, MDB and **DCoG** internal Business Units with the objective of dealing with the following matters relating to the adoption of the proposals to be contained in the Bills: -

- To critically examine the provisions to be contained in the Bills by all the relevant stakeholders, professional bodies and other interest groups;
- To stimulate widest possible debate so that the Bill as and when introduced to Parliament will duly take into account the various inputs from the various stakeholders;
- To address the question of synchronisation of the process with the relevant time frames;
- To introduce the Bills into the various policy

- engagements forums; and
- To solicit legal opinion and obtain further input from the various stakeholders.

Municipal Demarcation Amendment Bill, 2017

The Municipal Demarcation Board (MDB) proposes amendments to the Municipal Demarcation Act (MDA) to ensure uniformity and a consistent approach to the re-determination of municipal boundaries.

These proposals are the culmination of the following processes:

- Inputs from the previous Boards;
- Demarcation Process Review Task Team Report;
- Lessons learnt by the current Board from previous re-determinations;
- Litigations;
- Legislative gaps;
- Inputs from stakeholders;
- Case law applicable to MDB;
- State law advisor's opinion on the independence of the MDB; and
- Inputs from the conference on Demarcation and Spatial Transformation.

Municipal Structures Amendment Bill, 2017

The Municipal Structures Amendment Bill, 2016 ("the Bill") was published for public comments prior to the 2016 Local Government Elections (LGEs). Most of those amendments were related to proposals received from the IEC. These proposals were informed by various challenges that have been experienced by the IEC during the administration and management of municipal elections.

The **DCoG**, SALGA, provinces and some municipalities also proposed amendments to the Structures Act, which are, in the main, to promote certainty on some matters and to strengthen governance in municipalities.

2016 Local Government Elections

The previous general municipal elections were held on 18 May 2011. On 6 April 2016 the President announced that the next LGEs would be held on 3 August 2016, and on 23 May 2016, the Minister proclaimed such a date for the election of

all municipal councils to be held by publishing a notice in the **Government Gazette**.

In order to ensure that appropriate preparations were made prior to the LGE, there were various structures established at a national, provincial and local level to deal with matters relating to the processing of the various transition measures. These structures reported to the Municipal Demarcation Transition Committee (MDTC), a national structure chaired by the Director-General for the **DCoG**.

In keeping with past practice, Cabinet approved that the Inter-Ministerial Committee on Municipal Elections and the Technical Inter-Ministerial Committee on Municipal Elections structures be established to oversee the arrangements for the preparations of the 2016 LGEs.

The main objective of these structures was to coordinate all government activities relating to the preparation for the 2016 LGEs.

Major Boundaries Redeterminations Finalised by the MDB during 2013 and 2015

Between August and October 2013 the MDB finalised the outer boundaries of municipalities in preparations for the 2016 LGE. The KwaZulu-Natal and Gauteng Provinces had major boundary changes, which resulted in a reduction of 8 municipalities. In respect of Gauteng: Westonaria and Randfontein Local Municipalities were amalgamated into a single local municipality (reduction of 1 municipality). In respect of KwaZulu-Natal, the following municipalities were amalgamated or split, resulting in the reduction of 7 municipalities:

- (i) DEM4060 - Vulamehlo and Umdoni;
- (ii) DEM4067 – Hlabisa and The Big 5 False Bay;
- (iii) DEM4141 – Umtshezi and Imbabazane;
- (iv) DEM4097 – Ezinqoleni and Hibiscus Coast;
- (v) DEM4142 – Emnambithi/Ladysmith and Indaka;
- (vi) DEM4150 – Kwa Sani and Ingwe; and
- (vii) DEM4154/DEM4176 - Ntambanana/Mthonjaneni/Umhlathuze.

Between February and April 2015, the Minister requested the MDB, in terms of section 22(2) of the Demarcation Act,

to determine or redetermine the boundaries of various municipalities, with a view to optimising their financial viability. The table below indicates the summary of municipal boundaries redeterminations finalised by the MDB, following Section 22(2) requests by Minister:

| PROVINCE | NO. | AFFECTED LMs | COMMENTS |
|----------------------|-----|--|---|
| KwaZulu-Natal | 1. | Mooi Mpofana (as part of Umgungundlovu) and Umvoti (as part of Umzinyathi) (2) | No reduction in the number of municipalities. A portion of Mooi Mpofana (Cadham voting district) will be incorporated into Umvoti. |
| Mpumalanga | 2. | Mbombela and Umjindi (2) | Reduction of 1 municipality. |
| Free State | 3. | Mangaung and Naledi (2) | Reduction of 1 municipality. |
| North West | 4. | Ventersdorp and Tlokwe (2) | Reduction of 1 municipality. |
| Northern Cape | 5. | Mier and //Khara Hais (2) | Reduction of 1 municipality. |
| Limpopo | 6. | Mutale, Thulamela, Makado and Musina (4) | No reduction in the number of municipalities. Parts of Mutale are incorporated into Thulamela and Musina. Parts of Makhado and Thulamela are incorporated to form a new municipality. |
| | 7. | Aganang, Blouberg, Molemolle and Polokwane (4). | Reduction of 1 municipality – Aganang is disestablished. Portions of Aganang are incorporated into Blouberg, Molemolle and Polokwane. |
| | 8. | Fetakgomo and GreaterTubatse (2). | Reduction of 1 municipality. |
| | 9. | Modimolle and Mookgopong (2) | Reduction of 1 municipality. |
| Eastern Cape | 10. | Gariep and Maletswai (2). | Reduction of 1 municipality. |
| | 11. | Nxuba and Nkonkobe (2). | Reduction of 1 municipality. |
| | 12. | Inkwanca, Tsolwana and Lukhanji (3) | Reduction of 2 municipalities – All 3 municipalities amalgamated into 1. |
| | 13. | Camdeboo, Baviaans and Ikwezi (3) | Reduction of 2 municipalities – All 3 municipalities amalgamated into 1. |

Post the 2016 LGE a total reduction of 21 municipalities was realised (inclusive of 2013 boundaries redeterminations). Final wards boundaries were handed over to the Independent Electoral Commission (IEC) by the MDB on 15 December 2015 to prepare for the 2016 LGE.

The table hereunder sets out the summary of the total number of municipalities post the 2016 LGE:

| PROVINCE | CAT A | CAT B | CAT C | TOTAL |
|--------------|----------|------------------|-----------|------------------|
| EC | 2 | 31 (-6) | 6 | 39 |
| FS | 1 | 18 (-1) | 4 | 23 |
| GP | 3 | 6 (-1) | 2 | 11 |
| KZN | 1 | 43 (-7) | 10 | 54 |
| LM | 0 | 22 (-3) | 5 | 27 |
| MP | 0 | 17 (-1) | 3 | 20 |
| NC | 0 | 26 (-1) | 5 | 31 |
| NW | 0 | 18 (-1) | 4 | 22 |
| WC | 1 | 24 | 5 | 30 |
| TOTAL | 8 | 205 (-21) | 44 | 257 (-21) |

Matters Needed To Be Managed Towards Finalisation of the Various Transition Measures

There were various transition measures that needed to be managed in preparations for the 2016 LGE. The following matters were monitored and guidance was provided to ensure a smooth transition and that the process was finalised in preparation for the 2016 LGE:

- (i) Legal and policy matters;
- (ii) Human resource matters;
- (iii) Integrated development planning;
- (iv) Financial matters;
- (v) Communication-related matters; and
- (vi) Institutional arrangements for the municipality.

DCoG issued Circulars No. 29 and 35 of 2016 dealing with the following pre- and post- LGE matters:

| PRE-ELECTION MATTERS | POST-ELECTION MATTERS |
|--|--|
| <ul style="list-style-type: none"> • Participation of staff members in the LGE; • Non-returning councillors; • Salaries, benefits and allowances; • Municipal assets; • Outstanding debts owed by councillors; and • Councillor pension benefits; • Appointment of senior managers in municipalities affected by the redetermination of municipal boundaries; • Procurement-related matters; • Preparation of hand-over reports; • Preparations for the first council meeting; • Preparation of information packs; and • Capacity building for municipal managers. | <ul style="list-style-type: none"> • Integrated Councillor Induction Programme; • Code of Conduct for Councillors; • Disclosure of interests; • Personal gain; and • Declaration of interests; • Salaries, allowances and benefits for newly-elected councillors; • Employment contracts; • Political rights of municipal managers and managers directly accountable to municipal managers; • Employment of dismissed staff; • Extension and renewal of existing employment contracts of senior managers; • Performance management; • Management of discipline; • Premature termination of contracts; • Development of staff establishments; • Establishment of ward committees; • Cost containment measures; • Offences and penalties; • Once-off gratuity payment for eligible non-returning councillors; • Reporting on the Municipal Demarcation Transition Grant (Provinces and affected Municipalities); • Back-to-Basics (Phase 2); and • Grading of municipalities. |

Municipal Human Resources Systems

During 2016/17, the Department finalised the development of regulations and guidelines setting uniform standards for staff below management echelon, after extensive consultations with key stakeholders. The regulations will be enacted into law and rolled out to all municipalities during 2017/18 financial year. The objective of the regulations is to strengthen the capacity of municipalities to perform their functions.

The regulations, *inter alia*, provides the competency framework for local government occupational competencies, which constitute long term skills development strategies for technical professionals and other local government staff.

The implementation of the regulations will further transform the administration of municipalities into an efficient front line development agency capable of integrating the activities of all spheres of government for the overall improvement of service delivery and social and economic upliftment of communities. These regulations will also help realise government's resolve to build resilient administrative institutions and a capable state as espoused in the National Development Plan and B2B Programme.

2.2.5 Strategic Outcome Oriented Goals

The Department contributes to the achievement of national priorities as outlined in the five-year strategy of the government, the 2014-2019 Medium Term Strategic Framework (MTSF). The Department has been tasked to lead in the implementation of Outcome 9 of the MTSF: *A responsive, accountable, effective and efficient local government system* and supports the realisation of outputs identified in the following Outcomes:

Outcome 10: Environmental assets and natural resources that are well protected and continually enhanced

The Department contributes and participates in the Outcome 10 Implementation Forum to monitor and report on the number of disaster management plans that include climate change risks. This is to ensure that all organs of state have effective climate change mitigation and adaptation responses. The target for the development and submission of the plans over the MTSF period is forty (40) which translates to 8 disaster plans per year. During the period under review, a total number of 13 disaster plans were submitted to the National Disaster Management Centre. This over-achievement is due to a follow-up to the system that has been put in place and agreed upon by all organs of state.

The NDMC has also established a process of analysing the submitted plans and providing feedback to the relevant organs of state.

Outcome 14: Nation building and social cohesion

The Department contributes to Outcome 14 towards ensuring that 25% of municipalities' main stream women, child headed households and people living with disability. During the 2016/17 financial, the Department developed the Local Government Youth Development Framework and conducted consultative workshops in Emfuleni and Sedibeng municipalities. A workshop that was scheduled for the City of Ekurhuleni was postponed to 20 April 2017. The Department is building partnerships with key stakeholders to ensure implementation of the Framework by provinces.

Efforts towards ensuring the inclusion of the poor in municipal have been realised through the provision of support to 20 municipalities to update their indigent registers. To date, the Department undertook an assessment of indigent registers in all the identified municipalities. Findings were communicated

and recommendations for corrective measures provided to 20 municipalities. A Memorandum of Understanding to formalise a partnership with South African Revenue Services (SARS) was finalised and was signed by the Commissioner of SARS and the Acting Director-General. The 20 identified municipalities are dysfunctional and thus need support to provide Free Basic Water, Sanitation, and Electricity to the poor/indigents.

The CWP contributed towards greening the municipal spaces through the creation and maintenance of vegetable gardens and parks in 105 sites. During this reporting period, 105 CWP sites conducted greening through the implementation of vegetable gardens.

The Department further supported the municipalities with the establishment of 90% (3956 out of 4392) ward committees.

As the lead Department coordinating the implementation of Outcome 9, the following progress was made during the year under review:

Sub-outcome 1: Members of society have sustainable and reliable access to basic services

The objective of this Sub-outcome is to ensure that sustainable and reliable services are provided to members of society. The primary focus is to ensure that the obstacles affecting the delivery of reliable and functional services in the 27 Priority DMs are addressed. **DCoG**, through the Programme Management Office (PMO) coordinated by MISA in collaboration with key sector Departments (Water and Sanitation, Energy and Environmental Affairs) has thus far conducted the diagnostic assessments in ten (10) District Municipalities namely: Amathole, uMzinyathi, Greater Sekhukhune, Bojanala, Ehlanzeni, John Taolo Gaetsewe, Xhariep, Umkhanyakude, OR Tambo, and Vhembe. The objectives of these assessments are to determine the status quo on the delivery of basic services; to understand key constraints and availability of resources and to identify actions to address these challenges.

The plan was to complete a total of 10 assessments by end of March 2017 and this target is achieved. Project registers to address infrastructure and services backlogs on electricity, solid waste, roads and storm-water were received from some local municipalities of these District Municipalities. The PMO is continuing to engage these District Municipalities to identify priority projects and confirm these for inclusion in the Municipal Integrated Development Plans (IDPs).

Water: The Department of Water and Sanitation (DWS) served **a cumulative total of 305,100 households since 2014**. Based on the 2016 Community Survey, the present access to operational services is at 86.7%. The percentage of households with access to reliable water services is recorded at 69.9%. The DWS and MISA are addressing the reliability and functionality requirements as part of the Master Planning Development.

Sanitation: In the quarter under review, a total of 3 432 households were served against the quarterly target of 5 700. This low performance is as a result of the late transfer of money to municipalities. The transfers to municipalities only took place in the months of August and October 2016 due to non-compliance with DORA. A further 100 units were delivered through an Implementing Agent in the Limpopo Province. A total of 1 057 bucket sanitation systems were eradicated. The annual target on the eradication of the bucket sanitation systems was met during the third quarter of the financial year 2016/17 despite the slow performance on this programme. A further 191 bucket sanitation systems were eradicated. However, this achievement was a recovery from the 2015/16 financial year. A total number of 22 600 households were provided with individual services through the Human Settlements Development Grant.

Energy: The Department of Energy connected an additional 81 689 households to grid energy supply and 11 343 households to non-grid technology (Solar Home System) in the fourth quarter of the financial year 2016/17. This translates into a cumulative figure of 769 426 households connected to grid and 52 778 households to non-grid technology since 2014.

Environmental Affairs: According to the 2015 General Household Survey (GHS) results, a total of 11 657 850 households have access to waste collection services. This represents a cumulative progress of 563 841 additional households having access to waste collection services since the 2013 GHS results. A total of 736 159 additional households should still be provided with access to waste collection services in order to meet the MTSF 2014-2019 target.

Sub-outcome 2: Strengthened intergovernmental arrangements for a functional system of Cooperative Governance for local government

On the review of the district government model the Department of Cooperative Governance is reviewing the district government model. The Reconfiguring of the District Government Programme

was initiated in 2015. Case studies and site visits were conducted for purposes of evidence-based policy-making. A National Steering Committee was established in 2016 to advise the policy development process. Two Steering Committee meetings were conducted, and a national District Government Focus Group session was held with key stakeholders.

Findings emerging from the course of the practical and policy sides of the work have been presented to the CoGTA MinMec and the MDB to date. Provincial and District Focus Groups have been planned for 2017. Work in synthesising the current and previous studies on the role of district government started in 2016/17. Of particular relevance for the role of districts is the work related to the NDP / IUDF goals of driving spatial transformation and how this impacts on the role of districts leading to regional integrated planning. An inter-related process has thus far been initiated to consider revisions to the intergovernmental planning framework. A discussion document on the revision of District Government Model has been developed.

Sub-Outcome 3: Democratic, well-governed and effective municipal institutions capable of carrying out their developmental mandate as per the constitution

90% (3 948) of the 4 392 ward committees were established as at 31 March 2017 across all local and metropolitan municipalities in the country. The rollout of the ward committee induction is currently underway and to date of the total 4 392 ward committees, 2 906 have been inducted.

Workshops with provinces and municipalities will be conducted on the development of ward level service improvement plans after all ward committees have been inducted. The Ward committees will only be effective and functional upon completion of their established processes and after members of these committees have been inducted. The effectiveness and functionality of ward committees include ward committees and their respective councillors reporting back to communities on a monthly or quarterly basis.

DCoG continues to monitor and guide municipalities on compliance with the Regulations on Appointment of Senior Managers, which were promulgated in January 2014 under the Municipal Systems Act, 2000. A total of fifty-eight (58) appointments were made during the fourth quarter (January 2017 – 31 March 2017) of the financial year. Of these 58 appointments made, twenty-five (25) were for municipal manager positions and

thirty-three (33) were for senior managers directly accountable to the municipal manager. Since the promulgation of the Regulations, a total of 288 out of 357 senior manager appointments meet the relevant skills, expertise, competency and qualifications as prescribed by the provisions of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) and its Regulations.

The total number of competent and suitably qualified municipal managers and section 56 managers has increased from two-hundred and thirty-three (233) during the previous financial year (2015/16) to two-hundred and eighty-eight (288) in the current financial year (2016/2017).

Thirty-seven (37) corrective measures have been taken by the MECs responsible for local government and Minister to enforce compliance with the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) and its Regulations during the fourth quarter. Since the promulgation of the Regulations under the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), a total of sixty-four (64) corrective measures have been taken by the MECs responsible for local government to enforce compliance with this Act and its Regulations. The Western Cape is the highest Province with a compliance rate of 94% on the appointment of senior managers since the promulgation of the Regulations in 2014 followed by the Limpopo Province with a compliance rate of 93%. Gauteng is considered lowest Province with a compliance rate of 56% followed by the Northern Cape Province with compliance rate of 66%.

The Department monitored all senior manager positions advertised by municipalities on newspapers circulating nationally and errant municipalities are advised to issue erratum in instances where the advertisement(s) were not in compliance with the Municipal Systems Act and the Regulations.

Forty-one (41) Local Government Management Improvement Model (LGMIM) municipal scorecards were completed across eight (8) provinces during the fourth quarter of the financial year 2016/17.

Sub-outcome 4: Sound Financial Management

Municipalities have submitted adjusted budgets and these budgets are currently under review. Based on the Section 71 report published on 13 March 2017, the collection rate for 67.3% (173) of municipalities was lower than the accepted norm of 95%. The report showed greater than 10% growth in debtors in

twenty-six municipalities and more than 10% growth in creditors in eighty-five (85) municipalities. There are municipalities that have been identified for support.

The National Treasury reviewed and updated the financial ratios for seventeen (17) non-delegated municipalities comprising metropolitan and largest secondary municipalities on the Financial Management Capability Maturity Model (FMCMM) and ratio database using the 2015/16 audited Annual Financial Statements. The National Treasury discussed the latest financial ratios at the Municipal Mid-Year Budget and Performance visits for the 17 non-delegated during January/February 2017 and provided guidance on actions to be taken to address the shortcomings. As at the end of March 2017, eighty-three (83) municipalities developed action plans to address gaps identified by the FMCMM and financial indicator assessment.

Thirty (30) municipalities received disclaimer and adverse audit opinions during 2015/16 audit, which reflects an improvement from the baseline. Follow up actions were discussed at the March 2017 Chief Financial Officers Forum meetings. Provincial Treasuries are assisting these municipalities in developing audit recovery plans.

Sub-outcome 5: Local public employment programmes expanded through the Community Work Programme

As at 31 March 2017, an additional 21 423 participants benefitted from the CWP. This brought the total number of work opportunities maintained to 243,162; this out of an annual target of 234 823. We also managed to facilitate training for 23 483 participants during the same period. As at 31 March 2017, 229 municipalities (based on old boundaries) had CWP sites. A new implementation model based on grant transfers to non-profit organisations (NPOs) has been proposed and supported by the National Treasury.

Strategic Outcome-orientated Goals

The organisational structure has been realigned to support the strategic outcome-orientated goals of the Department in implementing the B2B Programme through the below mentioned nine strategic outcome-orientated goals, which are outlined in the 2014-2019 Strategic Plan. These strategic goals are linked to the aforementioned Sub-Outcomes of the Medium Term Strategic Framework (MTSF 2014 - 2019) for Outcome 9 and five (5) B2B Pillars which are putting people first, delivering basic services, good governance, Sound Financial Management, Building institutional capabilities.

Table: Strategic outcome orientated goals of the Department

| Goal | Strategic objective | MTSF 2014-19 | B2B Pillars |
|---|---|---|--|
| 1. Create a functional local government system based on accountability for performance | <p>1. Build accountability for performance in the local government system through setting and enforcing clear performance standards by March 2019</p> <p>2. Deepening the relationship between citizens and local government through improved citizen engagement mechanisms by March 2019</p> <p>3. Support and strengthen the capacity of municipalities to deliver sustainable free basic services to indigent households by March 2019</p> | <p>Sub-outcome 3: Sound financial and administrative management</p> <p>Sub-outcome 3: Well governed and effective municipal institutions capable of carrying out their developmental mandate as per the Constitution</p> <p>Sub-outcome 1: Members of society have sustainable and reliable access to basic services</p> | <p>Pillar 5: Building capabilities</p> <p>Pillar 1: Putting people first</p> <p>Pillar 2: Delivering basic services</p> |
| 2. Ensure significant improvements in service delivery through sound infrastructure management | <p>4. Implement initiatives to improve financial sustainability and revenue management in local government by March 2019</p> <p>5. Coordinate and facilitate sector collaboration for infrastructure development at municipal level to extend services to unserved communities by March 2019</p> | <p>Sub-outcome 4: Sound financial management</p> <p>Sub-outcome 1: Members of society have sustainable and reliable access to basic services</p> | <p>Pillar 4: Sound financial management</p> <p>Pillar 2: Delivering basic services</p> |
| 3. Build institutional resilience and initiate the next phase of institution building | <p>6. Strengthen the functionality of municipalities through the development and implementation of administrative and institutional systems in order to build a capable state by March 2019</p> | <p>Sub-outcome 3: Well governed and effective municipal institutions capable of carrying out their developmental mandate as per the Constitution</p> | <p>Pillar 5: Building capabilities</p> |

| | | | |
|--|---|---|---|
| <p>4. Lead and support the creation of prosperous cities and towns by restructuring the space economy</p> | <p>7. Facilitate the restructuring of municipal space economy through integrated development planning and spatial targeting</p> <p>8. Create a conducive environment for business to thrive and stimulate local economies by March 2019</p> | <p>Sub-outcome 4: Promotion of social and economic development</p> <p>Sub-outcome 4: Promotion of social and economic development</p> | <p>Cross cutting: Supports B2B implementation</p> <p>Cross cutting: Supports B2B implementation</p> |
| <p>5. Entrench a culture of good governance and instill a new morality of service and integrity in local government</p> | <p>9. Promote good governance through strengthening of anti-corruption measures by March 2019</p> | <p>Sub-outcome 3: Well governed and effective municipal institutions capable of carrying out their developmental mandate as per the Constitution</p> | <p>Pillar 3: Good governance</p> |
| <p>6. Local public employment programmes expanded through the Community Work Programme</p> | <p>10. Provide and maintain 1 million work opportunities through building capacity of participants and establishing strategic partnerships by March 2019</p> | <p>Sub-outcome 5: Local public employment programmes expanded through the Community Work Programme</p> | <p>Pillar 2: Delivering basic services</p> |
| <p>11. Strengthen, coordinate and support effective integrated disaster management and fire services</p> | <p>11. Improve the system of disaster management and fire services across government by March 2019</p> | <p>Not applicable</p> | <p>Pillar 2: Delivering basic services</p> |

2.2.6 Performance information by programme

Programme 1: Administration

Purpose: Provide strategic leadership, management and support services to the Department. The programme includes the Office of the Director-General (ODG) and Corporate and Financial Services.

This programme seeks to achieve the following strategic objectives:

- Provide efficient and effective cooperate governance and administrative support services for CoGTA to deliver on its mandates by March 2019.

Sub-programmes

The Sub-Programmes listed below are linked to the following strategic orientated goals: Refocus and strengthen the capacity of CoGTA to deliver on its mandate as well as creating a functional local government system based on accountability for performance. All the activities contributing to the achievement of these strategic goals and objectives are implemented through the operation plan.

Ministry

The office of the Minister has in the financial year under review, provided Administrative, Parliamentary, Cabinet Support and Media Liaison services to the Minister and Deputy Minister.

The **Office of the Director-General** processed more than 1000 submissions and correspondence that dealt with governance, service delivery, and financial management issues as well as the appointment of senior managers at local government level. We also provided secretariat support to a number of Inter-Governmental Structures such as the Inter-Ministerial Committee (IMC) on Local Government Elections, IMC on Drought, Inter-Ministerial Task Team (MTT) on Service Delivery, IMTT on Eskom Debt, IMTT on Vuwani and IMTT on Municipal Demarcations.

We continue to provide coordination and secretariat functions for the Presidential Coordinating Council that dealt with strategic issues such as the implementation of the Back-to-Basics Programme, Integrated Urban Development Framework and the Community Work Programme.

International and Donor Relations

The Department participated in a number of key continental fora and international meetings such as African Union Committee meetings, Commonwealth Local Government Forum, SADC, Afri-cities and BRICS Urbanisation Forum. We shared our experiences in the areas of disaster reduction and management, integrated urban development and local economic development in these international platforms.

Corporate Services

The Sub-programme has achieved the following through its components:

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

The sub-programme provided support throughout the Department by facilitating the development of job profiles and conducting job evaluations in line with the Public Service Act requirements.

The sub-programme, through its programme Diversity and Employee Health and Wellness, provided employee health and wellness support such as health screening (e.g. cervical and prostate cancer screening) health education, financial wellness and HIV and AIDS voluntary counselling and testing. Introduced sports and recreation activities such as walking and running to encourage physical activity amongst employees. Institutionalised the 8 Principles Action Plan for Promoting Women Empowerment and Gender Equality and implemented the Job Access Strategic Framework on the Recruitment and Retention of Persons with Disabilities. Partnerships were forged with the South African National Blood Services (SANBS), GEMS and other health care providers to ensure quality wellness service to employees.

Corporate planning: During the year under review, the Sub-programme has reviewed the Departmental Policy for the Management of Performance Information as a

requirement of the Management Performance Assessment Tool, which seeks to ensure that performance information management is institutionalised into daily operations at the Branch level. The policy also outlines the roles and responsibilities of all stakeholders in the Departmental performance management value-chain. The sub-programme continued to provide strategic management support to the Department through the facilitation of strategic and operational planning and organisational performance review and reporting. The Department has made inroads into ensuring that the priorities outlined in the 2017/18 Annual Performance Plan are aligned to the 2014-2019 MTSF and broad policies of the Department such as the B2B Programme and the IUDF.

Through utilising the performance management and reporting system, the Department has seen a significant improvement in the overall organisational performance. The Executive Management has also endorsed performance information management as part of a management culture, where various Branches now take accountability for the Performance Management system at branch level. Through this process, the quality of the Department's Quarterly Performance Reports as submitted to the Department of Planning, Monitoring and Evaluation (DPME) and the National Treasury and the 2016/17 Annual Report have improved and contributed to the reliability of reported performance. The Department has also strengthened its relations with oversight bodies such as the Auditor-General South Africa, the DPME and the National Treasury through constant engagements in an effort to improve service delivery and through ensuring compliance with legislative frameworks applicable to performance information management.

Financial Services

The prescribed financial, supply chain and asset management services were provided to the Department. Continued efforts were made to improve compliance with legislative and policy requirements in support of the service delivery of the Department. Budget planning, expenditure management and reporting were done in collaboration with all line functions.

Internal Audit and Risk Management

The 2017/18 achievements include conducting robust annual strategic and operational risk assessments for the entire Ministry of Cooperative Governance. The Departmental

and entity's risk profiles were also finalised and approved by the Accounting Officers and CEO: Municipal Infrastructure Support Agent, during this period. The emerging risks were also identified throughout the financial year and mitigation measures for managing such risks were also developed and implemented by Management. The unit further conducted robust risk assessments for key projects of the Department.

In an effort to minimise the impact of the Departmental risks and ensure achievement of strategic objectives and set targets, there was a vigorous process of monitoring the risk measures of all the strategic, operational and emerging risks on a quarterly basis, through the Risk Management Committee, Quarterly Review sessions and Audit Committee meetings.

During this period, the ethics structures of the Department, such as the Ethics Committee, were formally established and functional. The structures convened quarterly to monitor the implementation of ethics activities in line with the annual plan to monitor ethics and fraud-related risks, and provide advice to the Accounting Officer, accordingly. Regular awareness programmes were also implemented on risk management within the Department, during this period.

During the 2016/17 financial year, the Internal Audit Activity (IAA) developed a risk based Internal Audit Plan that was adopted, approved by the Audit Committee and subsequently implemented. As per the approved plan, 41 audits were scheduled for the year under review, of which 30 audits were finalised. The challenges in achieving the audit plan were primarily due to the delays in appointing service providers to assist with the implementation of the said projects. The consulting projects that fall within the realm of the CWP did not take place due to the delays in finalising the CWP model and funding mechanism.

The IAA was also subjected to a Quality Assurance Review that was conducted by the Institute of Internal Audit. Currently, processes are in place to implement the said recommendations and ensure that there is general conformance to the standards. The IAA has also procured the necessary software to automate all audit processes going forward.

Comprehensive recommendations to strengthen and improve internal controls. Internal Audit continued to assist with the verification of irregular expenditure to ensure that this is completely and accurately disclosed in the financial statements of the Department.

The forensic audit on the possible fraudulent activities regarding financial irregularities related to conferences, travel and logistics management, was finalised. The Department implemented the recommendations of this report, which resulted in disciplinary action being taken and subsequent dismissal of those involved. A criminal case of fraud and corruption has also been opened and this investigation is currently in progress.

The Community Work Programme (CWP) Internal Audit Directorate was further capacitated in August 2016 and performance reviews of all nine Implementing Agents were conducted. This process identified various challenges encountered and risks. These were presented to management for intervention.

The IAA provided consulting engagements in respect of CWP, specifically on issues regarding changes to the CWP model and the proposed funding structure. Various consultations were also held with National Treasury on this issue, which also focused on the classification and treatment of assets and inventory.

A forensic audit on CWP was also commissioned during the year. A service provider was appointed to assist with the investigations which focused on the following:

- Investigation into alleged fraud cases reported; and
- Irregular expenditure.

Office Accommodation: CoGTA has requested the Department of Public Works (DPW) to acquire a five to six

year lease building, to consolidate its office space needs to be accommodated in five buildings. The lease lifespan will be aligned with the duration of the construction of the CoGTA head office building. Feedback received from DPW, confirms that the bid process is at an advanced stage.

Strategic objectives

All Programme one activities were implemented through the Operational Plan.

Provide reasons for all deviation

None.

Performance Indicators

There were no APP targets and indicators in the financial year under review. The Department has in the 2017/18 financial included a target in the APP.

Strategy to overcome areas of under performance

None.

Changes to planned targets

None.

Linking performance with budgets

Administration provides leadership and administration of the Department. The programme spent 98.5% of its budget. The under-spending was mainly in Ministry and Corporate Services. No serious concerns of underperformance were reported.

Sub-programme expenditure

| Sub- Programme Name | 2016/2017 | | | 2015/2016 | | |
|------------------------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | Final Appropriation | Actual Expenditure | (Over) Under Expenditure | Final Appropriation | Actual Expenditure | (Over) Under Expenditure |
| | R'000 | R'000 | | R'000 | R'000 | |
| Ministry | 34 657 | 32 086 | 2 571 | 30 245 | 29 549 | 696 |
| Management | 14 399 | 14 399 | - | 18 905 | 18 864 | 41 |
| Corporate Services | 139 926 | 139 846 | 80 | 102 732 | 96 790 | 5 942 |
| Financial Services | 27 614 | 27 096 | 518 | 27 592 | 27 591 | 1 |
| Internal Audit and Risk Management | 8 308 | 7 435 | 873 | 7 836 | 7 836 | - |
| Office Accommodation | 46 341 | 46 341 | - | 55 864 | 55 864 | - |
| Total | 271 245 | 267 203 | 4 042 | 243 174 | 236 494 | 6 680 |

Programme 2: Regional and Urban Development and Legislation Support

Development and Legislation Support

Purpose: Provide policy analysis and development in order to transform local government and improve cooperative governance.

Strategic objective

This programme seeks to achieve the following strategic objectives:

- Facilitate the restructuring of the existing municipal spatial configuration through integrated development planning by supporting district municipalities in building geographic information systems capabilities by March 2019.

Sub-programmes

The programme has achieved the following under the sub-programmes indicated below:

Management: Regional and Urban Development and Legislative Support provided strategic leadership to the programme to ensure compliance and the achievement of Departmental targets in line with the Back-to-Basics approach.

Local Government Legislative Support and Institutional Establishment drafts and amends primary and secondary legislation administered by the Department, and provides legal opinions to the Department's stakeholders on the interpretation of legislation and matters impacting on the mandate of the Department.

Urban Development Planning monitors the implementation of urban development policies, such as the Integrated Urban Development Framework and Local Economic Development Plans. This sub-programme also supports municipalities to facilitate and implement integrated planning and spatial contracts in key restructuring and priority regions and to promote economic development in partnership with the private sector. The sub-programme initiated a process for the conceptualisation of a support programme for secondary cities. This support programme will be informed by diagnostic assessments that have been conducted in Polokwane and uMhlathuze local municipalities.

In addition, with regard to economic development, the sub-programme supported 21 municipalities with the implementation of local economic development programmes.

To date, the Department has supported eThekweni & Ekurhuleni as pilot cities for the implementation of spatial contracts. Both cities have identified their integration zones and work is underway to bring together affected stakeholders within the integration zones towards an agreement of the signing of spatial contracts. Spatial Contracts are initiatives that seek to practically demonstrate a spatial transformation in an integration zone. A study was conducted in Polokwane and Umhlathuze, which served as a pilot project to understand integrated planning processes in secondary cities and propose a planning model or toolkit that can be used as a guide by these cities to achieve desired spatial outcomes and unlock the economic potential. A completed toolkit/model to enhance integrated spatial planning and economic development in secondary cities has been completed.

The Department has also concluded a report on the National State of Local Economic Development Agencies (LEDAs), which provides a comprehensive picture of the focus, successes, challenges and priorities of these entities. The findings of the study will inform **DCoG** in formulating a support approach for these LEDAs, in order to maximise their impact and ensure that they play a significant role in stimulating local economies.

Efforts to support the Special Presidential Package revitalisation of mining towns and labour sending areas through supporting nine (9) municipalities.

The intervention seeks to capacitate, support and guide South African frontline officials in the selected 9 mining and labour sending municipalities, in order to effectively engage mining companies for the joint obligated implementation of socio-economic development programmes/projects in relation to the Back-to-Basics approach.

Spatial Planning: Districts and Regions facilitate the implementation of planning frameworks to promote integrated development across government and build geographic information system capacity in the district and local municipalities to enhance evidence-based decision-making. The sub-programme supported municipalities affected by the re-demarcation process, on the development of IDPs and rationalisation of planning instruments. The sub-programme

also facilitated a process to ensure alignment of IDPs, Built Environment Performance Plans (BEPPs) and Budgets of metropolitan municipalities. In addition, it supported municipalities to build GIS capacities in order to develop sound strategic development planning and spatial planning.

Intergovernmental Policy and Practice reviews, clarifies and strengthens the policy and institutional environment for the assignment and management of municipal powers and functions; and strengthen intergovernmental coordination amongst sectors, provinces and local government. The Revised Model for District Government under preparation during the current term, focuses on how to improve the functionality of the two-tier system of local government. The two-tier system works under many constraints and emerging realities such as managing the impact of urbanisation on our municipalities, the question of the viability of some municipalities, and the over-complex framing of the district and local powers and functions in the Municipal Structures Act. In preparation for an evidence-based policy process, to be completed by 2019, the sub-programme has focused on building an evidence base through case studies, interviews, stakeholder engagements, intergovernmental dialogue and research. A draft Discussion Document was produced by March 2017, which profiles the case studies, the implications arising from these, the current set of options for reform, and the institutional and structural implications of possible reforms.

This ongoing policy work takes into account the developmental role of local government as articulated in Phase 2 of Back-to-Basics and is considering the key question of how to govern effectively, the many socially and economically differentiated environments that characterise the municipal landscape along the rural-urban continuum.

The work of the sub-programme is also positioned to apply its work to the implementation of the IUDF, especially regarding effective urban governance and management. During 2016/2017 a major study was undertaken, 'An Improved Governance Framework for Powers and Functions'. This report was informed by fieldwork and interviews in approximately 25 urban municipalities, on the local level challenges experienced, which resulted in an emerging consensus on key interventions/reforms required, for improved urban governance.

The recommendations from this Report will inform aspects

of the 2017/2018 approaches to IUDF and Back-to-Basics Implementation. These include possible legislative reform, sectoral grant consolidation to improve coordination of infrastructure investments, a revised intergovernmental planning framework to better manage integrated spatial planning for coordinated investments in a municipal space, and more focus on how decentralisation should enable local government to meet a general mandate to provide for the welfare and development needs of their constituencies

Municipal Demarcation Transition Grant makes transfers to assist municipalities in building in-house capacity to perform functions, and to stabilise institutional and government systems. To financially support the newly amalgamated municipalities in the various transition processes resultant from additional costs arising from the pre and post the 2016 Local Government Election (LGE) mergers, on request by **DCoG**, the National Treasury (NT) established the MDTG starting in 2015/2016 financial year (FY) for the Medium Term Expenditure Framework (MTEF) of three years ending in the 2017/2018 FY. This grant is administered by the **DCoG**, as the transferring Department in terms of the Division of Revenue Act (DoRA) and transfers are made in accordance with the approved payment schedule and reported on to the NT on a monthly and quarterly basis in terms of the DoRA, 2016.

The conditions of the grant are stipulated in the DoRA, 2015 and 2016, respectively.

2016/17 Financial Year MDTG Transfers

For the 2016 / 2017 and 2017 / 2018 FYs, an amount of R409, 278 million was appropriated for the MDTG. It replaced the R139 million that was identified in the previous FY, and it was set to be distributed amongst all the major municipal boundaries redeterminations finalised by the Municipal Demarcation Board (MDB) during 2013 and 2015.

The R297, 422 million was set to be made available in the 2016 / 2017 FY, and the balance of R111, 856 million in the 2017/18 FY. The transfers were made to the pre-election and the post-election municipalities in terms of the approved payment schedule as follows:

Pre-election Municipalities

Pursuant to the Local Government MinMEC meeting held on 13 May 2016, MECs responsible for local government requested that the MDTG be made available as soon as

possible in order for the pre-election municipalities to defray expenditure incurred on transitional matters prior to the amalgamation of municipalities.

On 20 May 2016 the **DCoG** Acting Director-General requested the NT to split the MDTG between the pre-election municipalities and the post-election municipalities, on a 60/40% split basis, respectively.

In response, the NT cautioned that transferring such a huge portion of the grant to municipalities that would be disestablished after the election would run the risk of rushed expenditure on the grant funds or possible misuse of funds on items not part of the intended purpose. The NT then resolved on the allocation of a 40/60% split for the pre-election municipalities and post-election municipalities, respectively.

On 02 June 2016 the Minister of Finance published in Notice No. 613 in Government Gazette No. 40035, confirming the 40/60 split arrangement for the MDTG allocated to the pre-election and post-election municipalities, respectively, in terms of Section 38 (2) and (4) of the DoRA, 2016.

Subsequently, on 18 July 2016, an amount of R84, 062 million of the MDTG was transferred to 36 (out of 47) pre-election municipalities. This followed a request from the Eastern Cape Department of Cooperative Governance and Traditional Affairs (EC-CoGTA) and Limpopo Department of Cooperative Governance, Human Settlement and Traditional Affairs (LM-CoGHSTA) that the MDTG for the 8 and 3 pre-election municipalities, respectively, be withheld due to certain risks or non-compliance that the provinces had identified.

Following this request, on 20 August 2016, the Department requested the NT to withhold the MDTG of these 11 pre-election municipalities in terms of Section 18 (6) of the DoRA. Subsequently, letters were sent to the 11 affected municipalities informing them of the withholding of the MDTG.

Post-election Municipalities

On 08 September 2016, the NT forwarded the revised payment schedule in terms of the 60% MDTG to be transferred to the post- 2016 LGEs municipalities.

In terms of the MDTG grant framework in the DoRA, 2016, transfers could only be made in terms of the approved

Business Plans (BPs) submitted by the post-election municipalities within 30 days after the 2016 LGE for final approval by the transferring Department by 31 October 2016 and for possible payments in November 2016.

Since LIM345 was a newly established municipality and had submitted the BP prior to the 2016 LGEs, the NT approved that the first tranche of R 5,819 million be transferred in order for this municipality to commence with a process of implementing establishment activities.

On 14 October 2016, the Department convened a meeting with all affected provinces to assess the BPs received from the post-election municipalities. Provinces were then requested to revise BPs and ensure that they were signed-off by the relevant Head of Departments and Municipal Managers.

All revised BPs were received and finalised by the Department on 11 November 2016.

On 15 November 2016, the Acting Director-General sought approval from the Director-General: NT for:

- (i) The amendment of the MDTG Payment Schedule for the 2016 / 2017 FY;
- (ii) The transfer of the remaining MDTG allocations to the post-election municipalities; and
- (iii) The proposed payment schedule and the preliminary framework for the MDTG for the remaining balance of R111, 856 million to be distributed to the 26 newly determined municipalities for the 2017 / 2018 FY in preparation for the finalisation of the DoRA, 2017.

Pursuant to the letter, officials from the **DCoG** and the NT met on 25 November 2016 to discuss the matters raised and guidance was provided by the NT as follows:

- (i) **DCoG** to proceed with the transferring of the gazetted 60% MDTG payments to the post-election municipalities by 02 December 2016;
- (ii) The remaining MDTG to be distributed in two tranches, combining both September and November tranche by 02 December 2016, the remainder to be disbursed on 08 March 2017 as originally scheduled;
- (iii) The transfer of the 2016/17 MDTG allocations for the pre-election municipalities gazetted in terms of section 38 of the 2016 DoRA to the post-election municipalities could not at that

stage be implemented. These funds needed to be re-allocated to the post-election municipalities and re-gazetted on the National Adjustment Estimates in terms of section 20 of the DoRA before the funds could be transferred to the post-election municipalities; and

- (iv) **DCoG** to submit the final MDTG framework and payment schedule of the remaining balance of R111, 856 million to be distributed to the 26 newly determined municipalities for the 2017 / 2018 FY in preparation for the finalisation of the DoRA, 2017.

Subsequently on 05 December 2016 the NT:

- (i) Partially approved the request to amend the MDTG 2016/17 payment schedule in terms of section 18(1) of the DoRA, 2016, to bring forward the 30 November 2016 and 8 March 2017 transfers to 02 December 2016;
- (ii) Partially approved the amendment of the payment schedule with regard to the 16 September 2016 transfers that were withheld in terms of section 18 of the DoRA, 2016 and these transfers had to be released as part of the 30 November 2016 scheduled MDTG transfers;
- (iii) Recommended that the transfers be made on 2 December 2016, so as to allow both the NT and **DCoG** to obtain approvals and undertake the necessary processes to ensure that the transfers go through i.e. uploading and capturing of payments;
- (iv) The 8 March 2017 transfers were not approved for amendment and thus the transfer date would remain as per the originally approved date; and
- (v) The transfer of the 2016/17 MDTG allocations for the pre-election municipalities gazetted in terms of section 38 of the DoRA, 2016 to the post-election municipalities could not at that stage be implemented. These funds need to be re-gazetted in terms of section 20 of the DoRA

before they could be transferred to the affected municipalities.

On 02 December 2016, the Department authorised payments of the first tranche of the 60% MDTG allocation to the tune of R 102, 997 million, gazetted in terms of section 38 of the DoRA, 2016, to the 22 receiving post-election municipalities. This excluded those of which transfers that were withheld following the request from the EC-CoGTA and LM-CoGHSTA. The MDTG transfers to Thulamela; Blouberg; Molemolle and Randwest post-election municipalities were rejected by the system due to technical problems, which resulted in the MDTG not being transferred as scheduled.

The letter notifying of the transferred MDTG was forwarded to the 22 receiving post-election municipalities and was copied to the NT, Provincial Treasuries and provincial Departments responsible for local government.

In preparation for the publication of the National adjustment gazette on 10 February 2016, the NT afforded further opportunity for the transferring Department to revise and adjust the payment schedule in terms of section 24 of the DoRA, which payment schedule had to include any movements and corrections during the year. The revised payment schedule in this regard was forwarded to the NT, which included the rejected MDTG for the 4 post-election municipalities, as well as the non-transferred MDTG to be reallocated to the 11 post-election municipalities identified by the EC-CoGTA and the LM-CoGHSTA.

These were effected on Government Notice No. 621 in the Government Gazette No.40670 of 8 March 2017, in terms of Section 20 of the DoRA.

On 23 March 2017, the Department approved the transfer of the remaining MDTG allocations to the tune of R 104 542 million to the 26 receiving post-election municipalities, in terms of the approved payment schedule for the 2016 / 2017 FY.

Strategic objectives:

| Programme Name: Regional and Urban Development and Legislation Support | | | | | |
|---|------------------------------|--|---|---|--|
| Strategic objectives | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation from planned target to Actual Achievement for 2016/2017 | Comment on deviations |
| Facilitate the restructuring of the existing municipal spatial configuration through integrated development planning by supporting district municipalities in building geographic information systems capabilities by March 2019. | - | 6 spatial contracts facilitated for key restructuring zones in districts and metros by 31 March 2017 | Not achieved: 6 spatial contract for key restructuring zones not facilitated. | The officials that were appointed to perform this function resigned | SMS member's vacancies are in the process of being filled. Interviews have been held already for one position. |

Performance indicators

| Programme: Regional and Urban Development and Legislation Support | | | | | | | |
|---|------------------------------|------------------------------|------------------------------|--|---|--|--|
| Performance Indicator | Actual Achievement 2014/2015 | Actual Achievement 2014/2015 | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation from planned target to Actual Achievement 2016/2017 | Comment on deviations |
| 1. Number of spatial contracts facilitated for key restructuring zones in districts and metros | - | - | - | 6 spatial contracts facilitated for key restructuring zones in districts and metros by 31 March 2017 | Not achieved: 6 spatial contract for key restructuring zones not facilitated. | The officials that were appointed to perform this function resigned | SMS member's vacancies are in the process of being filled. Interviews have been held already for one position. |
| 2. Support municipalities to develop and implement economic development programmes in-line with the Integrated Urban Development Framework by 31 March 2017 | - | - | - | 24 Municipalities supported | Not Achieved: 21 Municipalities supported during this financial year | Delays in finalising the Moretele Small Towns Strategy due to municipal internal challenges. | Ongoing engagements on intervention will be put in place to expedite the process in the new financial year. |

Strategy to overcome areas of under performance

a) Indicator 1: Number of spatial contracts facilitated for key restructuring zones in districts and metros

The reasons for non-achievement of the target on the facilitation of 6 spatial contracts for key restructuring zones in districts and metros by 31 March 2017 were due to the lack of human resources to perform this functions as a result of resignations of the Chief Director and Director responsible for this target.

The Department is currently in the process of filling the two positions to ensure that work in this area is undertaken in 2017/18 financial year as per the tabled Annual Performance Plan. The vacancy of Director: Urban Policy Development and Management was re-advertised and interviews were held for the other post of Director: Intermediate Cities Integrated Spatial Planning after the post was advertised two times. It is envisaged that these two vacancies will be filled by the end of the second quarter of 2017/18 financial year.

b) Indicator 2: Support municipalities to develop and implement economic development programmes in-line with the Integrated Urban Development Framework by 31 March 2017

The target to support 24 municipalities to develop and implement economic development strategies and implement red tape reduction initiatives was not attained owing to the delays stemming from municipal internal challenges. In the new financial year, 2017/18, the Department continues to intervene in targeted municipalities through engagements to expedite this process.

Changes to planned targets

Changes were made and approved by the Minister in September 2016 relating to the third and fourth quarter targets for indicator number 2: support municipalities to develop and implement economic development programmes in-line with the Integrated Urban Development Framework by 31 March 2017. The quarterly targets were split to be more specific on exactly what will be measured.

Linking performance with budgets

The programme provides policy analysis and development in order to transform local government and improve corporative governance. The programme spent 89.8% of its budget. The under-spending was mainly in all the sub-programmes due to projects not being completed as planned and the Municipal Demarcation Transition Grant not paid as planned due to the reclassification of the Grant.

Sub-programme expenditure

| Sub- Programme Name | 2016/2017 | | | 2015/2016 | | |
|--|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | Final Appropriation | Actual Expenditure | (Over) Under Expenditure | Final Appropriation | Actual Expenditure | (Over) Under Expenditure |
| | R'000 | R'000 | | R'000 | R'000 | |
| Management Regional and Urban Development | 828 | 414 | 414 | 7 122 | 6 122 | 1 000 |
| Development and Legislative Support | 4 855 | 4 034 | 821 | 5 630 | 5 630 | - |
| Local Government Legislative Support and Institutional Establishment | 8 087 | 4 918 | 3 169 | 8 823 | 8 823 | - |

| Sub- Programme Name | 2016/2017 | | | 2015/2016 | | |
|---|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | Final Appropriation | Actual Expenditure | (Over) Under Expenditure | Final Appropriation | Actual Expenditure | (Over) Under Expenditure |
| | R'000 | R'000 | | R'000 | R'000 | |
| Urban Development planning | 13 442 | 9 870 | 3 572 | 8 846 | 8 846 | - |
| Inter- governmental Policy and Practice | 4 898 | 4 311 | 587 | 7 781 | 7 781 | - |
| Municipal Demarcation Transition Grant | 325 280 | 297 422 | 27 858 | - | - | - |
| Total | 357 390 | 320 969 | 36 421 | 38 202 | 37 202 | 1 000 |

Programme 3: Institutional Development

Purpose: Build institutional resilience in the local government system by supporting system development, governance, capacity building and revenue management.

Strategic Objective

This programme seeks to achieve the following strategic objectives:

- Deepening the relationship between citizens and local government through improved citizen engagement mechanisms by March 2019;
- Implement initiatives to improve financial sustainability and revenue management in local government by March 2019;
- Strengthen the functionality of municipalities through the development and implementation of administrative institutional systems by March 2019;
- Support and strengthen the capacity of municipalities to deliver sustainable free basic services to the indigent household by March 2019;
- Promote good governance through strengthening of anti-corruption measures by March 2019.

Sub-Programmes

The programme has the following sub-programmes

Management: Institutional Development provided strategic leadership to the programme to ensure compliance and the achievement of Departmental targets in line with the B2B Programme.

Human Resource Management Systems builds sound municipal institutional capabilities through the development, implementation and enforcement of an efficient and effective human resources management framework as per the Municipal Systems Act (2000). The Regulations setting out uniform procedures and criteria for appointment of municipal managers and managers directly accountable to municipal managers (the senior managers) have been successfully rolled out and institutionalised to ensure a successful implementation by municipalities. Since the promulgation of the regulations in 2014, a total of 288 senior manager posts were filled in compliance with the Systems Act and Regulations consisting of 79 municipal managers and 209 managers directly accountable to municipal managers.

Approximately 1254 senior manager posts consisting of 178 municipal managers and 1076 managers directly accountable to municipal managers remain to be filled during the current financial year in an endeavour to build the capacity of municipalities to perform their functions. The government has mounted pressure on municipal councils to expedite the filling of the remaining senior manager posts as they become vacant. During 2017/18 financial year, support mechanisms have been put in place to monitor and enforce compliance of appointments of senior managers with minimum competency requirements.

The Department has finalised the process of developing the first ever regulations and guidelines setting uniform standards for staff below management echelon, after wide-ranging consultation with key stakeholders. These regulations will go a long way in transforming the administration of municipalities into an efficient front line development agency capable of integrating the activities of all spheres of government for the overall improvement of service delivery and social and economic upliftment of communities. These regulations will also help realise government's resolve to build resilient administrative institutions and a capable state as espoused in the National Development Plan and B2B Programme. These regulations will be enacted into law and rolled out to all municipalities during 2017/18.

Municipal Finance provides support and technical capacity to municipalities on municipal finance policies such as audit plans, financial management, revenue enhancement strategies, tariff setting and modelling, free basic services and procurement policies.

Municipal Revenue Management: provided support and technical capacity to municipalities on municipal revenue management, enhancement strategies and municipal finance policies. In the current financial year, the focus of the sub-programme was to develop and implement simplified revenue plans in 30 identified municipalities. As part of the development phase, municipal data analysis was undertaken, which then informs the "As-is assessment reports" and the implementation plans for each municipality. Implementation was undertaken in all the municipalities which entailed the review and update of municipal financial policies, assistance to recover outstanding government debt, data cleansing and implementation will continue in 2017/18 financial year. Once these plans are fully implemented, it should result in improved revenue, reduced municipal debt and enhance the potential of revenue collection in selected municipalities.

Citizen Engagement promotes local government accountability

and engagement with communities through the implementation of the citizen engagement framework.

Following the August 2016 local government elections, ward committees have been established in various municipalities to strengthen community participatory governance. The Department has collaborated with provinces to develop support plans for municipalities to speed up the process of ward committee elections and induction. In the instances where there were political challenges identified, they were escalated to the offices of the MECs and Speakers of the Municipal Councils for political interventions. The national awareness campaign on the promotion of the community participation in the election of credible ward committees was rolled out through electronic and print media.

Anti-Corruption and Good Governance conducts anti-corruption campaigns that will improve ethical conduct at the local level. It also strengthens and implements preventative measures for corruption and creates a conducive environment for the expeditious resolution of corruption cases. To reinforce our efforts regarding the fight against corruption, **DCoG** revised the Local Government Anti-Corruption Strategy and also introduced the Integrity Management Framework, with the emphasis on the promotion of integrity. The Strategy sets out the strategic objectives to be pursued by municipalities in terms of preventing and combating corruption.

In the 2016/17 financial year, 17 cases of corruption and related offences were reported to the Department. The cases have been referred to provinces for investigations in line with Section 106 of the Local Government Municipal Systems Act, 2000. Investigations are at various stages in the through the implementation of provinces. Further, the Department continues to collaborate with law enforcement agencies to ensure that cases of corruption and related offences are investigated and offenders prosecuted.

Municipal Property Rates guides municipalities to comply with the Municipal Property Rates Act (2004) and its regulations. Amongst others, this is accomplished by sourcing information such as municipal rates policies, rates by-laws, and resolutions levying rates which contain rates tariffs. The outcome of the assessment indicates whether a particular municipality is compliant or not. A municipality is deemed compliant if its rating practice is in line with the criteria/objectives/conditions stipulated in the principal legislation, relevant Regulations and Guidelines/Circulars. With respect to the 2016/17 financial year, 193 municipalities were assessed and the outcomes were provided to municipalities in February 2017; including in the case of non-compliance, recommendations on corrective actions for the 2017/18 municipal financial year.

Local Government Equitable Share is the share of nationally raised revenue, which is payable to the local government sphere in terms of section 214 of the Constitution. This transfer supplements municipal revenue for the provision of free basic services to poor households, and for the funding of institutional capacity and support to weaker municipalities. For the 2016/17 financial year, the Department transferred R50,7 billion to all receiving municipalities to enable them to provide free basic services to poor households and to maintain the basic municipal administration as contemplated in the Constitution.

Municipal Infrastructure Grant makes specific transfers to supplement municipal capital budgets to eradicate backlogs in municipal infrastructure delivery. The Department reported MIG expenditure amounting to R13,7 billion (92%) of expenditure, as at the end of June 2016, to National Treasury for 2015/16. Amongst others achievements, the MIG financed infrastructure to 131 337 poor households for water; 134 327 poor households for sanitation; 2 150 km of roads servicing the poor; 10 recycling facilities and solid waste disposal sites; 221 sport facilities in poor communities; 76 public facilities in poor communities; and including work opportunities to 161 697 people. The 2016/17 MIG allocation is R14,9 billion and ends on 30 June 2017. The Department reported MIG expenditure amounting to R9,5 billion (63%) as at the end of March 2017.

Municipal Systems Improvement Grant assists municipalities to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act (MSA) and related legislation(s). The Municipal Systems Improvement Grant is an indirect grant focusing on five areas namely: the development of records management systems, the development performance management systems, the development of simplified revenue plans for 30 targeted municipalities, development of prototype staff establishments and the development of an integrated property and consumer database. The MSIG changed from a direct to an indirect grant in 2016/17.

Funds were committed in three of the five focus areas during the 2016/17 financial year and two of the projects, namely; records management and performance management systems were not committed. Thus, progress has been made with the three multi-year projects, namely; the development of simplified revenue plans, development of prototype staff establishments and the development of an integrated property and consumer database and it is expected that the projects on the development of records management and performance management systems will be implemented in 2017/18.

Strategic objectives:

| Programme: Institutional Development | | | | | | |
|---|--|--|---|---|---|--|
| Strategic objectives | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation from planned target to Actual Achievement for 2016/2017 | Comment on deviations | |
| Deepening the relationship between citizens and local government through improved citizen engagement mechanisms by March 2019 | - | 40 dysfunctional municipalities supported to create effective community engagement mechanisms by 31 March 2017 | Achieved: 40 dysfunctional municipalities supported to create effective community engagement mechanisms by 31 March 2017 | N/A | N/A | |
| Implement initiatives to improve financial sustainability and revenue management in local government by March 2019 | Initiatives developed and implemented in 60 municipalities | A revenue plan developed and implemented in 30 municipalities by 31 March 2017 | Achieved: A generic revenue plan was developed, data analysis was undertaken which informs the "As is assessment reports and implementation plans in 30 municipalities. Implementation entails the review and update of municipal financial policies, assistance to recover outstanding government debt and data cleansing | N/A | N/A | |
| Strengthen the functionality of municipalities through the development and implementation of administrative institutional systems by March 2019 | Draft Municipal Staff Regulations | Municipal Staff Regulations incorporating minimum competency requirements for lower level staff by 31 March 2017 | Achieved: Municipal Staff Regulations incorporating minimum competency requirements for lower level staff by 31 March 2017 were developed. | N/A | N/A | |
| Support and strengthen the capacity of municipalities to deliver sustainable free basic services to indigent households by March 2019. | 136 municipalities supported. | 20 municipalities supported to update their indigent registers by 31 March 2017 | Achieved: 40 municipalities supported to update their indigent registers. Findings communicated and recommendations for corrective measures provided to 60 Municipalities. MOU to formalise a partnership with SARS finalised and currently being signed by the Commissioner of SARS and the Acting Director-General. | 40 municipalities supported instead of 20 municipalities. | Over achievement is as a result of proper planning and hard work with the limited capacity of the unit. | |

| Programme: Institutional Development | | | | | | |
|---|--|--|--|---|-----------------------|--|
| Strategic objectives | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation from planned target to Actual Achievement for 2016/2017 | Comment on deviations | |
| Promote good governance through strengthening of anti-corruption measures by March 2019 | Engagements held with provinces and recommendations of Forensic Investigations in identified municipalities monitored. | Engagements with targeted municipalities and law enforcement agencies to ensure implementation of recommendations by 31 March 2017 | Achieved: Engagements were held with provinces, municipalities and law enforcement agencies as per the annual report. | N/A | N/A | |

Performance Indicators

| Programme / Sub-programme: Institutional Development | | | | | | | |
|--|------------------------------|------------------------------|--|--|---|---|-----------------------|
| Performance Indicator | Actual Achievement 2013/2014 | Actual Achievement 2014/2015 | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation from planned target to Actual Achievement 2016/2017 | Comment on deviations |
| Strategic Objective: Implement initiatives to improve financial sustainability, revenue management and audit outcomes in local government by March 2019 | | | | | | | |
| 3.A revenue plan developed and implemented in selected municipalities | 20 municipalities | 30 municipalities | Initiatives developed and implemented in 60 municipalities | A revenue plan developed and implemented in 30 municipalities by 31 March 2017 | Achieved: A generic revenue plan was developed, data analysis was undertaken which informs the "As is assessment reports and implementation plans in 30 municipalities. Implementation entails the review and update of municipal financial policies, assistance to recover outstanding government debt and data cleansing | N/A | N/A |

| Programme / Sub-programme: Institutional Development | | | | | | | |
|---|--|------------------------------|-------------------------------|---|--|---|---|
| Performance Indicator | Actual Achievement 2013/2014 | Actual Achievement 2014/2015 | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation from planned target to Actual Achievement 2016/2017 | Comment on deviations |
| 4. Number of municipalities assessed and guided to comply with the rating aspects of the MPRA | 30 municipalities assessed | 40 municipalities assessed. | 152 municipalities assessed | 193 municipalities assessed pertaining to compliance with the rating aspects of the MPRA and guidance provided to non-complying municipalities by 31 March 2017 | Achieved: All 193 municipalities assessed and letters communicating the outcome of the assessment and findings, as well as recommendations to non-compliant municipalities on corrective measures for the 2017/18 municipal financial year, were sent to each of the 193 municipalities by 28 February 2017 | N/A | N/A |
| Strategic objective: Support and strengthen the capacity of municipalities to deliver sustainable free basic services to indigent household by March 2019 | | | | | | | |
| 5. Number of municipalities supported to update their indigent registers | 61 municipalities supported with mechanism to provide free basic services in 2013/14 | 40 municipalities supported | 136 municipalities supported. | 20 municipalities supported to update their indigent registers by 31 March 2017 | Achieved: 40 municipalities supported to update their indigent registers. Findings communicated and recommendations for corrective measures provided to 60 Municipalities. MOU to formalise a partnership with SARS finalised and currently being signed by the Commissioner of SARS and the Acting Director-General. | 40 municipalities supported instead of 20 municipalities. | Over achievement is as a result of proper planning and hard work with the limited capacity of the unit. |

| Programme / Sub-programme: Institutional Development | | | | | | | | |
|---|------------------------------|------------------------------|---|--|---|---|-----------------------|--|
| Performance Indicator | Actual Achievement 2013/2014 | Actual Achievement 2014/2015 | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation from planned target to Actual Achievement 2016/2017 | Comment on deviations | |
| Strategic objective: Strengthen the functionality of municipalities through the development and implementation of administrative systems and procedures by March 201 | | | | | | | | |
| 6. Improve human resource management in municipalities by development and implementation of regulations, setting minimum competency requirements for lower level staff | - | - | Draft Municipal Staff Regulations | Municipal Staff Regulations incorporating minimum competency requirements for lower level staff by 31 March 2017 | Achieved: Municipal Staff Regulations incorporating minimum competency requirements for lower level staff by 31 March 2017 were developed. | N/A | N/A | |
| 7. Monitor appointments of senior managers and take corrective actions to enforce compliance with minimum competency requirements date | - | - | Report on the status of appointment of competent and suitably qualified municipal managers and 56 managers was developed. | 4 reports on number of appointments of senior managers concluded and corrective actions are taken to enforce compliance by 31 March 2017 | Achieved: 4 reports on a number of appointments of senior managers concluded and corrective actions are taken to enforce compliance was developed. | N/A | N/A | |
| Strategic objective: Promote good governance through strengthening of anti-corruption measures by March 2019 | | | | | | | | |

| Programme / Sub-programme: Institutional Development | | | | | | | |
|---|------------------------------|------------------------------|--|--|--|---|-----------------------|
| Performance Indicator | Actual Achievement 2013/2014 | Actual Achievement 2014/2015 | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation from planned target to Actual Achievement 2016/2017 | Comment on deviations |
| 8. Anti-corruption measures implemented in identified municipalities as per forensic reports recommendation | - | - | Engagements held with provinces and recommendations of Forensic Investigations in identified municipalities monitored. | Engagements with targeted municipalities and law enforcement agencies to ensure implementation of recommendations by 31 March 2017 | Achieved: Engagements were held with provinces, municipalities and law enforcement agencies as per the annual report. | N/A | N/A |

Strategic objective: Deepening the relationship between citizens and local government through improved citizen engagement mechanisms by March 2019

| Programme / Sub-programme: Institutional Development | | | | | | | | |
|--|------------------------------|--|------------------------------|--|--|---|-----------------------|--|
| Performance Indicator | Actual Achievement 2013/2014 | Actual Achievement 2014/2015 | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation from planned target to Actual Achievement 2016/2017 | Comment on deviations | |
| 9. Number of municipalities supported to create effective community engagement mechanisms | - | - | - | 40 dysfunctional municipalities supported to create effective community engagement mechanisms by 31 March 2017 | Achieved: 40 dysfunctional municipalities supported to create effective community engagement mechanisms by 31 March 2017 | N/A | N/A | |
| 10. Number of municipalities supported to establish functional ward committees | - | - | - | All Category A (8) and B 205 municipalities supported to establish ward committees by 31 March 2017 | Achieved: 7 Category A and 201 Category B municipalities supported to establish ward committees by 31 March 2017. This translates to a total of 3 956 out of 4 392 (90%) of ward committees established in Categories A (Metropolitan) and B (Local) municipalities across the country. | N/A | N/A | |
| 11. Number of municipalities supported to institutionalise community complaints management processes | - | 402 wards in Mpumalanga supported to develop ward level databases of community concerns and remedial actions | - | 40 dysfunctional municipalities supported to institutionalise community complaints management processes by 31 March 2017 | Achieved: 40 dysfunctional municipalities supported to institutionalise community complaints management processes by 31 March 2017 | N/A | N/A | |

Strategy to overcome areas of under performance

None. The programme achieved all the set targets.

Changes to planned targets

There were no changes to the planned targets.

Linking performance with budgets

The programme builds institutional resilience in the local government system by supporting system development, governance, capacity building and revenue management; and provides for the functions of the Department of Traditional Affairs. The Programme spent 97.1% of its budget. The serious under-spending was on Local Government Equitable Share Grant, which was due to the withholding/setting off, of funds from some municipalities as per DoRa and also the reclassifications of the Municipal Systems Improvement Grant - now indirect grants and earmarked funds under the Goods and Service classification.

Sub-programme expenditure

| Sub- Programme Name | 2016/2017 | | | 2015/2016 | | |
|---|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | Final Appropriation | Actual Expenditure | (Over) Under Expenditure | Final Appropriation | Actual Expenditure | (Over) Under Expenditure |
| | R'000 | R'000 | | R'000 | R'000 | |
| Management: Institutional Development | 5 703 | 5 419 | 284 | 20 828 | 20 828 | - |
| Municipal Human Resources Management Systems | 9 010 | 8 903 | 107 | 9 637 | 9 637 | - |
| Municipal Finance | 22 466 | 5853 | 16 613 | 13 082 | 13 082 | - |
| Citizen Engagement | 10 411 | 6 548 | 3 863 | 6 956 | 6 956 | - |
| Anti-Corruption and Good Governance | 5 508 | 3 886 | 1 622 | 5 465 | 5 465 | - |
| Municipal Property Rates | 9 163 | 6 560 | 2 603 | 9 532 | 9 532 | - |
| Local Government Equitable Share Transfers | 52 568 706 | 50 708 988 | 1 859 718 | 51 745 516 | 49 370 221 | 2 375 295 |
| Municipal Infrastructure Grant Transfers | 14 914 028 | 14 914 028 | - | 14 955 762 | 14 955 762 | - |
| Municipal Systems Improvement Grant Transfers | 84 349 | 19 379 | 64 970 | 251 442 | 251 442 | - |
| Department of Traditional Affairs Transfers | 133 998 | 133 998 | - | 125 928 | 125 928 | - |
| Municipal Infrastructure Support Agency | 349 889 | 349 889 | - | 304 013 | 304 013 | - |
| Total | 68 113 231 | 66 163 451 | 1 949 780 | 67 448 161 | 65 072 866 | 2 375 295 |

Programme 4: National Disaster Management Centre

Purpose: To promote an integrated and coordinated system of disaster prevention, mitigation and risk management.

Strategic Objective

This programme seeks to achieve the following strategic objectives:

- Improve the system of disaster management and fire services across government by March 2019

Sub-Programmes

The programme has the following sub-programmes:

Management: National Disaster Management Centre provides strategic leadership to the programme.

Legislation and Policy Management develop disaster management policies and legislative frameworks derived from the Disaster Management Act (2002) and the National Disaster Management Framework (2005), and manages the improvement of legislative compliance across sectors and spheres of government. The Disaster Management Amendment Act, 2015 (Act No. 16 of 2015) (DMAA) commenced on 1 May 2016 subsequent to Presidents' Proclamation No. 24 of 2016, published in Government Gazette No. 39943. The sub-programme unpacked the implementation implications of the DMAA and conducted 26 workshops with stakeholders across the country to raise awareness and develop a common understanding of the amendments to enable the implementation thereof.

The National Disaster Management Advisory Forum (NDMAF) met quarterly (four times) to discuss cross-cutting disaster management issues. The NDMAF is a technical forum in which national, provincial and local government and other disaster management role-players consult one another and coordinate their actions on matters relating to disaster management. The legal process to appoint the Inter-Ministerial Committee - Intergovernmental Committee on Disaster Management (ICDM) - in terms of Section 2 of the Disaster Management Act (2002) was completed on 18 August 2017 by Presidents Proclamation No. 61 of 2016 2016, published in Government Gazette No. 40394. The ICDM must give effects to the principles of co-operative governance set

out in Chapter 3 of the Constitution relating to disaster management, is accountable to, must report to, advise and may make recommendations to Cabinet on the coordination of disaster management among the spheres of government

The sub-programme also developed two organisational policy documents, which include the guidelines on the "Minimum Infrastructure Requirements for Disaster Management Centres", and the "Development and Structure of a Disaster Management Plan". Moreover, the following policy work was done:

- Supported various sector Departments with policy related inputs.
- Focused on supporting the establishment and functionality of disaster management centres across the spheres of government by reporting on compliance to the disaster management legislation.

Disaster Risk Reduction, Capacity Building and Intervention develops and implements disaster management operating systems and coordinates disaster management capacity building and strategic research across all three spheres of government and provides for the allocation of disaster response, relief and rehabilitation funding when a disaster has occurred. The sub-programme comprises of two Directorates, that is Disaster Risk Reduction, planning and Intervention; as well as Disaster Risk Management, Education, Training, Awareness and Research.

Disaster Risk Reduction and Intervention

The Directorate is responsible for disaster management planning, conducting risk assessments, implementation of risk reduction measures, response and recovery i.e. rehabilitation and reconstruction of damaged infrastructure as a result of disasters. The country experienced a severe drought for the past two years and is still reeling from the effects of the drought. The Directorate coordinated the National Joint Drought Committee (NJDCC), which comprises key sector Departments i.e. Departments of Water and Sanitation (DWS), Agriculture, Forestry and Fisheries (DAFF), Environmental Affairs (DEA), South African National Defence Force (SANDF), Rural Development and Land Reform (DRDLR), Health, Social Development, Government Communications and Information System (GCIS) and South African Weather Service (SAWS). The reprioritisation process for organs of state to utilise their available resources

to respond to the effects of drought and also water scarcity situation was facilitated. In addition, facilitation of the access of funding to an amount of R543 million through the budget adjustment process to complement the organs of state's resources was also provided.

The Departments of Water and Sanitation was allocated R341.3 million and Agriculture, Forestry and Fisheries was allocated R212 million to mitigate and respond to effects of drought and water scarcity situation. The funding was used to procure a mobile desalination plant, water tankers and storage and livestock feed. The National Joint Drought Coordination Committee, comprising all relevant role players continued coordinating and monitoring the drought interventions throughout the year. Additionally, the country received above-normal summer rainfall that provided relief from the drought situation in some parts of the country, which resulted in flooding in Eastern Cape and Gauteng Provinces. The floods caused infrastructure damage and some people were displaced; as a result, provincial state of disasters was declared.

During February 2017, the country also experienced cyclone Dineo, which caused minimal infrastructure damage, especially in Mpumalanga, Limpopo and North West provinces and about 11 fatalities were recorded. Gauteng Province experienced sinkhole formation in different parts of the province, whereby a state of local disaster was declared in Merafong City Local Municipality due to the extent of infrastructure damage that was incurred. The NDMC provided support to the municipality by transferring immediate relief funds to respond to the damage that required immediate attention.

Advocacy and Public Awareness programmes

The sub-directorate implements non-formal capacity building projects across the disaster risk reduction continuum to promote a culture of risk avoidance and build resilience among communities. The sub-directorate works closely with Provincial Disaster Management Centres to plan and facilitate implementation of advocacy and awareness campaigns. The nature of campaigns is largely informed by the National Indicative Disaster Risk Profile (NIDRP) technical reports, key priority local risks and NETaRNRA (National Education, Training and Research Needs and Resources Analysis). During 2016/2017 financial year, the sub-directorate facilitated the implementation of advocacy and awareness campaigns in nine (9) Provinces through both oversight (National Capacity Building Coordinating Forum Meetings), visits, training and support of provincial and municipal events. The Department through NDMC commemorated the International Day for Disaster Reduction (IDDR), which, was informed by a parallel launch of the Sendai Seven Campaign – 7 targets, 7 Years by United Nations Strategy for Disaster Reduction (UNISDR). The Sendai 7 Campaign assumed an advocacy approach to implementation to encourage the implementation of the Sendai Framework for Disaster Risk Reduction (SFDRR) with the main goal of saving lives, reducing disaster losses and improving management of disaster risks. As such, the NDMC commemorated the IDDR with an advocacy approach and under the theme "Reducing Disaster Mortalities" with the slogan, "Live to Tell", which was released by the UNISDR and derived from the first target of the SFDRR, in Ekurhuleni, Gauteng Province.

A photograph showing two firefighters in full protective gear, including helmets and jackets with reflective stripes, working on a metal structure. They are focused on a task, possibly related to disaster response or training. The background is a plain wall.

"Focused on supporting the establishment and functionality of disaster management centres across the spheres of government"

Integrated Provincial Disaster Management Support, Monitoring and Evaluation Systems

develops and implements integrated support to provinces and a monitoring and evaluation system for disaster management and fire services. The implementation of the Disaster Management Monitoring and Evaluation Framework is continuing until 2019. Institutionalisation of quarterly reporting as required by legislation has been successful, with all provinces submitting their reports. In addition, municipal quarterly reporting has also been institutionalised. The Provincial Disaster Management Centres are now coordinating reports from the districts and metros.

The development of a database on declared disasters continued to be updated. This data will be used to conduct an implementation evaluation in the next financial year. A concept note was developed and submitted to DPME to conduct an Implementation Evaluation for the NDMC.

One of the highlights during the period under review is the establishment of a partnership with the National School of Government to train the provinces and some of the officials in the NDMC on Monitoring and Evaluation. Another collaboration was with SATSSA to train the functionaries on data management.

Fire Services develops fire services policies and legislative frameworks and coordinates programmes related to the support and administration of fire services. The administration of the Fire Brigade Services Act, 1987 (Act No. 99 of 1987) (FBSA) is one of the key mandates of the Department of Cooperative Governance. The FBSA is an old-order legislation and has been identified by the Department as one of the Acts that require a comprehensive review to closely align and harmonise it with other applicable legislation. As part of the review of the FBSA, the NDMC prepared a draft White Paper on Fire Services, after extensive consultation with fire services stakeholders across the country. This draft White Paper was approved by Cabinet for public consultation during November 2016. The development of the draft White Paper on Fire Services represents the first major step in the reform and overhaul of the legislative framework governing the provision of this critical service to our communities.

Information Technology, Intelligence and Information Management Systems guides the development of a comprehensive information management and communication

system and establishes integrated communication links with all disaster management role players. During the financial year under review, the Chief Directorate along with its subsequent directorates made considerable progress in relation to the three focus areas. In terms of the Early Warnings and Capability Management Directorate, phase 1 of the web enabled portal was completed. This was to enable the disaster management fraternity to gain access to a multitude of spatial and other datasets that relate to disaster management, including the hazard profiles. The National Disaster Management Centre's website was revamped to enable the increase in communication with its internal (country based) and external (global) stakeholders. A yearly planned maintenance of software platforms was also achieved including the E-Convenor. The Infrastructure sub-directorate undertook to complete many infrastructure-related upgrades to the environment, including more reliable data backup operations, increased internet capacity, server upgrades and maintenance and outsourcing some of its critical functions that need high availability to SITA.

Disaster Relief Transfers is a conditional allocation that aims to provide immediate relief after disasters. Transfers are made only when a disaster has been declared. The country experienced various disasters because of drought, flooding, fires and sinkholes formations. As a result, funds were made available to the affected organs of state to provide immediate relief to affected communities. An amount of R118 075 was approved from the Municipal Disaster Grant to address damages to infrastructure due to sinkhole conditions in Merafong City Local Municipality in Gauteng. The Provincial Disaster Grant was allocated an amount of R215 million - however, no transfers were made during 2016/17.

Municipal Disaster Recovery Grant is a conditional allocation to repair municipal infrastructure damaged by disasters. This grant is allocated as the second phase of disaster response to municipalities following a post-disaster cost verification process. An amount of R140 million was allocated to the following municipalities i.e. Hessequa (Western Cape), Nkomazi (Mpumalanga Province) and Vulamehlo, Umzumbe and Ladysmith/Emnambithi (KwaZulu-Natal Province) for the reconstruction and rehabilitation of damaged infrastructure as a result of flooding.

Strategic objectives:

| Programme Name: National Disaster Management Centre | | | | | |
|---|---|---|--|---|-----------------------|
| Strategic objectives | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation from planned target to Actual Achievement for 2016/2017 | Comment on deviations |
| Improve the system of disaster management and fire services across government by March 2019 | - | Support implementation of the National Fire Safety and Prevention Strategy through capacity assessments and support in 27 municipalities by 31 March 2017 | Achieved: All 27 municipalities were assessed and a National Report was prepared. 50 Fire Safety Officers from the 27 municipalities were trained on Fire Risk Assessment and Safety Strategies as well as Fire Investigation in partnership with the Fire Protection Association of Southern Africa. | N/A | N/A |
| | National disaster management and fire services advocacy and public awareness campaigns facilitated in 9 provinces | National disaster management and fire services advocacy and public awareness campaigns monitored in 9 provinces by 31 March 2017 | Achieved: Public Advocacy and Awareness monitored in all provinces. Gauteng was monitored on several occasions. The IDDR was held in Gauteng (Ekurhuleni Metro) hosted by NDMC. An annual report on Public Advocacy and Public Awareness was developed. | N/A | N/A |

Performance indicators

| Programme: National Disaster Management Centre | | | | | | | |
|---|------------------------------|------------------------------|---|---|--|---|-----------------------|
| Performance Indicator | Actual Achievement 2013/2014 | Actual Achievement 2014/2015 | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation from planned target to Actual Achievement 2016/2017 | Comment on deviations |
| Strategic Objective: Improve the system of disaster management and fire services across government by March 2019 | | | | | | | |
| I.2.Support the implementation of the National Fire Safety and Prevention Strategy in identified municipalities in line with Back-to-Basics programme across the country by target date | - | - | - | Support implementation of the National Fire Safety and Prevention Strategy through capacity assessments and support in 27 municipalities by 31 March 2017 | Achieved: All 27 municipalities were assessed and a National Report was prepared. 50 Fire Safety Officers from the 27 municipalities were trained on Fire Risk Assessment and Safety Strategies as well as Fire Investigation in partnership with the Fire Protection Association of Southern Africa. | N/A | N/A |
| I.3.Number of provinces with disaster management and fire services advocacy and public awareness campaigns monitored by target date | - | - | National disaster management and fire services advocacy and public awareness campaigns facilitated in 9 provinces | National disaster management and fire services advocacy and public awareness campaigns monitored in 9 provinces by 31 March 2017 | Achieved: Public Advocacy and Awareness monitored in in all provinces. Gauteng was monitored on several occasions. The IDDR was held in Gauteng (Ekurhuleni Metro) hosted by NDMC. An annual report on Public Advocacy and Public Awareness was developed. | N/A | N/A |

Strategy to overcome areas of under performance

None. The programme achieved all the set targets.

Changes to planned targets

There were no changes to the planned targets.

Linking performance with budgets

The Programme promotes an integrated and coordinated system of disaster prevention, mitigation and risk management. The programme spent 49.9 % of its budget. The underspending is mainly due to Disaster Relief funds that were not paid out as projected. These funds are only paid when disasters are declared and in consultation with National Treasury and the contract to evaluate disasters that were not completed by the end of March 2017.

Sub-programme Expenditure

| Sub-Programme Name | 2016/2017 | | | 2015/2016 | | |
|--|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | Final Appropriation | Actual Expenditure | (Over) Under Expenditure | Final Appropriation | Actual Expenditure | (Over) Under Expenditure |
| | R'000 | R'000 | | R'000 | R'000 | |
| Management: Head of Disaster | 5 585 | 5 585 | - | 6 105 | 5 683 | 422 |
| Disaster Risk Reduction, Capacity Building and Intervention | 29 151 | 7 120 | 22 031 | 12 667 | 12 567 | 100 |
| Legislation and Policy Management | 5 434 | 4 479 | 955 | 6 115 | 6 120 | (5) |
| Integrated Provincial Disaster Management Support, Monitoring and Evaluation Systems | 3 103 | 2 696 | 407 | 2 311 | 1 825 | 486 |
| Fire Services | 2 698 | 2 698 | - | - | - | - |
| Information Technology, Intelligence and Information management Systems | 24 054 | 14 629 | 9 425 | 10 914 | 10 254 | 660 |
| Disaster Relief Transfers | 381 467 | 118 075 | 263 392 | 364 343 | 35 588 | 328 755 |
| Municipal Disaster Recovery Grant | 140 000 | 140 000 | - | 188 900 | 186 121 | 2 779 |
| Total | 591 492 | 295 282 | 296 210 | 591 355 | 258 158 | 333 197 |

Programme 5: Local Government Support and Interventions Management

Purpose: To promote an integrated and coordinated system of disaster prevention, mitigation and risk management.

Strategic Objective

This programme seeks to achieve the following strategic objectives:

- Build accountability in the Local Government Performance System through setting and enforcing clear performance standards by March 2019
- Coordinate and implement sustainable infrastructure development and maintenance initiatives in order to improve the quality of services and extend infrastructure to unserved communities by March 2019

Sub-programmes

The programme has the following sub-programmes:

Management: Local Government Support and Interventions Management provided strategic leadership to the programme to ensure compliance and the achievement of Departmental targets in line with the Back-to-Basics Approach.

Municipal Performance Monitoring monitors and reports on local government performance information by institutionalising monthly performance reporting by municipalities (consolidated into quarterly analysis reports) to the Department, analyses Back-to-Basics performance information for each municipality on a monthly basis, and identifies key trends in municipal Back-to-Basics performance. Overall progress consisted of three reports that were developed and submitted to the Department in accordance with the targets in the 2016/17 APP. These were two bi-annual reports analysing the monthly B2B reporting by municipalities and identifying emerging aspects and trends, i.e. by 30 September 2016, and 31 March 2017, respectively, and a State of Local Government Report produced by 31 December 2016.

The latest bi-annual report of 31 March 2017 shows that if the number of monthly B2B questionnaires submitted by municipalities is compared with the total number that should have been provided over the 21 months of reporting from October 2014 to June 2016 (which was the end of the first phase of B2B implementation), the overall percentage response rate of municipalities was 67%.

Per province, Gauteng and the Western Cape municipalities have submitted the most templates, out of those expected (92% and 82%, respectively), while the Eastern Cape (51%) and North West (49%) have only submitted approximately half of the expected number of templates. The other provinces fall in the range of 67%-74% responses over the 21 months of reporting (Northern Cape - 67%; Limpopo - 67%; Mpumalanga - 67%; KwaZulu-Natal - 71%; and Free State - 74%).

The analysis in this report was done in terms of a modified version of the MIIF categorisation of municipalities and when compared with the share of the 2011 population in each grouping it was found that:

- The 8 **Category A** major metropolitan municipalities consisted of 20,3 million people;
- The 19 larger urban **Category B1** local municipalities had 7,3 million people;
- The 138 **Category B2 and B3** local municipalities consisted of 11,3 million people; and
- The 69 **Category B4** smaller rural local municipalities had 12,6 million people.

The spatial distribution of these municipal groupings is shown in the following map which is quite revealing, e.g. with regard to where the smaller and rural Category B4 municipalities are located in the country.

Local Government Improvement Programme monitor and develop diagnostic assessment and support municipalities with the development and implementation of remedial action plans. The B2B Programme has had a footprint across all 9 Provinces and has yielded various results depending on the municipal specific circumstances and challenges. All municipalities deemed in need of interventions, which constitutes approximately a third of all municipalities across the country, have developed support plans and some have been reviewed during the 2016/17 financial year.

The Department established a Local Government Operations Centre in support of the Local Government Elections 2016. The Local Government Operations Centre coordinated government's response to urgent service delivery challenges, in consultation with key sector Departments and other role-players.

The Department has further supported the amalgamated municipalities during their establishment phase in various

ways, depending on municipal specific needs. In Thabazimbi as an example, the Department led and coordinated a Section 154 intervention together with National Treasury and the Limpopo Province, following the municipality's severe financial difficulties.

Specific partnerships have been targeted to support interventions in municipalities across the country resulting in improvements in infrastructure, administrative systems and capacity building in an increasing number of municipalities. In excess of 40 MOU have been signed or are close to finalisation, improving private sector participation in addressing challenges in the sector.

A National Back-to-Basics Coordinators' Forum has been established for improved coordination of the implementation of municipal improvement plans across Provinces.

Litigations and Interventions monitor compliance with intervention policies and regulations and develops budgets to address infrastructure investments priorities of the poor. The overall progress in regard to the implementation of interventions in municipalities by provincial governments has yielded varied outcomes depending on the circumstances and the reasons for the interventions. Spread across 4 provinces, 20 municipalities were subjected to the interventions in terms of section 139 of the Constitution. Interventions Task Teams were established, particularly in the North West and KwaZulu-Natal, wherein monthly meetings were scheduled to deal with the actual implementation of the interventions in terms of the Terms of Reference developed for each municipality. Mini-intervention reports, with recommendations, have been produced, and in most cases, this work was embedded into the B2B working streams. Challenges were identified and mitigated against. Following the 3 August 2016 Local Government Elections, a handful of municipalities were affected by the status of being hung municipalities - Jozini and Nquthu local municipalities in KZN, and Kgatelopele and Gamagara local municipalities - as they did not constitute their Council by the legislative deadline, and became candidates for interventions. This was prevented by ensuring the constituting of such municipal councils.

Specific and targeted interventions invoked and approved in terms of section 139 of the Constitution were undertaken with regard to the Municipal Property Rates Act on the valuation roll and levying of rates ratable property affecting

Mahikeng, Lekwa-Teemane and Ditsobotla local municipalities in North West province. In all the municipalities intervened, support packages were developed in terms of section 154 of the Constitution to support those municipalities.

Municipal Demarcation Board DCoG makes transfers to the Municipal Demarcation Board to fund operational activities, including capacity assessments, ward delimitation and boundary redetermination. This sub-programme's total budget is transferred in full to the board. Capacity building for Municipal Public Accounts Committees was forged through engagements with the Office of the Auditor-General, provincial Departments responsible for local government, National Treasury and Provincial Treasury, SALGA and provincial offices of SALGA. The Major Boundaries Redeterminations were finalised by the MDB in 2013 and 2015. Between August and October 2013, the MDB finalised the outer boundaries of municipalities in preparations for the 2016 LGE. The KwaZulu-Natal and Gauteng Provinces had major boundary changes, which resulted in a reduction of 8 municipalities. In respect of Gauteng: Westonaria and Randfontein Local Municipalities were amalgamated into a single local municipality (reduction of 1 municipality).

In respect of KwaZulu-Natal, the following municipalities were amalgamated or split resulting in a reduction of 7 municipalities:

- (i) DEM4060 - Vulamehlo and Umdoni;
- (ii) DEM4067 – Hlabisa and The Big 5 False Bay;
- (iii) DEM4141 – Umtshezi and Imbabazane;
- (iv) DEM4097 – Ezinqoleni and Hibiscus Coast;
- (v) DEM4142 – Emnambithi/Ladysmith and Indaka;
- (vi) DEM4150 – Kwa Sani and Ingwe; and
- (vii) DEM4154/DEM4176 – Ntambanana/ Mthonjaneni/Umhlatuze.

Between February and April 2015, the Minister requested the MDB, in terms of section 22(2) of the Demarcation Act, to determine or re-determine the boundaries of various municipalities with the view to optimise their financial viability.

South African Cities Network DCoG makes transfers to the South African Cities Network to fund operational activities, including enabling cooperation between South African cities. This sub-programme's total budget of R 9 619

000.00 is transferred in full to the network. The SACN releases its 2016 State of South African Cities Report (SoCR). It also embarked upon a Cities practitioner panel-based project to examine how local government can transform spatially within a context where the devolution of the human settlements function lay in abeyance. The report presents, possibly for the first time, a consolidated city-level reading of the state of crime and violence in South Africa.

South African Local Government Association DCoG makes transfers to the South African Local Government Association to fund operational activities, including participation in intergovernmental and oversight such as their remuneration and benefits, local government research, advice and support, and knowledge sharing initiatives. This sub-programme's total budget of R 31 500 000.00 is transferred in full to the entity. Eight training sessions were convened in the Northern Cape, North West, Mpumalanga and Western Cape. A total of 3183 councillors have been trained since the beginning of the programme in 2014 and 2924 certificates of competence have been issued.

SALGA also conducted a baseline survey to identify the service authority support that municipalities need to effectively fulfil their authority functions. The report developed from the findings of the survey has been used to concretise the relevant support to municipalities.

United Cities and Local Government of Africa DCoG makes the transfer to United Cities and Local Government of Africa to fund operational activities, enhance cooperation and knowledge sharing among local governments in Africa and improve the delivery of services to communities across the continent. There were no transfers made to this entity for the period under review.

Strategic objectives:

| Programme Name: Local Government Support and Interventions Management | | | | | |
|---|--|--|---|---|-----------------------|
| Strategic objectives | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation from planned target to Actual Achievement for 2016/2017 | Comment on deviations |
| Build accountability in the Local Government Performance System through setting and enforcing clear performance standards by March 2019 | - | Report on Back-to-Basics priorities by reporting on municipalities in 9 provinces by 31 March 2017 | Achieved: A report on Back-to-Basics priorities by reporting on municipalities in 9 provinces was developed | N/A | N/A |
| | Back-to-Basics interventions in identified municipalities coordinated in 9 provinces | Report on Back-to-Basics interventions coordinated in 9 provinces produced by 31 March 2017 | Achieved: Report on Back-to-Basics interventions coordinated in 9 provinces produced | N/A | N/A |
| Coordinate and implement sustainable infrastructure development and maintenance initiatives in order to improve the quality of services and extend infrastructure to unserved communities by March 2019 | 216 MIG projects monitored in the 27 Priority districts | 1 215 MIG projects monitored on financial compliance with DoRA by 31 March 2017 | Achieved: 1 362 MIG projects monitored on financial compliance with DoRA by 31 March 2017 | There are more than 2 500 MIG projects that are being implemented annually, for which the Department visits those that are questionable as a spot check | N/A |

Performance indicators

| Programme: Local Government Support and Interventions Management | | | | | | | |
|---|------------------------------|------------------------------|--|--|---|---|-----------------------|
| Performance Indicator | Actual Achievement 2013/2014 | Actual Achievement 2014/2015 | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation from planned target to Actual Achievement 2016/2017 | Comment on deviations |
| Strategic objective: Build accountability in the Local Government Performance System through setting and enforcing clear performance standards by March 2019 | | | | | | | |
| 14. Implementation of Back-to-Basics priorities by reporting municipalities monitored through Back-to-Basics priorities report | - | - | - | Report on Back-to-Basics priorities by reporting on municipalities in 9 provinces by 31 March 2017 | Achieved: A report on Back-to-Basics priorities by reporting on municipalities in 9 provinces was developed | N/A | N/A |
| 15. Report on Back-to-Basics interventions in identified provinces | - | - | Back-to-Basics interventions in identified municipalities coordinated in 9 provinces | Report on Back-to-Basics interventions coordinated in 9 provinces produced by 31 March 2017 | Achieved: Report on Back-to-Basics interventions coordinated in 9 provinces produced | N/A | N/A |
| Strategic objective: Coordinate and implement sustainable infrastructure development and maintenance initiatives in order to improve the quality of services and extend infrastructure to unserved communities by March 2019 | | | | | | | |
| 16. Number of MIG projects monitored on financial compliance with DoRA | - | - | 216 MIG projects monitored in the 27 Priority districts | 1 215 MIG projects monitored on financial compliance with DoRA by 31 March 2017 | 1 362 MIG projects monitored on financial compliance with DoRA by 31 March 2017 | There are more than 2 500 MIG projects that are being implemented annually for which we visit those that are questionable as a spot check | N/A |

Strategy to overcome areas of under performance

None. The programme achieved all the set targets.

Changes to planned targets

There were no changes to the planned targets.

Linking performance with budgets

The programme conduct hands-on performance monitoring, support and interventions in municipalities and provincial Departments of cooperative governance that will drive Back-to-Basics activities in order to create change on the ground. The programme spent 87.3 % of its budget. The underspending was mainly due to the lower amount paid to ex-councillors than projected and the slow start with the implementation of the 2016/17 Procurement Plan.

Sub-programme expenditure

| Sub- Programme Name | 2016/2017 | | | | 2015/2016 | | | |
|--|---------------------|--------------------|--------------------|--------|---------------------|--------------------|--------------------|-------|
| | Final Appropriation | Actual Expenditure | (Over) Expenditure | Under | Final Appropriation | Actual Expenditure | (Over) Expenditure | Under |
| | R'000 | R'000 | | | R'000 | R'000 | | |
| Management: Local Government Support and Interventions | 4 008 | 2 974 | | 1 034 | 13 755 | 13 754 | | 1 |
| Municipal Performance Monitoring | 322 718 | 274 242 | | 48 476 | 5 018 | 5 012 | | 4 |
| Local Government Improvement Programme | 29 243 | 26 110 | | 3 133 | 14 561 | 14 561 | | - |
| Litigations and Interventions | 6 359 | - | | 6 359 | 8 501 | 8 501 | | - |
| Municipal Infrastructure Administration | 34 696 | 31 001 | | 3 695 | 15 517 | 15 465 | | 52 |
| South African Local Government Association | 31 500 | 31 500 | | - | 9 215 | 9 215 | | - |
| Municipal Demarcation Board | 59 220 | 59 220 | | - | 45 793 | 45 793 | | - |
| South African Cities Network | 9 619 | 9 119 | | 500 | 6 286 | 6 286 | | - |
| United Cities and Local Government of Africa | 497 363 | 434 166 | | 63 197 | 118 646 | 118 587 | | 59 |

Programme 6: Community Work Programme

Purpose: Create income security and work experience for participants and promote social and economic inclusion by targeting areas of high unemployment

Strategic Objective

This programme seeks to achieve the following strategic objectives:

- Provide and maintain one million work opportunities through effective and efficient programme management, strategic partnerships and training by March 2019

Sub-programmes

The programme has the following sub-programmes

Management: Community Work Programme provides strategic management and leadership to the programme.

Programme Coordination develops frameworks and standard operating procedures, facilitates the implementation and the functionality of coordination structures, and monitors the performance of implementing agents.

Partnerships, Norms, Standards and Innovation ensures the effective management and coordination of partnerships and special projects for the Community Work Programme. Six partnerships were established in the financial year. The **first** partnership formed was with Co-operative Organization for the Upgrading of Numeracy Training (COUNT) where 48 CWP participants received accredited training on maths literacy. The participants have been placed in 21 schools in Harry Gwala District Municipality and 5400 learners in those schools have benefitted.

The second partnership established was with the Department of Correctional Services (DCS), where a Memorandum of Understanding (MoU) was signed. The DCS provided land to be used by CWP for agricultural purposes. The produce from the land was provided to vulnerable households and a disability centre. There were 10 parolees who were recruited into the CWP. This has assisted in the reintegration of the parolees into the community, as well as to receive a stipend to prevent them from re-offending.

The third partnership was formed with Sasol, where 60 youth have been trained in plumbing. The 12 participants were placed in six schools where they fixed all the leaking taps and broken toilets at Govan Mbeki Municipality. Sasol has absorbed 14 of the CWP youth. The fourth partnership was established with SmartStart where 31 CWP participants were trained on Early Childhood Development (ECD). They are providing ECD in the centre-basis and non-centre basis in rural areas of the North West.

The fifth partnership was with Inxuba Yethemba Municipality, where computers were donated to libraries and CWP participants were assisting school learners to do research and how to write a C.V. (Eastern Cape).

The sixth partnership was with the Centre for the Study of Violence and Reconciliation (CSV), and the Deutsche Gesellschaft Fur Internationale Zusammenarbeit (GIZ), Violence and Crime Prevention (VCP) to collaborate on the institutionalisation of violence prevention measures in the Community Work Programme (CWP). This partnership has resulted in reduced crime and violence in areas, where it was being implemented.

Strategic objectives:

| Programme Name: Community Work Programme | | | | | |
|---|---------------------------------------|--|--|---|---|
| Strategic objectives | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation from planned target to Actual Achievement for 2016/2017 | Comment on deviations |
| Provide and maintain one million work opportunities through effective and efficient programme management, strategic partnerships and training by March 2019 | 213 400 work opportunities | 21 423 additional work opportunities provided by 31 March 2017 | Achieved: 21, 423 additional work opportunities provided. A further 18,989 work opportunities were provided resulting in the annual achievement of 40,412 work opportunities. | The deviation of 18,989 is a result of replacement of participants who exited the Programme to ensure that the wage component is expanded | To prevent under expenditure in the wage budget by replacing participants. |
| | 213 400 work opportunities maintained | 234 823 work opportunities maintained by 31 March 2017 | Achieved: 243,162 work opportunities maintained. | The deviation of 18,989 is a result of replacement of participants who exited the Programme to ensure that the wage component is expanded | To prevent under expenditure in the wage budget by replacing participants. |
| | 43 634 participants trained | 23 483 participants trained by 31 March 2017 | Achieved: 23, 483 target set for participant training was achieved. 9,741 additional participants were trained which adds up to 33,224 participants that received training. | The budgeted training allowed for 23,483 participants. The additional 9,741 additional participants training was undertaken. | The deviation is as a result of unplanned training. This training was undertaken by either the CWP stakeholder, through partnerships or other role players. |
| | 5 partnerships established | 6 partnerships established to enhance the CWP by 31 March 2017 | Achieved: 6 partnerships established | N/A | N/A |

Performance indicators

| Programme: Community Work Programme | | | | | | | |
|---|-------------------------------------|-------------------------------------|---------------------------------------|--|---|--|---|
| Performance Indicator | Actual Achievement 2013/2014 | Actual Achievement 2014/2015 | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation from planned target to Actual Achievement 2016/2017 | Comment on deviations |
| Strategic Objective: Provide and maintain one million work opportunities through effective and efficient programme management, strategic partnerships and training by March 2019 | | | | | | | |
| 17. Number of additional work opportunities provided by target date(s) | 216 929 work opportunities provided | 202 447 work opportunities provided | 213 400 work opportunities | 21 423 additional work opportunities provided by 31 March 2017 | Achieved: 21,423 additional work opportunities provided. A further 18,989 work opportunities were provided resulting in the annual achievement of 40,412 work opportunities. | The deviation of 18,989 is a result of replacement of participants who exited the Programme to ensure that the wage component is expanded | To prevent under expenditure in the wage budget by replacing participants. |
| 18. Number of work opportunities maintained by target date(s) | - | - | 213 400 work opportunities maintained | 234 823 work opportunities maintained by 31 March 2017 | Achieved: 243,162 work opportunities maintained. | The deviation of 18,989 is a result of replacement of participants who exited the Programme to ensure that the wage component is expanded | To prevent under expenditure in the wage budget by replacing participants. |
| 19. Number of municipalities with CWP sites by target date(s). | 140 municipalities with CWP sites | 140 municipalities with CWP sites | 196 municipalities with CWP sites | 234 (38 additional) municipalities with CWP sites by 31 March 2017 | Achieved: 229 (37 additional municipalities) municipalities with CWP | The variance of 5 (1 additional municipalities) is due to the re-demarcation of municipal boundaries which resulted in the dissolving of municipalities. | N/A |
| 20. Number of participants trained by target date(s) | -- | - | 43 634 participants trained | 23 483 participants trained by 31 March 2017 | Achieved: 23,483 target set for participant training was achieved. 9,741 additional participants were trained which adds up to 33,224 participants that received training. | The budgeted training allowed for 23,483 participants. The additional 9,741 additional participants training was undertaken. | The deviation is as a result of unplanned training. This training was undertaken by either the CPW stakeholder, through partnerships or other role players. |
| 21. Number of partnerships established by target date(s) | - | - | 5 partnerships established | 6 partnerships established to enhance the CWP by 31 March 2017 | Achieved: 6 partnerships established | N/A | N/A |

Strategy to overcome areas of under performance

None. The programme achieved all the set targets.

Changes to planned targets

There were no changes to the planned targets.

Linking performance with budgets

The Programme creates income security and work experience for participants and promotes social and economic inclusion by targeting areas of high unemployment. The Programme spent 74.3% of its budget. The main reason for the under-expenditure relates to the procurement of goods and services for the implementation of the CWP. The Department incurred a large amount of irregular expenditure over the past two financial years as a result of the failure by Implementing Agents (IAs) to adhere to supply chain management procedures.

As a mechanism to curb these irregularities, the Department had to ensure that Standard Operating Procedures (SOPs) are approved and put place to guide procurement. The SOPs were approved in April 2016 and the training thereon was conducted in the month of August 2016. Furthermore, because IAs could not fully account for CWP assets that they had procured, they were informed not to continue with the procurement, without prior approval by the Department. This would enable the Department to exercise more stringent monitoring of their procurement.

Sub-programme expenditure

| Sub-Programme Name | 2016/2017 | | | 2015/2016 | | |
|---|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
| | Final Appropriation | Actual Expenditure | (Over) Under Expenditure | Final Appropriation | Actual Expenditure | (Over) Under Expenditure |
| | R'000 | R'000 | | R'000 | R'000 | |
| Management: Community Work Programme | 3 140 754 | 2 368 246 | 772 508 | 2 375 939 | 2 374 230 | 1 709 |
| Programme Coordination | 38 532 | 1 455 | 37 077 | - | - | - |
| Partnerships, Norms, Standards and Innovation | 11 899 | 1 395 | 10 504 | - | - | - |
| Total | 3 191 185 | 2 371 096 | 820 089 | 2 375 939 | 2 374 230 | 1 709 |

2.2.7 Transfer payments

Public entities receive sizeable transfer payments from government and are often the front-line providers of services on behalf of the government. It is therefore important to understand the impact of these services on the community. Departments are requested to provide information on the services provided by these public entities, transfer payments to the public entities, the actual amount spent from the transfer received by the public entities and strategic achievements of the public entity. Departments must also comment on monthly monitoring systems or the lack thereof to monitor spending on such transfer payments. If such monitoring did take place, departments must provide details of difficulties experienced and what steps (if any) were taken to rectify such difficulties.

The table below relates to Public Entities that have received funding from the department for the period 1 April 2016 to 31 March 2017.

| 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 |
|--|--|---|-----------------------------------|--|
| South African Local Government Association | Building leadership and technical capacity of local government (programmes for councillors) to play a developmental role, facilitate labour stability and peace, local government research, and knowledge sharing initiatives. | 31 500 | 31 500 | Dedicated support provided to municipalities on inter alia governance, councillor training, human, labour relations and performance related matters. |
| Municipal Demarcation Board | Determine and re-determine municipal outer boundaries, delimitation of wards for local government elections, the capacity of local government to perform their functions and exercise their powers and advisory services. | 59 220 | 59 220 | Redetermination concluded, which resulted in a reduction of number of municipalities from 278 to 257 with effect from 3 August 2016. |

Transfer payments to all organisations other than public entities

This section provides information on transfer payments made to provinces, municipalities, departmental agencies (excl. public entities), higher education institutions, public corporations, private enterprises, foreign governments, non-profit institutions and households. This excludes payments to public entities, as it is included in the previous section. This section also provides information on where funds were budgeted to be transferred, but transfers were not made, and the reasons for not transferring funds.

Departments are requested to provide the name of the transferee, the purpose for which these funds were transferred, did the department comply with S38 1(j), the amount transferred, the amount spent from the transfer received by the transferee, (excluding individuals or social grant payments) and the reasons for unspent funds by the transferee. Departments must also comment on monthly monitoring systems or the lack thereof to monitor spending on such transfers. If such monitoring did take place, departments must provide details of difficulties experienced and what steps (if any) were taken to rectify such difficulties.

The table below reflects the transfer payments made for the period 1 April 2016 to 31 March 2017.

| Name of transferee | Type of organisation | Purpose for which the funds were used | Did the dept. comply with s 38 (1) (j) of the PFMA | Amount transferred (R'000) | Amount spent by the entity | Reasons for the funds unspent by the entity |
|------------------------------|------------------------|---|--|----------------------------|----------------------------|---|
| South African Cities Network | Non-Profit Institution | Fund operational activities, including enabling cooperation between South African Cities. | Yes | 9 619 | 9 119 | N/A |

| Name of transferee | Type of organisation | Purpose for which the funds were used | Did the dept. comply with s 38 (1) (j) of the PFMA | Amount transferred (R'000) | Amount spent by the entity | Reasons for the funds unspent by the entity |
|--|------------------------------|---|--|----------------------------|----------------------------|--|
| Local Government Equitable Share | Provinces and Municipalities | The share of nationally raised revenue, which is payable to the local government sphere in terms of section 214 of the Constitution. This transfer supplements municipal revenue for the provision of free basic services to poor households and for the funding of Institutional capacity and support to weaker municipalities | Yes | 52 568 706 | 50 708 988 | Withholding/offsetting of Local Government Equitable Share grants in terms of the DORA requirements |
| Disaster Relief Grant | Provinces and Municipalities | A conditional allocation that aims to provide immediate relief after disasters. Transfers are made only when a disaster has been declared. | Yes | 381 467 | 118 075 | Disaster Relief Grants that are only transferred when a disaster is declared and after the approval by the National Treasury, because of the uncertainty thereof |
| Disaster Recovery Grant | Provinces and Municipalities | A conditional allocation to repair municipal infrastructure damaged by disasters. This grant is allocated as the second phase of disaster response to municipalities following a post-disaster cost verification process | Yes | 140 000 | 140 000 | N/A |
| Municipal Demarcation Transition Grant | Provinces and Municipalities | Transfers to assist municipalities in building in-house capacity to perform functions, and to stabilise institutional and governmental systems | Yes | 325 280 | 297 422 | Transfers were not made to KZN municipalities due change of classification of the Grant. |

| Name of transferee | Type of organisation | Purpose for which the funds were used | Did the dept. comply with s 38 (1) (j) of the PFMA | Amount transferred (R'000) | Amount spent by the entity | Reasons for the funds unspent by the entity |
|---|------------------------------|---|--|----------------------------|----------------------------|---|
| Municipal Infrastructure Grant | Provinces and Municipalities | Transfers to supplement municipal capital budgets to eradicate backlogs in municipal infrastructure delivery. Municipal Systems Improvement Grant makes transfers to assist municipalities in building in-house capacity to perform functions, and to stabilise institutional and governmental systems. | Yes | 14 914 028 | 14 914 028 | N/A |
| Municipal Infrastructure Support Agency | Departmental Agency | Transfer to assist municipalities in building in-house capacity to perform functions and to stabilise institutional and governmental systems. | Yes | 349 889 | 349 889 | N/A |
| Department of Traditional Affairs | Departmental Agency | Transfers to the Department of traditional affairs to support traditional leadership | Yes | 133 998 | 133 998 | N/A |

The table below reflects the transfer payments which were budgeted for in the period 1 April 2016 to 31 March 2017, but no transfer payments were made.

| Name of transferee | Purpose for which the funds were to be used | Amount budgeted for (R'000) | Amount transferred (R'000) | Reasons why funds were not transferred |
|--|---|-----------------------------|----------------------------|--|
| United Cities and Local Government of Africa | Transfer to United Cities and Local Government of Africa to fund operational activities, enhance cooperation and knowledge sharing among local governments in Africa and improve the delivery of services to communities across the continent. This sub programme's total budget is transferred in full to the association. | R5 818 | 0 | - |

2.2.8 Conditional Grants

Conditional grants and earmarked funds paid

The tables below describe each of the conditional grants and earmarked funds paid by the Department.

Conditional Grant 1: Municipal Infrastructure Grant

| Department/ Municipality to whom the grant has been transferred | Municipal Infrastructure Grant |
|---|--|
| Purpose of the grant | To provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor households, micro enterprises and social institutions servicing poor communities |
| Expected outputs of the grant | <p>Number of poor households impacted by the construction of new infrastructure and upgrading and renewal of existing infrastructure for:</p> <ul style="list-style-type: none"> • basic water and sanitation services • central collection points for refuse, transfer stations, recycling facilities and solid waste disposal sites • sport and recreation facilities • street and community lighting • public facilities <p>Number of kilometres of municipal roads developed and maintained</p> <p>Number of work opportunities and Full-Time Equivalent (FTEs) created using Expanded Public Works Programme (EPWP) guidelines for the above outputs</p> |
| Actual outputs achieved | Municipalities are allocated to municipalities from 1 July 2016 – 30 June 2017 and have thus not concluded implementing for 2016/17. As at the end of March 2017, municipalities have reported the expenditure of R9, 5 (65%) billion of the total allocation. Outputs are confirmed during the Annual reporting of the programme at the end of September 2017. |
| Amount per amended DORA | R 14 914 028 000 |
| Amount transferred (R'000) | R14 914 028 000 |
| Reasons if amount as per DORA not transferred | All funding Transferred |
| Amount spent by the Department/ municipality (R'000) | Municipalities are allocated to municipalities from 1 July 2016 – 30 June 2017 and have thus not concluded implementing for 2016/17. As at the end of March 2017, municipalities have reported the expenditure of R9, 5 (65%) billion of the total allocation. |
| Reasons for the funds unspent by the entity | N/A |
| Monitoring mechanism by the transferring Department | Expenditure is reported by municipalities. The expenditure is verified (by provinces on our behalf) against proof of payments provided by municipalities. Spot checks at the project level are conducted to verify projects status. |

Conditional Grant 2: Municipal Demarcation Transitional Grant

| | |
|--|---|
| <p>Department/ Municipality to whom the grant has been transferred</p> | <p>Pre-election municipalities</p> <p>Walter Sisulu; Raymond Mhlaba; Enoch Mgijima; Dr Beyers Naude; Nkonkobe; Lukanji ;Mangaung; Naledi ;Randfontein; Westonaria; Vulamehlo; Umdoni ; Eziqoleni; Hibiscus Coast ;Umtshezi; Imbabazane;Emnambithi/Ladysmith;Indaka;Hlabisa; Umhlathuze; Ntambanana; Mthonjaneni; Ingwe; Kwasani; Musina; Thulamela; Blouberg; Aganang; Molemole; Polokwane; Mookgopong; Modimolle; Fetakgomo; Greater Tubatse; Mbombela; Umjindi; Mier ;//Khara Hais; Ventersdorp; Tlokwe; The Big 5 False Bay.</p> <p>Post-election municipalities</p> <p>Rand West City; Umdoni; The Big 5 Hlabisa; Inkosi Langalibalele; Ray Nkonyeni; Alfred Duma; Dr Nkosazana; Mthonjaneni; Umhlathuze; City Of Mbombela; Mangaung; Ventersdorp/Tlokwe; Dawid Kruiper; Thulamela; Makhado; Musina; Blouberg; Molemolle; Polokwane; Fetakgomo/Greater Tubatse; Modimolle/Mookgopong; Lim 345; Walter Sisulu; Raymond Mhlaba; Enoch Mgijima; Dr Beyers Naude.</p> |
| <p>Purpose of the grant</p> | <p>To subsidise the additional institutional and administrative costs arising from major boundary changes that came into effect after the 2016 local government elections.</p> |
| <p>Expected outputs of the grant</p> | <p>Municipalities affected by major boundary changes have administrations that are responsive, accountable, effective, efficient and developmental.</p> |
| <p>Actual outputs achieved</p> | <p>Number of policies, systems, procedures and plans prepared to facilitate the smooth transition to a new municipality in 2016.</p> |
| <p>Amount per amended DORA</p> | <p>R297, 422 million set aside for the 2016 / 2017 Financial Year Municipal Demarcation Transitional Grant (MDTG)</p> |
| <p>Amount transferred (R'000)</p> | <p>R297 422 000</p> |
| <p>Reasons if amount as per DORA not transferred</p> | <p>N/A</p> |
| <p>Amount spent by the Department/ municipality (R'000)</p> | <p>N/A</p> |
| <p>Reasons for the funds unspent by the entity</p> | <p>N/A</p> |
| <p>Monitoring mechanism by the transferring Department</p> | <p>Municipalities are monitored through monthly and quarterly financial reporting; as well as against quarterly performance targets as set out in the business plans.</p> |

Conditional Grant 2: Municipal Disaster Recovery Grant

| | |
|---|--|
| Department/ Municipality to whom the grant has been transferred | Hessequa, Nkomazi, Alfred Duma, Umdoni and Umzumbe. |
| Purpose of the grant | To rehabilitate and reconstruct municipal infrastructure damaged by a disaster. |
| Expected outputs of the grant | Municipal infrastructure damaged by a disaster reconstructed and rehabilitated. |
| Actual outputs achieved | R1 40 000 000 |
| Amount per amended DORA | R1 40 000 000 |
| Amount transferred (R'000) | R1 40 000 000 |
| Reasons if amount as per DORA not transferred | N/A |
| Amount spent by the Department/municipality (R'000) | Thus far, only Hessequa reported R1 3 689 038 expenditure from R30 000 000, Nkomazi did not submit a report for R20 000 000 allocation. Alfred Duma received R50 000 000 and spent R42 274 318, 00. Umdoni (KZN 212) received R30 000 000 and no expenditure reported. Umzumbe received R10 000 000 and no expenditure reported. |
| Reasons for the funds unspent by the entity | No reports were received from Provincial Disaster Management Centres (PDMCs) and municipalities concerned. |
| Monitoring mechanism by the transferring Department | Monthly reports are requested from PDMCs on a monthly basis via e-mail, telephonic follow-up is done as well as reminders sent before due date and notification after the due date of non-compliance. NDMC schedules site visits to the completed projects and Western Cape and KZN were visited so far. A site visit to Mpumalanga is still to be confirmed. Site visit reports are available. Formal letters are sent to the PDMCs and municipalities to ensure compliance. Furthermore, meetings are arranged with the management to deliberate on the matter. |

2.2.9 Conditional grants and earmarked funds received

2.2.10 Donor funds

Donor Funds Received

The Department received donor funding during 2016/17 from the following institutions:

Donor Fund 2016/17:

2.2.11 Capital investment

The Department does not have any capital investments





PART C: GOVERNANCE



3.1 INTRODUCTION

Commitment by the Department to maintain the highest standards of governance is fundamental to the management of public finances and resources. The Department has put measures in place to ensure that the good governance structures are effectively, efficiently and economically utilising state resources.

3.2 RISK MANAGEMENT

The Department has developed a risk management policy and strategy, which was approved by the Accounting Officer. The Department conducted the annual strategic, operational and ICT related risks in line with the strategic objectives of the Department, informed by the approved risk management strategy. The risk profile of the Department is reviewed and approved annually by the Accounting Officer. New/emerging risks are also identified on a quarterly basis and measures to manage the risks are further developed and implemented by Management on a quarterly basis. Key risk indicators were also utilised as a tool for monitoring the impact of the Departmental risks and provided assurance towards the achievement of the set objectives throughout the financial year.

Top Management and Senior Managers convene quarterly to report on the implementation of risk measures in line with the performance of the Department. The Risk and Ethics Committee convened every quarter to monitor and advise the Accounting Officer on the overall risk management process, including the mitigation of the high and emerging risk areas. The Audit Committee further convened quarterly to independently monitor and advise on the management of strategic risks that negatively impact on the Departmental objectives and set targets.

Management has successfully managed most of the risks, and this has translated into an improved performance during this financial year.

3.3 FRAUD AND CORRUPTION

The Department has adequate policies and procedures in place to prevent, detect and address acts of fraud and corruption. An assessment of fraud and corruption risks is conducted in high-risk areas annually and monitored quarterly. The Department has an approved Anti-Corruption and Whistle blowing policy which is continuously communicated to all employees during inductions, orientations, information

sessions, circulars and newsletters. The reporting procedure has also been developed and communicated to all officials. Regular awareness is also raised within the Department on prevention, detection and reporting of fraud and corruption. However, there is still room for improvement in the implementation of the Fraud Prevention Plan and managing the fraud and corruption risks the Department is exposed to.

During this financial year, the Department further established the Ethics Management Committee. The Ethics structure comprises all key stakeholders responsible for ethics and fraud prevention and convenes quarterly to monitor the implementation of the annual plan, monitor the management of the ethics and fraud related risks and advise the Accounting Officer on the overall progress and possible implications for the Department.

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

3.4 MINIMISING CONFLICT OF INTEREST

The Treasury Regulations 16A, 2005, provide operating guidelines on how to manage conflict of interest and ensure proper declarations are made by all Supply Chain Management (SCM) practitioners, as well as by other role players involved with its processes. All SCM practitioners and Bid Committee members are required to disclose their business interests every financial year and also sign the Code of Conduct in accordance with the National Treasury Practice Note 4 of 2003 and 7 of 2009/10. For every bid dealt with, the Bid Committee members are obliged to disclose their interest and a record is kept for audit purposes.

3.5 CODE OF CONDUCT

The Public Service Code is a guiding document to promote 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 so far as discipline is concerned. It is endorsed by the PSCBC Resolution 1 of 2003. Annexure A

of the resolution contains numerous acts of misconduct, which the Department complies with. It prescribes that an employee will be guilty of misconduct if he or she “*contravenes any prescribed code of conduct in the Public Service*”.

The Department complies with the Code by ensuring that staff members are informed of the consequences in the case of non-compliance. Any employee who contravenes or breaches the Code, as indicated in the Collective Agreement (PSCB Resolution 1 of 2003), is guilty of misconduct. A disciplinary process is followed, as indicated in the Collective Agreement, against any employee who breaches or contravenes the code of conduct in the Department.

3.6 HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Occupational Health and Safety Programme, and its activities within **DCoG**, are guided by Workplace Health and Safety legislations in RSA, namely the Occupational Health and Safety Act (OHSA) and the DPSA Framework on Employee Health and Wellness matters. The OHS programme intends to create a healthy, hazard free working environment for all employees, visitors and members of the broader public.

The following Workplace Health and Safety activities were undertaken by CoGTA to ensure a hazard free, safe and secure work environment:

- OHS Committee has been appointed in line with the Occupational Health and Safety Act;
- First Aiders and fire fighters were trained and appointed to manage emergencies and minor injuries within the Department;
- Contingency Plan was approved;
- Injuries and occupational diseases were investigated periodically and reported as and when they occur.

3.7 PORTFOLIO COMMITTEES

The Department had engagements with the Portfolio Committee on Cooperative Governance and Traditional Affairs as per the table below:

| Committee Dates | Matters raised by the Portfolio Committee |
|-----------------|---|
| 12 Apr 2016 | Local Government Elections 2016 Preparations and Readiness |
| 13 Apr 2016 | Committee Report on Cooperative Governance and Traditional Affairs Budget |
| 23 Aug 2016 | Forensic reports of municipalities: Department of Cooperative Governance briefing |
| 30 Aug 2016 | Upper Limits of Total Remuneration Packages for Municipal Managers; Councils establishment: Department of Cooperative Governance update |
| 12 Oct 2016 | Department of Cooperative Governance and Traditional Affairs in its 2015/16 Annual Report |
| 14 Feb 2017 | Municipal Infrastructure Support Agent on its 2015/16 Annual Report |
| 21 Feb 2017 | Eskom debt owed by municipalities; SONA impact on local government, with Minister |
| 28 Feb 2017 | Review of legislation: Department of Cooperative Governance and Traditional Affairs briefing |
| 07 Mar 2017 | Community Work Programme |
| 14 March 2017 | CoGTA on 2017/18 Annual Performance Plan |

3.8 SCOPA RESOLUTIONS

| Resolution No. | Subject | Details | Response by the Department | Resolved (Yes/No) |
|----------------|---|---|--|---|
| | Hearing on irregular; fruitless and wasteful expenditure as reported by Auditor-General South Africa in 2015/16 audit reports | The Committee interrogated the fruitless, wasteful and irregular expenditure reported by the Auditor-General South Africa (AGSA) in relation to the financial statements for 2015/16, for DCoG . | <p>The bulk of the irregular expenditure incurred arose as a result of procurement by the implementation agents for the CWP and was used for the purchase of tools and materials, as part of the execution of the CWP at the community level.</p> <p>Deloitte & Touché is busy with the Investigation, Phase I has been completed and letters have been written to those who are to be disciplined, but that process has been deferred until all the phases are finalised because the wrong-doers are implicated also in the other phase.</p> <p>The Department is also working with the Hawks on cases with suspected criminal elements, which were related to the travel and fraud concerns.</p> | <p>No, The second phase of the report is still to be given to the Hawks, who will assist in a separate investigation that involves the holding of the pension payouts.</p> <p>The names of those implicated will be sent to the Committee</p> |

3.9 PRIOR MODIFICATIONS TO AUDIT REPORTS

In 2016/17, the Department put the following mechanisms in place to resolve the matters reported by the AGSA in the previous 2015/16 financial year:

| 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 |
|--|--|---|
| <p>Qualified Audit Opinion:</p> <ul style="list-style-type: none"> Basis for the qualified audit opinion was in relation to Goods and Services for payments of the Community Work Programme Implementing Agents, as the Department could not provide accurate and complete substantiating records, as required by the contracts signed with Implementing Agents; and The Department did not maintain an asset register for the Community Work Programme that adhered to the minimum requirements for an asset register as prescribed by the National Treasury. Additionally, assets were not in all instances measured in line with the prescripts of the Modified Cash Standard on capital assets. | 2015/2016 | <ul style="list-style-type: none"> An Integrated Management Tool was developed to address the identified weaknesses and monitoring of the progress is taking place on a monthly basis, through existing governance structures; The Department has developed and implemented a Road Map, the purpose of which is to steer the Department towards a clean audit; and A service provider was appointed to assist the Department in addressing issues in relation to Asset Management. |

3.10 INTERNAL CONTROL UNIT

The Department appointed three officials to manage internal control matters. The role of this unit is to ensure that the Department maintains an effective, efficient, transparent internal control system. *This is done through management of the Integrated Management Tool, hosting the Audit Steering Committee meetings, IMC and coordinating the MPAT processes.*

3.11 INTERNAL AUDIT AND AUDIT COMMITTEES

The Chief Directorate: Internal Audit of the Department obtains its mandate from the Public Finance Management Act (PFMA), Act No. 1 of 1999, as amended and Treasury Regulations, as amended. The unit is responsible for all the internal audit functions of the Department. It is directly accountable (administratively) to the Accounting Officer and shall report functionally at all meetings of the Audit Committee. It is the requirement of the Treasury Regulation 27.2.7 that internal audit must prepare in consultation with and for approval by, the audit committee:

- A rolling three-year strategic internal audit plan based on its assessment of key areas of risk for the public entity, having regard to its current operations, the operations proposed in its corporate or strategic plan and its risk management strategy;
- An internal audit plan for the first year of the rolling plan;
- Plans indicating the scope of each audit in the annual internal audit plan; and
- Reports to the audit committee detailing its performance against the plan, to allow effective monitoring and intervention when necessary.

The Internal Audit Unit has been mandated by Department of Cooperative Governance to provide ongoing internal audit services. Internal auditors evaluate risks regarding the:

- Information system environment;
- Reliability and integrity of financial and operating information;
- Effectiveness and efficiency of operations;
- Safeguarding of assets; and
- Compliance with laws, regulations, and contracts.

Assistance with respect to special services such as legal, litigation and forensic matters, computer security controls (application and general), computer implementations,

enterprise wide risk management, general accounting assistance and taxation will be provided on an ad-hoc basis when requested.

The Internal Audit Unit was rigorous in conducting the performance information reviews of the Department, which resulted in a significant improvement in the quality of the portfolio of evidence to support the achievement of targets. The Unit also assisted with the condonation process on Irregular Expenditure for the Department and CWP. The investigations conducted were used as supporting evidence to substantiate the authenticity and value add of transactions.

During September 2016, the Department appointed Deloitte & Touché to conduct a forensic audit on possible financial irregularities by the Implementing Agents.

The scope of this audit also included 29 cases of fraud allegations that were received by the Department from whistle-blowers and management. In November 2016, the Department extended the scope of the forensic audit to include a review of the CWP Management Information System. The execution of the audit has been completed and the Department is awaiting the final audit reports.

The investigation of the 29 cases of possible fraud and corruption, as reported by whistleblowers and management, was finalised with the following recommendations:

1. Seven (7) cases can be closed as these were either actioned by the IAs or the information available was inconclusive.
2. Eight (8) cases require disciplinary action by the IAs against the said supervisors and site administrators.
3. Fourteen (14) cases have been reported to SAPS. The potential loss due to the fraud is R27 952.48.

The Audit Committee is fully functional and met regularly during the year to provide an oversight role on the operations of the Department and the systems of corporate governance supporting the achievement of the Department's objectives. The Audit Committee also approved the Three Year Strategic Audit Rolling Plan for the period 2017-2020 and the Annual Project Plan for Internal Audit. The Audit Committee also met with the Executive Authority to raise areas of concern that would impact on the performance of the Department. Quarterly reports are submitted to the Audit Committee

which enabled the committee to monitor the performance of Internal Audit against the Internal Audit Annual Operational Plan. Furthermore, the Committee plays an oversight role to ensure that the recommendations from Internal Audit are being fully implemented by management in improving the control environment of the Department.

In order to overcome the qualified audit opinion, the Department developed a road map towards a clean audit. This was presented to the committee and monitored on a quarterly basis to ensure that the Department is on track in achieving this goal.

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

| Name | Qualifications | Internal or external | If internal, position in the Department | Date appointed | Date Resigned | Meeting attendance | |
|---------------------|--|----------------------|---|---------------------------------------|---------------|--------------------|----------|
| | | | | | | Held | Attended |
| Mr F Sinthumule | DIP: Financial Accounting BCom Accounting MBA (with special project on PFMA) | External | N/A | Chairperson appointed on 22 July 2013 | N/A | 7 | 7 |
| Mr E Cousins | BCom (Accounting) BCom (HONS) (AUD) Advanced Diploma in Public Administration | External | N/A | Member appointed on 22 July 2013 | N/A | 7 | 5 |
| Adv RR Dehal | B. PROC (UNISA) LLB (UNISA) Certificate in Constitutional Litigation (NADEL – Prof Guto) Certificate in Maritime Law (University of Natal) Admitted as an Advocate in SA on 17-08-07 | External | N/A | Member appointed on 22 July 2013 | N/A | 7 | 6 |
| Ms D Dondur CA (SA) | BCompt (Honours) Certificate in Theory of Accounting (CTA) MBA Executive Development Programme | External | N/A | Member appointed on 1 September 2014 | N/A | 7 | 5 |
| Ms P Mzizi CA (SA) | BBusSci Finance (UCT) BCompt (Honours) CTA (UNISA) BCom Hons in Transport Economics (UNISA) | External | N/A | Member appointed on 1 February 2015 | N/A | 7 | 7 |

3.12 AUDIT COMMITTEE REPORT

1. INTRODUCTION

The Audit Committee hereby presents its financial report for the financial year ended 31 March 2017

2. AUDIT COMMITTEE MEMBERSHIP AND ATTENDANCE:

2.1 Membership

The Audit Committee consists of five independent, Non-executive members and is chaired by an independent, Non-Executive member. The profiles and the qualifications of the members of the Committee are listed hereunder:

| Name | Qualifications | Internal or external | If internal, position in the Department | Date appointed | Date Resigned | No. of Meetings attended |
|------------------|--|----------------------|---|----------------|---------------|--------------------------|
| Mr AF Sinthumule | <ul style="list-style-type: none"> Diploma: Finance and Accounting BCom Accounting MBA (with special project on PFMA) | External | N/A | 01 August 2016 | N/A | 7 |
| Adv RR Dehal | <ul style="list-style-type: none"> B Proc LLB Certificate in Constitutional Litigation (NADEL – Prof Guto) Certificate in Maritime Law Professional admitted as an Advocate in SA on 17-08-07 | External | N/A | 01 August 2016 | N/A | 5 |
| Mr E Cousins | <ul style="list-style-type: none"> BCom (Accounting) BCom (Honours) (Auditing) National Diploma in State Accounts and Finance Advanced Diploma in Public Administration | External | N/A | 01 August 2016 | N/A | 4 |

| | | | | | | |
|----------------------|---|----------|-----|-------------|-----|---|
| Ms DLT Dondur CA(SA) | <ul style="list-style-type: none"> • BCom (Accounting) • BCompt (Honours) • Certificate in Theory of Accounting (CTA) • Honours Business Administration • MBA • Executive Development Programme • Professional Designation Chartered Accountant - CA (SA). | External | N/A | 1 Sept 2014 | N/A | 4 |
| Ms p Mzizi CA(SA) | <ul style="list-style-type: none"> • BBusSci Finance (Honours) • BCom Honours in Transport Economics • BCompt (Honours) • Certificate in Theory of Accounting (CTA) • Professional Designation Chartered Accountant | External | N/A | 1 Feb 2015 | N/A | 4 |

2.2 Meetings in Attendance

The Committee held four (4) scheduled meetings during the 2016/17 financial year. Three special meetings were held during this period.

3. AUDIT COMMITTEES' 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. The Committee has also adopted and reviewed its formal terms of reference as its audit committee charter and has discharged all its responsibilities as contained therein.

3.1 The Effectiveness of Internal Controls

The Committee is responsible for the oversight of risk management. Based on the quarterly reviews performed, it can be concluded that the Departmental risk management is adequate and partially effective.

In line with the PFMA, Internal Audit provides the Audit Committee and Management with the assurance that the internal controls are appropriate and effective. This is achieved by evaluating internal controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement. The Committee's review of the findings of the Internal Audit work, which was based on the risk assessments conducted by the Department revealed certain weaknesses, which were then raised with the Department. Through the Committee's analysis of the audit reports and engagement with the Department, the Committee reports that the system of internal controls for the financial year under review was not adequate nor effective.

The following internal audit work was completed during the year under review as per the approved internal audit plans:-

| Auditable Areas | Internal Audit Opinion |
|--|---|
| 1. Corporate Planning | The internal control environment was unsatisfactory |
| 2. Follow-Ups NDMC LPCM,ME,PCS | Some improvement required on the internal control environment |
| 3. Quarterly interim Financial Statements | Some improvement required on the internal control environment |
| 4. Quarterly Organisational Performance | The internal control environment was unsatisfactory |
| 5 .. Public Participation | The internal control environment was unsatisfactory |
| 6. Subsistence and Travel | The internal control environment was unsatisfactory |
| 7 .. Free Basic Services Roll-over | The internal control environment was unsatisfactory |
| 8. Section 56 and 57 Appointments | The internal control environment was unsatisfactory |
| 9 .. Annual Financial Statements: 31 March 2017 | The internal control environment was unsatisfactory |
| 10. Irregular Expenditure 2015/2016 | Some improvement required on the internal control environment |
| 11. Human Capital Management | Some improvement required on the internal control environment |
| 12. Supply Chain Management | Some improvement required on the internal control environment |
| 13. Irregular Expenditure 2016/2017 | Some improvement required on the internal control environment |
| 14. Integrated Management Tool | Some improvement required on the internal control environment |
| 15. Performance Reviews of CWP Implementing Agents | The internal control environment was unsatisfactory |

During the year under review, the Committee raised concerns with regards to the lack of internal controls around CWP, as well as the overall weaknesses and lack of internal controls within the Department. The Audit Committee requested urgent interventions from the Accounting Officer.

3.2 Quality of Management and Monthly/Quarterly Reports Submitted In Terms of the PFMA and the Division Of Revenue Act

The Department presented and reviewed the financial management and performance (predetermined objectives) report at its Quarterly Review Meetings. These reports were also discussed at the Audit Committee meetings, and issues were raised with the Department.

The Department has reported to the National Treasury as required by the PFMA and the Department of Monitoring and Evaluation on a quarterly basis.

4. EVALUATION OF THE ANNUAL FINANCIAL STATEMENTS

The Audit Committee has:

- Reviewed the Annual Financial Statements before 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;
- Reviewed the Auditor-General's management letter and management's responses to it; and
- Reviewed adjustments resulting from the audit.

4.1 Evaluation Of Reporting On Predetermined Objectives

The Audit Committee has also discussed the external audit outcomes on the reporting on predetermined objectives to be included in the annual report with the Auditor General South Africa and Management. The report indicated significant deficiencies within the system of planning and reporting predetermined objectives.

4.2 Compliance With Laws And Regulations

Throughout the year under review, the Audit Committee has remained concerned with the status of compliance with all applicable legislation and regulations relating to financial matters, financial management and other related matters. If the Department does not implement an adequate and effective compliance framework and system, non-compliance will continue to occur.

4.3 Internal Audit

The Audit Committee is satisfied that the Internal Audit function operated effectively during the year under review. The Audit Committee also notes that the deficiencies in the risk management system mentioned above may impact on the implementation of the risk-based audit approach.

5 EXTERNAL AUDIT: AUDITOR-GENERAL SOUTH AFRICA

The Committee reviewed the Department's implementation plan for audit issues raised in the previous year and concluded

that this plan is not adequate and ineffective as most of the matters have not been adequately resolved.

The Audit Committee concurs and accepts the conclusions of the Auditor-General South Africa on the Annual Financial Statements for the financial year ended 31 March 2017 and is of the opinion that the audited Annual Financial Statements be accepted and read together with the audit report of the Auditor-General South Africa

6 GENERAL

The Audit Committee strongly recommends that the Department prioritises the adequate and effective implementation and frequent monitoring of the audit action plans for both internal and external audits to achieve the required effectiveness in governance, accountability and a clean administration of the Department.

7 CONCLUSION

The Audit Committee wishes to extend its appreciation to the Executive Authority, Accounting Officer, Management, Internal Auditors and the Auditor-General South Africa for their tireless efforts, commitment and support throughout the year.

Signed on behalf of the Audit Committee by:



CQ the Audit Committee
Department of Cooperative Governance
20 September 2017







PART D:
HUMAN RESOURCE
MANAGEMENT

4. INTRODUCTION

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

Overview of Human Resources

a) The status of human resources in the Department during the year under review: Competent and skilled workforce is key for the success of the Department's mission and vision. Integrated Human Resources processes are being pursued to promote the well-being of employees to achieve the strategic priorities. This includes ensuring that the correct people are recruited, maintained and managed at the correct time and place.

b) Human resource priorities for the year under review and the impact of these: The Department had four priorities in the Human Resource Plan during the year under review and these are as follows:

(i) **Organisational structure approved and implemented:**

The Public Service Act requires each Department to have an approved organisational structure, this is important for purposes of giving effect to the implementation of the dept strategy, developing job profiles, conduct job evaluations and recruitment job profiles, conduct job evaluation and ultimately recruit, without an approved organisational structure. The structure assisted the Department to re-organise itself appropriately and effectively.

(ii) **Training and development**

The training and development of employees is critical since employees need to be developed in order to improve productivity in the workplace. The economy needs employees who are competent and can compete in terms of productivity. During the 2016/2017 Financial Year, the Directorate: Human Resource Development implemented 34 training programmes, identified through the personal development plans and competency assessments of Senior Managers. Five hundred and ninety-two (592) staff members were trained in the above-mentioned interventions during the Financial Year. (NB: Some staff members have attended more than one intervention) The Directorate coordinated the facilitation of modules 2 to 5 of the Compulsory Induction Programmes (CIP) for levels 1 to 5 and levels 6-12. To date 21 and 25 officials, respectively, have since completed the programme. The Department awarded 40 permanent staff members with bursaries to pursue qualifications that are in line with the Departmental Strategic Plan. Of the 40 awarded, only 23 staff members utilised their bursary allocations).

(iii) **Change management**

The Chief Directorate facilitated change management sessions with respective Branches. The Change Management Strategy was developed through consultation with officials in the Department at different levels. The development of the strategy was accompanied by a climate survey for each Branch. The results pointed to a number of issues to be attended to by management. Change Agents were nominated by Branches, even though the representation was at the lower level, which posed a challenge given that change is initiated and driven at the top level. The Change Management Strategy is accessible for all staff members through the SharePoint system.

(iv) **Leave management**

Circulars, which included procedure manuals on all leave matters, were communicated to staff members.

Information sessions were also held throughout the Department, explaining the leave requirements and procedures. Leave champions were appointed in each Branch and trained on leave application.

- c) Workforce planning and key strategies to attract and recruit a skilled and capable workforce: Priority posts were identified and approved for filling in the year under review. The Department recruited 37 employees with the support of the various line function managers, some of which are on contract basis.
- d) **Employee performance management:** The Department implemented the Performance Management and Development System in line with the Performance Management and Development Policy and Chapter 4 of the SMS Handbook on Performance Management, amongst others. During the year under review, all 123 members of the SMS submitted their performance agreements. The Department achieved 100% compliance rate.

To encourage meritorious achievement, performance rewards were granted to all qualifying staff members in the Department during the year under review. Quarterly performance management and development sessions were conducted to ensure that individual performance is linked to the broader overall strategic objectives of the Department.

- e) **Employee wellness programmes:** The Department has a Unit responsible for Employee Health and Wellness, resourced with two qualified employees at a Deputy Director and Assistant Director level. The Unit provided free wellness support to assist its employees to make smart and healthy choices. The goal is to reduce healthcare costs, increase vitality, productivity, boost morale, reduce stress and diminish absenteeism. To that effect, the Department implemented a number of interventions, amongst others, blood donation, cancer awareness, financial management, and counselling. It further introduced the sports and recreation to encourage physical activity and fitness amongst its employees. Partnerships and collaborations with other health care providers, including GEMS, were formed to keep the cost of the programme at the minimal due to cost-cutting measures.

- f) **Highlight achievements and challenges faced by the Department, as well as future human resource plans /goals:**

The Department's organisational structure was approved by the Minister after concurrence by the Minister of Public Service and Administration and implemented. All planned training and development activities were executed. Leave management compliance by line managers improved. The late and non-submission of leave forms remains a challenge. The Department appointed leave Champions in the various Branches, Chief Directorates and Directorates to assist managers to minimise the risk with the management of leave in their units. In future, the Department will explore the utilisation of an electronic system, which will assist in enhancing and strengthening the management of leave. Information sessions were held with staff members to communicate the available service benefits and to ensure a better understanding thereof. Health and Wellness Programme targets set were achieved. Moreover, all SMS members disclosed their financial interests before the due date and the information was submitted to the Public Service Commission as prescribed.

Human Resources Oversight Statistics

4.1 Personnel related expenditure

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

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

Table 4.1.1 Personnel expenditure by programme for the period 1 April 2016 to 31 March 2017

| 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) |
|--|---------------------------|-------------------------------|------------------------------|---|---|---|
| Prog 1: Administration | 267 266 | 121 844 | 1 591 | 6 429 | 45.5 | 192 |
| Prog 2: Regional and Urban Development and Legislative Support | 320 969 | 17 936 | 35 | 1 748 | 5.58 | 44 |
| Prog 3: Institutional Development | 66 163 451 | 28 673 | 138 | 20 056 | 0.04 | 51 |
| Prog 4: National Disaster Management Centre | 295 282 | 19 731 | 816 | 0 | 6.68 | 87 |
| Prog 5: Local Government Support and Intervention Management | 434 166 | 55 716 | 35 | 2 203 | 12.83 | 32 |
| Prog 6: Community Work Programme | 2 371 096 | 28 504 | 39 335 | 163 660 | 1.2 | 29 |
| Total | 69 852 230 | 272 404 | 41 950 | 194 096 | 0.39 | 435 |

Table 4.1.2 Personnel costs by salary band for the period 1 April 2016 to 31 March 2017

| Salary band | Personnel expenditure (R'000) | Personnel expenditure | TOTAL | % of total personnel cost | No. of employees | Average personnel cost per employee (R'000) |
|--|-------------------------------|-----------------------|----------------|---------------------------|------------------|---|
| Abnormal Appointment | 287 498 | | 287 | 0.1% | 11 | 26 136 |
| Contract (Levels 13-16) | 9 685 680 | | 9 686 | 3.6 % | - | - |
| Contract (Levels 3-5) | 1 064 813 | | 1 065 | 0.4 % | 19 | 106 705 |
| Contract (Levels 6-8) | 9 074 843 | | 9 075 | 3.3 % | 30 | 356 559 |
| Contract (Levels 9-12) | 12 225 382 | | 12 225 | 4.5 % | 23 | 630 819 |
| Highly skilled production (Levels 6-8) | 35 076 631 | 110 469 | 35 187 | 12.9 % | 118 | 306 056 |
| Highly skilled supervision (Levels 9-12) | 77 241 865 | 4 441 690 | 81 684 | 30.0 % | 138 | 581 893 |
| Lower skilled (Levels 1-2) | 150 557 | | 151 | 0.1 % | - | - |
| Periodical Remunerations | - | | - | 0.0 % | 9 | 87 449 |
| Senior management (Levels 13-16) | 112 260 517 | 1 060 587 | 113 321 | 41.6 % | 117 | 1 090 504 |
| Skilled (Levels 3-5) | 9 719 065 | 4 403 | 9 723 | 3.6 % | 57 | 173 749 |
| Total | 266 786 852 | 5 617 148 | 272 404 | 100 % | 522 | 551 729 |

Table 4.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2016 to 31 March 2017

| Programme | Salaries | | Overtime | | Home Owners Allowance | | Medical Aid | |
|--|----------------|------------------------------------|----------------|------------------------------------|-----------------------|-------------------------------|----------------|---------------------------------------|
| | Amount (R'000) | Salaries as a % of personnel costs | Amount (R'000) | Overtime as a % of personnel costs | Amount (R'000) | HOA as a % of personnel costs | Amount (R'000) | Medical aid as a % of personnel costs |
| Prog 1: Administration | 95 021 | 34.9% | 2 474 | 0.91% | 2 464 | 0.09% | 3 246 | 1.19% |
| Prog 2: Regional and Urban Development and Legislative Support | 13 998 | 5.1% | 123 | 0.05% | 373 | 0.14% | 390 | 0.14% |
| Prog 3: Institutional Development | 25 356 | 9.3% | 70 | 0.03% | 826 | 0.30% | 574 | 0.21% |
| Prog 4: National Disaster Management Centre | 14 796 | 5.4% | 71 | 0.03% | 342 | 0.13% | 329 | 0.12% |
| Prog 5: Local Government Support and Intervention Management | 43 700 | 16.0% | 108 | 0.04% | 608 | 0.22% | 954 | 0.35% |
| Prog 6: Community Work Programme | 25 359 | 9.3% | 941 | 0.35% | 529 | 0.19% | 133 | 0.05% |
| Total | 218 230 | 80% | 3 787 | 1.4% | 5 142 | 1.89% | 5 626 | 2.07% |

Table 4.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2016 to 31 March 2017

| Salary band | Salaries | | Overtime | | Home Owners Allowance | | Medical Aid | |
|-------------------------|----------------|------------------------------------|----------------|------------------------------------|-----------------------|-------------------------------|----------------|---------------------------------------|
| | Amount (R'000) | Salaries as a % of personnel costs | Amount (R'000) | Overtime as a % of personnel costs | Amount (R'000) | HOA as a % of personnel costs | Amount (R'000) | Medical aid as a % of personnel costs |
| Abnormal Appointment | 287 | 97.5 | - | - | - | - | - | - |
| Contract (Levels 13-16) | 9 081 | 92.3 | - | - | - | - | 4 | - |
| Contract (Levels 3-5) | 1 024 | 97.6 | 40 | 2.2 | - | - | - | - |

| Salary band | Salaries | | Overtime | | Home Owners Allowance | | Medical Aid | |
|--|----------------|------------------------------------|----------------|------------------------------------|-----------------------|-------------------------------|----------------|---------------------------------------|
| | Amount (R'000) | Salaries as a % of personnel costs | Amount (R'000) | Overtime as a % of personnel costs | Amount (R'000) | HOA as a % of personnel costs | Amount (R'000) | Medical aid as a % of personnel costs |
| Contract (Levels 6-8) | 8 326 | 92.2 | 687 | 6.4 | - | - | - | - |
| Contract (Levels 9-12) | 10 974 | 89.3 | 229 | 1.6 | - | - | - | - |
| Highly skilled production (Levels 6-8) | 24 224 | 68.2 | 1 108 | 3.1 | 1 479 | 4.2 | 2 216 | 6.1 |
| Highly skilled supervision (Levels 9-12) | 63 869 | 77.5 | 1485 | .7 | 953 | 1.2 | 1 645 | 2 |
| Lower skilled (Levels 1-2) | 95 | 62.9 | | | 12 | 8 | 9 | 6.2 |
| Senior management (Levels 13-16) | 93 881 | 79.2 | - | - | 1 995 | 1.7 | 1 072 | .8 |
| Skilled (Levels 3-5) | 6 470 | 65.8 | 238 | 2.4 | 703 | 7 | 680 | 6.8 |
| Total | 218 230 | 78.3 | 3 787 | 1 | 5 142 | 1.8 | 5 626 | 1.9 |

4.2 Employment and Vacancies

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

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

Table 4.2.1 Employment and vacancies by programme as of 31 March 2017

| Programme | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|---|---|------------------------|--------------|---|
| Administration | 228 | 199 | 0.1 | 51 |
| Community Work Programme | 35 | 16 | 54 | 15 |
| Institutional Development | 51 | 47 | 9 | 3 |
| Local Government Support and Interventions Management | 110 | 103 | 6 | 0 |
| National Disaster Management Centre | 30 | 27 | 10 | 1 |
| Total | 454 | 392 | 14 | 70 |

Table 4.2.2 Employment and vacancies by salary band as of 31 March 2017

| Salary band | Number of posts on approved establishment | Number of posts filled | Vacancy Rate | Number of employees additional to the establishment |
|-----------------------------------|---|------------------------|--------------|---|
| Lower skilled (1-2) | 0 | 0 | 0 | 0 |
| Skilled (3-5) | 60 | 53 | 12 | 18 |
| Highly skilled production (6-8) | 131 | 109 | 17 | 27 |
| Highly skilled supervision (9-12) | 148 | 132 | 11 | 18 |
| Senior management (13-16) | 115 | 98 | 15 | 7 |
| Total | 454 | 392 | 14 | 70 |

4.3 Filling of SMS Posts

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

Table 4.3.1 SMS post information as of 31 March 2017

| SMS Level | Total number of funded SMS posts | Total number of SMS posts filled | % of SMS posts filled | Total number of SMS posts vacant | % of SMS posts vacant |
|--------------------------------------|----------------------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|
| Director-General/ Head of Department | 1 | 0 | 0% | 1 | 100% |
| Salary Level 16 | 0 | 0 | 0 | 0 | 0 |
| Salary Level 15 | 5 | 3 | 60% | 2 | 40% |
| Salary Level 14 | 34 | 31 | 91% | 3 | 9% |
| Salary Level 13 | 75 | 64 | 85% | 11 | 15% |
| Total | 115 | 98 | 85% | 17 | 15% |

Table 4.3.2 SMS post information as of 30 September 2016

| SMS Level | Total number of funded SMS posts | Total number of SMS posts filled | % of SMS posts filled | Total number of SMS posts vacant | % of SMS posts vacant |
|--------------------------------------|----------------------------------|----------------------------------|-----------------------|----------------------------------|-----------------------|
| Director-General/ Head of Department | 1 | 0 | 0% | 1 | 100% |
| Salary Level 16 | 0 | 0 | 0 | 0 | 0 |
| Salary Level 15 | 5 | 4 | 80% | 1 | 20% |
| Salary Level 14 | 34 | 31 | 91% | 3 | 9% |
| Salary Level 13 | 75 | 67 | 89% | 8 | 11% |

| | | | | | |
|--------------|------------|------------|------------|-----------|-----------|
| Total | 115 | 102 | 89% | 13 | 11 |
|--------------|------------|------------|------------|-----------|-----------|

Table 4.3.3 Advertising and filling of SMS posts for the period 1 April 2016 to 31 March 2017

| SMS Level | Advertising | Filling of Posts | |
|--------------------------------------|---|---|--|
| | Number of vacancies per level advertised in 6 months of becoming vacant | Number of vacancies per level filled within 6 months of becoming vacant | Number of vacancies per level not filled in 6 months but filled in 12 months |
| Director-General/ Head of Department | 1 | 0 | 0 |
| Salary Level 16 | 0 | 0 | 0 |
| Salary Level 15 | 1 | 0 | 0 |
| Salary Level 14 | 1 | 0 | 0 |
| Salary Level 13 | 6 | 0 | 0 |
| Total | 9 | 0 | 0 |

Table 4.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2016 and 31 March 2017

| Reasons for vacancies not advertised within six months |
|--|
| All SMS posts advertised within the six month period. |

Reasons for vacancies not filled within twelve months

The post of Director-General was advertised on two occasions. Only one suitable candidate was identified for shortlisting during the first advertisement. With the second advertisement, two suitable candidates were identified. The process of filling the post is in its final stages.

The post of Deputy Director-General: Institutional Development was advertised within six months of becoming vacant and the process of shortlisting is underway.

The post of Chief Director: Urban Development Planning was advertised within six months of becoming vacant and the process of shortlisting is underway.

The post of Director: Intermediate Cities Integrated Spatial Planning was advertised on two occasions. No suitable candidate was identified during the interviews process. A Head hunting process has been initiated.

The post of Director: Urban Policy Development was advertised on two occasions. No suitable candidate was identified during the first advertisement. A shortlisting process is underway as part of the second advertisement.

The post of Director: Tariffs Setting and Modelling was advertised on two occasions. No suitable candidate was identified during the first advertisement. A shortlisting process is underway as part of the second advertisement.

The post of Director: Municipal Property Valuations was advertised on two occasions. No suitable candidate was identified during the first advertisement. A shortlisting process is underway with the second advertisement.

The post of Director: Internal Audit was finalised in March 2017. The incumbent will assume duty on 1 June 2017.

The post of Director: International Relations and Donor Coordination is in the final stages of appointment.

Table 4.3.5 Disciplinary steps taken for not complying with the prescribed time frames for filling SMS posts within 12 months for the period 1 April 2016 and 31 March 2017

Reasons for Vacancies not advertised within six months

Not applicable.

Reasons for vacancies not filled within six months

The Director-General post had to be re advertised. In final stages of completion.

4.4 Job Evaluation

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

Table 4.4.1 Job Evaluation by Salary band for the period 1 April 2016 to 31 March 2017

| Salary band | Number of posts on approved establishment | Number of Jobs Evaluated | % of posts evaluated by salary bands | Posts Upgraded | | Posts downgraded | |
|--|---|--------------------------|--------------------------------------|----------------|----------------------|------------------|----------------------|
| | | | | Number | % of posts evaluated | Number | % of posts evaluated |
| Lower Skilled (Levels 1-2) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled (Levels 3-5) | 60 | 19 | 32 | 0 | 0 | 0 | 0 |
| Highly skilled production (Levels 6-8) | 131 | 59 | 45 | 0 | 0 | 0 | 0 |
| Highly skilled supervision (Levels 9-12) | 148 | 38 | 26 | 0 | 0 | 0 | 0 |
| Senior Management Service Band A | 75 | 19 | 25 | 0 | 0 | 0 | 0 |
| Senior Management Service Band B | 34 | 3 | 9 | 0 | 0 | 0 | 0 |
| Senior Management Service Band C | 5 | 5 | 100 | 0 | 0 | 0 | 0 |
| Senior Management Service Band D | 1 | 1 | 100 | 0 | 0 | 0 | 0 |
| Total | 454 | 144 | 32 | 0 | 0 | 0 | 0 |

The following table provides a summary of the number of employees whose positions were upgraded due to their post being upgraded. The number of employees might differ from the number of posts upgraded since not all employees are automatically absorbed into the new posts and some of the posts upgraded could also be vacant.

Table 4.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2016 to 31 March 2017

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

The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case

Table 4.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1

April 2016 to 31 March 2017

| Occupation | Number of employees | Job evaluation level | Remuneration level | Reason for deviation |
|--|---------------------|----------------------|--------------------|----------------------|
| Chief Director | 1 | 14 | 15 | Buy offer |
| Total number of employees whose salaries exceeded the level determined by job evaluation | | | | 1 |
| Percentage of total employed | | | | 0.25 |

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

Table 4.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2016 to 31 March 2017

| Gender | African | Asian | Coloured | White | Total |
|---|----------|----------|----------|-------------|----------|
| Female | 0 | 0 | 0 | 0 | 0 |
| Male | 1 | 0 | 0 | 0 | 1 |
| Total | 1 | 0 | 0 | 0 | 1 |
| Employees with a disability | 0 | 0 | 0 | 0 | 0 |
| Total number of Employees whose salaries exceeded the grades determine by job evaluation | | | | None | |

4.5 Employment Changes

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

Table 4.5.1 Annual turnover rates by salary band for the period 1 April 2016 to 31 March 2017

| Salary band | Number of employees at beginning of period-1 April 2016 | Appointments and transfers into the Department | Terminations and transfers out of the Department | Turnover rate |
|--|---|--|--|---------------|
| Lower skilled (Levels 1-2) | 0 | 0 | 0 | 0 |
| Skilled (Levels3-5) | 49 | 7 | 3 | 2.86 |
| Highly skilled production (Levels 6-8) | 118 | 1 | 9 | 4.31 |
| Highly skilled supervision (Levels 9-12) | 138 | 6 | 9 | 4.72 |
| Senior Management Service Bands A | 69 | 0 | 5 | 5.00 |
| Senior Management Service Bands B | 27 | 1 | 5 | 8.11 |
| Senior Management Service Bands C | 3 | 1 | 2 | 40.00 |

| Salary band | Number of employees at beginning of period-1 April 2016 | Appointments and transfers into the Department | Terminations and transfers out of the Department | Turnover rate |
|-----------------------------------|---|--|--|---------------|
| Senior Management Service Bands D | 2 | 0 | 1 | 0.00 |
| Contracts | 98 | 21 | 4 | 11.76 |
| Total | 504 | 37 | 38 | 8% |

Table 4.5.2 Annual turnover rates by critical occupation for the period 1 April 2016 to 31 March 2017

| Critical occupation | Number of employees at beginning of period - April 2016 | Appointments and transfers into the Department | Terminations and transfers out of the Department | Turnover rate |
|----------------------------|---|--|--|---------------|
| Senior Management Services | 101 | 2 | 14 | 14% |
| Total | 101 | 2 | 14 | 14% |

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

Table 4.5.3 Reasons why staff left the Department for the period 1 April 2016 to 31 March 2017

| Termination Type | Number | % of Total Resignations |
|--|-----------|-------------------------|
| Death | 4 | 11% |
| Resignation | 14 | 38% |
| Expiry of contract | 4 | 8% |
| Dismissal – operational changes | 0 | 0 |
| Dismissal – misconduct | 1 | 2.5% |
| Dismissal – inefficiency | 1 | 2.5% |
| Discharged due to ill-health | 0 | 0 |
| Retirement | 5 | 14% |
| Transfer to other Public Service Departments | 9 | 24% |
| Other | 0 | 0 |
| Total | 38 | 100% |
| Total number of employees who left as a % of total employment | | 8% |

Table 4.5.4 Promotions by critical occupation for the period 1 April 2016 and 31 March 2017

| Occupation | Employees 1 April 2016 | Promotions to another salary level | Salary level promotions as a % of employees by occupation | Progressions to another notch within a salary level | Notch progression as a % of employees by occupation |
|----------------------------|------------------------|------------------------------------|---|---|---|
| Senior Management Services | 101 | 0 | 0 | | 91.4% |
| Total | 101 | 0 | 0 | | 91.4% |

Table 4.5.5 Promotions by salary band for the period 1 April 2016 and 31 March 2017

| Salary Band | Employees 1 April 2016 | Promotions to another salary level | Salary bands promotions as a % of employees by salary level | Progressions to another notch within a salary level | Notch progression as a % of employees by salary bands |
|--|------------------------|------------------------------------|---|---|---|
| Lower skilled (Levels 1-2) | 0 | 0 | 0 | 0 | 0 |
| Skilled (Levels 3-5) | 57 | 1 | 1.75 | 35 | 47.9 |
| Highly skilled production (Levels 6-8) | 152 | 0 | 0 | 82 | 63.6 |
| Highly skilled supervision (Levels 9-12) | 163 | 0 | 0 | 73 | 54.1 |
| Senior Management (Level 13-16) | 132 | 0 | 0 | 98 | 71.5 |
| Total | 462 | 1 | 0.2 | 288 | 60.8 |

4.6 Employment Equity

Table 4.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2017

| Occupational category | Male | | | | Female | | | | Total |
|--|---------|----------|--------|-------|---------|----------|--------|-------|-------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Legislators, senior officials and managers | 112 | 7 | 3 | 7 | 105 | 3 | 4 | 14 | 255 |
| Professionals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Technicians and associate professionals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Clerks | 60 | 0 | 2 | 1 | 110 | 1 | 2 | 10 | 186 |
| 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 |

| Occupational category | Male | | | | Female | | | | Total |
|------------------------------------|------------|----------|----------|----------|------------|----------|----------|-----------|------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Elementary occupations | 15 | 0 | 0 | 0 | 6 | 0 | 0 | 0 | 21 |
| Total | 187 | 7 | 5 | 8 | 221 | 4 | 6 | 24 | 462 |
| Employees with disabilities | 2 | 0 | 0 | 1 | 2 | 0 | 0 | 1 | 6 |

Table 4.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2017

| Occupational band | Male | | | | Female | | | | Total |
|---|------------|----------|----------|----------|------------|----------|----------|-----------|------------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top Management | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 |
| Senior Management | 42 | 5 | 2 | 4 | 35 | 2 | 1 | 11 | 102 |
| Professionally qualified and experienced specialists and mid-management | 67 | 2 | 1 | 3 | 70 | 1 | 3 | 3 | 150 |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 38 | 0 | 2 | 1 | 82 | 1 | 2 | 10 | 136 |
| Semi-skilled and discretionary decision making | 22 | 0 | 0 | 0 | 28 | 0 | 0 | 0 | 50 |
| Unskilled and defined decision making | 15 | 0 | 0 | 0 | 6 | 0 | 0 | 0 | 21 |
| Total | 187 | 7 | 5 | 8 | 221 | 4 | 6 | 24 | 503 |

Table 4.6.3 Recruitment for the period 1 April 2016 to 31 March 2017

| Occupational band | Male | | | | Female | | | | Total |
|--|---------|----------|--------|-------|---------|----------|--------|-------|-------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top Management | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Senior Management | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Professionally qualified and experienced specialists and mid- management | 4 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 6 |

| | | | | | | | | | |
|---|-----------|----------|----------|----------|-----------|----------|----------|----------|-----------|
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 5 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 6 |
| Semi-skilled and discretionary decision making | 9 | 0 | 0 | 0 | 14 | 0 | 0 | 0 | 23 |
| Unskilled and defined decision making | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 20 | 0 | 0 | 0 | 16 | 1 | 0 | 0 | 37 |
| Employees with disabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Table 4.6.4 Promotions for the period 1 April 2016 to 31 March 2017

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

Table 4.6.5 Terminations for the period 1 April 2016 to 31 March 2017

| Occupational band | Male | | | | Female | | | | Total |
|---|---------|----------|--------|-------|---------|----------|--------|-------|-------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Top Management | 2 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 3 |
| Senior Management | 4 | 0 | 0 | 1 | 6 | 0 | 0 | 0 | 11 |
| Professionally qualified and experienced specialists and mid-management | 5 | 1 | 0 | 0 | 4 | 0 | 0 | 1 | 11 |

| Occupational band | Male | | | | Female | | | | Total |
|---|-----------|----------|----------|----------|-----------|----------|----------|----------|-----------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents | 4 | 0 | 0 | 0 | 5 | 0 | 0 | 1 | 10 |
| Semi-skilled and discretionary decision making | 2 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 3 |
| Unskilled and defined decision making | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 17 | 1 | 0 | 2 | 16 | 0 | 0 | 2 | 38 |
| Employees with Disabilities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Table 4.6.6 Disciplinary action for the period 1 April 2016 to 31 March 2017

| Disciplinary action | Male | | | | Female | | | | Total |
|----------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Misrepresentation | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Fraud and Dishonesty | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 |
| Total | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 2 |

Table 4.6.7 Skills development for the period 1 April 2016 to 31 March 2017

| Occupational category | Male | | | | Female | | | | Total |
|--|---------|----------|--------|-------|---------|----------|--------|-------|-------|
| | African | Coloured | Indian | White | African | Coloured | Indian | White | |
| Legislators, senior officials and managers | 74 | 2 | 6 | 10 | 66 | 4 | 4 | 11 | 177 |
| Professionals | 12 | 2 | 0 | 0 | 18 | 0 | 1 | 2 | 35 |
| Technicians and associate professionals | 119 | 2 | 1 | 6 | 135 | 2 | 3 | 11 | 279 |
| Clerks | 40 | 0 | 0 | 0 | 106 | 1 | 0 | 3 | 150 |
| Service and sales workers | 12 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 14 |
| 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 | 5 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 6 |
| Elementary occupations | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 2 |

| | | | | | | | | | |
|------------------------------------|------------|----------|----------|-----------|------------|----------|----------|-----------|------------|
| Labourers and Related Workers | 7 | 0 | 0 | 0 | 6 | 0 | 0 | 0 | 13 |
| Total | 270 | 7 | 7 | 16 | 334 | 7 | 8 | 27 | 676 |
| Employees with disabilities | | | | | | | | | |

4.7 Signing of Performance Agreements by SMS Members

All members of the SMS must conclude and sign performance agreements within specific time frames. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed time frames and disciplinary steps taken is presented here.

Table 4.7.1 Signing of Performance Agreements by SMS members as on 31 May 2016

| SMS Level | Total number of funded SMS posts | Total number of SMS members | Total number of signed performance agreements | Signed performance agreements as % of total number of SMS members |
|--------------------------------------|----------------------------------|-----------------------------|---|---|
| Director-General/ Head of Department | 1 | 1 | 1 | 100 |
| Salary Level 16 | 0 | 0 | 0 | 0 |
| Salary Level 15 | 5 | 4 | 4 | 100 |
| Salary Level 14 | 34 | 43 | 43 | 100 |
| Salary Level 13 | 75 | 75 | 75 | 100 |
| Total | 115 | 123 | 123 | 100 |

Table 4.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2017

| Reasons |
|----------------|
| Not applicable |

Table 4.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2017

| Reasons |
|----------------|
| Not applicable |

4.8 Performance Rewards

To encourage good performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations.

Table 4.8.1 Performance Rewards by race, gender and disability for the period 1 April 2016 to 31 March 2017

| Race and Gender | Beneficiary Profile | | | Cost | |
|-----------------|-------------------------|---------------------|-------------------------|--------------|---------------------------|
| | Number of beneficiaries | Number of employees | % of total within group | Cost (R'000) | Average cost per employee |
| African | 141 | 392 | 36 | 2 445 | 35 000.00 |

| | | | | | |
|--------------|------------|------------|-----------|-----------------|------------------|
| Male | 70 | 179 | 39 | 1,250.41 | 17,863.00 |
| Female | 97 | 200 | 49 | 1,625.30 | 17,863.00 |
| Asian | 3 | 7 | 43 | 95 000 | 58 000.00 |
| Male | 1 | 5 | 20 | 73,805 | 73,805.00 |
| Female | 1 | 2 | 50 | 33,751 | 33,751.00 |
| Coloured | 7 | 11 | 66 | 192 000 | 51 000.00 |
| Male | 3 | 6 | 50 | 54,013 | 18,004.00 |
| Female | 3 | 4 | 75 | 75,551 | 25,186.33 |
| White | 29 | 37 | 78 | 756 000 | 62 000.00 |
| Male | 4 | 9 | 44 | 92,925 | 37,871.00 |
| Female | 15 | 26 | 58 | 326,709 | 21780.93 |
| Total | 194 | 432 | 45 | 3,599.55 | 18,510.46 |

Table 4.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2016 to 31 March 2017

| Salary band | Beneficiary Profile | | | Cost | | Total cost as a % of the total personnel expenditure |
|---|-------------------------|---------------------|--------------------------------|--------------------|---------------------------|--|
| | Number of beneficiaries | Number of employees | % of total within salary bands | Total Cost (R'000) | Average cost per employee | |
| Lower Skilled (Levels 1-2) | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled (level 3-5) | 26 | 48 | 55 | 157,894.00 | 6,072.69 | 26 |
| Highly skilled production (level 6-8) | 77 | 131 | 59 | 854,150.00 | 11,092.86 | 77 |
| Highly skilled supervision (level 9-12) | 76 | 141 | 54 | 1,847,969.00 | 24,315.38 | 76 |
| Total | 179 | 320 | 56 | 2,860,013 | 15,977.71 | 179 |

Table 4.8.3 Performance Rewards by critical occupation for the period 1 April 2016 to 31 March 2017

| Critical occupation | Beneficiary Profile | | | Cost | |
|------------------------|-------------------------|---------------------|------------------------------|--------------------|---------------------------|
| | Number of beneficiaries | Number of employees | % of total within occupation | Total Cost (R'000) | Average cost per employee |
| Administrative related | 90 | 175 | 51 | 1,855.92 | 20,621 |
| Client inform clerks | 1 | 2 | 50 | 13.29 | 13.29 |

| | | | | | |
|-------------------------------------|------------|------------|--------------|-----------------|------------------|
| Financial Professionals | 7 | 17 | 41 | 142.24 | 20.32 |
| Financial clerks | 6 | 9 | 67 | 52.14 | 8.69 |
| Food services aid | 2 | 2 | 100 | 16.53 | 8.26 |
| Legal Administration | 1 | 1 | 100 | 42.37 | 42.38 |
| Human Resource related | 18 | 20 | 90 | 292.77 | 16,265 |
| Light vehicles drivers | 2 | 2 | 100 | 25.28 | 11,932 |
| Messengers & deliverers | 2 | 2 | 100 | 8.17 | 4,087 |
| Risk management & security services | 1 | 2 | 50 | 18.49 | 18.49 |
| Secretaries | 47 | 60 | 78 | 382.73 | 8,143 |
| Security officers | 2 | 16 | 12 | 10.08 | 5,041 |
| Senior Managers | 15 | 112 | 13 | 731.02 | 48,734 |
| Total | 194 | 432 | 44.91 | 3,599.55 | 18,510.46 |

Table 4.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2016 to 31 March 2017

| Salary band | Beneficiary Profile | | | Cost | | Total cost as a % of the total personnel expenditure |
|--------------|-------------------------|---------------------|--------------------------------|--------------------|---------------------------|--|
| | Number of beneficiaries | Number of employees | % of total within salary bands | Total Cost (R'000) | Average cost per employee | |
| Band A | 9 | 74 | 12 | 447.24 | 49,693.33 | 0.7 |
| Band B | 5 | 33 | 15 | 231.80 | 46,360.00 | 0.9 |
| Band C | 1 | 4 | 25 | 51.98 | 511,989.00 | 1.9 |
| Band D | 0 | 1 | 0 | 0.00 | 0.00 | 0 |
| Total | 15 | 112 | 13 | 731.02 | 48,734.66 | 0.8 |

4.9 Foreign Workers

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

4.7 Signing of Performance Agreements by SMS Members

All members of the SMS must conclude and sign performance agreements within specific time frames. Information regarding the signing of performance agreements by SMS members, the reasons for not complying within the prescribed time frames and disciplinary steps taken is presented below:

Table 4.7.1 Signing of Performance Agreements by SMS members as of 31 May 2016

| SMS Level | Total number of funded SMS posts | Total number of SMS members | Total number of signed performance agreements | Signed performance agreements as % of total number of SMS members |
|---|----------------------------------|-----------------------------|---|---|
| Director-General/ Head of Department | 1 | 1 | 1 | 100 |
| Salary Level 16 | 0 | 0 | 0 | 0 |
| Salary Level 15 | 5 | 4 | 4 | 100 |
| Salary Level 14 | 34 | 43 | 43 | 100 |
| Salary Level 13 | 75 | 75 | 75 | 100 |
| Total | 115 | 123 | 123 | 100 |

Table 4.7.2 Reasons for not having concluded Performance agreements for all SMS members as of 31 March 2017

| Reasons |
|----------------|
| Not applicable |

Table 4.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as of 31 March 2017

| Reasons |
|----------------|
| Not applicable |

4.8 Performance Rewards

To encourage good performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms of race, gender, disability, salary bands and critical occupations.

Table 4.8.1 Performance Rewards by race, gender and disability for the period 1 April 2016 to 31 March 2017

| Race and Gender | Beneficiary Profile | | | Cost | |
|-----------------|-------------------------|---------------------|-------------------------|--------------|---------------------------|
| | Number of beneficiaries | Number of employees | % of total within group | Cost (R'000) | Average cost per employee |
| African | 141 | 392 | 36 | 2 445 | 35 000.00 |
| Male | 70 | 179 | 39 | 1,250.41 | 17,863.00 |
| Female | 97 | 200 | 49 | 1,625.30 | 17,863.00 |
| Asian | 3 | 7 | 43 | 95 000 | 58 000.00 |
| Male | 1 | 5 | 20 | 73,805 | 73,805.00 |
| Female | 1 | 2 | 50 | 33,751 | 33,751.00 |
| Coloured | 7 | 11 | 66 | 192 000 | 51 000.00 |
| Male | 3 | 6 | 50 | 54,013 | 18,004.00 |

| | | | | | |
|---------------|------------|------------|-----------|-----------------|------------------|
| Female | 3 | 4 | 75 | 75,551 | 25,186.33 |
| White | 29 | 37 | 78 | 756 000 | 62 000.00 |
| Male | 4 | 9 | 44 | 92,925 | 37,871.00 |
| Female | 15 | 26 | 58 | 326,709 | 21780.93 |
| Total | 194 | 432 | 45 | 3 599.55 | 18,510.46 |

Table 4.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2016 to 31 March 2017

| Salary band | Beneficiary Profile | | | Cost | | Total cost as a % of the total personnel expenditure |
|---|-------------------------|---------------------|--------------------------------|--------------------|---------------------------|--|
| | Number of beneficiaries | Number of employees | % of total within salary bands | Total Cost (R'000) | Average cost per employee | |
| Lower Skilled (Levels 1-2) | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled (level 3-5) | 26 | 48 | 55 | 157,894.00 | 6,072.69 | 26 |
| Highly skilled production (level 6-8) | 77 | 131 | 59 | 854,150.00 | 11,092.86 | 77 |
| Highly skilled supervision (level 9-12) | 76 | 141 | 54 | 1,847,969.00 | 24,315.38 | 76 |
| Total | 179 | 320 | 56 | 2,860,013 | 15,977.71 | 179 |

Table 4.8.3 Performance Rewards by critical occupation for the period 1 April 2016 to 31 March 2017

| Critical occupation | Beneficiary Profile | | | Cost | |
|-------------------------------------|-------------------------|---------------------|------------------------------|--------------------|---------------------------|
| | Number of beneficiaries | Number of employees | % of total within occupation | Total Cost (R'000) | Average cost per employee |
| Administrative related | 90 | 175 | 51 | 1,855.92 | 20,621 |
| Client inform clerks | 1 | 2 | 50 | 13.29 | 13.29 |
| Financial Professionals | 7 | 17 | 41 | 142.24 | 20.32 |
| Financial clerks | 6 | 9 | 67 | 52.14 | 8.69 |
| Food services aid | 2 | 2 | 100 | 16.53 | 8.26 |
| Legal Administration | 1 | 1 | 100 | 42.37 | 42.38 |
| Human Resource related | 18 | 20 | 90 | 292.77 | 16,265 |
| Light vehicles drivers | 2 | 2 | 100 | 25.28 | 11,932 |
| Messengers & deliverers | 2 | 2 | 100 | 8.17 | 4,087 |
| Risk management & security services | 1 | 2 | 50 | 18.49 | 18.49 |

| | | | | | |
|-------------------|------------|------------|--------------|-----------------|------------------|
| Secretaries | 47 | 60 | 78 | 382.73 | 8,143 |
| Security officers | 2 | 16 | 12 | 10.08 | 5,041 |
| Senior Managers | 15 | 112 | 13 | 731.02 | 48,734 |
| Total | 194 | 432 | 44.91 | 3,599.55 | 18,510.46 |

Table 4.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2016 to 31 March 2017

| Salary band | Beneficiary Profile | | | Cost | | Total cost as a % of the total personnel expenditure |
|--------------|-------------------------|---------------------|--------------------------------|--------------------|---------------------------|--|
| | Number of beneficiaries | Number of employees | % of total within salary bands | Total Cost (R'000) | Average cost per employee | |
| Band A | 9 | 74 | 12 | 447.24 | 49,693.33 | 0.7 |
| Band B | 5 | 33 | 15 | 231.80 | 46,360.00 | 0.9 |
| Band C | 1 | 4 | 25 | 51.98 | 511,989.00 | 1.9 |
| Band D | 0 | 1 | 0 | 0.00 | 0.00 | 0 |
| Total | 15 | 112 | 13 | 731.02 | 48,734.66 | 0.8 |

4.9 Foreign Workers

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

Table 4.9.1 Foreign workers by salary band for the period 1 April 2016 to 31 March 2017

| Salary band | 01 April 2016 | | 31 March 2017 | | Change | |
|---|---------------|------------|---------------|------------|----------|----------|
| | Number | % of total | Number | % of total | Number | % Change |
| Lower Skilled (Level 1-2) | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled (Level 3-5) | | | | | | |
| Highly skilled production (Level 6-8) | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled supervision (Level 9-12) | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior management (Level 13-16) | 1 | 100 | 1 | 100 | 0 | 0 |
| Total | 1 | 100 | 1 | 100 | 0 | 0 |

Table 4.9.2 foreign workers by major occupation for the period 1 April 2016 to 31 March 2017

| Major occupation | 01 April 2016 | | 31 March 2017 | | Change | |
|------------------|---------------|------------|---------------|------------|--------|----------|
| | Number | % of total | Number | % of total | Number | % Change |
| | | | | | | |

| | | | | | | |
|----------------------------|----------|------------|----------|------------|----------|----------|
| Professionals and managers | 1 | 100 | 1 | 100 | 0 | 0 |
| Total | 1 | 100 | 1 | 100 | 0 | 0 |

Table 4.9.1 foreign workers by salary band for the period 1 April 2016 and 31 March 2017

| Salary band | 01 April 2016 | | 31 March 2017 | | Change | |
|---|---------------|------------|---------------|------------|----------|----------|
| | Number | % of total | Number | % of total | Number | % Change |
| Lower Skilled (Level 1-2) | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled (Level 3-5) | | | | | | |
| Highly skilled production (Level 6-8) | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled supervision (Level 9-12) | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior management (Level 13-16) | 1 | 100 | 1 | 100 | 0 | 0 |
| Total | 1 | 100 | 1 | 100 | 0 | 0 |

Table 4.9.2 Foreign workers by major occupation for the period 1 April 2016 to 31 March 2017

| Major occupation | 01 April 2016 | | 31 March 2017 | | Change | |
|----------------------------|---------------|------------|---------------|------------|----------|----------|
| | Number | % of total | Number | % of total | Number | % Change |
| Professionals and managers | 1 | 100 | 1 | 100 | 0 | 0 |
| Total | 1 | 100 | 1 | 100 | 0 | 0 |

4.10 Leave Utilisation

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

Table 4.10.1 Sick leave for the period 1 January 2016 to 31 December 2016

| Salary band | Total days | % Days with Medical Certification | Number of Employees using sick leave | % of total employees using sick leave | Average days per employee | Estimated Cost (R'000) |
|---|-------------|-----------------------------------|--------------------------------------|---------------------------------------|---------------------------|------------------------|
| Lower Skills (Level 1-2) | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled (levels 3-5) | 324 | 50 | 52 | 12 | 6.23 | 229 |
| Highly skilled production (levels 6-8) | 1 169 | 53 | 141 | 32 | 8.29 | 1 325 |
| Highly skilled supervision (levels 9 -12) | 898 | 42 | 141 | 32 | 6.36 | 1 973 |
| Top and Senior management (levels 13-16) | 701 | 56 | 103 | 24 | 6.8 | 2 669 |
| Total | 3092 | 50 | 437 | 100 | 7.07 | 6 196 |

Table 4.10.2 Disability leave (temporary and permanent) for the period 1 January 2016 to 31 December 2016

| Salary band | Total days | % Days with Medical Certification | Number of Employees using disability leave | % of total employees using disability leave | Average days per employee | Estimated Cost (R'000) |
|--|------------|-----------------------------------|--|---|---------------------------|------------------------|
| Lower skilled (Levels 1-2) | 0 | 0 | 0 | 0 | 0 | 0 |
| Skilled (Levels 3-5) | 0 | 0 | 0 | 0 | 0 | 0 |
| Highly skilled production (Levels 6-8) | 113 | 100 | 2 | 100 | 56.5 | 103 |
| Highly skilled supervision (Levels 9-12) | 0 | 0 | 0 | 0 | 0 | 0 |
| Senior management (Levels 13-16) | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 113 | 100 | 2 | 100 | 56.5 | 103 |

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

Table 4.10.3 Annual Leave for the period 1 January 2016 to 31 December 2016

| Salary band | Total days taken | Number of Employees using annual leave | Average per employee |
|--|------------------|--|----------------------|
| Lower skilled (Levels 1-2) | 0 | 0 | 0 |
| Skilled Levels 3-5) | 1 248 | 80 | 16 |
| Highly skilled production (Levels 6-8) | 3 272 | 182 | 18 |
| Highly skilled supervision (Levels 9-12) | 3 541 | 179 | 20 |

| | | | |
|----------------------------------|---------------|------------|-----------|
| Senior management (Levels 13-16) | 3 064 | 141 | 22 |
| Total | 11 125 | 582 | 19 |

Table 4.10.4 Capped leave for the period 1 January 2016 to 31 December 2016

| Salary band | Total days of capped leave taken | Number of Employees using capped leave | Average number of days taken per employee | Average capped leave per employee as on 31 March 2017 |
|--|----------------------------------|--|---|---|
| Lower skilled (Levels 1-2) | 0 | 0 | 0 | 0 |
| Skilled Levels 3-5) | 0 | 0 | 0 | 33.94 |
| Highly skilled production (Levels 6-8) | 8 | 1 | 8 | 10.79 |
| Highly skilled supervision (Levels 9-12) | 13 | 3 | 4.33 | 44.48 |
| Senior management (Levels 13-16) | 20 | 4 | 5 | 42.15 |
| Total | 41 | 8 | 5.13 | 36.2 |

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

Table 4.10.5 Leave pay-outs for the period 1 April 2016 to 31 March 2017

| Reason | Total amount (R'000) | Number of employees | Average per employee (R'000) |
|---|----------------------|---------------------|------------------------------|
| Leave payout for 2016/17 due to non-utilisation of leave for the previous cycle | 0 | 0 | 0 |
| Capped leave payouts on termination of service for 2016/17 | 1 076 | 15 | 71 721 |
| Current leave payout on termination of service for 2016/17 | 90 | 5 | 17 971 |
| Total | 1 166 | 20 | 58 284 |

4.11 HIV & AIDS & Health Promotion Programmes

Table 4.11.1 Steps taken to reduce the risk of occupational exposure

| Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any) | Key steps taken to reduce the risk |
|--|--|
| All employees | HIV & AIDS awareness raising sessions, Voluntary counselling and testing and condom distribution in all the bathrooms of the Department. |

Table 4.11.2 Details of Health Promotion and HIV & AIDS Programmes

| Question | Yes | No | Details, if yes |
|--|-----|----|--|
| 1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position. | Yes | | Mr Sonwabo Shibane: Position: Director |
| 2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose. | Yes | | A total number of three officials at the level of Director, Deputy Director and Assistant Director. The budget is R200 000. |
| 3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme. | Yes | | The proactive services that the Department is availing to its employee are as follows: <ul style="list-style-type: none"> - Health education session (Stress management, nutrition - Health screening (blood pressure, TB, cancer, glucose, eye testing ear testing and weight). - HIV & Aids awareness and Testing - Financial wellness session - Blood Donation - Sports and recreation(netball and netball sporting codes and Athletics club) |
| 4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent. | Yes | | The Department has established the Human Resource committee that addresses all the human capital management matters. Members of the committee are: The Chief Director: Human Capital management as a chair, representative from PSA and NEHAWU, and a representative from each Branch of the Department. |
| 5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed. | Yes | | The following policies were reviewed for inclusivity <ul style="list-style-type: none"> - Bursary Policy - Training Education & Development Policy - Occupational Health & Safety Policy - Special Leave Policy - Working Hours Policy - HIV & AIDS Policy - Job Evaluation Policy - Sports and Recreation Policy - Funeral and Bereavement Policy - Employment Equity Policy - Sexual Harassment Policy - Health And Productivity Policy - Wellness Management Policy |

| Question | Yes | No | Details, if yes |
|--|-----|----|--|
| 6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures. | Yes | | The measures in place to protect employees are: -HIV & AIDS Policy which prohibits discrimination on the basis of HIV status. -Grievance and disciplinary procedure processes that afford employees opportunity to lodge a complaint. - Awareness sessions addressing HIV & AIDS stigma. -Care, support and referral to support centres. |
| 7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved. | Yes | | The Department conducted two Voluntary counselling and testing as part of Wellness session in June and July 2016. A total of 44 Employee tested. Out of 44 all of the employees tested negative. |
| 8. Has the Department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators. | Yes | | The measures in place are: -Employee Health and Wellness operational plan with annual indicators -Evaluation form by employees. -System Monitoring Tool. |

4.12 Labour Relations

Table 4.12.1 Collective agreements for the period 1 April 2016 to 31 March 2017

| Subject matter | Date |
|--|-------------|
| None | None |
| Total number of Collective agreements | None |

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

Table 4.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2016 to 31 March 2017

| Outcomes of disciplinary hearings | Number | % of total |
|--|----------|------------|
| Correctional counselling | 0 | 0 |
| Verbal warning | 0 | 0 |
| Written warning | 0 | 0 |
| Final written warning | 1 | 50 |
| Suspended without pay | 0 | 0 |
| Fine | 0 | 0 |
| Demotion | 0 | 0 |
| Dismissal | 1 | 50 |
| Not guilty | 0 | 0 |
| Case withdrawn | 0 | 0 |
| Total | 2 | 100 |
| Total number of Disciplinary hearings finalised | 2 | |

Table 4.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2016 to 31 March 2017

| Type of misconduct | Number | % of total |
|--------------------|----------|------------|
| Dishonesty | 1 | 50 |
| Misrepresentation | 1 | 50 |
| Total | 2 | 100 |

Table 4.12.4 Grievances logged for the period 1 April 2016 to 31 March 2017

| Grievances | Number | % of Total |
|--|----------|------------|
| Number of grievances resolved | 5 | 83 |
| Number of grievances not resolved | 1 | 17 |
| Total number of grievances lodged | 6 | 100 |

Table 4.12.5 Disputes logged with Councils for the period 1 April 2016 to 31 March 2017

| Disputes | Number | % of Total |
|--|----------|------------|
| Number of disputes upheld | 0 | 0 |
| Number of disputes dismissed | 4 | 100 |
| Total number of disputes lodged | 4 | 100 |

Table 4.12.6 Strike actions for the period 1 April 2016 to 31 March 2017

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

Table 4.12.7 Precautionary suspensions for the period 1 April 2016 to 31 March 2017

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

*There were no suspension for the period 01 April 2016 to 31 march 2017

4.13 Skills Development

This section highlights training per occupational category and gender.

Table 4.13.1 Training needs identified for the period 1 April 2016 to 31 March 2017

| Occupational category | Gender | Number of employees as at 1 April 2016 | Training needs identified at start of the reporting period | | | |
|--|---------------|--|--|---|-------------------------|------------|
| | | | Learnerships | Skills Programmes & other short courses | Other forms of training | Total |
| Legislators, senior officials and managers | Female | 143 | 0 | 113 | 0 | 113 |
| | Male | 151 | 0 | 84 | 0 | 84 |
| Professionals | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Technicians and associate professionals | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Clerks | Female | 110 | 0 | 59 | 0 | 59 |
| | Male | 42 | 0 | 17 | 0 | 17 |
| Service and sales workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Skilled agriculture and fishery workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Craft and related trades workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Plant and machine operators and assemblers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Elementary occupations | Female | 23 | 0 | 0 | 0 | 0 |
| | Male | 35 | 0 | 9 | 0 | 9 |
| Sub Total | Female | 276 | 0 | 172 | 0 | 172 |
| | Male | 228 | 0 | 110 | 0 | 110 |
| Total | | 504 | 0 | 282 | 0 | 282 |

Table 4.13.2 Training provided for the period 1 April 2016 and 31 March 2017

| Occupational category | Gender | Number of employees as at 1 April 2016 | Training provided within the reporting period | | | |
|--|---------------|--|---|---|-------------------------|------------|
| | | | Learnerships | Skills Programmes & other short courses | Other forms of training | Total |
| Legislators, senior officials and managers | Female | 143 | 0 | 43 | 7 | 50 |
| | Male | 151 | 0 | 32 | 5 | 37 |
| Professionals | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Technicians and associate professionals | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Clerks | Female | 110 | 0 | 18 | 2 | 20 |
| | Male | 42 | 0 | 19 | 2 | 21 |
| Service and sales workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Skilled agriculture and fishery workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Craft and related trades workers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Plant and machine operators and assemblers | Female | 0 | 0 | 0 | 0 | 0 |
| | Male | 0 | 0 | 0 | 0 | 0 |
| Elementary occupations | Female | 25 | 0 | 4 | 1 | 5 |
| | Male | 35 | 0 | 7 | 1 | 8 |
| Sub Total | Female | 276 | 0 | 65 | 10 | 75 |
| | Male | 228 | 0 | 58 | 8 | 66 |
| Total | | 504 | 0 | 123 | 18 | 141 |

4.14 Injury on Duty

The following tables provide basic information on injuries on duty.

Table 4.14.1 Injury on duty for the period 1 April 2016 to 31 March 2017

| Nature of injury on duty | Number | % of total |
|---------------------------------------|----------|------------|
| Required basic medical attention only | 1 | 100 |
| Temporary Total Disablement | 0 | 0 |
| Permanent Disablement | 0 | 0 |
| Fatal | 0 | 0 |
| Total | 1 | 100 |

4.15 Utilisation of Consultants

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

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

Table 4.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2016 to 31 March 2017

| Project title | Total number of consultants that worked on project | Duration (work days) | Contract value in Rand |
|--|--|----------------------|------------------------|
| Appointment of a service provider to render forensic audit services relating to the CWP for a period of three (3) months. | 12 | 72 | R 6 807 557,00 |
| Appointment of a service provider to develop and implement web-based enterprise architecture toolset for the Department of Cooperative Governance. | 5 | 564 | R 6 719 912,00 |
| Appointment of service provider under SITA tender 1183 to maintain the Municipal Infrastructure Grant-Management Information System (MIG-MIS) and MIG-MIS call centre support. | 5 | 88 | R 2 675 808,00 |
| Appointment of service provider for the review and enhancement of a simplified revenue plan model for customisation and implementation in selected municipalities. | 21 | 376 | R106 470 000 |

| Project title | Total number of consultants that worked on project | Duration (work days) | Contract value in Rand |
|---|--|----------------------|------------------------|
| Appointment of a service provider for the development of an integrated property and consumer database to be used by municipalities in credit control, debt collection and indigent management. | 11 | 433 | R8 899 880 |
| Appointment of a service provider to develop prototype (minimum staffing requirements) staff establishments according to different functions and powers of different categories of municipalities. | 13 | 150 | R9 525 319 |
| Appointment of a service provider to strengthen the internal controls environment based on a business process mapping and re-engineering exercise where necessary for the Department of Cooperative Governance over a period of 24 months | 9 | 105 | R2 844 072 |
| Appointment of a service provider to deploy an open source software solution to enable big data collection processing and analytics at the NDMC. | 7 | 288 | R3 669 660 |
| Appointment of a service provider to conduct a physical verification of assets, inventory and consumables administered by the CWP implementing agents (IA's). | 46 | 120 | R3 726 660 |
| Appointment of a service provider to render forensic audit services relating to the Community Work Programme (CWP) for a period of three (3) months. | 12 | 72 | R 6 807 557,00 |
| Appointment of a service provider to develop and implement web based enterprise architecture toolset for the Department of Cooperative Governance. | 5 | 564 | R 6 719 912,00 |
| Appointment of a service provider for the development of an integrated property and consumer database to be used by municipalities in credit control, debt collection and indigent management. | 11 | 433 | R8 899 880 |
| Appointment of a service provider to develop prototype (minimum staffing requirements) staff establishments according to different functions and powers of different categories of municipalities. | 13 | 150 | R9 525 319 |
| Appointment of a service provider to deploy an open source software solution to enable big data collection processing and analytics at the National Disaster Management Centre (NDMC). | 7 | 288 | R3 669 660 |

Table 4.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2016 and 31 March 2017

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

Table 4.15.3 Report on consultant appointments using Donor funds for the period 1 April 2016 and 31 March 2017

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

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

Table 4.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2016 and 31 March 2017

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

4.16 Severance Packages

Table 4.16.1 Granting of employee initiated severance packages for the period 1 April 2016 and 31 March 2017

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





PART E:
FINANCIAL
INFORMATION

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 4: DEPARTMENT OF COOPERATIVE GOVERNANCE

Report on the Audit of the Financial Statements

Qualified opinion

1. I have audited the financial statements of the Department of Cooperative Governance set out on pages 156 to 295. The financial statements comprise the appropriation statement, statement of financial position as at 31 March 2017, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the possible effects of the matters described in the basis for qualified opinion section of my report, the financial statements present fairly, in all material respects, the financial position of the Department of Cooperative Governance as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standard and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for qualified opinion

Goods and services

3. I was unable to obtain sufficient appropriate audit evidence for payments made to CWP implementing agents as the department could not provide accurate and complete substantiating records, as required by the contracts signed with implementing agents. I could not confirm the amounts by alternative means. Consequently, I was unable to determine whether any adjustment to goods and services stated at R2 543 309 000 (2016: R2 501 289 000) in note 6 of the financial statements was necessary.

Accruals and payables not recognised

4. I was unable to obtain sufficient appropriate audit evidence for accruals and payables not recognised disclosed. The department could neither provide accurate and complete supporting schedules to the financial statements nor a complete reconciliation of the CWP wage payable. I could not confirm the amounts by alternative means. Consequently, I was unable to determine whether any adjustment to accruals and payables not recognised stated at R227 402 000 in note 27 of the financial statements was necessary.
5. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor general's responsibilities for the audit of the financial statements section of my report.
6. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA Code.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis on matters

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

Restatement of corresponding figures

9. As disclosed in note 44 to the financial statements, the corresponding figures for 31 March 2016 have been restated as a result of errors in the financial statements of the department at, and for the year ended, 31 March 2017.

Irregular expenditure

10. As disclosed in note 31 to the financial statements, irregular expenditure to the amount of R329 863 000 was incurred, as proper procurement processes had not been followed.

Assets under investigation

11. Concerning note 39 of the financial statements, the department has disclosed assets under investigation to the value of R23 830 000. The outcome of the matter cannot presently be determined, and therefore no provision has been made for any potential adjustment to the asset balance in the financial statements.

Other matters

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

Unaudited supplementary schedules

13. The supplementary information set out on pages 238 to 292 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of accounting officer for the financial statements

14. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the Modified Cash Standard and the requirements of the PFMA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
15. In preparing the financial statements, the accounting officer is responsible for assessing the Department of Cooperative Governance's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern the basis of accounting unless there is an intention either to liquidate the department or to cease operations, or there is no realistic alternative but to do so.

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

16. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or

error and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken by these financial statements.

17. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

Report on the audit of the annual performance report

Introduction and scope

18. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
19. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
20. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed for the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2017:

| Programmes | Pages in the annual performance report |
|--|--|
| Programme 3- Institutional Development | 69-77 |
| Programme 4 - National Disaster Management Centre | 79-84 |
| Programme 5 - Local Government Support and intervention management | 85-89 |
| Programme 6 - Community Work Programme | 90-93 |

21. I performed procedures to determine whether the reported performance information was properly presented and whether the performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

22. The material findings in respect of the usefulness and reliability of the selected programmes are as follows:

Programme 3 - Institutional Development

Objective 5 - Strengthen anti-corruption measures and enforce applicable legislation and policies by March 2019

23. The annual performance plan of the department contained a planned and approved strategic objective namely Strengthen anti-corruption measures and enforce applicable legislation and policies by March 2019. However, this was not reported on in the annual performance report. This is not in line with the requirements of Treasury regulation 5.2.4.

Indicator 5 - Number of municipalities supported to update their indigent registers

24. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the target 20 municipalities supported to update their indigent registers by 31 March 2017. This was due to the inadequacy of the technical indicator description that predetermined how the achievement would be measured, monitored and reported, as required by the Framework for managing programme performance information. I was unable to

confirm that the reported achievement of this indicator was reliable by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement of 40 municipalities.

Indicator 6 - Improve human resource management in municipalities by development and implementation of regulations, setting minimum competency requirements for lower level staff

25. The reported achievement for target Municipal staff regulations incorporating minimum competency requirements for lower level staff by 31 March 2017 was misstated as the evidence provided indicated that the target was not achieved contrary to the reported achievement, namely that Municipal Staff Regulations incorporating minimum competency requirements for lower level staff by 31 March 2017 were developed.

Indicator 9 - Number of municipalities supported to create effective community engagement mechanism

26. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of 40 dysfunctional municipalities supported to create effective community engagement mechanisms by 31 March 2017. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement of 40 dysfunctional municipalities supported to create effective community engagement mechanisms by 31 March 2017.

Indicator 10 - Number of municipalities supported to establish functional ward Committees

27. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the target All Category A (8) and B (205) municipalities supported to establish ward committees by 31 March 2017. This was due to the inadequacy of the technical indicator description that predetermined how the achievement would be measured, monitored and reported, as required by the Framework for managing programme performance information. I was unable to confirm that the reported achievement of this indicator was reliable by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement of 7 Category A and 201 Category B municipalities supported to establish ward committees by 31 March 2017.

Indicator 11 - Number of municipalities supported to institutionalise community complaints management processes

28. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the target 40 dysfunctional municipalities supported to institutionalise community complaints management processes by 31 March 2017. This was due to the inadequacy of the technical indicator description that predetermined how the achievement would be measured, monitored and reported, as required by the Framework for managing programme performance information. I was unable to confirm that the reported achievement of this indicator was reliable by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement of 40 dysfunctional municipalities supported to institutionalise community complaints management processes by 31 March 2017.

Programme 5 - Local Government support and intervention management

Indicator 16 - Number of MIG projects monitored on financial compliance with DoRA

29. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the target 1 215 MIG projects monitored on financial compliance with DoRA

by 31 March 2017. This was due to the inadequacy of the technical indicator description that predetermined how the achievement would be measured, monitored and reported, as required by the Framework for managing programme performance information. I was unable to confirm that the reported achievement of this indicator was reliable by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement of 1 362 MIG projects monitored on financial compliance with DoRA by 31 March 2017.

Programme 6 - Community Work Programme

Indicator 17 - Number of additional work opportunities provided by target date(s)

30. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the target Additional 21 423 work opportunities provided by 31 March 2017. This was due to the inadequacy of the technical indicator description that predetermined how the achievement would be measured, monitored and reported, as required by the Framework for managing programme performance information. I was unable to confirm that the reported achievement of this indicator was reliable by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement of 21 423 additional work opportunities provided. A further 18 989 work opportunities were provided resulting in the annual achievement of 40 412 work opportunities.

Indicator 18 - Number of work opportunities maintained by target date(s)

31. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of the target 234 823 work opportunities maintained by 31 March 2017. This was due to the inadequacy of the technical indicator description that predetermined how the achievement would be measured, monitored and reported, as required by the Framework for managing programme performance information. I was unable to confirm that the reported achievement of this indicator was reliable by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement of 243 162 work opportunities maintained.

Indicator 20 - Number of participants trained by target date(s)

32. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of 23 483 participants trained by 31 March 2017. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported achievement of 23 483 targets set for participant training was achieved. 9 741 additional participants were trained which adds up to 33 224 participants that received training.

Programme 4 - National Disaster Management Centre

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

Other matters

34. I draw attention to the matter below.

Achievement of planned targets

35. Refer to the annual performance report on page x to x; x to x for information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 23 to 32 of this report.

Report on audit with legislation

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

37. The material findings in respect of the compliance criteria for the applicable subject matters are as follows:

Financial statements, performance and annual reports

38. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 40(1)(a) and (b) of the PFMA.

39. Material misstatements of expenditure and disclosure items identified by the auditors in the submitted financial statements were corrected and/or the supporting records were provided subsequently, but the uncorrected material misstatements and/or supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.

Expenditure management

40. Effective steps were not taken to prevent irregular expenditure amounting to R329 863 000 as disclosed in note 31 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1.

41. Contractual obligations and/or money owed by the department were not met and/or settled within 30 days, as required by section 38(1)(f) of the PFMA and Treasury Regulation 8.2.3.

Transfers and subsidiaries

42. We were unable to obtain sufficient appropriate audit evidence that expenditure for the programmes funded by the MIG was monitored in accordance with the framework for the grant, as required by section 10(5) of DoRA.

Procurement and contract management

43. Quotations were accepted from prospective suppliers who did not submit a declaration on whether the state employs them or connected to any person employed by the state, which is prescribed to comply with Treasury Regulation 16AB.3.

44. Commodities designated for local content and production were procured from suppliers who did not submit a declaration on local production and content as required by Preferential Procurement Regulation 9(1).

Consequence management

45. Disciplinary steps were not taken against officials who had incurred and/or permitted irregular expenditure amounting to R25 813 088, as required by section 38(1)(h)(iii) of the PFMA

Other Information

46. The Department of Cooperative Governance accounting officer is responsible for the other information. The other information comprises the information included in the annual report the audit committee's report. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that has been specifically reported on in the auditor's report.

47. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information, and I do not express an audit opinion or any form of assurance conclusion thereon.

48. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained. Before the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

49. I considered internal control relevant to my audit of the financial statements, reported performance information

and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the findings of the annual performance report and the findings on compliance with the legislation included in this report.

- Leadership did not exercise adequate oversight responsibility regarding financial and performance reporting and compliance and related internal controls. Oversight in respect of the CWP remains a particular concern.
- Leadership did not monitor and enforce the timeous implementation of action plans developed to address internal control deficiencies.
- Management still did not implement proper record keeping promptly to ensure that complete, relevant and accurate information was accessible and available to support financial and performance reporting.
- Management did not implement effective controls over daily and monthly processing and reconciling of transactions. Furthermore, regular, accurate and complete financial and performance reports that were supported and evidenced by reliable information were not prepared throughout the year.
- Management did not appropriately review and monitor compliance with applicable laws and regulations.

Other reports

50. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

51. The National Treasury performed an investigation at the request of the Department of Cooperative Governance. The investigation was initiated based on possible fraudulent and/or irregular transactions perpetrated through travel and accommodation and conferencing arrangements done under the stewardship of the contracted travel agency. The National Treasury subsequently engaged the South African Police Service for a criminal investigation. At the end of the reporting period, the investigation was not yet concluded.

52. An external service provider conducted investigations into various aspects of the Community Work Programme:

- Fraud allegations were investigated at Gauteng Region F of the CWP. The investigation was finalised on 22 May 2017.
- A detailed review was performed on the CWP Management Information System (MIS); this was concluded on 24 May 2017.
- The following aspects of the CWP were probed, namely project management fees, analysis of payment batches, completeness of the CWP asset register and an investigation of all instances of irregular expenditure relating to this programme. This report was issued on 26 June 2017.

The various recommendations contained in these reports are presently under consideration for further action and implementation.

Auditor-General

Pretoria

21 September 2017



Annexure – Auditor General's responsibility for the audit

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

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the auditor's report, I also:
 - Identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of the department's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - Conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Department of Cooperative Governance's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention to my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the

financial statements. My conclusions are based on the information available to me at the date of the auditor's report. However, future events or conditions may cause the department to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.

Communication with those charged with governance

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

**Annual Financial Statements For Department Of
Cooperative Governance And Traditional Affairs**

For the year ended 31 March 2017

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| Appropriation per programme | | | | | | | | | | |
|--|------------------------|-------------------|----------|---------------------|--------------------|------------------|---|---------------------|--------------------|-------|
| 2016/17 | | | | | | | 2015/16 | | | |
| Programme | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual Expenditure | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | R'000 |
| ADMINISTRATION | 263 691 | - | 7 554 | 271 245 | 267 266 | 3 979 | 98,5% | 243 174 | 236 494 | |
| REGIONAL AND URBAN DEVELOPMENT AND LEGISLATIVE SUPPORT | 357 794 | - | (404) | 357 390 | 320 969 | 36 421 | 89,8% | 38 202 | 37 202 | |
| INSTITUTIONAL DEVELOPMENT | 68 120 381 | - | (7 150) | 68 113 231 | 66 163 451 | 1 949 780 | 97,1% | 67 448 161 | 65 072 866 | |
| NATIONAL DISASTER MANAGEMENT CENTRE | 588 887 | - | 2 605 | 591 492 | 295 282 | 296 210 | 49,9% | 591 355 | 258 158 | |
| LOCAL GOVERNMENT SUPPORT AND INTERVENTION MANAGEMENT | 499 968 | - | (2 605) | 497 363 | 434 166 | 63 197 | 87,3% | 118 646 | 118 587 | |
| COMMUNITY WORK PROGRAMME | 3 191 185 | - | - | 3 191 185 | 2 371 096 | 820 089 | 74,3% | 2 375 939 | 2 374 230 | |
| TOTAL | 73 021 906 | - | - | 73 021 906 | 69 852 230 | 3 169 676 | 95,7% | 70 815 477 | 68 097 537 | |

| | 2016/17 | | 2015/16 | |
|--|---------------------|--------------------|---------------------|--------------------|
| | Final Appropriation | Actual Expenditure | Final Appropriation | Actual Expenditure |
| TOTAL (brought forward) | | | | |
| Reconciliation with statement of financial performance | | | | |
| ADD | | | | |
| Departmental receipts | | | | |
| NRF Receipts | | | 1 116 | |
| Aid assistance | 23 451 | | | |
| Actual amounts per statement of financial performance (total revenue) | 73 045 357 | | 70 816 593 | |
| ADD | | | | |
| Aid assistance | | | | |
| Prior year unauthorised expenditure approved without funding | | | | |
| Actual amounts per statement of financial performance (total expenditure) | | 69 852 230 | | 68 097 537 |

| Appropriation per economic classification | | | | | | | | | | |
|---|------------------------|-------------------|-----------------|---------------------|--------------------|----------------|---|---------------------|--------------------|--|
| | 2016/17 | | | | | 2015/16 | | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 | |
| Current payments | 3,826,454 | (5,578) | (41,368) | 3,779,508 | 2,815,713 | 963,795 | 74.5% | 2,770,108 | 2,759,622 | |
| Compensation of employees | 320,521 | - | - | 320,521 | 272,404 | 48,117 | 85.0% | 264,598 | 258,334 | |
| Salaries and wages | 286,751 | (2,582) | - | 284,169 | 245,446 | 38,723 | 86.4% | 235,876 | 230,207 | |
| Social contributions | 33,770 | 2,582 | - | 36,352 | 26,958 | 9,394 | 74.2% | 28,722 | 28,127 | |
| Goods and services | 3,505,933 | (5,578) | (41,368) | 3,458,987 | 2,543,309 | 915,678 | 73.5% | 2,505,510 | 2,501,288 | |
| Administrative fees | 82 | 11,491 | 7 | 11,580 | 11,580 | - | 100.0% | 11,843 | 11,843 | |
| Advertising | 8,021 | 11,341 | - | 19,362 | 16,224 | 3,138 | 83.8% | 1,347 | 1,346 | |
| Minor assets | 1,995 | (163) | - | 1,832 | 1,109 | 723 | 60.5% | 8,747 | 8,767 | |
| Audit costs: External | 10,082 | (457) | - | 9,625 | 7,622 | 2,003 | 79.2% | 7,447 | 7,447 | |
| Bursaries: Employees | 3,801 | (1,411) | - | 2,390 | 845 | 1,545 | 35.4% | 751 | 751 | |
| Catering: Departmental activities | 11,735 | (2,828) | 226 | 9,133 | 3,292 | 5,841 | 36.0% | 4,495 | 4,480 | |
| Communication (G&S) | 16,846 | (5,340) | (4,230) | 7,276 | 4,661 | 2,615 | 64.1% | 5,565 | 5,559 | |
| Computer services | 82,881 | (42,277) | (10,000) | 30,604 | 26,042 | 4,562 | 85.1% | 11,443 | 9,666 | |
| Consultants: Business and advisory services | 209,144 | 124,990 | (31,912) | 302,222 | 194,096 | 108,126 | 64.2% | 228,054 | 228,099 | |
| Infrastructure and planning services | - | - | - | - | - | - | - | - | - | |
| Laboratory services | - | - | - | - | - | - | - | - | - | |
| Scientific and technological services | 1,800 | (100) | (1,700) | - | - | - | - | - | - | |
| Legal services | 2,676 | 1,753 | - | 4,429 | 4,429 | - | 100.0% | 6,439 | 6,439 | |
| Contractors | 2,454,549 | (216,878) | - | 2,237,671 | 2,032,592 | 205,079 | 90.8% | 1,815,328 | 1,815,328 | |
| Agency and support / outsourced services | 1,358 | (4,762) | 11,350 | 7,946 | 7,946 | - | 100.0% | 8,042 | 8,042 | |
| Entertainment | 34 | 34 | - | 68 | 61 | 7 | 89.7% | - | - | |
| Fleet services (including government motor transport) | 1,414 | 1,919 | - | 3,333 | 2,814 | 519 | 84.4% | 2,710 | 2,686 | |
| Housing | - | - | - | - | - | - | - | - | - | |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - | |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - | |
| Inventory: Food and food supplies | 10 | - | - | 10 | - | 10 | - | 10 | 10 | |

| | | | | | | | | | | | | |
|--|-------------------|--------------|---------------|-------------------|-------------------|------------------|---|-------------------|-------------------|--------------|---|-------------------|
| Inventory: Fuel, oil and gas | 86 | (86) | - | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | 515 | (515) | - | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 570,576 | (2,182) | - | 568,394 | 16,760 | 551,634 | - | 87,766 | 87,766 | 2.9% | - | 87,766 |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | 267 | (72) | - | 195 | - | 195 | - | 60 | 60 | - | - | 60 |
| Consumable supplies | 3,583 | 73,397 | - | 76,980 | 73,776 | 3,204 | - | 122,408 | 122,408 | 95.8% | - | 122,408 |
| Consumable: Stationery, printing and office supplies | 21,769 | (10,647) | - | 11,122 | 5,289 | 5,833 | - | 8,732 | 8,732 | 47.6% | - | 8,732 |
| Operating leases | 32,023 | 9,801 | 101 | 41,925 | 39,863 | 2,062 | - | 45,210 | 45,210 | 95.1% | - | 45,210 |
| Property payments | 8,126 | 6,865 | - | 14,991 | 14,991 | - | - | 15,865 | 15,865 | 100.0% | - | 15,865 |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 42,859 | 2,340 | (510) | 44,689 | 30,747 | 13,942 | - | 33,508 | 33,508 | 68.8% | - | 33,508 |
| Training and development | 11,290 | 36,254 | (4,700) | 42,844 | 41,950 | 894 | - | 73,603 | 73,603 | 97.9% | - | 73,603 |
| Operating payments | 1,419 | 3,393 | - | 4,812 | 4,499 | 313 | - | 1,857 | 1,857 | 93.5% | - | 1,857 |
| Venues and facilities | 4,997 | 109 | - | 5,106 | 1,751 | 3,355 | - | 4,202 | 4,202 | 34.3% | - | 4,202 |
| Rental and hiring | 1,995 | (1,547) | - | 448 | 370 | 78 | - | 78 | 78 | 82.6% | - | 78 |
| Interest and rent on land | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest (Incl. interest on unitary payments (PPP)) | - | - | - | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 69,188,025 | 2,625 | 41,368 | 69,232,018 | 67,027,032 | 2,204,986 | - | 67,997,792 | 67,997,792 | 96.8% | - | 65,290,923 |
| Provinces and municipalities | 68,301,723 | 5 | 27,858 | 68,329,586 | 66,178,538 | 2,151,048 | - | 67,506,029 | 67,506,029 | 96.9% | - | 64,799,161 |
| Provinces | 111,545 | - | - | 111,545 | - | 111,545 | - | 103,199 | 103,199 | - | - | 35,593 |
| Provincial Revenue Funds | 111,545 | - | - | 111,545 | - | 111,545 | - | 103,199 | 103,199 | - | - | 35,593 |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - | - | - | - |
| Municipalities | 68,190,178 | 5 | 27,858 | 68,218,041 | 66,178,538 | 2,039,503 | - | 67,402,830 | 67,402,830 | 97.0% | - | 64,763,568 |
| Municipal bank accounts | 68,190,178 | 5 | 27,858 | 68,218,041 | 66,178,538 | 2,039,503 | - | 67,402,830 | 67,402,830 | 97.0% | - | 64,763,568 |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 570,407 | - | 4,200 | 574,607 | 574,607 | - | - | 484,949 | 484,949 | 100.0% | - | 484,949 |
| Social security funds | - | - | - | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | |
|---|-------------------|--------------|----------|-------------------|-------------------|------------------|---------------|-------------------|-------------------|
| Departmental agencies (non-business entities) | 570,407 | - | 4,200 | 574,607 | 574,607 | - | 100.0% | 484,949 | 484,949 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | 510 | - | - | 510 | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on products and production (pc) | - | - | - | - | - | - | - | - | - |
| Other transfers to public corporations | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on products and production (pe) | - | - | - | - | - | - | - | - | - |
| Other transfers to private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 6,619 | - | 8,800 | 15,419 | 9,119 | 6,300 | 59.1% | 6,286 | 6,286 |
| Households | 309,276 | 2,620 | - | 311,896 | 264,768 | 47,128 | 84.9% | 528 | 527 |
| Social benefits | - | 2,600 | - | 2,600 | 2,505 | 95 | 96.3% | 396 | 395 |
| Other transfers to households | 309,276 | 20 | - | 309,296 | 262,263 | 47,033 | 84.8% | 132 | 132 |
| Payments for capital assets | 7,347 | 2,923 | - | 10,270 | 9,312 | 958 | 90.7% | 46,663 | 46,078 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 7,347 | 2,923 | - | 10,270 | 9,312 | 958 | 90.7% | 46,605 | 46,078 |
| Transport equipment | 1,856 | 7 | - | 1,863 | 1,863 | - | 100.0% | - | - |
| Other machinery and equipment | 5,491 | 2,916 | - | 8,407 | 7,449 | 958 | 88.6% | 46,605 | 46,078 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | 58 | - |
| Payment for financial assets | 80 | 30 | - | 110 | 173 | (63) | 157.3% | 914 | 914 |
| Total | 73,021,906 | - | - | 73,021,906 | 69,852,230 | 3,169,676 | 95.7% | 70,815,477 | 68,097,537 |

| Programme 1: ADMINISTRATION | | | | | | | | | |
|------------------------------------|------------------------|-------------------|--------------|---------------------|--------------------|--------------|---|---------------------|--------------------|
| | 2016/17 | | | | | 2015/16 | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| Sub programme | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Ministry Management | 37 939 | (3,282) | - | 34,657 | 32,086 | 2,571 | 92.6% | 30,245 | 29,549 |
| Corporate Services | 13 609 | 790 | - | 14,399 | 14,399 | - | 100.0% | 18,905 | 18,864 |
| Financial Services | 127 454 | 5,019 | 7,453 | 139,926 | 139,846 | 80 | 99.9% | 102,732 | 96,790 |
| Internal Audit and Risk Management | 30 729 | (3,115) | - | 27,614 | 27,159 | 455 | 98.1% | 27,592 | 27,591 |
| Office Accommodation | 16 475 | (8,167) | - | 8,308 | 7,435 | 873 | 89.5% | 7,836 | 7,836 |
| | 37 485 | 8,755 | 101 | 46,341 | 46,341 | - | 100.0% | 55,864 | 55,864 |
| Total for sub programmes | 263 691 | - | 7,554 | 271,245 | 267,258 | 3,979 | 98.5% | 243,174 | 236,494 |
| Economic classification | | | | | | | | | |
| Current payments | 258,511 | (1,809) | 7,610 | 264,256 | 260,294 | 3,962 | 98.5% | 232,277 | 225,637 |
| Compensation of employees | 125,806 | - | - | 125,806 | 121,844 | 3,962 | 96.9% | 113,972 | 109,112 |
| Salaries and wages | 113,654 | (1,775) | - | 111,879 | 109,035 | 2,844 | 97.5% | 101,185 | 96,642 |
| Social contributions | 12,152 | 1,775 | - | 13,927 | 12,809 | 1,118 | 92.0% | 12,787 | 12,470 |
| Goods and services | 132,705 | (1,809) | 7,554 | 138,450 | 138,450 | - | 100.0% | 118,305 | 116,525 |
| Administrative fees | 81 | 148 | - | 229 | 229 | - | 100.0% | 82 | 82 |
| Advertising | 4,714 | 10,561 | - | 15,275 | 15,275 | - | 100.0% | 1,100 | 1,100 |
| Minor assets | 1,121 | (930) | - | 191 | 191 | - | 100.0% | 238 | 238 |
| Audit costs: External | 7,082 | (457) | - | 6,625 | 6,625 | - | 100.0% | 7,381 | 7,381 |
| Bursaries: Employees | 1,801 | (1,003) | - | 798 | 798 | - | 100.0% | 751 | 751 |
| Catering: Departmental activities | 3,682 | (3,091) | 303 | 894 | 894 | - | 100.0% | 829 | 829 |
| Communication (G&S) | 11,251 | (4,588) | (4,200) | 2,463 | 2,463 | - | 100.0% | 2,967 | 2,967 |
| Computer services | 12,793 | 5,595 | - | 18,388 | 18,388 | - | 100.0% | 6,921 | 5,144 |

| | | | | | | | | | |
|---|--------|----------|--------|--------|--------|---|--------|--------|--------|
| Consultants: Business and advisory services | 22,297 | (15,868) | - | 6,429 | 6,429 | - | 100.0% | 5,368 | 5,368 |
| Infrastructure and planning services | - | - | - | - | - | - | - | - | - |
| Laboratory services | - | - | - | - | - | - | - | - | - |
| Scientific and technological services | 100 | (100) | - | - | - | - | - | - | - |
| Legal services | 2,676 | 1,753 | - | 4,429 | 4,429 | - | 100.0% | 6,439 | 6,439 |
| Contractors | 1,290 | (853) | - | 437 | 437 | - | 100.0% | 725 | 725 |
| Agency and support / outsourced services | 1,358 | (4,762) | 11,350 | 7,946 | 7,946 | - | 100.0% | 7,053 | 7,053 |
| Entertainment | 15 | 46 | - | 61 | 61 | - | 100.0% | - | - |
| Fleet services (including government motor transport) | 853 | 1,593 | - | 2,446 | 2,446 | - | 100.0% | 2,578 | 2,578 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | 86 | (86) | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | 515 | (515) | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 19 | (14) | - | 5 | 5 | - | 100.0% | 8 | 8 |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | 30 | (30) | - | - | - | - | - | - | - |
| Consumable supplies | 353 | 1,152 | - | 1,505 | 1,505 | - | 100.0% | 391 | 391 |
| Consumable: Stationery, printing and office supplies | 3,852 | (647) | - | 3,205 | 3,205 | - | 100.0% | 2,202 | 2,202 |
| Operating leases | 29,751 | 5,962 | 101 | 35,814 | 35,814 | - | 100.0% | 43,335 | 43,335 |
| Property payments | 8,126 | 6,818 | - | 14,944 | 14,944 | - | 100.0% | 15,865 | 15,865 |
| Transport provided: | - | - | - | - | - | - | - | - | - |
| Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 9,560 | 1,001 | - | 10,561 | 10,561 | - | 100.0% | 11,387 | 11,387 |

| | | | | | | | | |
|---|------------|------------|-----------|------------|-----------|--------------|------------|------------|
| Training and development | 5,207 | (3,616) | - | 1,591 | - | 100.0% | 1,041 | 1,041 |
| Operating payments | 942 | 1,920 | - | 2,862 | - | 100.0% | 1,016 | 1,016 |
| Venues and facilities | 1,233 | 117 | - | 1,350 | - | 100.0% | 628 | 625 |
| Rental and hiring | 1,917 | (1,915) | - | 2 | - | 100.0% | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - |
| Interest (Incl. interest on unitary payments (PPP)) | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 100 | 165 | 80 | 185 | 80 | 69.8% | 488 | 448 |
| Provinces and municipalities | 100 | - | - | 20 | 80 | 20.0% | 61 | 22 |
| Provinces | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - |
| Municipalities | 100 | - | - | 20 | 80 | 20.0% | 61 | 22 |
| Municipal bank accounts | 100 | - | - | 20 | 80 | 20.0% | 61 | 22 |
| Municipal agencies and funds | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - |
| Departmental agencies (non-business entities) | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - |
| Subsidies on products and production (pc) | - | - | - | - | - | - | - | - |
| Other transfers to public corporations | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - |
| Subsidies on products and production (pe) | - | - | - | - | - | - | - | - |
| Other transfers to private enterprises | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - |
| Households | - | 165 | - | 165 | - | 100.0% | 427 | 426 |
| Social benefits | - | 145 | - | 145 | - | 100.0% | 319 | 318 |

| | - | 20 | - | 20 | 20 | 20 | 108 | 108 |
|--------------------------------------|----------------|--------------|--------------|----------------|----------------|--------------|----------------|----------------|
| Other transfers to households | - | 1,614 | - | 6,614 | 6,613 | - | 9,495 | 108 |
| Payments for capital assets | 5,000 | 1,614 | - | 6,614 | 6,613 | 1 | 9,495 | 9,495 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - |
| Machinery and equipment | 5,000 | 1,614 | - | 6,614 | 6,613 | 1 | 9,437 | 9,495 |
| Transport equipment | 1,856 | - | - | 1,856 | 1,856 | - | - | - |
| Other machinery and equipment | 3,144 | 1,614 | - | 4,758 | 4,757 | 1 | 9,437 | 9,495 |
| Heritage assets | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | 58 | - |
| Payment for financial assets | 80 | 30 | - | 110 | 173 | 63 | 914 | 914 |
| Total | 263,691 | - | 7,610 | 271,301 | 267,258 | 3,979 | 243,174 | 236,494 |
| | | | | | | | 157.3% | 98.5% |

| Programme 2: REGIONAL AND URBAN DEVELOPMENT AND LEGISLATIVE SUPPORT | | | | | | | | | |
|--|------------------------|-------------------|-----------------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| 2016/17 | | | | | 2015/16 | | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Sub programme | | | | | | | | | |
| MANAGEMENT: REGIONAL AND URBAN DEVELOPMENT AND LEGISLATIVE SUPPORT | 1,158 | (330) | - | 828 | 414 | 414 | 50.0% | 7,122 | 6,122 |
| LOCAL GOVERNMENT LEGISLATIVE SUPPORT AND INSTITUTIONAL ESTABLISHMENT | 2,539 | 2,316 | - | 4,855 | 4,034 | 821 | 83.1% | 5,630 | 5,630 |
| URBAN DEVELOPMENT PLANNING | 8,161 | 330 | (404) | 8,087 | 4,918 | 3,169 | 60.8% | 8,823 | 8,823 |
| SPATIAL PLANNING: DISTRICTS AND REGIONS | 13,482 | (40) | - | 13,442 | 9,870 | 3,572 | 73.4% | 8,846 | 8,846 |
| INTERGOVERNMENTAL POLICY AND PRACTICE | 7,174 | (2,276) | - | 4,898 | 4,311 | 587 | 88.0% | 7,781 | 7,781 |
| MUNICIPAL DEMARCATION TRANSITION GRANT | 325,280 | - | - | 325,280 | 297,422 | 27,858 | 91.4% | - | - |
| | 357,794 | - | (404) | 357,390 | 320,969 | 36,421 | 89.8% | 38,202 | 37,202 |
| Economic classification | | | | | | | | | |
| Current payments | 60,372 | (33) | (28,262) | 32,077 | 23,514 | 8,563 | 73.3% | 38,202 | 37,202 |
| Compensation of employees | 18,725 | - | - | 18,725 | 17,936 | 789 | 95.8% | 22,958 | 22,958 |
| Salaries and wages | 16,326 | 237 | - | 16,563 | 16,001 | 562 | 96.6% | 18,833 | 18,833 |
| Social contributions | 2,399 | (237) | - | 2,162 | 1,935 | 227 | 89.5% | 4,125 | 4,125 |
| Goods and services | 41,647 | (33) | (28,262) | 13,352 | 5,578 | 7,774 | 41.8% | 15,244 | 14,244 |
| Administrative fees | - | 64 | - | 64 | 64 | - | 100.0% | 20 | 20 |
| Advertising | 161 | 8 | - | 169 | 81 | 88 | 47.9% | 125 | 125 |
| Minor assets | 140 | (23) | - | 117 | 2 | 115 | 1.7% | 121 | 121 |
| Audit costs: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 749 | (52) | - | 697 | 41 | 656 | 5.9% | 861 | 861 |

| | | | | | | | | |
|---|--------|-------|-------|-------|-------|--------|-------|-------|
| Communication (G&S) | 622 | - | 622 | 259 | 363 | 41.6% | 522 | 522 |
| Computer services | 372 | - | 372 | - | 372 | - | 1,030 | 1,030 |
| Consultants: Business and advisory services | 34,064 | (267) | 5,535 | 1,748 | 3,787 | 31.6% | 2,908 | 2,908 |
| Infrastructure and planning services | - | - | - | - | - | - | - | - |
| Laboratory services | - | - | - | - | - | - | - | - |
| Scientific and technological services | - | - | - | - | - | - | - | - |
| Legal services | - | - | - | - | - | - | - | - |
| Contractors | - | 267 | 267 | 267 | - | 100.0% | 52 | 52 |
| Agency and support / outsourced services | - | - | - | - | - | - | 365 | 365 |
| Entertainment | 19 | (12) | 7 | - | 7 | - | - | - |
| Fleet services (including government motor transport) | 22 | 14 | 36 | 23 | 13 | 63.9% | 16 | 16 |
| Housing | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - |
| Medas inventory interface | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | 4 | - | 4 | - | 4 | - | 4 | 4 |
| Consumable supplies | 22 | 1 | 23 | 3 | 20 | 13.0% | - | - |
| Consumable: Stationery, printing and office supplies | 1,423 | (1) | 1,422 | 382 | 1,040 | 26.9% | 1,262 | 1,262 |

| | | | | | | | | | |
|---|----------------|-----------|---------------|----------------|----------------|---------------|--------------|----------|----------|
| Operating leases | 93 | (14) | - | 79 | - | 79 | - | 77 | 77 |
| Property payments | - | - | - | - | - | - | - | - | - |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 3,261 | (33) | - | 3,228 | 2,467 | 761 | 76.4% | 7,077 | 6,077 |
| Training and development | 248 | (83) | - | 165 | 35 | 130 | 21.2% | 179 | 179 |
| Operating payments | 139 | 14 | - | 153 | 104 | 49 | 68.0% | 289 | 289 |
| Venues and facilities | 308 | 84 | - | 392 | 102 | 290 | 26.0% | 336 | 336 |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest (Incl. interest on unitary payments (PPP)) | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 297,422 | 33 | 27,858 | 325,313 | 297,455 | 27,858 | 91.4% | - | - |
| Provinces and municipalities | 297,422 | - | 27,858 | 325,280 | 297,422 | 27,858 | 91.4% | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | 297,422 | - | 27,858 | 325,280 | 297,422 | 27,858 | 91.4% | - | - |
| Municipal bank accounts | 297,422 | - | 27,858 | 325,280 | 297,422 | 27,858 | 91.4% | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies (non-business entities) | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |

| Programme 3: INSTITUTIONAL DEVELOPMENT | | | | | | | | | |
|---|------------------------|-------------------|-----------------|---------------------|--------------------|------------------|---|---------------------|--------------------|
| 2016/17 | | | | | 2015/16 | | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Sub programme | | | | | | | | | |
| Management: Institutional Development | 5,703 | - | - | 5,703 | 5,419 | 284 | 95.0% | 20,828 | 20,828 |
| Human Resource Management Systems | 7,057 | 1,953 | - | 9,010 | 8,903 | 107 | 98.8% | 9,637 | 9,637 |
| Municipal Finance | 33,816 | - | (11,350) | 22,466 | 5,853 | 16,613 | 26.1% | 13,082 | 13,082 |
| Citizen Engagement | 8,275 | 2,136 | - | 10,411 | 6,548 | 3,863 | 62.9% | 6,956 | 6,956 |
| Anti-Corruption and Good Governance | 5,508 | - | - | 5,508 | 3,886 | 1,622 | 70.6% | 5,465 | 5,465 |
| Municipal Property Rates | 13,252 | (4,089) | - | 9,163 | 6,560 | 2,603 | 71.6% | 9,532 | 9,532 |
| Local Government Equitable Share | 52,568,706 | - | - | 52,568,706 | 50,708,988 | 1,859,718 | 96.5% | 51,745,516 | 49,370,221 |
| Municipal Infrastructure Grant | 14,914,028 | - | - | 14,914,028 | 14,914,028 | - | 100.0% | 14,955,762 | 14,955,762 |
| Municipal System Improvement Grant | 84,349 | - | - | 84,349 | 19,379 | 64,970 | 23.0% | 251,442 | 251,442 |
| Department Of Traditional Affairs | 129,798 | - | 4,200 | 133,998 | 133,998 | - | 100.0% | 125,928 | 125,928 |
| Municipal Infrastructure Support Agency | 349,889 | - | - | 349,889 | 349,889 | - | 100.0% | 304,013 | 304,013 |
| Total for sub programmes | 68,120,381 | - | (7,150) | 68,113,231 | 66,163,451 | 1,949,780 | 97.1% | 67,448,161 | 65,072,866 |
| Economic classification | | | | | | | | | |
| Current payments | 157,960 | (19) | (11,860) | 146,081 | 56,529 | 89,552 | 38.7% | 65,500 | 65,500 |
| Compensation of employees | 32,711 | - | - | 32,711 | 28,673 | 4,038 | 87.7% | 39,582 | 39,582 |
| Salaries and wages | 29,115 | (266) | - | 28,849 | 25,741 | 3,108 | 89.2% | 35,933 | 35,933 |
| Social contributions | 3,596 | 266 | - | 3,862 | 2,932 | 930 | 75.9% | 3,649 | 3,649 |
| Goods and services | 125,249 | (19) | (11,860) | 113,370 | 27,856 | 85,514 | 24.6% | 25,918 | 25,918 |
| Administrative fees | 1 | 44 | 7 | 52 | 52 | - | 100.0% | - | - |
| Advertising | 88 | 721 | - | 809 | 763 | 46 | 94.3% | 31 | 31 |
| Minor assets | 165 | (42) | - | 123 | 12 | 111 | 9.8% | 460 | 460 |
| Audit costs: External | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | |
|---|--------|---------|----------|--------|--------|--------|--------|--------|--------|
| Catering: Departmental activities | 890 | (68) | (7) | 815 | 324 | 491 | 39.8% | 730 | 730 |
| Communication (G&S) | 1,122 | (125) | - | 997 | 318 | 679 | 31.9% | 492 | 492 |
| Computer services | 10,000 | 2,733 | (10,000) | 2,733 | 2,733 | - | 100.0% | 209 | 209 |
| Consultants: Business and advisory services | 92,543 | (2,660) | (1,350) | 88,533 | 20,056 | 68,477 | 22.7% | 12,819 | 12,819 |
| Infrastructure and planning services | - | - | - | - | - | - | - | - | - |
| Laboratory services | - | - | - | - | - | - | - | - | - |
| Scientific and technological services | - | - | - | - | - | - | - | - | - |
| Legal services | - | - | - | - | - | - | - | - | - |
| Contractors | 10,009 | (105) | - | 9,904 | - | 9,904 | - | 1,207 | 1,207 |
| Agency and support / outsourced services | - | - | - | - | - | - | - | 416 | 416 |
| Entertainment | - | - | - | - | - | - | - | - | - |
| Fleet services (including government motor transport) | 517 | 8 | - | 525 | 19 | 506 | 3.6% | 10 | 10 |
| Housing | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | 2 | - | - | 2 | - | 2 | - | 2 | 2 |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | 32 | (32) | - | - | - | - | - | 32 | 32 |
| Consumable supplies | 2 | - | - | 2 | - | 2 | - | - | - |

| | | | | | | | | | |
|--|-------------------|----------|--------------|-------------------|-------------------|------------------|--------------|-------------------|-------------------|
| Consumable: Stationery, printing and office supplies | 1,288 | (80) | - | 1,208 | 802 | 406 | 66.4% | 1,285 | 1,285 |
| Operating leases | 81 | 56 | - | 137 | 89 | 48 | 65.0% | 56 | 56 |
| Property payments | - | - | - | - | - | - | - | - | - |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - |
| Travel and subsistence | 7,319 | (501) | (510) | 6,308 | 2,452 | 3,856 | 38.9% | 5,778 | 5,778 |
| Training and development | 278 | 65 | - | 343 | 138 | 205 | 40.2% | 202 | 202 |
| Operating payments | 138 | 60 | - | 198 | 90 | 108 | 45.5% | 52 | 52 |
| Venues and facilities | 774 | (93) | - | 681 | 8 | 673 | 1.2% | 2,137 | 2,137 |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest (Incl. interest on unitary payments (PPP)) | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 67,962,421 | - | 4,710 | 67,967,131 | 66,106,903 | 1,860,228 | 97.3% | 67,382,661 | 65,007,366 |
| Provinces and municipalities | 67,482,734 | - | - | 67,482,734 | 65,623,016 | 1,859,718 | 97.2% | 66,952,720 | 64,577,425 |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | 67,482,734 | - | - | 67,482,734 | 65,623,016 | 1,859,718 | 97.2% | 66,952,720 | 64,577,425 |
| Municipal bank accounts | 67,482,734 | - | - | 67,482,734 | 65,623,016 | 1,859,718 | 97.2% | 66,952,720 | 64,577,425 |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | 479,687 | - | 4,200 | 483,887 | 483,887 | - | 100.0% | 429,941 | 429,941 |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies (non-business entities) | 479,687 | - | 4,200 | 483,887 | 483,887 | - | 100.0% | 429,941 | 429,941 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | 510 | 510 | - | 510 | - | - | - |

| Programme 4: NATIONAL DISASTER MANAGEMENT CENTRE | | | | | | | | | |
|--|------------------------|-------------------|--------------|---------------------|--------------------|----------------|---|---------------------|--------------------|
| 2016/17 | | | | | | | 2015/16 | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Sub programme | | | | | | | | | |
| Management: national disaster management centre | 3,132 | 2,453 | - | 5,585 | 5,585 | - | 100.0% | 6,105 | 5,683 |
| Disaster risk reduction, capacity building and intervention | 28,017 | (1,471) | 2,605 | 29,151 | 7,120 | 22,031 | 24.4% | 12,667 | 12,567 |
| Legislation and policy management | 5,098 | 336 | - | 5,434 | 4,479 | 955 | 82.4% | 6,115 | 6,120 |
| Integrated provincial disaster management support, monitoring and evaluation systems | 3,656 | (553) | - | 3,103 | 2,696 | 407 | 86.9% | 2,311 | 1,825 |
| Fire services | 3,097 | (399) | - | 2,698 | 2,698 | - | 100.0% | - | - |
| Information technology, intelligence and information management systems | 24,420 | (366) | - | 24,054 | 14,629 | 9,425 | 60.8% | 10,914 | 10,254 |
| Disaster relief grant | 381,467 | - | - | 381,467 | 118,075 | 263,392 | 31.0% | 364,343 | 35,588 |
| Municipal disaster recovery grant | 140,000 | - | - | 140,000 | 140,000 | - | 100.0% | 188,900 | 186,121 |
| Total for sub programmes | 588,887 | - | 2,605 | 591,492 | 295,282 | 296,210 | 49.9% | 591,355 | 258,158 |
| Economic classification | | | | | | | | | |
| Current payments | 65,073 | (2,251) | 2,605 | 65,427 | 33,567 | 31,860 | 51.3% | 36,886 | 35,750 |
| Compensation of employees | 17,348 | - | 2,605 | 19,953 | 19,731 | 222 | 98.9% | 21,467 | 20,772 |
| Salaries and wages | 15,113 | 194 | 2,605 | 17,912 | 17,690 | 222 | 98.8% | 18,916 | 18,499 |
| Social contributions | 2,235 | (194) | - | 2,041 | 2,041 | - | 100.0% | 2,551 | 2,273 |
| Goods and services | 47,725 | (2,251) | - | 45,474 | 13,836 | 31,638 | 30.4% | 15,419 | 14,978 |
| Administrative fees | - | 50 | - | 50 | 50 | - | 100.0% | 1 | 1 |
| Advertising | 55 | 72 | - | 127 | 105 | 22 | 82.7% | 41 | 41 |
| Minor assets | 228 | (41) | - | 187 | 17 | 170 | 9.1% | 77 | 77 |
| Audit costs: External | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | | |
|---|--------|---------|---|--------|-------|--------|--------|-------|-------|---|
| Bursaries: Employees | 2,000 | (455) | - | 1,545 | - | 1,545 | - | - | - | - |
| Catering: Departmental activities | 389 | 36 | - | 425 | 377 | 48 | 88.7% | 429 | 434 | - |
| Communication (G&S) | 514 | 132 | - | 646 | 599 | 47 | 92.7% | 546 | 541 | - |
| Computer services | 10,832 | (2,133) | - | 8,699 | 4,609 | 4,090 | 53.0% | 2,859 | 2,859 | - |
| Consultants: Business and advisory services | 29,460 | (4,562) | - | 24,898 | - | 24,898 | - | 3,864 | 3,909 | - |
| Infrastructure and planning services | - | - | - | - | - | - | - | - | - | - |
| Laboratory services | - | - | - | - | - | - | - | - | - | - |
| Scientific and technological services | - | - | - | - | - | - | - | - | - | - |
| Legal services | - | - | - | - | - | - | - | - | - | - |
| Contractors | - | 10 | - | 10 | 10 | - | 100.0% | - | - | - |
| Agency and support / outsourced services | - | - | - | - | - | - | - | - | - | - |
| Entertainment | - | - | - | - | - | - | - | - | - | - |
| Fleet services (including government motor transport) | 11 | 56 | - | 67 | 67 | - | 100.0% | 74 | 74 | - |
| Housing | - | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | - | - | - | - | - | - | - | - | - | - |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | - | - | - | - | - | - | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - | - |
| Inventory: Medicine | - | - | - | - | - | - | - | - | - | - |
| Medsas inventory interface | - | - | - | - | - | - | - | - | - | - |
| Inventory: Other supplies | - | - | - | - | - | - | - | - | - | - |
| Consumable supplies | 24 | (15) | - | 9 | 6 | 3 | 66.7% | 3 | 3 | - |
| Consumable: Stationery, printing and office supplies | 1,052 | (159) | - | 893 | 585 | 308 | 65.5% | 2,401 | 2,401 | - |
| Operating leases | 214 | 3,769 | - | 3,983 | 3,788 | 195 | 95.1% | 1,600 | 1,600 | - |
| Property payments | - | - | - | - | - | - | - | - | - | - |
| Transport provided: Departmental activity | - | - | - | - | - | - | - | - | - | - |

| | | | | | | | | |
|---|---------|-------|---------|---------|---------|-------|---------|---------|
| Travel and subsistence | 2,462 | (25) | 2,437 | 2,310 | 127 | 94.8% | 2,668 | 2,190 |
| Training and development | 249 | 632 | 881 | 816 | 65 | 92.6% | 294 | 294 |
| Operating payments | 60 | 339 | 399 | 369 | 30 | 92.5% | 205 | 205 |
| Venues and facilities | 175 | 43 | 218 | 128 | 90 | 58.7% | 357 | 349 |
| Rental and hiring | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - |
| Interest (Incl. interest on unitary payments (PPP) | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - |
| Transfers and subsidies | 521,467 | 2,251 | 523,718 | 260,326 | 263,392 | 49.7% | 553,270 | 221,736 |
| Provinces and municipalities | 521,467 | 5 | 521,472 | 258,080 | 263,392 | 49.5% | 553,248 | 221,714 |
| Provinces | 111,545 | - | 111,545 | - | 111,545 | - | 103,199 | 35,593 |
| Provincial Revenue Funds | 111,545 | - | 111,545 | - | 111,545 | - | 103,199 | 35,593 |
| Provincial agencies and funds | - | - | - | - | - | - | - | - |
| Municipalities | 409,922 | 5 | 409,927 | 258,080 | 151,847 | 63.0% | 450,049 | 186,121 |
| Municipal bank accounts | 409,922 | 5 | 409,927 | 258,080 | 151,847 | 63.0% | 450,049 | 186,121 |
| Municipal agencies and funds | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - |
| Departmental agencies (non-business entities) | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - |
| Subsidies on products and production (pc) | - | - | - | - | - | - | - | - |
| Other transfers to public corporations | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - |
| Subsidies on products and production (pe) | - | - | - | - | - | - | - | - |
| Other transfers to private enterprises | - | - | - | - | - | - | - | - |
| Non-profit institutions | - | - | - | - | - | - | - | - |

| | | | | | | | | | |
|--------------------------------------|----------------|----------|--------------|----------------|----------------|----------------|--------------|----------------|----------------|
| Households | - | 2,246 | - | 2,246 | 2,246 | - | 100.0% | 22 | 22 |
| Social benefits | - | 2,246 | - | 2,246 | 2,246 | - | 100.0% | 22 | 22 |
| Other transfers to households | - | - | - | - | - | - | - | - | - |
| Payments for capital assets | 2,347 | - | - | 2,347 | 1,389 | 958 | 59.2% | 1,199 | 672 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | 2,347 | - | - | 2,347 | 1,389 | 958 | 59.2% | 1,199 | 672 |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | 2,347 | - | - | 2,347 | 1,389 | 958 | 59.2% | 1,199 | 672 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payment for financial assets | - | - | 2,605 | 591,492 | 295,282 | 296,210 | 49.9% | 591,355 | 258,158 |
| Total | 588,887 | - | 2,605 | 591,492 | 295,282 | 296,210 | 49.9% | 591,355 | 258,158 |

| Programme 5: LOCAL GOVERNMENT SUPPORT AND INTERVENTION MANAGEMENT | | | | | | | | | |
|---|------------------------|-------------------|-----------------|---------------------|--------------------|---------------|---|---------------------|--------------------|
| | 2016/17 | | | | | 2015/16 | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Sub programme | | | | | | | | | |
| Management: Local Government Support and Interventions. | 3,948 | 60 | - | 4,008 | 2,974 | 1,034 | 74.2% | 13,755 | 13,754 |
| Municipal Performance Monitoring | 322,778 | (60) | - | 322,718 | 274,242 | 48,476 | 85.0% | 5,018 | 5,012 |
| Local Government Improvement Programme. | 29,243 | - | - | 29,243 | 26,110 | 3,133 | 89.3% | 14,561 | 14,561 |
| Litigations and Interventions | 11,059 | - | (4,700) | 6,359 | - | 6,359 | - | 8,501 | 8,501 |
| Municipal Infrastructure Grant Management | 35,601 | - | (905) | 34,696 | 31,001 | 3,695 | 89.4% | 15,517 | 15,465 |
| South African Local Government Association | 31,500 | - | - | 31,500 | 31,500 | - | 100.0% | 9,215 | 9,215 |
| Municipal Demarcation Board | 59,220 | - | - | 59,220 | 59,220 | - | 100.0% | 45,793 | 45,793 |
| South African Cities Network | 6,619 | - | 3,000 | 9,619 | 9,119 | 500 | 94.8% | 6,286 | 6,286 |
| Total For Sub Programmes | 499,968 | - | (2,605) | 497,363 | 434,166 | 63,197 | 87.3% | 118,646 | 118,587 |
| Economic classification | | | | | | | | | |
| Current payments | 93,353 | (162) | (11,405) | 81,786 | 72,017 | 9,769 | 88.1% | 57,176 | 57,175 |
| Compensation of employees | 62,448 | - | (2,605) | 59,843 | 55,716 | 4,127 | 93.1% | 36,140 | 36,140 |
| Salaries and wages | 55,299 | (972) | (2,605) | 51,722 | 49,894 | 1,828 | 96.5% | 32,243 | 32,243 |
| Social contributions | 7,149 | 972 | - | 8,121 | 5,822 | 2,299 | 71.7% | 3,897 | 3,897 |
| Goods and services | 30,905 | (162) | (8,800) | 21,943 | 16,301 | 5,642 | 74.3% | 21,036 | 21,035 |
| Administrative fees | - | 232 | - | 232 | 232 | - | 100.0% | - | - |

| | | | | | | | | | | | | |
|---|-------|---------|---------|-------|-------|-----|--------|--------|--------|--------|---|--------|
| Advertising | 50 | (21) | - | 29 | - | 29 | - | 29 | - | 50 | - | 49 |
| Minor assets | 87 | (6) | - | 81 | 1 | 80 | 1.2% | 87 | 1.2% | 87 | - | 87 |
| Audit costs: External | - | - | - | - | - | - | - | - | - | - | - | - |
| Bursaries: Employees | - | 47 | - | 47 | 47 | - | 100.0% | - | 100.0% | - | - | - |
| Catering: Departmental activities | 1,401 | 54 | (70) | 1,385 | 908 | 477 | 65.6% | 996 | 65.6% | 996 | - | 996 |
| Communication (G&S) | 2,506 | (929) | (30) | 1,547 | 658 | 889 | 42.5% | 690 | 42.5% | 690 | - | 690 |
| Computer services | - | 244 | - | 244 | 244 | - | 100.0% | 424 | 100.0% | 424 | - | 424 |
| Consultants: Business and advisory services | 8,322 | (3,170) | (2,300) | 2,852 | 2,203 | 649 | 77.2% | 13,032 | 77.2% | 13,032 | - | 13,032 |
| Infrastructure and planning services | - | - | - | - | - | - | - | - | - | - | - | - |
| Laboratory services | - | - | - | - | - | - | - | - | - | - | - | - |
| Scientific and technological services | 1,700 | - | (1,700) | - | - | - | - | - | - | - | - | - |
| Legal services | - | - | - | - | - | - | - | - | - | - | - | - |
| Contractors | 70 | 682 | - | 752 | 682 | 70 | 90.7% | 67 | 90.7% | 67 | - | 67 |
| Agency and support / outsourced services | - | - | - | - | - | - | - | 208 | - | 208 | - | 208 |
| Entertainment | - | - | - | - | - | - | - | - | - | - | - | - |
| Fleet services (including government motor transport) | 2 | 163 | - | 165 | 165 | - | 100.0% | 2 | 100.0% | 2 | - | 2 |
| Housing | - | - | - | - | - | - | - | - | - | - | - | - |
| Inventory: Clothing material and accessories | - | - | - | - | - | - | - | - | - | - | - | - |
| Inventory: Farming supplies | - | - | - | - | - | - | - | - | - | - | - | - |
| Inventory: Food and food supplies | 10 | - | - | 10 | - | 10 | - | 10 | - | 10 | - | 10 |
| Inventory: Fuel, oil and gas | - | - | - | - | - | - | - | - | - | - | - | - |
| Inventory: Learner and teacher support material | - | - | - | - | - | - | - | - | - | - | - | - |
| Inventory: Materials and supplies | - | 1 | - | 1 | 1 | - | 100.0% | - | 100.0% | - | - | - |
| Inventory: Medical supplies | - | - | - | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | |
|---|----------------|----------|----------------|----------------|----------------|---------------|--------------|----------------|----------------|
| Departmental agencies (non-business entities) | 90,720 | - | - | 90,720 | 90,720 | - | 100.0% | 55,008 | 55,008 |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on products and production (pc) | - | - | - | - | - | - | - | - | - |
| Other transfers to public corporations | - | - | - | - | - | - | - | - | - |
| Private enterprises | - | - | - | - | - | - | - | - | - |
| Subsidies on products and production (pe) | - | - | - | - | - | - | - | - | - |
| Other transfers to private enterprises | - | - | - | - | - | - | - | - | - |
| Non-profit institutions | 6,619 | - | 8,800 | 9,119 | 15,419 | 6,300 | 59.1% | 6,286 | 6,286 |
| Households | 309,276 | 162 | - | 262,310 | 309,438 | 47,128 | 84.8% | 24 | 24 |
| Social benefits | - | 162 | - | 67 | 162 | 95 | 41.4% | - | - |
| Other transfers to households | 309,276 | - | - | 262,243 | 309,276 | 47,033 | 84.8% | 24 | 24 |
| Payments for capital assets | - | - | - | - | - | - | - | 152 | 94 |
| Buildings and other fixed structures | - | - | - | - | - | - | - | - | - |
| Buildings | - | - | - | - | - | - | - | - | - |
| Other fixed structures | - | - | - | - | - | - | - | - | - |
| Machinery and equipment | - | - | - | - | - | - | - | 152 | 94 |
| Transport equipment | - | - | - | - | - | - | - | - | - |
| Other machinery and equipment | - | - | - | - | - | - | - | 152 | 94 |
| Heritage assets | - | - | - | - | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - | - | - | - | - |
| Biological assets | - | - | - | - | - | - | - | - | - |
| Land and sub-soil assets | - | - | - | - | - | - | - | - | - |
| Software and other intangible assets | - | - | - | - | - | - | - | - | - |
| Payment for financial assets | - | - | - | - | - | - | - | - | - |
| Total | 499,968 | - | (2,605) | 434,166 | 497,363 | 63,197 | 87.3% | 118,646 | 118,587 |

| Programme 6: COMMUNITY WORK PROGRAMME | | | | | | | | | |
|---|------------------------|-------------------|----------|---------------------|--------------------|----------------|---|---------------------|--------------------|
| | 2016/17 | | | | | 2015/16 | | | |
| | Adjusted Appropriation | Shifting of Funds | Virement | Final Appropriation | Actual Expenditure | Variance | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | % | R'000 | R'000 |
| Sub programme | | | | | | | | | |
| Management: Community Work Programme | 3,140,754 | - | - | 3,140,754 | 2,368,246 | 772,508 | 75.4% | 2,375,939 | 2,374,230 |
| Programme Coordination | 38,532 | - | - | 38,532 | 1,455 | 37,077 | 3.8% | - | - |
| Partnerships, Norms, Standards and Innovation | 11,899 | - | - | 11,899 | 1,395 | 10,504 | 11.7% | - | - |
| Total for sub programmes | 3,191,185 | - | - | 3,191,185 | 2,371,096 | 820,089 | 74.3% | 2,375,939 | 2,374,230 |
| Economic classification | | | | | | | | | |
| Current payments | 3,191,185 | (1,304) | - | 3,189,881 | 2,369,792 | 820,089 | 74.3% | 2,340,067 | 2,338,358 |
| Compensation of employees | 63,483 | - | - | 63,483 | 28,504 | 34,979 | 44.9% | 30,479 | 29,770 |
| Salaries and wages | 57,244 | - | - | 57,244 | 27,085 | 30,159 | 47.3% | 28,766 | 28,057 |
| Social contributions | 6,239 | - | - | 6,239 | 1,419 | 4,820 | 22.7% | 1,713 | 1,713 |
| Goods and services | 3,127,702 | (1,304) | - | 3,126,398 | 2,341,288 | 785,110 | 74.9% | 2,309,588 | 2,308,588 |
| Administrative fees | - | 10,953 | - | 10,953 | 10,953 | - | 100.0% | 11,740 | 11,740 |
| Advertising | 2,953 | - | - | 2,953 | - | 2,953 | - | - | - |
| Minor assets | 254 | 879 | - | 1,133 | 886 | 247 | 78.2% | 7,764 | 7,784 |
| Audit costs: External | 3,000 | - | - | 3,000 | 997 | 2,003 | 33.2% | 66 | 66 |
| Bursaries: Employees | - | - | - | - | - | - | - | - | - |
| Catering: Departmental activities | 4,624 | 293 | - | 4,917 | 748 | 4,169 | 15.2% | 650 | 630 |
| Communication (G&S) | 831 | 170 | - | 1,001 | 364 | 637 | 36.4% | 348 | 347 |
| Computer services | 48,884 | (48,716) | - | 168 | 68 | 100 | 40.5% | - | - |
| Consultants: Business and advisory services | 22,458 | 151,517 | - | 173,975 | 163,660 | 10,315 | 94.1% | 190,063 | 190,063 |
| Infrastructure and planning services | - | - | - | - | - | - | - | - | - |
| Laboratory services | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | |
|---|----------|-----------|----------|-----------|-----------|----------|---------------|-----------|-----------|
| Travel and subsistence | 9,711 | 1,334 | - | 11,045 | 4,416 | 6,629 | 40.0% | 3,873 | 2,999 |
| Training and development | 286 | 39,335 | - | 39,621 | 39,335 | 286 | 99.3% | 71,301 | 71,301 |
| Operating payments | 83 | 252 | - | 335 | 258 | 77 | 77.0% | 217 | 217 |
| Venues and facilities | 2,300 | (14) | - | 2,286 | 11 | 2,275 | 0.5% | 200 | 113 |
| Rental and hiring | - | - | - | - | - | - | - | - | - |
| Interest and rent on land | - | - | - | - | - | - | - | - | - |
| Interest (Incl. interest on unitary payments (PPP)) | - | - | - | - | - | - | - | - | - |
| Rent on land | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | - | 14 | - | 14 | 14 | - | 100.0% | 55 | 55 |
| Provinces and municipalities | - | - | - | - | - | - | - | - | - |
| Provinces | - | - | - | - | - | - | - | - | - |
| Provincial Revenue Funds | - | - | - | - | - | - | - | - | - |
| Provincial agencies and funds | - | - | - | - | - | - | - | - | - |
| Municipalities | - | - | - | - | - | - | - | - | - |
| Municipal bank accounts | - | - | - | - | - | - | - | - | - |
| Municipal agencies and funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies and accounts | - | - | - | - | - | - | - | - | - |
| Social security funds | - | - | - | - | - | - | - | - | - |
| Departmental agencies (non-business entities) | - | - | - | - | - | - | - | - | - |
| Higher education institutions | - | - | - | - | - | - | - | - | - |
| Foreign governments and international organisations | - | - | - | - | - | - | - | - | - |
| Public corporations and private enterprises | - | - | - | - | - | - | - | - | - |
| Public corporations | - | - | - | - | - | - | - | - | - |
| Subsidies on products and production (pc) | - | - | - | - | - | - | - | - | - |

COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

Notes to the Appropriation Statement

- 1 **Detail of transfers and subsidies as per Appropriation Act (after Virement):**
Detail of these transactions can be viewed in the note on Transfers and subsidies and Annexure I (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 I (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 to Payments for financial assets to the Annual Financial Statements.
- 4 **Explanations of material variances from Amounts Voted (after virement):**

4.1 Per programme:

PROGRAMME 1:ADMINISTRTION

| Final Appropriation | Actual Expenditure | Variance | Variance as a % of Final Approp. |
|---------------------|--------------------|----------|----------------------------------|
| | R'000 | R'000 | % |
| 271 245 | 267 266 | 3979 | 1% |

In line with expenditure

PROGRAMME 2: REGIONAL AND URBAN DEVELOPMENT AND LEGISLATIVE SUPPORT

| | | | |
|---------|---------|--------|-----|
| 357,396 | 320,969 | 36,421 | 10% |
|---------|---------|--------|-----|

The low spending is mainly due to the slow start with the implementation of the 2016/17 Procurement Plan and additional funds received for the MDTG through the roll-over process and not spend due to reclassification of the Grant.

PROGRAMME 3: INSTITUTIONAL DEVELOPMENT

| | | | |
|------------|------------|-----------|----|
| 68,113,231 | 66,163,451 | 1,949,780 | 3% |
|------------|------------|-----------|----|

The under-spending mainly due to the withholding of the Equitable Share Grant due to non-compliance of the DORA act requirements.

PROGRAMME 4: NATIONAL DISASTER MANAGEMENT CENTRE

| | | | |
|---------|---------|---------|-----|
| 591,492 | 295,282 | 296,210 | 50% |
|---------|---------|---------|-----|

The under-spending is mainly due to Disaster Relief funds that were not paid out as projected. These funds are only paid when disasters are declared and in consultation with National Treasury and the contract to evaluate disasters that was not completed by the end of March 2017.

PROGRAMME 5: LOCAL GOVERNMENT SUPPORT AND INTERVENTION MANAGEMENT

| | | | |
|---------|---------|--------|-----|
| 497,363 | 434,166 | 63,197 | 13% |
|---------|---------|--------|-----|

The under-spending at the end of March 2017 is mainly due, lower amount paid to ex-councillors than projected and slow start with the implementation of the 2016/17 Procurement Plan.

PROGRAMME 6: COMMUNITY WORK PROGRAMME

| | | | |
|-----------|--------------|---------|-----|
| 3,191,185 | 2,371,096.00 | 820,089 | 26% |
|-----------|--------------|---------|-----|

The under-spending relate to the procurement of goods and services for the implementation of the CWP. The Department incurred a large amount of irregular expenditure over the past two financial years as a result of the failure by Implementing Agents (IA's) to adhere to supply chain management procedures. As a mechanism to curb these irregularities, the Department had to ensure that there was first an approved Standard Operating Procedure (SOP) in place to guide procurement.

4.2 Per economic classification:

Current expenditure

| | Final Appropriation R'000 | Actual Expenditure R'000 | Variance R'000 | Variance as a % of Final Approp. % |
|---------------------------|---------------------------------|--------------------------------|-------------------|--|
| Compensation of employees | 3,779,508 | 2,815,713 | 963,795 | 15% |
| Goods and services | 320,521 | 272,404 | 48,117 | 26% |
| Interest and rent on land | 3,458,987 | 2,543,309 | 915,678 | |

Transfers and subsidies

| | | | | |
|---|------------|------------|-----------|-----|
| Provinces and municipalities | 69,228,908 | 67,024,527 | 2,204,381 | 3% |
| Departmental agencies and accounts | 68,329,586 | 66,178,538 | 2,151,048 | 0% |
| Higher education institutions | 574,607 | 574,607 | - | |
| Public corporations and private enterprises | | | | |
| Foreign governments and international organisations | 510 | 0 | | |
| Non-profit institutions | 15,419 | 9,119 | 6,300 | 41% |
| Households | 309,296 | 262,263 | 47,033 | 15% |

Payments for capital assets

| | | | | |
|--------------------------------------|--------|-------|-----|----|
| Buildings and other fixed structures | 10,270 | 9,312 | 958 | 9% |
| Machinery and equipment | | | | |
| Heritage assets | | | | |
| Specialised military assets | | | | |
| Biological assets | | | | |
| Land and subsoil assets | | | | |
| Software and other intangible assets | | | | |

Payments for financial assets

| | | | | |
|--|-----|-----|------|------|
| | 110 | 173 | (63) | -57% |
|--|-----|-----|------|------|

Compensation of employees under-spending relates to:

- Effect of the 2016 MTEF baseline cuts in compensation of employee allocations by Cabinet (no decrease in 2016/17 with main decreases in the 2017/18 and 2018/19 financial years).
- Moratorium on the filling of vacated and priority posts due to estimated deficits from the 2018/19

Goods and Services under-spending relates to:

- Late and slow start with the implementation of the 2016 Procurement Plan, due to unforeseen administrative delays.
- Delays in the receipt of complete and accurate invoices from creditors.
- Net effect of the implementation of the cost containment measures introduced by Cabinet to improve the economical, efficient and effective spending of limited government resources

Transfer payments and subsidies under-spending relates to:
 • Disaster Relief Grants that are only transferred when a disaster is declared and after the approval by the National Treasury, because of the uncertainty thereof.
 • Withholding/offsetting of Local Government Equitable Share grants in terms of the DORA requirements

| | Final Appropriation R'000 | Actual Expenditure R'000 | Variance R'000 | Variance as a % of Final Approp. % |
|--|------------------------------|-----------------------------|-------------------|---------------------------------------|
|--|------------------------------|-----------------------------|-------------------|---------------------------------------|

4.3 Per conditional grant

Only show the conditional grants applicable to the department

| | | | | |
|--|------------|------------|---------|-----|
| DISASTER RELIEF TRANSFERS | 381,467 | 118,075 | 263,392 | 69% |
| MUNICIPAL DISASTER RECOVERY GRANT | 140,000 | 140,000 | - | 0% |
| MUNICIPAL SYSTEMS IMPROVEMENT GRANT | 325,280 | 297,422 | 27,858 | 9% |
| MUNICIPAL DEMARCATION TRANSITION GRANT | 14,914,028 | 14,914,028 | - | 0% |
| MUNICIPAL INFRASTRUCTURE GRANT | | | | |

Transfer payments and subsidies under-spending relates to:

- Disaster Relief Grants that are only transferred when a disaster is declared and after the approval by the National Treasury, because of the uncertainty thereof.
- Withholding/offsetting of Local Government Equitable Share grants in terms of the DORA requirements

Statement of financial performance

| | Note | 2016/17 R'000 | 2015/16 R'000 |
|---|------|-------------------|-------------------|
| REVENUE | | | |
| Annual appropriation | 1 | 73,021,906 | 70,815,477 |
| Statutory appropriation | 2 | - | - |
| Departmental revenue | 3 | 23,451 | 1,116 |
| NRF Receipts | | - | - |
| Aid assistance | 4 | - | - |
| TOTAL REVENUE | | 73,045,357 | 70,816,593 |
| EXPENDITURE | | | |
| Current expenditure | | | |
| Compensation of employees | 5 | 272,405 | 258,331 |
| Goods and services | 6 | 2,543,309 | 2,501,289 |
| Interest and rent on land | 7 | - | - |
| Aid assistance | 4 | - | - |
| Total current expenditure | | 2,815,714 | 2,759,620 |
| Transfers and subsidies | | | |
| Transfers and subsidies | 9 | 67,027,032 | 65,290,924 |
| Aid assistance | 4 | - | - |
| Total transfers and subsidies | | 67,027,032 | 65,290,924 |
| Expenditure for capital assets | | | |
| Tangible assets | 10 | 9,311 | 46,079 |
| Intangible assets | 10 | - | - |
| Total expenditure for capital assets | | 9,311 | 46,079 |
| Unauthorised expenditure approved without funding | 11 | - | - |
| Payments for financial assets | 8 | 173 | 914 |
| TOTAL EXPENDITURE | | 69,852,230 | 68,097,537 |
| SURPLUS/(DEFICIT) FOR THE YEAR | | 3,193,127 | 2,719,056 |

Reconciliation of Net Surplus/(Deficit) for the year

| | | | |
|---------------------------------------|----|------------------|------------------|
| Voted funds | | 3,169,676 | 2,717,940 |
| Annual appropriation | | 2,878,426 | 2,351,120 |
| Conditional grants | | 291,250 | 366,820 |
| Departmental revenue and NRF Receipts | 19 | 23,451 | 1,116 |
| Aid assistance | 4 | - | - |
| SURPLUS/(DEFICIT) FOR THE YEAR | | 3,193,127 | 2,719,056 |

Statement of financial performance

| | Note | 2016/17 R'000 | 2015/16 R'000 |
|---|------|------------------|------------------|
| ASSETS | | | |
| Current assets | | 3,186,641 | 2,818,546 |
| Unauthorised expenditure | 11 | 1,123 | 1,123 |
| Cash and cash equivalents | 12 | 3,156,088 | 2,795,300 |
| Other financial assets | 13 | - | - |
| Prepayments and advances | 14 | 7,741 | 3,577 |
| Receivables | 15 | 21,689 | 18,546 |
| Loans | 17 | - | - |
| Aid assistance prepayments | 4 | - | - |
| Aid assistance receivable | 4 | - | - |
| Non-current assets | | 52 | 87 |
| Investments | 16 | - | - |
| Receivables | 15 | 52 | 87 |
| Loans | 17 | - | - |
| Other financial assets | 13 | - | - |
| TOTAL ASSETS | | 3,186,693 | 2,818,633 |
| LIABILITIES | | | |
| Current liabilities | | 3,186,693 | 2,818,633 |
| Voted funds to be surrendered to the Revenue Fund | 18 | 3,155,419 | 2,809,176 |
| Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund | 19 | 21,952 | 240 |
| Bank overdraft | 20 | - | - |
| Payables | 21 | 9,322 | 9,217 |
| Aid assistance repayable | 4 | - | - |
| Aid assistance unutilised | 4 | - | - |
| Non-current liabilities | | | |
| Payables | 22 | - | - |
| TOTAL LIABILITIES | | 3,186,693 | 2,818,633 |
| NET ASSETS | | | |

| | Note | 2015/16 R'000 | 2014/15 R'000 |
|--|------|------------------|------------------|
| Capitalisation Reserves | | | |
| Opening balance | | | |
| Transfers: | | | |
| Movement in Equity | | | |
| Movement in Operational Funds | | | |
| Other movements | | | |
| Closing balance | | | |
| Recoverable revenue | | | |
| Opening balance | | | |
| Transfers: | | | |
| Irrecoverable amounts written off | 8.3 | | |
| Debts revised | | | |
| Debts recovered (included in departmental receipts) | | | |
| Debts raised | | | |
| Closing balance | | | |
| Retained funds | | | |
| Opening balance | | | |
| Transfer from voted funds to be surrendered (Parliament/ Legislatures ONLY) | | | |
| Utilised during the year | | | |
| Other transfers | | | |
| Closing balance | | | |
| Revaluation Reserve | | | |
| Opening balance | | | |
| Revaluation adjustment (Housing departments) | | | |
| Transfers | | | |
| Other | | | |
| Closing balance | | | |
| TOTAL | | | |

| | Note | 2016/17 R'000 | 2015/16 R'000 |
|--|------------------|-------------------------|---------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts | | 73,031,060 | 70,816,593 |
| Annual appropriated funds received | <u>1.1</u> | 73,007,649 | 70,815,477 |
| Statutory appropriated funds received | <u>2</u> | - | - |
| Departmental revenue received | <u>3</u> | 22,193 | 825 |
| Interest received | <u>3.3</u> | 1,218 | 291 |
| NRF Receipts | | - | - |
| Aid assistance received | <u>4</u> | - | - |
| Net (increase)/decrease in working capital | | (7,167) | 80,935 |
| Surrendered to Revenue Fund | | (2,810,915) | (3,977,029) |
| Surrendered to RDP Fund/Donor | | - | - |
| Current payments | | (2,815,714) | (2,759,620) |
| Interest paid | <u>7</u> | - | - |
| Payments for financial assets | | (173) | (914) |
| Transfers and subsidies paid | | (67,027,032) | (65,290,924) |
| Net cash flow available from operating activities | <u>23</u> | <u>370,059</u> | <u>(1,130,959)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for capital assets | <u>10</u> | (9,311) | (46,079) |
| Proceeds from sale of capital assets | <u>3.4</u> | 40 | - |
| (Increase)/decrease in loans | | - | - |
| (Increase)/decrease in investments | | - | - |
| (Increase)/decrease in other financial assets | | - | - |
| Net cash flows from investing activities | | <u>(9,271)</u> | <u>(46,079)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Distribution/dividend received | | - | - |
| Increase/(decrease) in net assets | | - | - |
| Increase/(decrease) in non-current payables | | - | - |
| Net cash flows from financing activities | | <u>-</u> | <u>-</u> |
| Net increase/(decrease) in cash and cash equivalents | | 360,788 | (1,177,038) |
| Cash and cash equivalents at beginning of period | | 2,795,300 | 3,972,338 |
| Unrealised gains and losses within cash and cash equivalents | | - | - |
| Cash and cash equivalents at end of period | <u>24</u> | <u>3,156,088</u> | <u>2,795,300</u> |

Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

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

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

| | |
|------------|---|
| 1 | Basis of preparation The financial statements have been prepared in accordance with the Modified Cash Standard. |
| 2 | Going concern The financial statements have been prepared on a going concern basis. |
| 3 | Presentation currency Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department. |
| 4 | Rounding Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000). |
| 5 | Foreign currency translation Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt. |
| 6 | Comparative information |
| 6.1 | Prior period comparative information Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements. |
| 6.2 | Current year comparison with budget A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement. |
| 7 | Revenue |

| | |
|--------------|--|
| 7.1 | <p>Appropriated funds</p> <p>Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p> <p>Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.</p> <p>The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.</p> |
| 7.2 | <p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p> |
| 7.3 | <p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> • it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • the amount of revenue can be measured reliably. <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> |
| 8 | Expenditure |
| 8.1 | Compensation of employees |
| 8.1.1 | <p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p> |
| 8.1.2 | <p>Social contributions</p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p> |
| 8.2 | <p>Other expenditure</p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p> |
| 8.3 | <p>Accrued expenditure payable</p> <p>Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department or in the case of transfers and subsidies when they are due and payable.</p> <p>Accrued expenditure payable is measured at cost.</p> |
| 8.4 | Leases |

| | |
|--------------|--|
| 8.4.1 | <p>Operating leases</p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p> |
| 8.4.2 | <p>Finance leases</p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> <input type="checkbox"/> cost, being the fair value of the asset; or <input type="checkbox"/> the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest. |
| 9 | <p>Aid Assistance</p> |
| 9.1 | <p>Aid assistance received</p> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p> |
| 9.2 | <p>Aid assistance paid</p> <p>Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p> |
| 10 | <p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p> |
| 11 | <p>Prepayments and advances</p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p> |
| 12 | <p>Loans and receivables</p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.</p> |
| 13 | <p>Investments</p> <p>Investments are recognised in the statement of financial position at cost.</p> |
| 14 | <p>Financial assets</p> |

| | |
|--------------------|---|
| <p>14.1</p> | <p>Financial assets (not covered elsewhere)</p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial.</p> <p>At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p> |
| <p>14.2</p> | <p>Impairment of financial assets</p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p> |
| <p>15</p> | <p>Payables</p> <p>Loans and payables are recognised in the statement of financial position at cost.</p> |
| <p>16</p> | <p>Capital Assets</p> |
| <p>16.1</p> | <p>Immovable capital assets</p> <p>Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of immovable capital assets cannot be determined reliably, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.</p> |
| <p>16.2</p> | <p>Movable capital assets</p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Biological assets are subsequently carried at fair value</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p> |

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

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

| | |
|------------------|---|
| <p>25</p> | <p>Related party transactions</p> <p>A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the department. The number of individuals and their full compensation is recorded in the notes to the financial statements.</p> |
| <p>26</p> | <p>Inventories <i>(Effective from 1 April 2017)</i></p> <p>At the date of acquisition, inventories are recorded at cost price in the notes to the financial statements. Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is its fair value at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or the lower of cost and current replacement value.</p> |
| <p>27</p> | <p>Public-Private Partnerships</p> <p>Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <p>A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.</p> |
| <p>28</p> | <p>Employee Benefits</p> <p>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.</p> |

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:

| | 2016/17 | | | 2015/16 | |
|--|-------------------|-------------------|-------------------------------|-------------------|-------------------|
| | Final | Actual Funds | Funds not | Final | Appropriation |
| | Appropriation | Received | requested/ not received | Appropriation | received |
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Administration | 271,245 | 271,245 | - | 243,174 | 243,174 |
| Regional and urban development and legislative support | 357,390 | 357,390 | - | 38,202 | 38,202 |
| Institutional development | 68,113,231 | 68,098,974 | 14,257 | 67,448,161 | 67,448,161 |
| National disaster management centre | 591,492 | 591,492 | - | 591,355 | 591,355 |
| Local government support and intervention management | 497,363 | 497,363 | - | 118,646 | 118,646 |
| Community work programme | 3,191,185 | 3,191,185 | - | 2,375,939 | 2,375,939 |
| Total | 73,021,906 | 73,007,649 | 14,257 | 70,815,477 | 70,815,477 |

An amount of R14 257 Million was requested but not received as there was enough saving at the end of the Financial Year. Prior year amounts changed due to changes on the programme structure

2. Departmental revenue

| | Note | 2016/17 R'000 | 2015/16 R'000 |
|---|------|------------------|------------------|
| Sales of goods and services other than capital assets | 2.1 | 167 | 158 |
| Fines, penalties and forfeits | 2.2 | - | - |
| Interest, dividends and rent on land | 2.3 | 1,218 | 291 |
| Sales of capital assets | 2.4 | 40 | - |
| Transactions in financial assets and liabilities | 2.5 | 22,026 | 667 |
| Total revenue collected | | 23,451 | 1,116 |
| Less: Own revenue included in appropriation | 19 | | - |
| Departmental revenue collected | | 23,451 | 1,116 |

Included in the Departmental revenue is revenue generated from sale of waste paper, car parking and commission on insurance and garnishee orders

2.1 Sales of goods and services other than capital assets

| | Note | 2016/17 | 2015/16 |
|---|------|------------|------------|
| | 2 | R'000 | R'000 |
| Sales of goods and services produced by the department | | 166 | 157 |
| Sales by market establishment | | 166 | 157 |
| Administrative fees | | - | - |
| Other sales | | - | - |
| Sales of scrap, waste and other used current goods | | 1 | 1 |
| Total | | 167 | 158 |

2.2 Interest, dividends and rent on land

| | Note | 2016/17 | 2015/16 |
|--------------|------|--------------|------------|
| | 2 | R'000 | R'000 |
| Interest | | 1,218 | 291 |
| Dividends | | - | - |
| Rent on land | | - | - |
| Total | | 1,218 | 291 |

2.3 Sale of capital assets

| | Note | 2016/17 | 2015/16 |
|---|------|-----------|----------|
| | 2 | R'000 | R'000 |
| Tangible assets | | 40 | - |
| Buildings and other fixed structures | 41 | | |
| Machinery and equipment | 39 | 40 | - |
| Specialised military assets | 39 | | |
| Land and subsoil assets | 41 | | |
| Biological assets | 39 | | |
| Intangible assets | | | |
| Software | 40 | | |
| Mastheads and publishing titles | 40 | | |
| Patents, licences, copyright, brand names, trademarks | 40 | | |
| Recipes, formulae, prototypes, designs, models | 40 | | |
| Services and operating rights | 40 | | |
| Total | | 40 | - |

2.3 Transactions in financial assets and liabilities

| | Note | 2016/17 | 2015/16 |
|--|------|---------------|------------|
| | 2 | R'000 | R'000 |
| Stale cheques written back | | - | 2 |
| Other Receipts including Recoverable Revenue | | 22,026 | 665 |
| Total | | 22,026 | 667 |

3. Aid assistance

| | Note | 2016/17 | 2015/16 |
|---|------|----------|----------|
| | | R'000 | R'000 |
| Opening Balance | | - | - |
| Prior period error | | - | - |
| As restated | | - | - |
| Transferred from statement of financial performance | | - | - |
| Transfers to or from retained funds | | - | - |
| Paid during the year | | - | - |
| Closing Balance | | - | - |

4. Compensation of employees

4.1 Salaries and Wages

| | Note | 2015/16 | 2014/15 |
|----------------------------------|------|----------------|----------------|
| | | R'000 | R'000 |
| Basic salary | | 179,557 | 171,241 |
| Performance award | | 3,600 | 3,404 |
| Service Based | | 549 | 754 |
| Compensative/circumstantial | | 5,513 | 3,055 |
| Periodic payments | | - | - |
| Other non-pensionable allowances | | 56,227 | 54,134 |
| Total | | 245,446 | 232,588 |

4.2 Social contributions

| | Note | 2016/17 R'000 | 2015/16 R'000 |
|--|------|------------------|------------------|
| Employer contributions | | | |
| Pension | | 21,299 | 20,360 |
| Medical | | 5,626 | 5,352 |
| Bargaining council | | 34 | 31 |
| Official unions and associations | | | |
| Insurance | | | |
| Total | | 26,959 | 25,743 |
| Total compensation of employees | | 272,405 | 258,331 |
| Average number of employees | | 450 | 435 |

5. Goods and services

| | Note | 2016/17 R'000 | 2015/16 R'000 |
|---|------|------------------|------------------|
| Administrative fees | | 11,582 | 11,825 |
| Advertising | | 16,219 | 1,553 |
| Minor assets | 5.1 | 1,116 | 8,103 |
| Bursaries (employees) | | 844 | 751 |
| Catering | | 3,289 | 3,784 |
| Communication | | 4,660 | 5,013 |
| Computer services | 5.2 | 26,043 | 33,145 |
| Consultants: Business and advisory services | | 198,526 | 220,043 |
| Contractors | | 2,040,534 | 1,821,439 |
| Audit cost – external | 5.3 | 7,622 | 7,447 |
| Fleet services | | 2,874 | 2,749 |
| Inventory | 5.4 | - | - |
| Consumables | 5.5 | 95,919 | 214,953 |
| Housing | | - | - |
| Operating leases | | 39,773 | 48,844 |
| Property payments | 5.6 | 14,992 | 15,873 |
| Rental and hiring | | 370 | - |
| Transport provided as part of the departmental activities | | - | - |
| Travel and subsistence | 5.7 | 30,745 | 29,246 |
| Venues and facilities | | 1,772 | 1,474 |
| Training and development | | 41,862 | 72,484 |
| Other operating expenditure | 5.8 | 4,567 | 2,563 |
| Total | | 2,543,309 | 2,501,289 |

The amounts for consumables in both financial years have been adjusted with CWP asset amounts that are disclosed for the first time in the Financial Statements of the Department.

5.1 Minor assets

| | Note | 2016/17 | 2015/16 |
|--------------------------------------|------|--------------|--------------|
| | 5 | R'000 | R'000 |
| Tangible assets | | | |
| Buildings and other fixed structures | | - | - |
| Biological assets | | - | - |
| Heritage assets | | - | - |
| Machinery and equipment | | 1,116 | 8,103 |
| Transport assets | | - | - |
| Specialised military assets | | - | - |
| Total | | 1,116 | 8,103 |

The amounts for Machinery and Equipment in both years were adjusted with the CWP assets amounts that were disclosed for the first time in the Financial Statements of the Department.

5.2 Computer services

| | Note | 2016/17 | 2015/16 |
|-------------------------------------|------|---------------|---------------|
| | 5 | R'000 | R'000 |
| SITA computer services | | 12,381 | 17,240 |
| External computer service providers | | 13,662 | 15,905 |
| Total | | 26,043 | 33,145 |

5.3 Audit cost – External

| | Note | 2016/17 | 2015/16 |
|----------------------|------|--------------|--------------|
| | 5 | R'000 | R'000 |
| Regularity audits | | 6,625 | 7,447 |
| Performance audits | | | |
| Investigations | | 997 | - |
| Environmental audits | | | |
| Computer audits | | | |
| Total | | 7,622 | 7,447 |

5.4 Consumables

| | Note | 2016/17 | 2015/16 |
|--|------|---------------|----------------|
| | 5 | R'000 | R'000 |
| Consumable supplies | | 91,873 | 210,985 |
| Uniform and clothing | | 71,373 | 121,861 |
| Household supplies | | 1,271 | 181 |
| Building material and supplies | | - | - |
| Communication accessories | | - | - |
| IT consumables | | 522 | 154 |
| Other consumables | | 18,707 | 88,789 |
| Stationery, printing and office supplies | | 4,046 | 3,968 |
| Total | | 95,919 | 214,953 |

The amounts for other consumables, in both financial years were adjusted with CWP assets amounts that are disclosed for the first time in the Financial Statements of the Department.

5.5 Property payments

| | Note | 2016/17 | 2015/16 |
|----------------------------------|------|---------------|---------------|
| | 5 | R'000 | R'000 |
| Municipal services | | 11,774 | 13,717 |
| Property management fees | | - | - |
| Property maintenance and repairs | | - | - |
| Other | | 3,218 | 2,156 |
| Total | | 14,992 | 15,873 |

Other comprises of pest control, cleaning and gardening services.

5.6 Travel and subsistence

| | Note | 2016/17 | 2015/16 |
|--------------|------|---------------|---------------|
| | 5 | R'000 | R'000 |
| Local | | 28,566 | 26,326 |
| Foreign | | 2,179 | 2,920 |
| Total | | 30,745 | 29,246 |

5.7 Other operating expenditure

| | Note | 2016/17 | 2015/16 |
|---|------|--------------|--------------|
| | 6 | R'000 | R'000 |
| Professional bodies, membership and subscription fees | | 854 | 29 |
| Resettlement costs | | 59 | 359 |
| Other | | 3,654 | 2,175 |
| Total | | 4,567 | 2,563 |

6. Payments for financial assets

| | Note | 2016/17 | 2015/16 |
|--|------|------------|------------|
| | | R'000 | R'000 |
| Material losses through criminal conduct | | | |
| Theft | 6.4 | - | - |
| Other material losses | 6.1 | - | - |
| Purchase of equity | | | |
| Extension of loans for policy purposes | | | |
| Other material losses written off | 6.2 | 164 | 235 |
| Debts written off | 6.3 | 9 | 678 |
| Forex losses | 6.5 | - | 1 |
| Debt take overs | | - | - |
| Losses on GFECRA | | | |
| Total | | 173 | 914 |

6.2 Other material losses

| | Note | 2016/17 | 2015/16 |
|--|------|----------|----------|
| | 6 | R'000 | R'000 |
| Nature of other material losses | | - | - |
| (Group major categories, but list material items) | | | |
| Incident/Disciplinary Steps taken/ Criminal proceedings | | - | - |
| Total | | - | - |

6.2 Other material losses written off

| | Note | 2016/17 | 2015/16 |
|-------------------------|------|------------|------------|
| | 6 | R'000 | R'000 |
| Nature of losses | | | |
| Air Tickets | | 110 | 235 |
| Car accidents | | 54 | - |
| S&T | | | |
| Total | | 164 | 235 |

6.3 Debts written off

| | Note 6 | 2016/17 R'000 | 2015/16 R'000 |
|------------------------------------|-----------|------------------|------------------|
| Nature of debts written off | | | |
| Irregular expenditure written off | | - | - |
| Total | | - | - |
| Recoverable revenue written off | | - | - |
| Total | | - | - |
| Other debt written off | | | |
| Subsistence and Travelling Debt | | | 678 |
| Other debt | | 9 | - |
| Total | | 9 | 678 |
| Total debt written off | | 9 | 678 |

6.4 Details of theft

| | Note 6 | 2016/17 R'000 | 2015/16 R'000 |
|---|-----------|------------------|------------------|
| Nature of theft | | | |
| (Group major categories, but list material items) | | - | - |
| Total | | - | - |

6.5 Forex losses

| | Note 6 | 2016/17 R'000 | 2015/16 R'000 |
|-------------------------|-----------|------------------|------------------|
| Nature of losses | | | |
| Forex Losses | | - | 1 |
| Total | | - | 1 |

7. Transfers and subsidies

| | | 2016/17 | 2015/16 |
|---|-------------|-------------------|-------------------|
| | | R'000 | R'000 |
| | Note | | |
| Provinces and municipalities | 48, 49 | 66,178,538 | 64,799,161 |
| Departmental agencies and accounts | Annex 1B | 574,607 | 484,949 |
| Higher education institutions | Annex 1C | - | - |
| Foreign governments and international organisations | Annex 1E | - | - |
| Public corporations and private enterprises | Annex 1D | - | - |
| Non-profit institutions | Annex 1F | 9,119 | 6,286 |
| Households | Annex 1G | 264,768 | 528 |
| Total | | 67,027,032 | 65,290,924 |

Unspent funds transferred to the above beneficiaries

8. Expenditure for capital assets

| | Note | 2016/17 | 2015/16 |
|---|--------|--------------|---------------|
| | | R'000 | R'000 |
| Tangible assets | | 9 311 | 46 079 |
| Buildings and other fixed structures | 40 | - | - |
| Heritage assets | 39, 41 | - | - |
| Machinery and equipment | 39 | 9,311 | 46,079 |
| Specialised military assets | 39 | - | - |
| Land and subsoil assets | 41 | - | - |
| Biological assets | 39 | - | - |
| Intangible assets | | | |
| Software | 40 | - | - |
| Mastheads and publishing titles | 40 | - | - |
| Patents, licences, copyright, brand names, trademarks | 40 | - | - |
| Recipes, formulae, prototypes, designs, models | 40 | - | - |
| Services and operating rights | 40 | - | - |
| Total | | 9,311 | 46,079 |

The amounts for Machinery and equipment in both financial years were adjusted with the CWP assets amounts that are disclose for the first time in the financial statements of the Department.

9. Analysis of funds utilised to acquire capital assets – 2016/17

| | Voted funds R'000 | Aid assistance R'000 | Total R'000 |
|---|----------------------|-------------------------|----------------|
| Tangible assets | | | |
| Buildings and other fixed structures | - | - | - |
| Heritage assets | - | - | - |
| Machinery and equipment | 9,311 | - | 9,311 |
| Specialised military assets | - | - | - |
| Land and subsoil assets | - | - | - |
| Biological assets | - | - | - |
| Intangible assets | | | |
| Software | | | |
| Mastheads and publishing titles | | | |
| Patents, licences, copyright, brand names, trademarks | | | |
| Recipes, formulae, prototypes, designs, models | | | |
| Services and operating rights | | | |
| Total | 9,311 | | 9,311 |

The amounts for Machinery and equipment in both financial years were adjusted with the CWP assets amounts that are disclose for the first time in the financial statements of the Department.

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

| | Voted funds R'000 | Aid assistance R'000 | Total R'000 |
|---|----------------------|-------------------------|----------------|
| Tangible assets | | | |
| Buildings and other fixed structures | - | - | - |
| Heritage assets | - | - | - |
| Machinery and equipment | 46,079 | - | 46,079 |
| Specialised military assets | - | - | - |
| Land and subsoil assets | - | - | - |
| Biological assets | - | - | - |
| Intangible assets | | | |
| Software | | | |
| Mastheads and publishing titles | | | |
| Patents, licences, copyright, brand names, trademarks | | | |
| Recipes, formulae, prototypes, designs, models | | | |
| Services and operating rights | | | |
| Total | 46 079 | - | 46 079 |

The amounts for Machinery and equipment in both financial years were adjusted with the CWP assets amounts that are disclose for the first time in the financial statements of the Department.

Finance lease expenditure included in Expenditure for capital assets

| | Note | 2016/17 R'000 | 2015/16 R'000 |
|--------------------------------------|------|------------------|------------------|
| Tangible assets | | | |
| Buildings and other fixed structures | | - | - |
| Heritage assets | | - | - |
| Machinery and equipment | | 739 | 870 |
| Specialised military assets | | - | - |
| Land and subsoil assets | | - | - |
| Biological assets | | - | - |
| Total | | 739 | 870 |

10. Unauthorised expenditure

10.1 Reconciliation of unauthorised expenditure

| | Note | 2016/17 R'000 | 2015/16 R'000 |
|--|------|------------------|------------------|
| Opening balance | | 1 123 | 1 123 |
| Prior period error | | - | - |
| As restated | | 1 123 | 1 123 |
| Unauthorised expenditure – discovered in current year (as restated) | | - | - |
| Less: Amounts approved by Parliament/Legislature with funding | | - | - |
| Less: Amounts approved by Parliament/ Legislature without funding | | - | - |
| Capital | | - | - |
| Current | | - | - |
| Transfers and subsidies | | - | - |
| Less: Amounts transferred to receivables for recovery | 15 | - | - |
| Closing balance | | 1 123 | 1 123 |

Unauthorised expenditure amounting to R1,123 million relates to prior years and it is not yet resolved. The matter has been referred to National Treasury and Parliament

10.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

| | 2016/17 | 2015/16 |
|-------------------------|--------------|--------------|
| | R'000 | R'000 |
| Capital | - | - |
| Current | 1 123 | 1 123 |
| Transfers and subsidies | - | - |
| Total | 1 123 | 1 123 |

10.3 Analysis of unauthorised expenditure awaiting authorisation per type

| | 2016/17 | 2015/16 |
|---|--------------|--------------|
| | R'000 | R'000 |
| Unauthorised expenditure relating to overspending of the vote or a main division within a vote | 1 123 | 1 123 |
| Unauthorised expenditure incurred not in accordance with the purpose of the vote or main division | - | - |
| Total | 1 123 | 1 123 |

10.4 Details of unauthorised expenditure – current year

| Incident | Disciplinary steps taken/criminal proceedings | 2015/16 |
|--------------|---|----------|
| | | R'000 |
| | | - |
| Total | | - |

11. Cash and cash equivalents

| | Note | 2016/17 | 2015/16 |
|--|------|------------------|------------------|
| | | R'000 | R'000 |
| Consolidated Paymaster General Account | | 3,156,058 | 2,795,276 |
| Cash receipts | | - | - |
| Disbursements | | - | - |
| Cash on hand | | 30 | 24 |
| Investments (Domestic) | | - | - |
| Investments (Foreign) | | - | - |
| Total | | 3,156,088 | 2,795,300 |

An amount of R24 million is held in a separate Standard bank account. The amount is solely for the payment of CWP participants which did not disburse of at 31 March 2017. The amount will be cleared in the subsequent months.

12. Prepayments and advances

| | Note | 2016/17 | 2015/16 |
|------------------------|------|--------------|--------------|
| | | R'000 | R'000 |
| Staff advances | | 11 | 42 |
| Travel and subsistence | | 21 | 34 |
| Advances paid | 12.1 | 7,709 | 3,501 |
| SOCPEN advances | | - | - |
| Total | | 7,741 | 3,577 |

Portion of prepayments and advances relates to an advance made to the department of Government Communications for marketing the local government elections

12.1 Advances paid

| | Note | 2016/17 | 2015/16 |
|------------------------|------|--------------|--------------|
| | 12 | R'000 | R'000 |
| National departments | | 7,709 | 3,501 |
| Provincial departments | | | - |
| Public entities | | | - |
| Other entities | | | - |
| Total | | 7,709 | 3,501 |

13. Receivables

| | | 2016/17 | | | 2015/16 | | |
|--------------------|------|---------------|-------------|---------------|---------------|-------------|---------------|
| | Note | Current | Non-current | Total | Current | Non-current | Total |
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Claims recoverable | 13.1 | 15,916 | - | 15,916 | 13,527 | - | 13,527 |
| Recoverable | 13.2 | | | | | | |
| Expenditure | | 1,732 | - | 1,732 | 1726 | | 1726 |
| Staff debt | 13.3 | 1,454 | 52 | 1,506 | 833 | 87 | 920 |
| Other debtors | 13.4 | | | | | | - |
| | | 2,587 | - | 2,587 | 2,460 | - | 2,460 |
| Total | | 21,689 | 52 | 21,741 | 18,546 | 87 | 18,633 |

13.1 Claims recoverable

| | Note | 2016/17 | 2015/16 |
|------------------------|----------------|---------------|---------------|
| | 13 and Annex 4 | R'000 | R'000 |
| National departments | | 12,026 | 9,703 |
| Provincial departments | | 54 | 213 |
| Public entities | | 3,694 | 3,469 |
| Local governments | | 142 | 142 |
| Total | | 15,916 | 13,527 |

13.2 Recoverable Expenditure (Disallowance Accounts)

| | Note 13 and Annex 4 | 2016/17 R'000 | 2015/16 R'000 |
|-----------------|---------------------------|------------------|------------------|
| Tax Debt | | - | 6 |
| Car Accidents | | 1,724 | 1,717 |
| Sal:Rev Control | | 8 | 3 |
| Total | | 1,732 | 1,726 |

Tax Debts and Car Accident were previously disclosed as staff Debts and subsequently corrected as recoverable expenditure.

13.3 Staff debt

| | Note 15 | 2016/17 R'000 | 2015/16 R'000 |
|----------------|------------|------------------|------------------|
| Telephone Debt | | - | 95 |
| Debt Account | | 1,497 | 825 |
| Salary GEHS | | 9 | - |
| Total | | 1, 506 | 920 |

Included in the staff debts are amounts not cleared on the suspense accounts, which still need to be investigated or are under investigation to determine liability. Tax Debts and Car Accident were previously disclosed as staff Debts and subsequently corrected as recoverable expenditure.

13.4 Other debtors

| | Note 15 | 2016/17 R'000 | 2015/16 R'000 |
|-------------------|------------|------------------|------------------|
| VAT Input Account | | 2 399 | 2 399 |
| Sal: Medical Aid | | 7 | 6 |
| Sal: Pension Fund | | 49 | 38 |
| Sal: Income Tax | | 132 | 17 |
| Total | | 2 587 | 2 460 |

13.5 Impairment of receivables

| | Note | 2016/17 R'000 | 2015/16 R'000 |
|---------------------------------------|------|------------------|------------------|
| Estimate of impairment of receivables | | 4 390 | 3 350 |
| Total | | 4 390 | 3 350 |

Included in this note are debtors that are older than three years.

14. Voted funds to be surrendered to the Revenue Fund

| | Note | 2016/17 R'000 | 2015/16 R'000 |
|--|------|------------------|------------------|
| Opening balance | | 2,809,176 | 4,067,337 |
| Prior period error | 14.1 | - | - |
| As restated | | 2,809,176 | 4,067,337 |
| Transfer from statement of financial performance (as restated) | | 3,169,676 | 2,717,940 |
| Add: Unauthorised expenditure for current year | 11 | - | - |
| Voted funds not requested/not received | 1.1 | (14,257) | - |
| Paid during the year | | (2,809,176) | (3,976,101) |
| Closing balance | | 3,155,419 | 2,809,176 |

14.1 Prior period error

| | Note | 2015/16 R'000 |
|--|------|----------------------|
| Nature of prior period error | | |
| Relating to 2015/16 [<i>affecting the opening balance</i>] | | <input type="text"/> |
| Relating to 2015/16 | | <input type="text"/> |
| Total prior period errors | | <hr/> |

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

| | Note | 2016/17 R'000 | 2015/16 R'000 |
|--|------|------------------|------------------|
| Opening balance | | 240 | 52 |
| Prior period error | 15.1 | | |
| As restated | | 240 | 52 |
| Transfer from Statement of Financial Performance (as restated) | | 23,451 | 1,116 |
| Own revenue included in appropriation | | - | - |
| Transfer from aid assistance | 4 | | |
| Transfer to voted funds to defray expenditure (Parliament/ Legislatures ONLY) | | | |
| Paid during the year | | (1,739) | (928) |
| Closing balance | | 21,952 | 240 |

16. Payables – current

| | Note | 2016/17 R'000 | 2015/16 R'000 |
|-------------------|------|------------------|------------------|
| Advances received | | - | - |
| Clearing accounts | 16.1 | 8,473 | 9,068 |
| Other payables | 16.2 | 849 | 149 |
| Total | | 9,322 | 9,217 |

16.1 Clearing accounts

| | Note | 2016/17 R'000 | 2015/16 R'000 |
|-----------------------------|------|------------------|------------------|
| Sal: Deduction Disallowance | 16 | - | 22 |
| Sal: Reversal Control: CA | | - | - |
| Disallowance Miscellaneous | | 8,453 | 9,046 |
| Sal: Recall | | 20 | - |
| Total | | 8,473 | 9,068 |

16.2 Other payables

| | Note | 2016/17 | 2015/16 |
|-----------------------------|------|------------|------------|
| | 21 | R'000 | R'000 |
| Debt Receivable Interest | | 68 | 2 |
| Debt Receivable Income | | | |
| Pension Recoverable Account | | 746 | 120 |
| Sal: Income Tax | | | |
| Sal: Pension Fund | | 35 | 27 |
| | | - | - |
| | | - | - |
| Total | | 849 | 149 |

17. Net cash flow available from operating activities

| | Note | 2016/17 | 2015/16 |
|--|------|----------------|--------------------|
| | | R'000 | R'000 |
| Net surplus/(deficit) as per Statement of Financial Performance | | 3,193,127 | 2,719,056 |
| Add back non cash/cash movements not deemed operating activities | | (2,823,068) | (3,850,015) |
| (Increase)/decrease in receivables – current | | (3,108) | 75,953 |
| (Increase)/decrease in prepayments and advances | | (4,164) | (3,351) |
| (Increase)/decrease in other current assets | | - | - |
| Increase/(decrease) in payables – current | | 105 | 8,333 |
| Proceeds from sale of capital assets | | (40) | - |
| Proceeds from sale of investments | | - | - |
| (Increase)/decrease in other financial assets | | - | - |
| Expenditure on capital assets | | 9,311 | 46,079 |
| Surrenders to Revenue Fund | | (2,810,915) | (3,977,029) |
| Surrenders to RDP Fund/Donor | | - | - |
| Voted funds not requested/not received | | (14,257) | - |
| Own revenue included in appropriation | | - | - |
| Other non-cash items | | - | - |
| Net cash flow generated by operating activities | | 370,059 | (1,130,959) |

The expenditure on capital assets were adjusted with CWP assets amounts that are for the first year disclosed in the financial statements of the Department.

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

| | Note | 2016/17 | 2015/16 |
|--|------|------------------|------------------|
| | | R'000 | R'000 |
| Consolidated Paymaster General account | | 3,156,058 | 2,795,276 |
| Fund requisition account | | - | - |
| Cash receipts | | - | - |
| Disbursements | | - | - |
| Cash on hand | | 30 | 24 |
| Cash with commercial banks (Local) | | - | - |
| Cash with commercial banks (Foreign) | | - | - |
| Total | | 3,156,088 | 2,795,300 |

19. Contingent liabilities and contingent assets

19.1 Contingent liabilities

| | Note | 2016/17 | 2015/16 |
|---|------------------------------|------------|------------|
| | | R'000 | R'000 |
| Liable to Nature | | | |
| Motor vehicle guarantees | Employees <i>Annex 3A</i> | - | - |
| Housing loan guarantees | Employees <i>Annex 3A</i> | - | 11 |
| Other guarantees | <i>Annex 3A</i> | - | - |
| Claims against the department | <i>Annex 3B</i> | 170 | 877 |
| Intergovernmental payables (unconfirmed balances) | <i>Annex 5</i> | 156 | 22 |
| Environmental rehabilitation liability | <i>Annex 3B</i> | - | - |
| Other | <i>Annex 3B</i> | - | - |
| Total | | 326 | 910 |

DML facilitators and consulting instituted action against the department claiming relief of R1 69,855.00 for additional services rendered.

20. Commitments

| | Note | 2016/17 | 2015/16 |
|---------------------------------|------|----------------|----------------|
| | | R'000 | R'000 |
| Current expenditure | | | |
| Approved and contracted | | 241,493 | 245,798 |
| Approved but not yet contracted | | - | - |
| | | 241,493 | 245,798 |
| Capital expenditure | | | |
| Approved and contracted | | 1,332 | - |
| Approved but not yet contracted | | - | - |
| | | 1,332 | - |
| Total Commitments | | 242,825 | 245,798 |

The commitments relating to contracts that are more than 12 months amounts to R154 598 million. There are 34 contracts that are running for more than 12 months.

21. Accruals and payables not recognised

21.1 Accruals

| | 2016/17 | | | 2015/16 |
|--|----------------|-----------------|--------------|--------------|
| | R'000 | | | R'000 |
| Listed by economic classification | 30 Days | 30+ Days | Total | Total |
| Goods and services | 253 | 137 | 390 | 829 |
| Interest and rent on land | - | - | - | - |
| Transfers and subsidies | - | - | - | - |
| Capital assets | - | - | - | - |
| Other | - | - | - | - |
| Total | 253 | 137 | 390 | 829 |

| | Note | 2016/17 | 2015/16 |
|--|------|------------|------------|
| | | R'000 | R'000 |
| Programme 1: Administration | | 191 | 380 |
| Programme 2: Regional and Urban Development | | 30 | 92 |
| Programme 3: Institutional Development | | 4 | 64 |
| Programme 4: National Disaster Management Centre | | 18 | 58 |
| Programme 5: Local Government Support and Intervention | | 113 | 55 |
| Programme 6: Community Works Programme | | 34 | 180 |
| Total | | 390 | 829 |

21.2 Payables not recognised

| | | | 2016/17 R'000 | 2015/16 R'000 |
|--|----------------|-----------------|------------------|------------------|
| Listed by economic classification | | | | |
| | 30 Days | 30+ Days | Total | Total |
| Goods and services | 131,304 | 89,398 | 220,702 | 35 490 |
| Interest and rent on land | | | | |
| Transfers and subsidies | 6,310 | | 6,310 | 85 |
| Capital assets | | | - | - |
| Other | | | - | - |
| Total | 137,614 | 89,398 | 227,012 | 35,575 |

Note

| | | 2016/17 R'000 | 2015/16 R'000 |
|--|--|------------------|------------------|
| Programme 1: Administration | | 4,426 | 7,407 |
| Programme 2: Regional and Urban Development | | 45 | 223 |
| Programme 3: Institutional Development | | 5,145 | 669 |
| Programme 4: National Disaster Management Centre | | 314 | 476 |
| Programme 5: Local Government Support and Intervention | | 6,556 | 1,280 |
| Programme 6: Community Works Programme | | 210,526 | 25,520 |
| Total | | 227,012 | 35,575 |

Note

| | | 2016/17 R'000 | 2015/16 R'000 |
|--|---------|------------------|------------------|
| Included in the above totals are the following: | | | |
| Confirmed balances with other departments | Annex 5 | - | - |
| Confirmed balances with other government entities | Annex 5 | - | - |
| Total | | - | - |

Payables relate to CWP payments that were not yet made at year end, and the previous year amount was restated.

22. Employee benefits

| | Note | 2016/17 R'000 | 2015/16 R'000 |
|-----------------------------------|------|------------------|------------------|
| Leave entitlement | | 9 163 | 7 503 |
| Service bonus (Thirteenth cheque) | | 6 026 | 6 248 |
| Performance awards | | 5 084 | 4 808 |
| Capped leave commitments | | 5 429 | 6 092 |
| Other | | | |
| Total | | 25 702 | 24 651 |

Included in the leave entitlement balance is a negative leave amount of R312 676,56 relating to leave days that were used before they were accrued.

23. Lease commitments

23.1 Operating leases expenditure

| | Specialised military equipment | Land | Buildings and other fixed structures | Machinery and equipment | Total |
|---|--------------------------------------|----------|---|-------------------------------|--------------|
| 2016/17 | | | | | |
| Not later than 1 year | - | - | 2 838 | - | 2 838 |
| Later than 1 year and not later than 5 years | - | - | - | - | - |
| Later than five years | - | - | - | - | - |
| Total lease commitments | - | - | 2 838 | - | 2 838 |

| | Specialised military equipment | Land | Buildings and other fixed structures | Machinery and equipment | Total |
|---|--------------------------------------|----------|---|-------------------------------|---------------|
| 2015/16 | | | | | |
| Not later than 1 year | - | - | 33 007 | - | 33 007 |
| Later than 1 year and not later than 5 years | - | - | - | - | - |
| Later than five years | - | - | - | - | - |
| Total lease commitments | - | - | 33 007 | - | 33 007 |

Operating lease relates to lease of office building and parking space.
The contract operating lease for building came to an end and is on a month to month basis.

23 .Finance leases expenditure**

| | Specialised military equipment | Land | Buildings and other fixed structures | Machinery and equipment | Total |
|---|--------------------------------------|----------|--|-------------------------------|--------------|
| 2016/17 | | | | | |
| Not later than 1 year | - | - | - | 709 | 709 |
| Later than 1 year and not later than 5 years | - | - | - | 896 | 896 |
| Later than five years | - | - | - | - | - |
| Total lease commitments | - | - | - | 1 605 | 1 605 |

| 2015/16 | Specialised military equipment | Land | Buildings and other fixed structures | Machinery and equipment | Total |
|---|--------------------------------------|----------|--|-------------------------------|------------|
| Not later than 1 year | - | - | - | 693 | 693 |
| Later than 1 year and not later than 5 years | - | - | - | 167 | 167 |
| Later than five years | - | - | - | - | - |
| Total lease commitments | - | - | - | 860 | 860 |

Finance leases relates to rented photocopier machines and contract pool cell phones.

24. Irregular expenditure

24.1 Reconciliation of irregular expenditure

| | Note | 2016/17 R'000 | 2015/16 R'000 |
|--|------|------------------|------------------|
| Opening balance | | 1 032 338 | 550 055 |
| Prior period error | | - | - |
| As restated | | 1 032 338 | 550 055 |
| Add: Irregular expenditure – relating to prior year | | | 39 825 |
| Add: Irregular expenditure – relating to current year | | 329 863 | 442 458 |
| Less: Prior year amounts condoned | | (25 813) | - |
| Less: Current year amounts condoned | | | - |
| Less: Amounts not condoned and recoverable | 15 | | - |
| Less: Amounts not condoned and not recoverable | | | - |
| Closing balance | | 1 336 388 | 1 032 338 |
| Analysis of awaiting condonation per age classification | | | |
| Current year | | 329 863 | 442 458 |
| Prior years | | 1 006 525 | 589 880 |
| Total | | 1 336 388 | 1 032 338 |

24.1 Details of irregular expenditure – current year

| Incident | Disciplinary steps taken/ criminal proceedings | 2016/17 R'000 |
|--|---|------------------|
| CWP Contract | Under investigation | 162 855 |
| CWP Procurement | Under investigation | 128 941 |
| Other SCM Non Compliance | Under investigation | 7 427 |
| CWP expenditure in excess of Contract Amount | Under investigation | 30 640 |
| Total | | 329 863 |

Irregular expenditure to the amount of R25 813 million was condoned during the current financial year.

24.1 Details of irregular expenditure condoned

| Incident Condoned by (condoning authority) | 2016/17 |
|---|---------------|
| | R'000 |
| Irregular Expenditure Condoned Director-General | 25,813 |
| Total | 25,813 |

Irregular expenditure to the amount of R25 813 million was condoned during the current financial year.

24.3 Details of irregular expenditure recoverable (not condoned)

| Incident | 2016/17 |
|--------------|----------|
| | R'000 |
| Total | - |

24.4 Details of irregular expenditure not recoverable (not condoned)

| Incident | Not condoned by (condoning authority) | 2016/17 |
|--------------|---------------------------------------|----------|
| | | R'000 |
| Total | | - |

24.5 Details of irregular expenditures under investigation (not included in the main note)

| Incident | 2016/17 |
|--------------|----------|
| | R'000 |
| Total | - |

25. Fruitless and wasteful expenditure

25.1 Reconciliation of fruitless and wasteful expenditure

| | Note | 2016/17 R'000 | 2015/16 R'000 |
|---|------|------------------|------------------|
| Opening balance | | 8 | 8 |
| Prior period error | | | - |
| As restated | | 8 | 8 |
| Fruitless and wasteful expenditure – relating to prior year | | | - |
| Fruitless and wasteful expenditure – relating to current year | | 349 | - |
| Less: Amounts resolved | | | - |
| Less: Amounts transferred to receivables for recovery | 15.6 | - | - |
| Closing balance | | 357 | 8 |

25.2 Analysis of awaiting resolution per economic classification

| | 2016/17 R'000 | 2015/16 R'000 |
|-------------------------|------------------|------------------|
| Current | 357 | 8 |
| Capital | - | - |
| Transfers and subsidies | - | - |
| Total | 357 | 8 |

25.3 Analysis of current year's Fruitless and wasteful expenditure

| Incident | Disciplinary steps taken/criminal proceedings | R'000 |
|--|---|------------|
| Late cancellation of service requested | Under investigation | 349 |
| Total | | 349 |

Fruitless and Wasteful expenditure relates to prior year interest on Telkom account and late cancellation of services requested.

26. Related party transactions

| Entity | Mandate | Relationship |
|---|---|---|
| CRL Rights Commission | The Commission is a Chapter 9 Constitutional institution. Promote and protect cultural, religious and linguistic rights. The Commission focuses on conflict resolution, research, advocacy and community engagement on conflicts pertaining cultural, religious and linguist rights within communities. | The Commission is an Entity of the Department and receives its funding through a transfer payment. |
| Department of Traditional Affairs | Develop and monitor the implementation of national policy and legislation seeking to transform and strengthen key institutions and mechanism of governance to fulfil their developmental role. | The relationship is that we report to one Minister and share a Vote. Due to inadequate funding and limited human capacity, DCoG performs some of the corporate functions through a signed MoU by the two Accounting Officers. |
| Municipal Infrastructure Support Agency | Provides immediate support to the Municipalities that are struggling with infrastructure delivery by facilitating the deployment of engineers, scientists and technicians to Municipalities and oversees them. | There were no related party transactions with MISA, however; suffice to state that we share a Minister. |
| Municipal Demarcation Board | Is responsible for determining municipal boundaries, declare district management areas, delimit wards for local elections and assess the capacity of municipalities to perform their functions. | There were no related party transactions with MISA, however; suffice to state that we share a Minister. |
| SALGA (South African Local Government Agency) | | There were no related party transactions with MISA, however; suffice to state that we share a Minister. |

The DCoG incurred cost on behalf of the DTA for shared services in terms of the Memorandum of Understanding. The nature of the transactions resulted in difficulties in reliably determining the value of the costs paid by DCoG on behalf of the DTA due to the operational structure and functions between the two departments. The shared services include the following areas:

- Human Resources Management
- Risk Management
- Communication and Marketing Services
- ICT services
- Legal services
- Security management
- Facilities Management
- Labour relations

27. Key management personnel

| | No. of Individuals | 2016/17 R'000 | 2015/16 R'000 |
|---|-----------------------|------------------|------------------|
| Political office bearers (provide detail below) | 2 | 4 211 | 4 193 |
| Officials: | | | |
| Level 15 to 16 | 6 | 5 839 | 8 398 |
| Level 14 (incl. CFO if at a lower level) | 38 | 40 419 | 38 383 |
| Family members of key management personnel | - | - | - |
| Total | 46 | 50 469 | 50 974 |

28. Provisions

| | Note | 2016/17 R'000 | 2015/16 R'000 |
|---------------------------------------|------|------------------|------------------|
| CWP implementing Agents retention Fee | | 24 834 | 16 850 |
| Total | | 24 834 | 16 850 |

Provision relate to CWP retention fee which is informed by the SLA signed between the Department and Implementing Agents..

28.1 Reconciliation of movement in provisions – 2016/17

| | Provision 1 R'000 | Provision 2 R'000 | Provision 3 R'000 | Total provisions R'000 |
|---|----------------------|----------------------|----------------------|------------------------------|
| Opening balance | 16 850 | | | 16 850 |
| Increase in provision | 7 984 | | | 7 984 |
| Settlement of provision | | | | |
| Unused amount reversed | | | | |
| Reimbursement expected from third party | | | | |
| Change in provision due to change in estimation of inputs | | | | |
| Closing balance | 24 834 | | | 24 834 |

The Department agreed with the implementing Agents to retain 5% of their project management fees as security until the end of their contracts. The retention fee will be paid at the end of the contract provided all the deliverables of the contracts are met.

Reconciliation of movement in provisions – 2015/16

| | Provision 1 | Provision 2 | Provision 3 | Total provisions |
|---|---------------|-------------|-------------|------------------|
| | R'000 | R'000 | R'000 | R'000 |
| Opening balance | | | | |
| Increase in provision | 16 850 | - | - | 16 850 |
| Settlement of provision | - | - | - | - |
| Unused amount reversed | - | - | - | - |
| Reimbursement expected from third party | - | - | - | - |
| Change in provision due to change in estimation of inputs | - | - | - | - |
| Closing balance | 16 850 | - | - | 16 850 |

29. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016

| | Opening balance | Value adjustments | Additions | Disposals | Closing Balance |
|--|-----------------|-------------------|--------------|--------------|-----------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| HERITAGE ASSETS | 191 | - | - | 54 | 137 |
| Heritage assets | 191 | - | - | 54 | 137 |
| MACHINERY AND EQUIPMENT | 139,623 | (36) | 8,643 | 2,987 | 145,243 |
| Transport assets | 11,803 | | 1,863 | - | 13,666 |
| Computer equipment | 56,231 | (44) | 5,546 | 1,945 | 59,788 |
| Furniture and office equipment | 17,569 | | 68 | 903 | 16,734 |
| Other machinery and equipment | 54,020 | 8 | 1,166 | 139 | 55,055 |
| SPECIALISED MILITARY ASSETS | - | - | - | - | - |
| Specialised military assets | - | - | - | - | - |
| BIOLOGICAL ASSETS | - | - | - | - | - |
| Biological assets | - | - | - | - | - |
| Capital Work-in-progress (Effective 1 April 2016) | - | - | - | - | - |
| TOTAL MOVABLE TANGIBLE CAPITAL ASSETS | 139,814 | (36) | 8,643 | 3,041 | 145,380 |

The machinery and equipment closing balances were adjusted, with the asset amounts that are for the first time disclosed in the Financial Statements of the Department.

Movable Tangible Capital Assets under investigation

| | Number | Value R'000 |
|---|--------|----------------|
| Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation: | | |
| Heritage assets | - | - |
| Machinery and equipment | 1,203 | 23,830 |
| Specialised military assets | - | - |
| Biological assets | - | - |

The assets under investigation relate to CWP assets that could not be accounted for at year end.

29.1 Additions

Additions to movable tangible capital assets per asset register for the year ended 31 march 2017

| | Cash* | Non-cash** | (Capital Work in Progress current costs and finance lease payments) | Received current, not paid (Paid current year, received prior year) | Total |
|---|--------------|------------|---|---|--------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Heritage Assets | | | | | |
| Heritage assets | - | - | - | - | - |
| Machinery and equipment | | | | | |
| Transport assets | 9 311 | 71 | (739) | - | 8,643 |
| Computer equipment | 1 863 | - | - | - | 1,863 |
| Furniture and office equipment | 5 546 | - | - | - | 5,546 |
| Other machinery and equipment | 68 | - | - | - | 68 |
| | 1 834 | 71 | (739) | - | 1,166 |
| Specialised military assets | | | | | |
| Specialised military assets | - | - | - | - | - |
| Biological assets | | | | | |
| Biological assets | - | - | - | - | - |
| Total additions to movable tangible capital assets | 9 311 | 71 | (739) | - | 8,643 |

29.2 Disposals

Disposals Of Movable Tangible Capital Assets Per Asset Register For The Year Ended 31 March 2016

| | Sold for cash | Non-cash disposal | Total disposals | Cash Received Actual |
|--|---------------|-------------------|-----------------|----------------------|
| | R'000 | R'000 | R'000 | R'000 |
| Heritage Assets | | 54 | 54 | |
| Heritage assets | - | 54 | 54 | - |
| Machinery And Equipment | | 2 987 | 2,987 | 40 |
| Transport assets | - | - | - | 40 |
| Computer equipment | - | 1 945 | 1 945 | - |
| Furniture and office equipment | - | 903 | 903 | - |
| Other machinery and equipment | - | 139 | 139 | - |
| Specialised Military Assets | | - | - | |
| Specialised military assets | - | - | - | - |
| Biological Assets | | - | - | - |
| Biological assets | - | - | - | - |
| Total disposal of movable tangible capital assets | | 3,041 | 3,041 | 40 |

The asset note include the CWP assets related.

29.3 Movement for 2015/16

Movement in tangible capital assets per asset register for the year ended 31 march 2016

| | Opening balance | Prior period error | Additions | Disposals | Closing Balance |
|--|-----------------|--------------------|---------------|--------------|-----------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Heritage assets | 191 | - | - | - | 191 |
| Heritage assets | 191 | - | - | - | 191 |
| Machinery and equipment | 102 543 | (7 844) | 48 240 | 3 316 | 139 623 |
| Transport assets | 10 492 | 1 063 | 248 | - | 11 803 |
| Computer equipment | 49 785 | (631) | 10 122 | 3 045 | 56 231 |
| Furniture and office equipment | 11 658 | 1 023 | 4 939 | 51 | 17 569 |
| Other machinery and equipment | 30 608 | (9 299) | 32 931 | 220 | 54 020 |
| Specialised military assets | | | | | |
| Specialised military assets | - | - | - | - | - |
| Biological assets | | | | | |
| Biological assets | - | - | - | - | - |
| Total movable tangible capital assets | 102 734 | (7 844) | 48 240 | 3 316 | 139 814 |

The asset note include the CWP assets related.

29.3 Prior period error

| Note | 2015/16 R'000 |
|---|------------------|
| Nature of prior period error | |
| Relating to 2013/14 [<i>affecting the opening balance of 2015/16</i>] | (7 844) |
| | (7 844) |
| Relating to 2015/16 | |
| Restatement of additions relating to 2015/16 | 1 714 |
| Restatement of disposal relating to 2015/16 | 2 067 |
| Total prior period errors | (4 063) |

Prior year error relates to CWP assets that were previously incorrectly captured

29.4 Minor assets

Movement in minor assets per the asset register for the year ended as at 31 march 2017

| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
|---------------------------|--------------------------------|----------------------|--------------------|-------------------------------|----------------------|----------------|
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| Opening balance | - | 1 484 | 1 188 | 34 982 | - | 37 654 |
| Value | | | | | - | |
| adjustments | | (1 450) | (1 131) | 2 | | (2 579) |
| Additions | | | - | 1 132 | - | 1 132 |
| Disposals | | 34 | - | 1 396 | | 1 430 |
| Total minor assets | - | - | 57 | 34 720 | - | 34 777 |

| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
|---|--------------------------------|----------------------|--------------------|-------------------------------|----------------------|---------------|
| Number of R1 minor assets | - | - | - | 3 | | 3 |
| Number of minor assets at cost | - | 17 | 20 | 29 277 | | 29 314 |
| Total number of minor assets | - | 17 | 20 | 29 280 | | 29 317 |

The machinery and equipment closing balances were adjusted, with the asset amounts that are for the first time disclosed in the Financial Statements of the Department.

Minor Capital Assets under investigation

| | Number | Value R'000 |
|--|--------|----------------|
| Included in the above total of the minor capital assets per the asset register are assets that are under investigation: | | |
| Specialised military assets | - | - |
| Intangible assets | - | - |
| Heritage assets | - | - |
| Machinery and equipment | 5 464 | 5 402 |
| Biological assets | - | - |

The assets under investigation relate to CWP assets that could not be accounted for at year end.

Movement in minor assets per the asset register for the year ended as at 31 march 2016

| | 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 |
|---------------------------|--|-------------------------------|-----------------------------|--|-------------------------------|----------------|
| <i>Opening balance</i> | - | 1 398 | 1 188 | 24 217 | - | 26 803 |
| <i>Prior period error</i> | - | - | - | - 4 285 | - | 4 285 |
| <i>Additions</i> | - | 86 | - | - 8 074 | - | 8 160 |
| <i>Disposals</i> | - | - | - | - 1 594 | - | 1 594 |
| Total minor assets | - | 1 484 | 1 188 | 34 982 | - | 37 654 |

| | Specialised military assets | Intangible assets | Heritage assets | Machinery and equipment | Biological assets | Total |
|-------------------------------------|-----------------------------------|----------------------|--------------------|-------------------------------|----------------------|-------|
| Number of RI minor assets at cost | | | | | | |
| Number of minor assets at cost | | | | | | |
| Total number of minor assets | | | | | | |

29.4.1 Prior period error

| | Note | 2015/16 R'000 |
|--|------|------------------|
| Nature of prior period error | | |
| Relating to 2013/14 [<i>affecting the opening balance</i>] | | 4 285 |
| Relating to 2014/15 | | |
| Additions to minor adjustment | | 170 |
| Total prior period errors | | 4 455 |

Prior year error relates to CWP assets that were previously not captured

The machinery and equipment closing balances were adjusted, with the asset amounts that are for the first time disclosed in the Financial Statements of the Department.

30. Intangible Capital Assets

Movement in intangible capital assets per asset register for the year ended 31 march 2017

| | Opening balance R'000 | Value adjustments R'000 | Additions R'000 | Disposals R'000 | Closing Balance R'000 |
|--|-----------------------------|-------------------------------|--------------------|--------------------|-----------------------------|
| Software | 2 864 | - | - | (1,284) | 1 580 |
| Total intangible capital assets | 2 864 | - | - | (1,284) | 1 580 |

30.1 Disposal

Disposals of intangible capital assets per asset register for the year ended 31 march 2017

| | Sold for cash R'000 | Non-cash disposal R'000 | Total disposals R'000 | Cash received Actual R'000 |
|--|------------------------|-------------------------------|-----------------------------|-------------------------------------|
| Software | - | 1 284 | 1 284 | - |
| Total disposal of intangible capital assets | - | 1 284 | 1 284 | - |

31. Movement for 2015/16

Movement in intangible capital assets per asset register for the year ended 31 march 2016

| | Opening balance R'000 | Prior period error R'000 | Additions R'000 | Disposals R'000 | Closing Balance R'000 |
|--|-----------------------------|--------------------------------|--------------------|--------------------|-----------------------------|
| Software | 2 864 | - | - | - | 2 864 |
| Total Intangible Capital Assets | 2 864 | - | - | - | 2 864 |

32. Prior period errors

32.1 Correction of prior period errors

| | Note | 2016/17 R'000 |
|---|------|------------------|
| Revenue: (E.g. Annual appropriation, Departmental revenue, Aid assistance, etc.) | | |
| Line item 1 affected by the change | | |
| Line item 2 affected by the change | | |
| Line item 3 affected by the change | | |
| Net effect | | |

Provide a description of the nature of the prior period error as well as why the correction was required.

| | Note | 2016/17 R'000 |
|---|------|------------------|
| Expenditure: (E.g. Compensation of employees, Goods and services, Tangible capital assets, etc.) | | |
| Contractors incorrectly classified as consultants | | 1,821,439 |
| Consultants amount was previously overstated | | (1,821,439) |
| Net effect | | - |

Contractors incorrectly classified as consultants

| | Note | 2016/17 R'000 |
|---|------|------------------|
| Assets: (E.g. Receivables, Investments, Accrued departmental revenue, Movable tangible capital assets, etc.) | | |
| Staff Debt (Recoverable expenditure incorrectly classified as staff debt) | | (1 726) |
| Recoverable Expenditure (Recoverable expenditure incorrectly classified as staff debt) | | 1 726 |
| Tangible Major Assets Additions was previously understated | | 1 714 |
| Opening balance of the Tangible major capital assets was previously overstated | | (2 067) |
| Tangible minor assets were previously understated | | (7 844) |
| Opening balance of the Tangible minor capital assets was previously understated | | 170 |
| Tangible minor assets were previously understated | | 4 285 |
| Net effect | | (3 742) |

Misstatements of previous year amounts are as a result of CWP assets verification and valuation conducted in the current financial year. Misclassification of staff debt and recoverable expenditure were as a result of recoverable expenditure erroneously classified staff debt

| | Note | 2016/17 R'000 |
|--|------|------------------|
| Other: (e.g. Irregular expenditure, fruitless and wasteful expenditure, etc.) | | |
| CWP Retention Fees (Retention fees amount was previously understated) | | 138 |
| Net effect | | 138 |

The CWP Retention fees was previously understated

33. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

| NAME OF MUNICIPALITY | GRANT ALLOCATION | | | | | TRANSFER | | |
|-----------------------------------|-----------------------------------|---------------------|----------------------|--------------------------|--------------------------|-------------------------|--|-------|
| | DoRA and other transfers R'000 | Roll Overs R'000 | Adjustments R'000 | Total Available R'000 | Actual Transfer R'000 | Funds Withheld R'000 | Re-allocations by National Treasury or National Department | R'000 |
| LGES | | | | | | | | |
| EASREN CAPE | | | | | | | | |
| BUF BUFFALO CITY | 678 197 | - | 6 | 678 191 | 678 191 | - | - | - |
| NMA NELSON MANDELA BAY | 798 043 | - | 61 992 | 736 051 | 736 051 | - | - | - |
| EI07 BAVIAANS NEW | - | - | - 3 765 | 3 765 | 3 765 | - | - | - |
| ECI03 IKWEZI NEW | - | - | - 3 327 | 3 327 | 3 327 | - | - | - |
| ECI01 CAMDEBOO | 84 241 | - | 10 745 | 73 496 | 73 496 | - | - | - |
| ECI02 BLUE CRANE ROUTE | 44 713 | - | - | 44 713 | 44 713 | - | - | - |
| ECI04 MAKANA | 77 008 | - | - | 77 008 | 77 008 | - | - | - |
| ECI05 NIDLAMBE | 76 824 | - | - | 76 824 | 76 824 | - | - | - |
| ECI06 SUNDAYS RIVER VALLEY | 59 318 | - | 12 | 59 306 | 59 306 | - | - | - |
| ECI08 KOUGA | 91 622 | - | 1 243 | 90 379 | 90 379 | - | - | - |
| ECI09 KOU-KAMMA | 39 760 | - | 843 | 38 917 | 38 917 | - | - | - |
| DC10:CACADU DISTRICT MUNICIPALITY | 82 014 | - | - | 82 014 | 82 014 | - | - | - |
| ECI21 MBHASHE | 210 060 | - | - | 210 060 | 210 060 | - | - | - |
| ECI22 MNQUMA | 221 906 | - | - | 221 906 | 221 906 | - | - | - |
| ECI23 GREAT KEI | 39 457 | - | 5 | 39 452 | 39 452 | - | - | - |
| ECI24 AMAHLATI | 113 780 | - | 3 625 | 110 155 | 110 155 | - | - | - |
| ECI26 NGQUSHWA | 76 828 | - | - | 76 828 | 76 828 | - | - | - |
| ECI28 NXUBA NEW | - | - | - 4 159 | 4 159 | 4 159 | - | - | - |
| ECI27 NKOIKE NEW | - | - | - 20 415 | 20 415 | 20 415 | - | - | - |
| ECI29 NKOIKE/NXUBA LOCAL MUN | 147 445 | - | 26 740 | 120 705 | 120 705 | - | - | - |
| DC12 AMATOLE DIST MUNICIPALITY | 730 990 | - | 218 | 730 772 | 730 772 | - | - | - |
| ECI31 INXUBA YETHEMBA | 39 424 | - | 168 | 39 256 | 39 256 | - | - | - |

| | | | | | | |
|----------------------------------|---------|---|----------|---------|---------|---|
| ECI35 INTSIKA YETHU | 145 314 | - | 38 | 145 276 | 145 276 | - |
| ECI36 EMALAHLENI | 114 599 | - | | 114 599 | 114 599 | - |
| ECI37 ENGCOBO | 130 882 | - | | 130 882 | 130 882 | - |
| ECI38 SAKHISIZWE | 57 906 | - | 4 500 | 53 406 | 53 406 | - |
| ECI34 LUKHANJJI NEW | | - | - 18 071 | 18 071 | 18 071 | - |
| ECI33 INKWANCA NEW | | - | - 3 839 | 3 839 | 3 839 | - |
| ECI32 TSOLWANA NEW | | - | - 5 962 | 5 962 | 5 962 | - |
| ECI39 TSOLWANAIKWANCA/LUKANJJI | 167 232 | - | 40 736 | 126 496 | 126 496 | - |
| DCI3 CHRIS HANI DIST MUNICIPALIT | 485 308 | - | 1 666 | 483 642 | 483 642 | - |
| ECI41 ELUNDINI | 129 070 | - | | 129 070 | 129 070 | - |
| ECI42 SENQU | 129 802 | - | | 129 802 | 129 802 | - |
| ECI44 GARIEP NEW | | - | - 4 340 | 4 340 | 4 340 | - |
| ECI43 MALETSWAI NEW | | - | - 4 318 | 4 318 | 4 318 | - |
| ECI45 MALETSWAI/GARIEP LOC MUN | 51 948 | - | 9 478 | 42 470 | 42 470 | - |
| DCI4 JOE GOABI DISTR MUNICIPALTY | 223 621 | - | 998 | 222 623 | 222 623 | - |
| ECI53 NGQUZA HILL | 195 945 | - | | 195 945 | 195 945 | - |
| ECI54 PORT ST JOHNS | 117 662 | - | 420 | 117 242 | 117 242 | - |
| ECI55 NYANDENI | 213 070 | - | | 213 070 | 213 070 | - |
| ECI56 MHLONTLO | 154 313 | - | | 154 313 | 154 313 | - |
| ECI57 KING SABATA DALINDYEBO | 249 468 | - | 55 | 249 413 | 249 413 | - |
| OR TAMBO DIST MUNICIPALITY | 669 303 | - | | 669 303 | 669 303 | - |
| EC442 UMZIMVUBU | 162 992 | - | 280 | 162 712 | 162 712 | - |
| EC441 MATATIELE | 170 266 | - | | 170 266 | 170 266 | - |
| EC443 MBIZANA | 175 910 | - | | 175 910 | 175 910 | - |
| ECI52 NTABANKULU | 93 327 | - | | 93 327 | 93 327 | - |
| DC44 ALFRED NZO DIST MUNICIPAL | 387 047 | - | 3 935 | 383 112 | 383 112 | - |
| FREE STATE | | | | | | |
| MAN MANGAUNG | 629 731 | - | 48 042 | 581 689 | 581 689 | - |
| FS16 NALEDI NEW | | - | - 6 743 | 6 743 | 6 743 | - |
| FS161 LETSEMENG | 47 402 | - | 5 247 | 42 155 | 42 155 | - |
| FS162 KOPANONG | 70 650 | - | 2 287 | 68 363 | 68 363 | - |
| FS163 MOHOKARE | 54 472 | - | 3 746 | 50 726 | 50 726 | - |
| DC16 XHARIEP DISTRICT MUNICIPAL | 29 739 | - | 99 | 29 640 | 29 640 | - |
| FS181 MASILONYANA | 83 362 | - | 9 880 | 73 482 | 73 482 | - |

| | | | | | | |
|------------------------------------|----------------|---|---------|----------------|----------------|---|
| FS182 TOKOLOGO | 43 424 | - | - | 43 424 | 43 424 | - |
| FS183 TSWELOPELE | 59 589 | - | 4 911 | 54 678 | 54 678 | - |
| FS184 MATJHABENG | 385 851 | - | 1 004 | 384 847 | 384 847 | - |
| FS185 NALA | 108 273 | - | 374 | 107 899 | 107 899 | - |
| DC18 LEJWELEPUTSWA DIST MUNICIPAL | 111 727 | - | - | 111 727 | 111 727 | - |
| M 007 FS191 SETSOTO | 158 775 | - | - | 158 775 | 158 775 | - |
| FS192 DIHLABENG | 124 304 | - | 5 000 | 119 304 | 119 304 | - |
| FS193 NKETOANA | 79 054 | - | 303 | 78 751 | 78 751 | - |
| FS194 MALUTI-A-PHOFUNG | 458 097 | - | 4 641 | 453 456 | 453 456 | - |
| FS195 PHUMELELA | 59 830 | - | 1 752 | 58 078 | 58 078 | - |
| FS196 MANTSOPA | 67 748 | - | 873 | 66 875 | 66 875 | - |
| DC19 THABO MOFUTSANYANE DIST MUN | 97 724 | - | - | 97 724 | 97 724 | - |
| FS201 MOQHAKA | 158 519 | - | - | 158 519 | 158 519 | - |
| FS203 NGWATHE | 157 639 | - | 434 | 157 205 | 157 205 | - |
| FS204 METSIMAHOLO | 125 978 | - | 59 | 125 919 | 125 919 | - |
| FS205 MAFUBE | 77 214 | - | 11 874 | 65 340 | 65 340 | - |
| DC20 FEZILE DABI DIST MUNICIPAL | 142 178 | - | 1 000 | 141 178 | 141 178 | - |
| GAUTENG | | | | | | |
| EKU EKURHULENI METRO | 2 381 367 | - | 344 832 | 2 036 535 | 2 036 535 | - |
| JHB CITY OF JOHANNESBURG | 3 182 318 | - | 95 317 | 3 087 001 | 3 087 001 | - |
| TSH CITY OF TSHWANE | 1 864 838 | - | 37 804 | 1 827 034 | 1 827 034 | - |
| GT421 EMFULENI | 608 581 | - | - | 608 581 | 608 581 | - |
| GT422 MIDVAAL | 76 401 | - | - | 76 401 | 76 401 | - |
| GT423 LESEDI | 92 186 | - | - | 92 186 | 92 186 | - |
| DC42 SEDIBENG DISTRICT MUNICIPAL | 250 882 | - | - | 250 882 | 250 882 | - |
| GT481 MOGALE CITY | 285 456 | - | 3 773 | 281 683 | 281 683 | - |
| GT484 MERAFOONG CITY | 162 952 | - | 1 336 | 161 616 | 161 616 | - |
| GT483 WESTONARIA | - | - | -20 212 | 20 212 | 20 212 | - |
| GT482 RANDFONTEIN | - | - | -15 910 | 15 910 | 15 910 | - |
| GT485 NEWLOCMUN(RNDFNTN&WSTNR) | 216 728 | - | 37 979 | 178 749 | 178 749 | - |
| WEST RAND DIST MUNICIPALITY | 188 872 | - | - | 188 872 | 188 872 | - |
| ETH ETHEKWINI | 2 319 380 | - | 16 687 | 2 302 693 | 2 302 693 | - |
| KZN211 VULAMEHLO NEW | - | - | -10 274 | 10 274 | 10 274 | - |

| | | | | | | |
|-----------------------------------|---------|---|----------|---------|---------|---|
| KZN212 UMDON | 121 144 | - | 13 920 | 107 224 | 107 224 | - |
| KZN213 UMZUMBE | 119 488 | - | | 119 488 | 119 488 | - |
| KZN214 UMUZIWABANTU | 76 377 | - | | 76 377 | 76 377 | - |
| KZN215 EZINGOLENI NEW | | - | - 7 097 | 7 097 | 7 097 | - |
| KZN216 HIBISCUS COAST | 165 774 | - | 7 680 | 158 094 | 158 094 | - |
| DC21 UGU DISTRICT MUNICIPALITY | 384 729 | - | 8 398 | 376 331 | 376 331 | - |
| KZN221 UMSHWATHI | 83 479 | - | | 83 479 | 83 479 | - |
| KZN222 UMINGENI | 49 326 | - | 9 682 | 39 644 | 39 644 | - |
| KZN223 MPOFANA | 27 693 | - | | 27 693 | 27 693 | - |
| KZN224 IMPENDLE | 31 349 | - | | 31 349 | 31 349 | - |
| KZN225 MSUNDUZI | 432 307 | - | | 432 307 | 432 307 | - |
| KZN226 MKHAMBATHINI | 50 183 | - | | 50 183 | 50 183 | - |
| KZN227 RICHMOND | 55 625 | - | | 55 625 | 55 625 | - |
| DC22 UMGUNGUNDLOVU DIST MUN | 428 362 | - | 1 250 | 427 112 | 427 112 | - |
| KZN235 OKHAHLAMBA | 96 932 | - | | 96 932 | 96 932 | - |
| KZN236 IMBABAZANE NEW | | - | - 14 095 | 14 095 | 14 095 | - |
| KZN234 UMTSHEZI NEW | | - | - 8 366 | 8 366 | 8 366 | - |
| KZN237 UMTSHEZI/IMBABAZANE LC MN | 134 763 | - | 30 840 | 103 923 | 103 923 | - |
| KZN233 INDAKA NEW | | - | - 11 830 | 11 830 | 11 830 | - |
| KZN232 EMNAMBITHI LADYSMITH NEW | | - | - 18 793 | 18 793 | 18 793 | - |
| KZN238 LADYSMITH/INDAKA LOC MUN | 183 739 | - | 30 623 | 153 116 | 153 116 | - |
| DC23 UTHUKELA DIST MUNICIPALITY | 332 370 | - | | 332 370 | 332 370 | - |
| KZN241 ENDUMENI | 36 413 | - | 7 497 | 28 916 | 28 916 | - |
| KZN242 NQUTHU | 110 256 | - | | 110 256 | 110 256 | - |
| KZN244 MSINGA | 131 035 | - | 19 396 | 111 639 | 111 639 | - |
| KZN245 UMVOTI | 94 786 | - | 956 | 93 830 | 93 830 | - |
| DC24 UMZINYATHI DIST MUNICIPALITY | 263 532 | - | 3 672 | 259 860 | 259 860 | - |
| KZN252 NEWCASTLE | 306 952 | - | 678 | 306 274 | 306 274 | - |
| KZN253 EMADLANGENI | 23 572 | - | | 23 572 | 23 572 | - |
| KZN54 DANNHAUSER | 75 694 | - | 469 | 75 225 | 75 225 | - |
| DC25 AMAJUBA DIST MUNICIPALITY | 129 160 | - | 8 650 | 120 510 | 120 510 | - |
| KZN261 EDUMBE | 57 900 | - | 388 | 57 512 | 57 512 | - |
| KZN262 UPHONGOLO | 97 800 | - | 2 471 | 95 329 | 95 329 | - |
| KZN263 ABAQULUSI | 107 884 | - | 994 | 106 890 | 106 890 | - |
| KZN265 NONGOMA | 121 046 | - | | 121 046 | 121 046 | - |

| | | | | | | |
|-------------------------------------|---------|---|----------|---------|---------|---|
| KZN266 ULUNDI | 124 460 | - | - | 124 460 | 124 460 | - |
| DC26 ZULULAND DIST MUNICIPALITY | 347 834 | - | - | 347 834 | 347 834 | - |
| KZN271 UMHLABUYALINGANA | 122 458 | - | 1 337 | 121 121 | 121 121 | - |
| KZN272 JOZINI | 134 845 | - | - | 134 845 | 134 845 | - |
| KZN275 MTUBATUBA | 120 328 | - | 914 | 119 414 | 119 414 | - |
| KZN274 HLABISA NEW | 79 379 | - | - 5 117 | 5 117 | 5 117 | - |
| KZN273 THE BIG FIVE FALSE BAY NE | 292 146 | - | - 8 113 | 8 113 | 8 113 | - |
| KZN276 MUN | 79 379 | - | 22 616 | 56 763 | 56 763 | - |
| DC27 UMKHANYAKUDE DIST MUNICIPALITY | 292 146 | - | 6 732 | 285 414 | 285 414 | - |
| KZN281 MFOLOZI | 98 724 | - | - | 98 724 | 98 724 | - |
| KZN282 UMHLATHUZE | 263 487 | - | 22 738 | 240 749 | 240 749 | - |
| KZN284 UMLALAZI | 148 417 | - | 7 398 | 141 019 | 141 019 | - |
| KZN283 NITAMBANANA NEW | 148 417 | - | - 7 422 | 7 422 | 7 422 | - |
| KZN285 MTHONJANENI | 63 687 | - | 4 338 | 59 349 | 59 349 | - |
| KZN286 NKANDLA | 79 169 | - | - | 79 169 | 79 169 | - |
| DC28 UTHUNGULU DIST MUNICIPALITY | 433 405 | - | 10 811 | 422 594 | 422 594 | - |
| KZN291 MANDENI | 122 874 | - | - | 122 874 | 122 874 | - |
| KZN292 KWADUKUZA | 116 642 | - | - | 116 642 | 116 642 | - |
| KZN93 NDWEDWE | 108 709 | - | 886 | 107 823 | 107 823 | - |
| KZN294 MAPHUMULO | 71 404 | - | - | 71 404 | 71 404 | - |
| DC29 ILEMBE DISTRICT MUNICIPALITY | 373 996 | - | 105 | 373 891 | 373 891 | - |
| KZN433 GREATER KOKSTAD | 45 887 | - | 2 831 | 43 056 | 43 056 | - |
| KZN434 UBUHLEBEZWE | 90 491 | - | - | 90 491 | 90 491 | - |
| KZN435 UMZIMKHULU | 152 393 | - | - | 152 393 | 152 393 | - |
| KZN432 KWA SANI NEW | 94 288 | - | - 2 412 | 2 412 | 2 412 | - |
| KZN431 INGWE NEW | 260 069 | - | - 13 302 | 13 302 | 13 302 | - |
| KZN436 INGWE/KWA SANI LOC MUN | 94 288 | - | 15 714 | 78 574 | 78 574 | - |
| DC43 SISONKE DISTRICT MUNICIPALITY | 260 069 | - | - | 260 069 | 260 069 | - |
| LIMPOPO | | | | | | |
| LIM331 GREATER GIYANI | 219 308 | - | - | 219 308 | 219 308 | - |
| LIM332 GREATER LETABA | 206 299 | - | - | 206 299 | 206 299 | - |
| LIM333 GREATER TZANEEN | 291 141 | - | 1 271 | 289 870 | 289 870 | - |
| LIM334 BA-PHALABORWA | 110 235 | - | - | 110 235 | 110 235 | - |
| LIM335 MARULENG | 91 329 | - | 4 482 | 86 847 | 86 847 | - |

| | | | | | | |
|----------------------------------|---------|---|----------|---------|---------|---|
| DC33 MOPANI DIST MUNICIPALITY | 686 633 | - | 60 926 | 625 707 | 625 707 | - |
| LIM341 MUSINA | 87 434 | - | 6 748 | 80 686 | 80 686 | - |
| LIM343 THULAMELA | 337 132 | - | - 17 806 | 354 938 | 354 938 | - |
| LIM344 MAKHADO | 275 985 | - | - 14 620 | 290 605 | 290 605 | - |
| LIM342 MUTALE NEW | | - | - 15 198 | 15 198 | 15 198 | - |
| LIM345 | 247 247 | - | 41 208 | 206 039 | 206 039 | - |
| DC34 VHEMBE DIST MUNICIPALITY | 743 976 | - | 117 318 | 626 658 | 626 658 | - |
| LIM351 BLOUBERG | 155 178 | - | - 119 | 155 297 | 155 297 | - |
| LIM353 MOLEMOLE | 118 756 | - | 1 296 | 117 460 | 117 460 | - |
| LIM352 AGANANG NEW | | - | - 21 617 | 21 617 | 21 617 | - |
| LIM354 POLOKWANE | 675 714 | - | 33 968 | 641 746 | 641 746 | - |
| LIM355 LEPELLE-NKUMPI | 202 533 | - | 20 690 | 181 843 | 181 843 | - |
| DC35 CAPRICORN DIST MUNICIPALITY | 522 710 | - | 7 575 | 515 135 | 515 135 | - |
| LIM361 THABAZIMBI | 61 051 | - | 4 519 | 56 532 | 56 532 | - |
| LIM362 LEPHALALE | 94 514 | - | 10 515 | 83 999 | 83 999 | - |
| LIM366 BELA BELA | 68 411 | - | | 68 411 | 68 411 | - |
| LIM367 MOGALAKWENA | 348 115 | - | 16 420 | 331 695 | 331 695 | - |
| LIM364 MOOKGOPONG NEW | | - | - 6 324 | 6 324 | 6 324 | - |
| LIM365 MODIMOLLE NEW | | - | - 9 100 | 9 100 | 9 100 | - |
| LIM368 MODIMOLLE/MOOKGOPONG L MN | 92 547 | - | 15 558 | 76 989 | 76 989 | - |
| DC36 WATERBERG DIST MUNICIPALITY | 113 277 | - | | 113 277 | 113 277 | - |
| LIM471 EMPRAIM MOGALE | 117 556 | - | 89 | 117 467 | 117 467 | - |
| LIM473 MAKHUDUTHAMAGA | 225 123 | - | 12 280 | 212 843 | 212 843 | - |
| LIM472 ELIAS MOTSOLEDI | 210 385 | - | 1 108 | 209 277 | 209 277 | - |
| LIM474 FETAGOMO NEW | | - | - 13 414 | 13 414 | 13 414 | - |
| LIM475 GREATER TUBATSE NEW | | - | - 37 879 | 37 879 | 37 879 | - |
| LIM476 GRTR TUBATSE/FETAKGOMO | 307 760 | - | 75 508 | 232 252 | 232 252 | - |
| DC47 GREATER SEKHUKHUNE DIST MUN | 600 889 | - | 19 364 | 581 525 | 581 525 | - |
| MPUMALANGA | | - | | | | |
| MP301 ALBERT LUTHULI | 233 446 | - | 2 072 | 231 374 | 231 374 | - |
| MP302 MSUKALIGWA | 121 443 | - | 210 | 121 233 | 121 233 | - |
| MP303 MKHONDO | 166 350 | - | | 166 350 | 166 350 | - |
| MP304 PIXLEY KA SEME | 91 996 | - | 7 515 | 84 481 | 84 481 | - |
| MP305 LEKWA | 86 239 | - | 191 | 86 048 | 86 048 | - |

| | | | | | | |
|---|----------------|---|----------|----------------|----------------|---|
| MP306 DIPALESENG | 54 345 | - | 13 585 | 40 760 | 40 760 | - |
| MP307 GOVAN MBEKI | 199 430 | - | 480 | 198 950 | 198 950 | - |
| DC30 GERT SIBANDE DIST MUNICIPAL | 275 755 | - | | 275 755 | 275 755 | - |
| MP311 VICTOR KHANYE | 72 949 | - | | 72 949 | 72 949 | - |
| MP312 EMALAHLENI | 255 989 | - | 5 082 | 250 907 | 250 907 | - |
| MP313 STEVE TSHWETE | 136 037 | - | | 136 037 | 136 037 | - |
| MP314 EMAKHAZENI | 51 837 | - | 966 | 50 871 | 50 871 | - |
| MP315 THEMBSILE | 313 317 | - | 21 143 | 292 174 | 292 174 | - |
| MP316 DR JS MOROKA | 314 608 | - | 12 184 | 302 424 | 302 424 | - |
| DC31 NIKANGALA DIST MUNICIPALITY | 333 667 | - | | 333 667 | 333 667 | - |
| MP321 THABA CHWEU | 115 054 | - | | 115 054 | 115 054 | - |
| MP324 NIKOMAZI | 447 689 | - | 2 076 | 445 613 | 445 613 | - |
| MP325 BUSHBUCKRIDGE | 647 298 | - | 20 000 | 627 298 | 627 298 | - |
| MP323 UMJINDI NEW | | - | - 11 792 | 11 792 | 11 792 | - |
| MP322 MBOMBELA NEW | | - | - 80 878 | 80 878 | 80 878 | - |
| MP326 MBOMBELA/UMJINDI LOC MUN | 556 020 | - | 141 169 | 414 851 | 414 851 | - |
| | 221 660 | - | | 221 660 | 221 660 | - |
| DC32 EHLANZENI DIST MUNICIPALITY | | | | | | |
| NORTHERN CAPE | | | | | | |
| NC061 RICHTERSVELD | 13 498 | - | | 13 498 | 13 498 | - |
| NC062 NAMA KHOI | 38 318 | - | 7 191 | 31 127 | 31 127 | - |
| NC064 KAMIESBERG | 18 175 | - | 709 | 17 466 | 17 466 | - |
| NC065 HANTAM | 20 774 | - | 1 226 | 19 548 | 19 548 | - |
| NC066 KAROO HOOGLAND | 16 678 | - | 540 | 16 138 | 16 138 | - |
| NC067 KHAI-MA- | 15 552 | - | 3 262 | 12 290 | 12 290 | - |
| DC6 NAMAKWA DISTRICT MUNICIPALIT | 35 436 | - | 23 | 35 413 | 35 413 | - |
| NC071 UBUNTU | 25 817 | - | 5 252 | 20 565 | 20 565 | - |
| NC072 UMSOBOMVU | 36 658 | - | | 36 658 | 36 658 | - |
| NC073 EMTHANJENI | 36 197 | - | 3 292 | 32 905 | 32 905 | - |
| NC074 KAREEBERG | 18 919 | - | | 18 919 | 18 919 | - |
| NC075 RENOSTERBERG | 18 733 | - | 4 250 | 14 483 | 14 483 | - |
| NC076 THEMBELIHLE | 19 367 | - | 259 | 19 108 | 19 108 | - |
| NC077 SIYATHEMBA | 25 732 | - | 1 576 | 24 156 | 24 156 | - |

| | | | | | | |
|----------------------------------|---------|---|---------|---------|---------|---|
| NC078 SIYANCUMA | 39 977 | - | 373 | 39 604 | 39 604 | - |
| DC7 PIXLEY KA SEME DISTRICT MUN | 35 824 | - | 32 | 35 792 | 35 792 | - |
| NC082 !KAI! GARIB | 54 787 | - | | 54 787 | 54 787 | - |
| NC084 !KHEIS | 20 223 | - | | 20 223 | 20 223 | - |
| NC085 TSANTSABANE | 30 151 | - | 136 | 30 015 | 30 015 | - |
| NC086 KGATELOPELE | 17 858 | - | 485 | 17 373 | 17 373 | - |
| NC081 MIER NEW | | - | - 2 345 | 2 345 | 2 345 | - |
| NC083 //KHARA HAIS NEW | | - | - 9 272 | 9 272 | 9 272 | - |
| NC087 //KHARA HAIS/MIER LOC MUN | 69 707 | - | 11 718 | 57 989 | 57 989 | - |
| DC8 SIYANDA DISTRICT MUNICIPAL | 51 034 | - | | 51 034 | 51 034 | - |
| NC091 SOL PLAATJIE | 144 171 | - | | 144 171 | 144 171 | - |
| NC092 DIKGATLONG | 60 379 | - | 445 | 59 934 | 59 934 | - |
| NC093 MAGARENG | 35 300 | - | 1 032 | 34 268 | 34 268 | - |
| NC094 PHOKWANE | 79 307 | - | 42 | 79 265 | 79 265 | - |
| DC9 FRANCES BAARD DIST MUNICIPAL | 105 416 | - | | 105 416 | 105 416 | - |
| NC451 JOE MOROLONG | 115 068 | - | | 115 068 | 115 068 | - |
| NC452 GA-SEGONYANA | 117 413 | - | 6 437 | 110 976 | 110 976 | - |
| NC453 GAMAGARA | 25 352 | - | 6 649 | 18 703 | 18 703 | - |
| DC45 JOHN TAOLO GAETSWEWE MUN | 66 326 | - | 2 799 | 63 527 | 63 527 | - |
| NORTHWEST | | | | | | |
| NW371 MORETELE | 263 905 | - | 54 | 263 851 | 263 851 | - |
| NW372 MADIBENG | 506 149 | - | 3 101 | 503 048 | 503 048 | - |
| NW373 RUSTENBURG | 451 980 | - | 198 613 | 253 367 | 253 367 | - |
| NW374 KGETLENGRIVIER | 62 494 | - | 466 | 62 028 | 62 028 | - |
| NW375 MOSES KOTANE | 333 265 | - | | 333 265 | 333 265 | - |
| DC37 BOJANALA PLATINUM DIST MUN | 302 943 | - | | 302 943 | 302 943 | - |
| NW381 RATLOU | 96 861 | - | | 96 861 | 96 861 | - |
| NW382 TSWAING | 85 712 | - | 10 840 | 74 872 | 74 872 | - |
| NW383 MAFIKENG | 178 390 | - | | 178 390 | 178 390 | - |
| NW384 DITSOBOTLA | 89 941 | - | | 89 941 | 89 941 | - |
| NW385 RAMOTSHERE MOILOA | 126 139 | - | | 126 139 | 126 139 | - |
| DC38 NGAKA MODIRI MOLEMA DIST MU | 551 315 | - | 126 990 | 424 325 | 424 325 | - |
| NW392 NALEDI | 41 201 | - | | 41 201 | 41 201 | - |
| NW393 MAMUSA | 45 162 | - | 92 | 45 070 | 45 070 | - |

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|-----------------------------------|----------------|---------|----------------|----------------|---|
| NW394 GREATER TAUNG | 164 554 | - | 164 554 | 164 554 | - |
| NW396 LEKWA-TEEMANE | 39 260 | - | 39 260 | 39 260 | - |
| NW397 MOLOPO-KAGISANO | 99 646 | 1 014 | 98 632 | 98 632 | - |
| DC39 DR RUTH SEGOMTSI MOMPITI MUN | 282 287 | - | 282 287 | 282 287 | - |
| NW403 CITY OF MATLOSANA | 342 855 | 1 643 | 341 212 | 341 212 | - |
| NW404 MAQUASSI HILLS | 94 022 | 6 453 | 87 569 | 87 569 | - |
| NW402 TLOKWE NEW | - | -20 482 | 20 482 | 20 482 | - |
| NW401 VENTERSDORP NEW | - | -10 850 | 10 850 | 10 850 | - |
| NW405 VENTERSDORP/TLOKWE LOC MN | 187 990 | 31 348 | 156 642 | 156 642 | - |
| DC40 DR KENNETH KAUNDA MUN | 169 319 | - | 169 319 | 169 319 | - |
| WESTERN CAPE | | | | | |
| CPT CITY OF CAPE TOWN | 2 012 945 | 128 960 | 1 883 985 | 1 883 985 | - |
| WC011 MATZIKAMA | 44 100 | - | 44 100 | 44 100 | - |
| WC012 CEDERBERG | 37 173 | - | 37 173 | 37 173 | - |
| WC013 BERGRIVIER | 33 341 | 22 | 33 319 | 33 319 | - |
| WC014 SALDANHA BAY | 62 832 | - | 62 832 | 62 832 | - |
| WC015 SWARTLAND | 59 275 | - | 59 275 | 59 275 | - |
| West Coast District Municipality | 82 194 | - | 82 194 | 82 194 | - |
| WC022 WITZENBERG | 59 734 | 409 | 59 325 | 59 325 | - |
| WC023 DRAKENSTEIN | 106 240 | - | 106 240 | 106 240 | - |
| WC024 STELLENBOSCH | 95 982 | - | 95 982 | 95 982 | - |
| WC025 BREEDE VALLEY | 88 524 | - | 88 524 | 88 524 | - |
| WC026 LANGEBERG | 60 461 | 5 395 | 55 066 | 55 066 | - |
| DC2 CAPE WINELANDS DIST MUNICIPAL | 220 870 | - | 220 870 | 220 870 | - |
| WC031 THEEWATERSKLOOF | 69 861 | 728 | 69 133 | 69 133 | - |
| WC032 OVERSTRAND | 72 950 | - | 72 950 | 72 950 | - |
| WC033 CAPE AGULHAS | 23 075 | - | 23 075 | 23 075 | - |
| WC034 SWELLENIDAM | 24 012 | - | 24 012 | 24 012 | - |
| DC3 OVERBERG DISTRICT MUNICIPAL | 52 163 | - | 52 163 | 52 163 | - |
| WC041 KANNALAND | 22 940 | 582 | 22 358 | 22 358 | - |
| WC042 HESSEQUA | 34 558 | 11 519 | 23 039 | 23 039 | - |
| WC043 MOSSEL BAY | 70 874 | - | 70 874 | 70 874 | - |
| WC044 GEORGE | 109 872 | 4 536 | 105 336 | 105 336 | - |
| WC045 OUDTSHOORN | 58 194 | 345 | 57 849 | 57 849 | - |

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|--------------------------------------|-------------------|---|------------------|-------------------|---|-------------------|---|
| WC047 BITOU | 64 235 | - | - | 64 235 | - | 64 235 | - |
| WC048 KNYSNA | 62 982 | - | 1 748 | 61 234 | - | 61 234 | - |
| DC4 EDEN DISTRICT MUNICIPALITY | 142 094 | - | 15 022 | 127 072 | - | 127 072 | - |
| WC051 LAINGSBURG | 12 526 | - | 3 923 | 8 603 | - | 8 603 | - |
| WC052 PRINCE ALBERT | 16 192 | - | - | 16 192 | - | 16 192 | - |
| WC53BEAUFORT WEST | 46 569 | - | 9 249 | 37 320 | - | 37 320 | - |
| DC5 CENTRAL KAROO DIST MUNICIPAL | 19 416 | - | 59 | 19 357 | - | 19 357 | - |
| Total LGES | 52 568 706 | | 1 859 718 | 50 708 988 | | 50 708 988 | |
| MIG | | | | | | | |
| EASTERN CAPE | | | | | | | |
| Buffalo City | - | - | - | - | - | - | - |
| Nelson Mandela Bay | - | - | - | - | - | - | - |
| Camdeboo | - | - | - | - | - | - | - |
| Dr Beyers Naude | 37 623 | - | - | 37 623 | - | 37 623 | - |
| Ikwezi | - | - | - | - | - | - | - |
| Blue Crane Route | 13 666 | - | - | 13 666 | - | 13 666 | - |
| Makana | - | - | - | - | - | - | - |
| Ndlambe | 26 054 | - | 12 000 | 38 054 | - | 38 054 | - |
| Sundays River-Valley | 24 446 | - | (2 735) | 21 711 | - | 21 711 | - |
| Baviaans | - | - | - | - | - | - | - |
| Kouga | 30 326 | - | 7 000 | 37 326 | - | 37 326 | - |
| Kou-Kamma | 14 694 | - | (3 000) | 11 694 | - | 11 694 | - |
| Sarah Baartman District Municipality | 36 288 | - | - | 36 288 | - | 36 288 | - |
| Mbhashe | 55 745 | - | 10 000 | 65 745 | - | 65 745 | - |
| Minquma | 59 727 | - | - | 59 727 | - | 59 727 | - |
| Great Kei | 12 072 | - | - | 12 072 | - | 12 072 | - |
| Amahlathi | 30 147 | - | (7 000) | 23 147 | - | 23 147 | - |
| Ngqushwa | 21 854 | - | (2 379) | 19 475 | - | 19 475 | - |
| Nkonkobe | - | - | - | - | - | - | - |
| Nxuba | - | - | - | - | - | - | - |
| Raymond Mhlaba | 39 969 | - | - | 39 969 | - | 39 969 | - |
| Amathole District Municipality | 412 736 | - | 35 000 | 447 736 | - | 447 736 | - |
| Inxuba Yethemba | 15 369 | - | 8 000 | 23 369 | - | 23 369 | - |

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|----------------------------------|---------|---|----------|---------|---|---------|---|
| Intsika Yethu | 39 895 | - | - | 39 895 | - | 39 895 | - |
| Tsolwana | - | - | - | - | - | - | - |
| Inkwanca | - | - | - | - | - | - | - |
| Lukhanji | - | - | - | - | - | - | - |
| Emalahleni | 31 758 | - | (7 000) | 24 758 | - | 24 758 | - |
| Engcobo | 50 431 | - | (4 000) | 46 431 | - | 46 431 | - |
| Sakhisizwe | 17 539 | - | (3 000) | 14 539 | - | 14 539 | - |
| Enoch Mgijima | 56 668 | - | - | 56 668 | - | 56 668 | - |
| Chris Hani District Municipality | 271 423 | - | - | 271 423 | - | 271 423 | - |
| Elundini | 37 250 | - | 5 000 | 42 250 | - | 42 250 | - |
| Maletswai | - | - | - | - | - | - | - |
| Gariep | - | - | - | - | - | - | - |
| Senqu | 36 728 | - | - | 36 728 | - | 36 728 | - |
| Walter Sisulu | 21 552 | - | 6 000 | 27 552 | - | 27 552 | - |
| Joe Gqabi District Municipality | 151 602 | - | - | 151 602 | - | 151 602 | - |
| Ngqaza Hill | 52 025 | - | - | 52 025 | - | 52 025 | - |
| Port St Johns | 32 781 | - | 4 000 | 36 781 | - | 36 781 | - |
| Nyandeni | 58 050 | - | - | 58 050 | - | 58 050 | - |
| Mhlontlo | 41 660 | - | 15 000 | 56 660 | - | 56 660 | - |
| King Sabata Dalindyebo | 82 213 | - | 15 000 | 97 213 | - | 97 213 | - |
| O.R.Tambo District Municipality | 609 099 | - | (90 000) | 519 099 | - | 519 099 | - |
| Matatiele | 47 012 | - | - | 47 012 | - | 47 012 | - |
| Umzimvubu | 44 261 | - | 7 735 | 51 996 | - | 51 996 | - |
| Mbizana | 46 159 | - | - | 46 159 | - | 46 159 | - |
| Ntabankulu | 35 960 | - | - | 35 960 | - | 35 960 | - |
| Alfred Nzo District Municipality | 361 497 | - | - | 361 497 | - | 361 497 | - |
| FREE STATE | | | | | | | |
| Mangaung | - | - | - | - | - | - | - |
| Letsemeng | 16 635 | - | 4 000 | 20 635 | - | 20 635 | - |
| Kopanong | 19 977 | - | - | 19 977 | - | 19 977 | - |
| Naledi | - | - | - | - | - | - | - |
| Mohokare | 28 429 | - | - | 28 429 | - | 28 429 | - |
| Xhariep District Municipality | - | - | - | - | - | - | - |
| Masilonyana | 22 500 | - | (11 746) | 10 754 | - | 10 754 | - |
| Tokologo | 25 798 | - | - | 25 798 | - | 25 798 | - |

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|--|---------|---|----------|---------|---------|---|
| Tswelopele | 15 736 | - | - | 15 736 | 15 736 | - |
| Matjhabeng | 113 363 | - | - | 113 363 | 113 363 | - |
| Nala | 28 299 | - | 10 000 | 38 299 | 38 299 | - |
| Lejweleputswa District Municipality | - | - | - | - | - | - |
| Setsoto | 45 091 | - | 4 000 | 49 091 | 49 091 | - |
| Ditlhabeng | 36 892 | - | - | 36 892 | 36 892 | - |
| Nketoana | 24 218 | - | 2 500 | 26 718 | 26 718 | - |
| Maluti-a-Phofung | 154 870 | - | - | 154 870 | 154 870 | - |
| Phumelela | 20 090 | - | - | 20 090 | 20 090 | - |
| Mantsopa | 19 061 | - | - | 19 061 | 19 061 | - |
| Thabo Mofutsanyana District Municipality | - | - | - | - | - | - |
| Moghaka | 38 349 | - | - | 38 349 | 38 349 | - |
| Ngwathe | 40 070 | - | 12 000 | 52 070 | 52 070 | - |
| Metsimaholo | 42 623 | - | 15 000 | 57 623 | 57 623 | - |
| Mafube | 21 422 | - | (21 422) | - | - | - |
| Fezile Dabi District Municipality | - | - | - | - | - | - |
| GAUTENG | | | | | | |
| Ekurhuleni | - | - | - | - | - | - |
| City of Johannesburg | - | - | - | - | - | - |
| City of Tshwane | - | - | - | - | - | - |
| Emfuleni | 160 763 | - | - | 160 763 | 160 763 | - |
| Midvaal | 30 339 | - | - | 30 339 | 30 339 | - |
| Lesedi | 25 204 | - | (3 800) | 21 404 | 21 404 | - |
| Sediberg District Municipality | - | - | - | - | - | - |
| Mogale City | 97 514 | - | (4 000) | 93 514 | 93 514 | - |
| Randfontein | - | - | - | - | - | - |
| Westonaria | - | - | - | - | - | - |
| Merafong City | 55 283 | - | - | 55 283 | 55 283 | - |
| Rand West City | 87 498 | - | - | 87 498 | 87 498 | - |
| West Rand District Municipality | - | - | - | - | - | - |
| KWAZULU NATAL | | | | | | |
| eThekweni | - | - | - | - | - | - |
| Vulamehlo | - | - | - | - | - | - |

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|-------------------------------------|---------|---|---------|---------|---------|---|
| uMdoni | 35 870 | - | - | 35 870 | 35 870 | - |
| Umzumbé | 32 622 | - | 3 000 | 35 622 | 35 622 | - |
| uMuziwabantu | 22 275 | - | - | 22 275 | 22 275 | - |
| Eziqolweni | - | - | - | - | - | - |
| Hibiscus Coast | - | - | - | - | - | - |
| Ray Nkonyeni | 60 156 | - | 2 400 | 62 556 | 62 556 | - |
| Ugu District Municipality | 233 873 | - | - | 233 873 | 233 873 | - |
| uMshwathi | 26 329 | - | 2 500 | 28 829 | 28 829 | - |
| uMngeni | 21 866 | - | (6 000) | 15 866 | 15 866 | - |
| Mpofana | 11 680 | - | - | 11 680 | 11 680 | - |
| Impendle | 11 382 | - | 5 000 | 16 382 | 16 382 | - |
| Msunduzi | 190 617 | - | - | 190 617 | 190 617 | - |
| Mkhambathini | 15 626 | - | (1 700) | 13 926 | 13 926 | - |
| Richmond | 32 659 | - | (6 659) | 26 000 | 26 000 | - |
| Umgungundlovu District Municipality | 99 630 | - | 10 000 | 109 630 | 109 630 | - |
| Emnambethi-Ladysmith | - | - | - | - | - | - |
| Indaka | - | - | - | - | - | - |
| Umtshezi | - | - | - | - | - | - |
| Okhahlamba | 27 014 | - | - | 27 014 | 27 014 | - |
| Imbabazane | - | - | - | - | - | - |
| iNkosi Langalibalele | 38 547 | - | - | 38 547 | 38 547 | - |
| Alfred Duma | 60 353 | - | 10 000 | 70 353 | 70 353 | - |
| Uthukela District Municipality | 178 506 | - | - | 178 506 | 178 506 | - |
| Endumeni | 14 517 | - | (1 300) | 13 217 | 13 217 | - |
| Nqutu | 29 778 | - | - | 29 778 | 29 778 | - |
| Misinga | 35 800 | - | 3 500 | 39 300 | 39 300 | - |
| Umvoti | 26 311 | - | (6 311) | 20 000 | 20 000 | - |
| Umzinyathi District Municipality | 181 064 | - | - | 181 064 | 181 064 | - |
| Newcastle | 109 214 | - | - | 109 214 | 109 214 | - |
| Enadlangeni | 8 913 | - | 2 200 | 11 113 | 11 113 | - |
| Dannhauser | 20 698 | - | - | 20 698 | 20 698 | - |
| Amajuba District Municipality | 39 577 | - | - | 39 577 | 39 577 | - |
| eDumbe | 17 221 | - | - | 17 221 | 17 221 | - |
| uPhongolo | 42 136 | - | - | 42 136 | 42 136 | - |
| Abaqulusi | 35 078 | - | (5 000) | 30 078 | 30 078 | - |

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|------------------------------------|----------|---|-----------|---------|---|---------|---|
| Nongoma | 30 417 | - | - | 30 417 | - | 30 417 | - |
| Ulundi | 29 492 | - | - | 29 492 | - | 29 492 | - |
| Zululand District Municipality | 2 18 314 | - | 10 000 | 228 314 | - | 228 314 | - |
| Umhlabuyalingana | 33 325 | - | 3 500 | 36 825 | - | 36 825 | - |
| Jozini | 35 689 | - | - | 35 689 | - | 35 689 | - |
| Mtubatuba | 30 303 | - | - | 30 303 | - | 30 303 | - |
| Big Five Hlabisa | 23 800 | - | - | 23 800 | - | 23 800 | - |
| Hlabisa | - | - | - | - | - | - | - |
| Umkhanyakude District Municipality | 207 522 | - | - | 207 522 | - | 207 522 | - |
| Mfolozi | 24 049 | - | - | 24 049 | - | 24 049 | - |
| uMhlatuze | 99 817 | - | - | 99 817 | - | 99 817 | - |
| Ntambanana | - | - | - | - | - | - | - |
| uMlalazi | 38 539 | - | (3 000) | 35 539 | - | 35 539 | - |
| Mthonjaneni | 18 899 | - | 10 000 | 28 899 | - | 28 899 | - |
| Nkandla | 21 795 | - | - | 21 795 | - | 21 795 | - |
| uThungulu District Municipality | 165 170 | - | - | 165 170 | - | 165 170 | - |
| Mandeni | 33 757 | - | (8 000) | 25 757 | - | 25 757 | - |
| KwaDukuza | 49 330 | - | 12 000 | 61 330 | - | 61 330 | - |
| Ndwedwe | 28 451 | - | (4 500) | 23 951 | - | 23 951 | - |
| Maphumulo | 21 301 | - | - | 21 301 | - | 21 301 | - |
| iLembe District Municipality | 186 984 | - | - | 186 984 | - | 186 984 | - |
| Ingwe | - | - | - | - | - | - | - |
| Kwa Sani | - | - | - | - | - | - | - |
| Greater Kokstad | 31 525 | - | (10 000) | 21 525 | - | 21 525 | - |
| Ubuhlebezwe | 24 057 | - | - | 24 057 | - | 24 057 | - |
| Umzimkhulu | 41 399 | - | - | 41 399 | - | 41 399 | - |
| Dr Nkosazana Dlamini Zuma | 29 513 | - | - | 29 513 | - | 29 513 | - |
| Harry Gwala District Municipality | 191 067 | - | - | 191 067 | - | 191 067 | - |
| LIMPOPO | | | | | | | |
| Greater Giyani | 57 902 | - | 30 000 | 87 902 | - | 87 902 | - |
| Greater Letaba | 54 976 | - | - | 54 976 | - | 54 976 | - |
| Greater Tzaneen | 89 797 | - | 65 000 | 154 797 | - | 154 797 | - |
| Ba-Phalaborwa | 30 568 | - | - | 30 568 | - | 30 568 | - |
| Maruleng | 25 418 | - | 4 000 | 29 418 | - | 29 418 | - |
| Mopani District Municipality | 438 907 | - | (230 407) | 208 500 | - | 208 500 | - |

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|----------------------------------|---------|---|-----------|---------|---|---------|---|
| Musina | 35 814 | - | - | 35 814 | - | 35 814 | - |
| Mutale | - | - | - | - | - | - | - |
| Thulamela | 94 661 | - | - | 94 661 | - | 94 661 | - |
| Makhado | 85 346 | - | (20 000) | 65 346 | - | 65 346 | - |
| LIM345 | 88 177 | - | - | 88 177 | - | 88 177 | - |
| Vhembe District Municipality | 497 287 | - | - | 497 287 | - | 497 287 | - |
| Blouberg | 44 381 | - | - | 44 381 | - | 44 381 | - |
| Agang | - | - | - | - | - | - | - |
| Molemole | 42 642 | - | - | 42 642 | - | 42 642 | - |
| Polokwane | 299 943 | - | - | 299 943 | - | 299 943 | - |
| Lepele-Nkumpi | 51 466 | - | (14 364) | 37 102 | - | 37 102 | - |
| Capricorn District Municipality | 243 872 | - | 30 000 | 273 872 | - | 273 872 | - |
| Thabazimbi | - | - | - | - | - | - | - |
| Lephalale | 36 355 | - | - | 36 355 | - | 36 355 | - |
| Mookgopong | - | - | - | - | - | - | - |
| Modimolle | - | - | - | - | - | - | - |
| Bela-Bela | 22 571 | - | 15 000 | 37 571 | - | 37 571 | - |
| Mogalakwena | 139 486 | - | - | 139 486 | - | 139 486 | - |
| LIM368 | 36 255 | - | - | 36 255 | - | 36 255 | - |
| Waterberg District Municipality | 28 714 | - | - | 28 714 | - | 28 714 | - |
| Ephraim Mogale | 31 917 | - | (2 604) | 29 313 | - | 29 313 | - |
| Elias Motsoaledi | 52 419 | - | 20 000 | 72 419 | - | 72 419 | - |
| Makhuduthamaga | 59 210 | - | 28 000 | 87 210 | - | 87 210 | - |
| Fetakgomo | - | - | - | - | - | - | - |
| Greater Tubatse | - | - | - | - | - | - | - |
| LIM476 | 80 885 | - | 30 000 | 110 885 | - | 110 885 | - |
| Sekhukhune District Municipality | 457 984 | - | (126 800) | 331 184 | - | 331 184 | - |
| MPUMALANGA | | | | | | | |
| Albert Luthuli | 90 197 | - | - | 90 197 | - | 90 197 | - |
| Msulungwa | 60 442 | - | (21 950) | 38 492 | - | 38 492 | - |
| Mkhondo | 74 666 | - | - | 74 666 | - | 74 666 | - |
| Pixley Ka Seme | 25 220 | - | - | 25 220 | - | 25 220 | - |
| Lekwa | 38 531 | - | - | 38 531 | - | 38 531 | - |
| Dipaleseng | 17 959 | - | 6 200 | 24 159 | - | 24 159 | - |
| Govan Mbeki | 55 161 | - | - | 55 161 | - | 55 161 | - |

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|--------------------------------------|---------|----------|---------|---------|---------|---------|---------|---------|---------|
| Gert Sibande District Municipality | - | - | - | - | - | - | - | - | - |
| Victor Khanye | 30 377 | 30 377 | 30 377 | 30 377 | 30 377 | 30 377 | 30 377 | 30 377 | 30 377 |
| Emalahleni | 114 223 | (45 895) | 68 328 | 68 328 | 68 328 | 68 328 | 68 328 | 68 328 | 68 328 |
| Steve Tshwete | 47 457 | - | 47 457 | 47 457 | 47 457 | 47 457 | 47 457 | 47 457 | 47 457 |
| Emakhazeni | 25 404 | - | 25 404 | 25 404 | 25 404 | 25 404 | 25 404 | 25 404 | 25 404 |
| Thembisile Hani | 117 504 | - | 117 504 | 117 504 | 117 504 | 117 504 | 117 504 | 117 504 | 117 504 |
| Dr JS Moroka | 119 102 | - | 119 102 | 119 102 | 119 102 | 119 102 | 119 102 | 119 102 | 119 102 |
| Nkangala District Municipality | - | - | - | - | - | - | - | - | - |
| Thaba Chweu | 46 025 | 15 000 | 61 025 | 61 025 | 61 025 | 61 025 | 61 025 | 61 025 | 61 025 |
| Mbombela | - | - | - | - | - | - | - | - | - |
| Umjindi | - | - | - | - | - | - | - | - | - |
| Nkomazi | 216 355 | 41 000 | 257 355 | 257 355 | 257 355 | 257 355 | 257 355 | 257 355 | 257 355 |
| Bushbuckridge | 358 773 | 35 000 | 393 773 | 393 773 | 393 773 | 393 773 | 393 773 | 393 773 | 393 773 |
| City of Mbombela | 330 659 | - | 330 659 | 330 659 | 330 659 | 330 659 | 330 659 | 330 659 | 330 659 |
| Ehlanzeni District Municipality | - | - | - | - | - | - | - | - | - |
| NORTHERN CAPE | | | | | | | | | |
| Richtersveld | 7 001 | - | 7 001 | 7 001 | 7 001 | 7 001 | 7 001 | 7 001 | 7 001 |
| Nama Khoi | 13 927 | (2 600) | 11 327 | 11 327 | 11 327 | 11 327 | 11 327 | 11 327 | 11 327 |
| Kamiesberg | 8 406 | - | 8 406 | 8 406 | 8 406 | 8 406 | 8 406 | 8 406 | 8 406 |
| Hantam | 9 272 | 3 000 | 12 272 | 12 272 | 12 272 | 12 272 | 12 272 | 12 272 | 12 272 |
| Karoo Hoogland | 7 744 | - | 7 744 | 7 744 | 7 744 | 7 744 | 7 744 | 7 744 | 7 744 |
| Khâi-Ma | 15 430 | - | 15 430 | 15 430 | 15 430 | 15 430 | 15 430 | 15 430 | 15 430 |
| Namakwa District Municipality | - | - | - | - | - | - | - | - | - |
| Ubuntu | 9 514 | (4 000) | 5 514 | 5 514 | 5 514 | 5 514 | 5 514 | 5 514 | 5 514 |
| Umsobomvu | 17 464 | (1 700) | 15 764 | 15 764 | 15 764 | 15 764 | 15 764 | 15 764 | 15 764 |
| Ernharjeni | 11 602 | (2 415) | 9 187 | 9 187 | 9 187 | 9 187 | 9 187 | 9 187 | 9 187 |
| Kareeberg | 7 669 | 3 000 | 10 669 | 10 669 | 10 669 | 10 669 | 10 669 | 10 669 | 10 669 |
| Renosterberg | 7 137 | (2 481) | 4 656 | 4 656 | 4 656 | 4 656 | 4 656 | 4 656 | 4 656 |
| Thembellhle | 9 018 | (875) | 8 143 | 8 143 | 8 143 | 8 143 | 8 143 | 8 143 | 8 143 |
| Siyathemba | 9 379 | - | 9 379 | 9 379 | 9 379 | 9 379 | 9 379 | 9 379 | 9 379 |
| Siyancuma | 15 851 | 15 000 | 30 851 | 30 851 | 30 851 | 30 851 | 30 851 | 30 851 | 30 851 |
| Pixley Ka Seme District Municipality | - | - | - | - | - | - | - | - | - |

| | | | | | | | | | |
|---|---------|---|-----------|---|---------|---|---------|---|---|
| Mier | - | - | - | - | - | - | - | - | - |
| !Kai !Garib | 21 395 | - | 2 500 | - | 23 895 | - | 23 895 | - | - |
| Khara Hais | - | - | - | - | - | - | - | - | - |
| !Kheis | 10 202 | - | - | - | 10 202 | - | 10 202 | - | - |
| Tsantsabane | 14 833 | - | 12 000 | - | 26 833 | - | 26 833 | - | - |
| Kgatelopele | 7 673 | - | 13 000 | - | 20 673 | - | 20 673 | - | - |
| Dawid Kruiper | 27 177 | - | - | - | 27 177 | - | 27 177 | - | - |
| Z.F. Mgcawu District Municipality | - | - | - | - | - | - | - | - | - |
| Sol Plaatjie | 47 552 | - | (10 473) | - | 37 079 | - | 37 079 | - | - |
| Dikgatlong | 18 487 | - | - | - | 18 487 | - | 18 487 | - | - |
| Magareng | 10 653 | - | - | - | 10 653 | - | 10 653 | - | - |
| Phokwane | 25 064 | - | 20 000 | - | 45 064 | - | 45 064 | - | - |
| Frances Baard District Municipality | - | - | - | - | - | - | - | - | - |
| Joe Morolong | 57 839 | - | - | - | 57 839 | - | 57 839 | - | - |
| Ga-Segonyana | 51 521 | - | - | - | 51 521 | - | 51 521 | - | - |
| Gamagara | 21 569 | - | - | - | 21 569 | - | 21 569 | - | - |
| John Taolo Gaetsewe District Municipality | - | - | - | - | - | - | - | - | - |
| NORTH WEST | - | - | - | - | - | - | - | - | - |
| Moretele | 101 410 | - | 25 000 | - | 126 410 | - | 126 410 | - | - |
| Maibeng | 248 907 | - | - | - | 248 907 | - | 248 907 | - | - |
| Rustenburg | 199 914 | - | (30 000) | - | 169 914 | - | 169 914 | - | - |
| Kgetlengrivier | 22 915 | - | - | - | 22 915 | - | 22 915 | - | - |
| Moses Kotane | 133 507 | - | (20 000) | - | 113 507 | - | 113 507 | - | - |
| Bojanala Platinum District Municipality | - | - | - | - | - | - | - | - | - |
| Ratlou | 43 059 | - | 15 000 | - | 58 059 | - | 58 059 | - | - |
| Tswaing | 27 939 | - | - | - | 27 939 | - | 27 939 | - | - |
| Mafikeng | 70 417 | - | 25 000 | - | 95 417 | - | 95 417 | - | - |
| Ditsobotla | 34 875 | - | 20 000 | - | 54 875 | - | 54 875 | - | - |
| Ramotshere Moiloa | 35 460 | - | - | - | 35 460 | - | 35 460 | - | - |
| Ngaka Modiri Molema District Municipality | 290 197 | - | (173 976) | - | 116 221 | - | 116 221 | - | - |
| Naledi | 16 204 | - | 25 000 | - | 41 204 | - | 41 204 | - | - |

| | | | | | | | |
|---|---------|---|----------|---------|---------|---|---|
| Mamusa | 19 979 | - | (13 688) | 6 291 | 6 291 | - | - |
| Greater Taung | 45 436 | - | 7 900 | 53 336 | 53 336 | - | - |
| Lekwa-Teemane | 25 617 | - | - | 25 617 | 25 617 | - | - |
| Kagisano-Molopo | 28 697 | - | - | 28 697 | 28 697 | - | - |
| Dr Ruth Segomotsi Mompoti District Municipality | 134 717 | - | 105 688 | 240 405 | 240 405 | - | - |
| Ventersdorp | - | - | - | - | - | - | - |
| Tlokwe | - | - | - | - | - | - | - |
| City of Matlosana | 83 362 | - | - | 83 362 | 83 362 | - | - |
| Maquassi Hills | 26 925 | - | 51 000 | 77 925 | 77 925 | - | - |
| NW405 | 64 812 | - | 27 782 | 92 594 | 92 594 | - | - |
| Dr Kenneth Kaunda District Municipality | - | - | - | - | - | - | - |
| WESTERN CAPE | | | | | | | |
| City of Cape Town | - | - | - | - | - | - | - |
| Matzikama | 20 337 | - | - | 20 337 | 20 337 | - | - |
| Cederberg | 22 631 | - | - | 22 631 | 22 631 | - | - |
| Bergrivier | 13 884 | - | (5 000) | 8 884 | 8 884 | - | - |
| Saldanha Bay | 18 532 | - | - | 18 532 | 18 532 | - | - |
| Swartland | 20 330 | - | - | 20 330 | 20 330 | - | - |
| West Coast District Municipality | - | - | - | - | - | - | - |
| Witzenberg | 21 389 | - | - | 21 389 | 21 389 | - | - |
| Drakenstein | 33 542 | - | - | 33 542 | 33 542 | - | - |
| Stellenbosch | 34 147 | - | - | 34 147 | 34 147 | - | - |
| Breede Valley | 32 885 | - | - | 32 885 | 32 885 | - | - |
| Langeberg | 20 983 | - | - | 20 983 | 20 983 | - | - |
| Cape Winelands District Municipality | - | - | - | - | - | - | - |
| Theewaterskloof | 25 204 | - | - | 25 204 | 25 204 | - | - |
| Overstrand | 21 030 | - | - | 21 030 | 21 030 | - | - |
| Cape Agulhas | 10 501 | - | - | 10 501 | 10 501 | - | - |
| Swellendam | 18 391 | - | (1 054) | 17 337 | 17 337 | - | - |
| Overberg District Municipality | - | - | - | - | - | - | - |
| Kannaland | 9 803 | - | - | 9 803 | 9 803 | - | - |

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|-------------------------------------|-------------------|----------|----------|-------------------|-------------------|----------|
| Hessequa | 13 023 | - | - | 13 023 | 13 023 | - |
| Mossel Bay | 23 004 | - | - | 23 004 | 23 004 | - |
| George | 38 283 | - | - | 38 283 | 38 283 | - |
| Oudtshoorn | 20 756 | - | - | 20 756 | 20 756 | - |
| Bitou | 19 253 | - | 6 429 | 25 682 | 25 682 | - |
| Knysna | 23 891 | - | - | 23 891 | 23 891 | - |
| Eden District Municipality | - | - | - | - | - | - |
| Laingsburg | 6 316 | - | - | 6 316 | 6 316 | - |
| Prince Albert | 7 212 | - | - | 7 212 | 7 212 | - |
| Beaufort West | 25 835 | - | - | 25 835 | 25 835 | - |
| Central Karoo District Municipality | - | - | - | - | - | - |
| Total MIG | 14 914 028 | - | - | 14 914 028 | 14 914 028 | - |

MUNICIPAL DEMARCATION TRANSITIONAL GRANT

| | | | | | | |
|-----------------------------------|--------|---|---|--------|--------|---|
| EASTERN CAPE | | | | | | |
| CAMDEBOO | 20 143 | - | - | 20 143 | 20 143 | - |
| ECI27 NIKONKOBÉ NEW | 2 686 | - | - | 2 686 | 2 686 | - |
| NKONKOBÉ/NXUBA LOCAL MUN | 10 742 | - | - | 10 742 | 10 742 | - |
| ECI34 LUKHANJII NEW | 2 686 | - | - | 2 686 | 2 686 | - |
| ECI39 TSOLWANA/INKWANGCA/LUKANJII | 17 457 | - | - | 17 457 | 17 457 | - |
| ECI45 MALETSWAI/GARIEP LOC MUN | 13 428 | - | - | 13 428 | 13 428 | - |
| TOTAL EASTERN CAPE | 67 142 | - | - | 67 142 | 67 142 | - |
| FREE STATE | | | | | | |
| MAN MANGAUNG | 10 742 | - | - | 10 742 | 10 742 | - |
| FS16 NALEDI NEW | 2 686 | - | - | 2 686 | 2 686 | - |
| TOTAL FREE STATE | 13 428 | - | - | 13 428 | 13 428 | - |
| GAUTENG | | | | | | |
| GT483 WESTONARIA NEW | 1 943 | - | - | 1 943 | 1 943 | - |
| GT482 RANDFONTEIN NEW | 1 943 | - | - | 1 943 | 1 943 | - |
| TO GT485 NEW LOC | 5 828 | - | - | 5 828 | 5 828 | - |
| MUN(RNDFNTN&WSTNR) | 9 714 | - | - | 9 714 | 9 714 | - |
| TOTAL GAUTENG | | | | | | |

| | | | | | | | | | |
|----------------------|----------------------------|--------|---|---|---|--------|---|--------|---|
| KWAZULU-NATAL | | | | | | | | | |
| KZN211 | VULAMEHLO NEW | 1 943 | - | - | - | 1 943 | - | 1 943 | - |
| KZN212 | UMDONI | 7 771 | - | - | - | 7 771 | - | 7 771 | - |
| KZN215 | EZINGOLENI NEW | 1 943 | - | - | - | 1 943 | - | 1 943 | - |
| KZN216 | HIBISCUS COAST | 7 771 | - | - | - | 7 771 | - | 7 771 | - |
| KZN236 | IMBABAZANE NEW | 1 943 | - | - | - | 1 943 | - | 1 943 | - |
| KZN234 | UMTSHEZI NEW | 1 943 | - | - | - | 1 943 | - | 1 943 | - |
| KZN237 | UMTSHEZI/IMBABAZANE LC MUN | 5 828 | - | - | - | 5 828 | - | 5 828 | - |
| KZN233 | INDAKA NEW | 1 943 | - | - | - | 1 943 | - | 1 943 | - |
| KZN232 | EMNAMBITHI LADYSMITH NEW | 1 943 | - | - | - | 1 943 | - | 1 943 | - |
| KZN238 | LADYSMITH/INDAKA LOC MUN | 5 828 | - | - | - | 5 828 | - | 5 828 | - |
| KZN274 | HLABISA NEW | 1 943 | - | - | - | 1 943 | - | 1 943 | - |
| KZN273 | THE BIG FIVE FALSE BAY NE | 1 943 | - | - | - | 1 943 | - | 1 943 | - |
| KZN276 | BIG FIVE/HLABISA LOC MUN | 5 828 | - | - | - | 5 828 | - | 5 828 | - |
| KZN282 | UMHLATHUZE | 6 314 | - | - | - | 6 314 | - | 6 314 | - |
| KZN283 | NTAMBANANA NEW | 1 943 | - | - | - | 1 943 | - | 1 943 | - |
| KZN285 | MTHONJANENI | 6 315 | - | - | - | 6 315 | - | 6 315 | - |
| KZN432 | KWA SANI NEW | 1 943 | - | - | - | 1 943 | - | 1 943 | - |
| KZN431 | INGWE NEW | 1 943 | - | - | - | 1 943 | - | 1 943 | - |
| KZN436 | INGWE/KWA SANI LOC MUN | 5 828 | - | - | - | 5 828 | - | 5 828 | - |
| TOTAL | KWAZULU-NATAL | 72 856 | - | - | - | 72 856 | - | 72 856 | - |
| LIMPOPO | | | | | | | | | |
| LP: | WHOLE PROVINCE | - | - | - | - | - | - | - | - |
| LIM474 | FETAGOMO NEW | 2 686 | - | - | - | 2 686 | - | 2 686 | - |
| LIM475 | GREATER TUBATSE NEW | 2 686 | - | - | - | 2 686 | - | 2 686 | - |
| IM476 | GRTR TUBATSE/FETAKGOMO- | 8 056 | - | - | - | 8 056 | - | 8 056 | - |
| LIM341 | MUSINA | 6 714 | - | - | - | 6 714 | - | 6 714 | - |
| LIM343 | THULAMELA | 6 714 | - | - | - | 6 714 | - | 6 714 | - |
| LIM344 | MAKHADO | 6 714 | - | - | - | 6 714 | - | 6 714 | - |
| LIM352 | AGANANG NEW | 2 479 | - | - | - | 2 479 | - | 2 479 | - |
| TOTAL | LIM345 | 20 143 | - | - | - | 20 143 | - | 20 143 | - |
| LIM351 | BLOUBERG | 8 125 | - | - | - | 8 125 | - | 8 125 | - |
| LIM353 | MOLEMOLE | 8 125 | - | - | - | 8 125 | - | 8 125 | - |
| LIM354 | POLOKWANE | 8 127 | - | - | - | 8 127 | - | 8 127 | - |

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|------------------------------------|----------------|----------|----------|----------------|----------------|----------|
| LIM364 MOOKGOPONG NEW | 2 686 | - | - | 2 686 | 2 686 | - |
| LIM365 MODIMOLLE NEW | 2 686 | - | - | 2 686 | 2 686 | - |
| LIM368 MODIMOLLE/MOOKGOPONG L MN | 8 056 | - | - | 8 056 | 8 056 | - |
| TOTAL LIMPOPO | 93 997 | - | - | 93 997 | 93 997 | - |
| MPUMALANGA | | | | | | |
| MP323 UMJINDI NEW | 2 686 | - | - | 2 686 | 2 686 | - |
| MP322 MBOMBELA NEW | 2 686 | - | - | 2 686 | 2 686 | - |
| MP326MBOMBELA/UMJINDI LOC MUN | 8 056 | - | - | 8 056 | 8 056 | - |
| MPUMALANGA | 13 428 | - | - | 13 428 | 13 428 | - |
| NORTHERN CAPE | | | | | | |
| NC081 MIER NEW | 2 686 | - | - | 2 686 | 2 686 | - |
| NC083 //KHARA HAIS NEW | 2 686 | - | - | 2 686 | 2 686 | - |
| NC087 //KHARA HAIS/MIER LOC MUN | 8 057 | - | - | 8 057 | 8 057 | - |
| TOTAL NORTHERN CAPE | 13 429 | - | - | 13 429 | 13 429 | - |
| NORTH WEST | | | | | | |
| NW402 TLOKWE NEW | 2 686 | - | - | 2 686 | 2 686 | - |
| NW401 VENTERSDORP NEW | 2 686 | - | - | 2 686 | 2 686 | - |
| NW405 VENTERSDORP/TLOKWE LOC MUN | 8 056 | - | - | 8 056 | 8 056 | - |
| TOTAL NORTH WEST | 13 428 | - | - | 13 428 | 13 428 | - |
| TOTAL MDTG | 297 422 | - | - | 297 422 | 297 422 | - |
| DISASTER RELIEF GRANT | | | | | | |
| GAUTENG | | | | | | |
| GT484 MERAFOG CITY | 118 075 | - | - | 118 075 | 118 075 | - |
| TOTAL GAUTENG | 118 075 | - | - | 118 075 | 118 075 | - |
| TOTAL DISASTER RELIEF GRANT | 118 075 | - | - | 118 075 | 118 075 | - |
| DISATER RECOVERY GRANT | | | | | | |
| KWAZULU-NATAL | | | | | | |
| KZN212 UMDONI | 30 000 | - | - | 30 000 | 30 000 | - |
| KZN213 UMZUMBE | 10 000 | - | - | 10 000 | 10 000 | - |
| KZN238 LADYSMITH/INDAKA LOC MUN | 50 000 | - | - | 50 000 | 50 000 | - |
| TOTAL KWAZULU-NATAL | 90 000 | - | - | 90 000 | 90 000 | - |

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|--------------------------------------|----------------|----------|----------|----------------|----------|----------------|----------|----------|
| MPUMALANGA | | | | | | | | |
| MP324 NKOMAZI | 20 000 | - | - | 20 000 | - | 20 000 | - | - |
| TOTAL MPUMALANGA | 20 000 | - | - | 20 000 | - | 20 000 | - | - |
| WESTERN CAPE | | | | | | | | |
| WC042 HESSEQUA | 30 000 | - | - | 30 000 | - | 30 000 | - | - |
| TOTAL WESTERN CAPE | 30 000 | - | - | 30 000 | - | 30 000 | - | - |
| TOTAL DISASTER RECOVERY GRANT | 140 000 | - | - | 140 000 | - | 140 000 | - | - |
| VEHICLE LICENCES | | | | | | | | |
| GAUTENG | | | | | | | | |
| TSHWANE METRO | 25 | - | - | 25 | - | 25 | - | - |
| TOTAL VEHICLE LICENCES | 25 | - | - | 25 | - | 25 | - | - |

ANNEXURE 1A

STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

| NAME OF MUNICIPALITY | GRANT ALLOCATION | | | TRANSFER | | | SPENT | | 2015/16 Division of Revenue Act R'000 | | |
|-----------------------------------|-----------------------------------|---------------------|----------------------|--------------------------|--------------------------|-------------------------|---|--|---|---------------------------------------|---|
| | DoRA and other transfers R'000 | Roll Overs R'000 | Adjustments R'000 | Total Available R'000 | Actual Transfer R'000 | Funds Withheld R'000 | Re-allocations by National Treasury or National Department R'000 | Amount received by Municipality R'000 | | Amount spent by municipality R'000 | % of available funds spent by municipality % |
| | | | | | | | | | | | |
| EASTERN CAPE | | | | | | | | | | | |
| BUF BUFFALO CITY | 678 197 | | 6 | 678 191 | 678 191 | | | 678 191 | | | 655 141 |
| NMA NELSON MANDELA BAY | 798 043 | | 61 992 | 736 051 | 736 051 | | | 736 051 | | | 774 616 |
| E107 BAVIAANS NEW | | | - 3 765 | 3 765 | 3 765 | | | 3 765 | | | 23 452 |
| EC103IKWEZI NEW | | | - 3 327 | 3 327 | 3 327 | | | 3 327 | | | 20 720 |
| EC101 CAMDEBOO | 84 241 | | 10 745 | 73 496 | 73 496 | | | 73 496 | | | 43 279 |
| EC102 BLUE CRANE ROUTE | 44 713 | | | 44 713 | 44 713 | | | 44 713 | | | 44 654 |
| EC104 MAKANA | 77 008 | | | 77 008 | 77 008 | | | 77 008 | | | 75 767 |
| EC105 NDLAMBE | 76 824 | | | 76 824 | 76 824 | | | 76 824 | | | 73 102 |
| EC106 SUNDAYS RIVERVALLEY | 59 318 | | 12 | 59 306 | 59 306 | | | 59 306 | | | 55 182 |
| EC108 KOUGA | 91 622 | | 1 243 | 90 379 | 90 379 | | | 90 379 | | | 82 099 |
| EC109 KOUJ-KAMMA | 39 760 | | 843 | 38 917 | 38 917 | | | 38 917 | | | 37 662 |
| DC10/CACADU DISTRICT MUNICIPALITY | 82 014 | | | 82 014 | 82 014 | | | 82 014 | | | 80 759 |
| EC121 MBHASHE | 210 060 | | | 210 060 | 210 060 | | | 210 060 | | | 209 735 |
| EC122 MNQUAMA | 221 906 | | | 221 906 | 221 906 | | | 221 906 | | | 234 405 |
| EC123 GREAT KEI | 39 457 | | 5 | 39 452 | 39 452 | | | 39 452 | | | 42 202 |

| | | | | | | |
|-------------------------------------|---------|----------|---------|---------|---------|---------|
| EC124 AMAHLATI | 113 780 | 3 625 | 110 155 | 110 155 | 110 155 | 124 034 |
| EC126 NGQUSHWA | 76 828 | | 76 828 | 76 828 | 76 828 | 82 854 |
| EC128 NXUBA NEW | | - 4 159 | 4 159 | 4 159 | 4 159 | 32 954 |
| EC127 NIKONKOBÉ NEW | | - 20 415 | 20 415 | 20 415 | 20 415 | 130 357 |
| EC129 NIKONKOBÉ/ NXUBA LOCAL MUN | 147 445 | 26 740 | 120 705 | 120 705 | 120 705 | |
| DC12 AMATOLE DIST MUNICIPALITY | 730 990 | 218 | 730 772 | 730 772 | 730 772 | 699 595 |
| EC131 INXUBA YETHEMBA | 39 424 | 168 | 39 256 | 39 256 | 39 256 | 40 912 |
| EC135 INTSIKA YETHU | 145 314 | 38 | 145 276 | 145 276 | 145 276 | 145 974 |
| EC136 EMALAHLENI | 114 599 | | 114 599 | 114 599 | 114 599 | 116 537 |
| EC137 ENGCOBO | 130 882 | | 130 882 | 130 882 | 130 882 | 134 844 |
| EC138 SAKHISIZWE | 57 906 | 4 500 | 53 406 | 53 406 | 53 406 | 59 581 |
| EC134 LUKHANJII NEW | | - 18 071 | 18 071 | 18 071 | 18 071 | 117 676 |
| EC133 INKWANCA NEW | | - 3 839 | 3 839 | 3 839 | 3 839 | 24 998 |
| EC132 TSOLWANA NEW | | - 5 962 | 5 962 | 5 962 | 5 962 | 38 820 |
| EC139 TSOLWANA/ INKWANCALUKANJII | 167 232 | 40 736 | 126 496 | 126 496 | 126 496 | |
| DC13 CHRIS HANI DIST MUNICIPALIT | 485 308 | 1 666 | 483 642 | 483 642 | 483 642 | 446 759 |
| EC141 ELUNDINI | 129 070 | | 129 070 | 129 070 | 129 070 | 132 110 |
| EC142 SENQU | 129 802 | | 129 802 | 129 802 | 129 802 | 135 985 |
| EC144 GARIEP NEW | | - 4 340 | 4 340 | 4 340 | 4 340 | 27 626 |
| EC143 MALETSWAI NEW | | - 4 318 | 4 318 | 4 318 | 4 318 | |
| EC145 MALETSWAI/ GARIEP LOC MUN | 51 948 | 9 478 | 42 470 | 42 470 | 42 470 | 34 364 |
| DC14 JOE GQABI DISTR MUNICIPALTY | 223 621 | 998 | 222 623 | 222 623 | 222 623 | 209 607 |
| EC153 NGQUZA HILL | 195 945 | | 195 945 | 195 945 | 195 945 | 200 197 |
| EC154 PORT ST JOHNS | 117 662 | 420 | 117 242 | 117 242 | 117 242 | 120 534 |
| EC155 NYANDENI | 213 070 | | 213 070 | 213 070 | 213 070 | 216 750 |
| EC156 MHLONTLO | 154 313 | | 154 313 | 154 313 | 154 313 | 159 404 |
| EC157 KING SABATA DALINDYEBO | 249 468 | 55 | 249 413 | 249 413 | 249 413 | 251 210 |
| OR TAMBO DIST MUNICIPALITY | 669 303 | | 669 303 | 669 303 | 669 303 | 622 201 |
| EC442 UMZIMVUBU | 162 992 | 280 | 162 712 | 162 712 | 162 712 | 169 767 |
| EC441 MATATIELE | 170 266 | | 170 266 | 170 266 | 170 266 | 176 181 |

| | | | | | | | |
|--|---------|---------|---------|---------|---------|---------|---------|
| EC443 MBIZANA | 175 910 | 175 910 | 175 910 | 175 910 | 175 910 | 175 910 | 181 314 |
| EC152 NTABANKULU | 93 327 | 93 327 | 93 327 | 93 327 | 93 327 | 93 327 | 98 871 |
| DC44 ALFRED NZO DIST MUNICIPAL | 387 047 | 3 935 | 383 112 | 383 112 | 383 112 | 383 112 | 365 517 |
| FREE STATE | | | | | | | |
| MAN MANGAUNG | 629 731 | 48 042 | 581 689 | 581 689 | 581 689 | 581 689 | 596 652 |
| FS16 NALEDI NEW | | - 6 743 | 6 743 | 6 743 | 6 743 | 6 743 | |
| FS161 LETSEMENG | 47 402 | 5 247 | 42 155 | 42 155 | 42 155 | 42 155 | 49 784 |
| FS162 KOPANONG | 70 650 | 2 287 | 68 363 | 68 363 | 68 363 | 68 363 | 78 370 |
| FS163 MOHOKARE | 54 472 | 3 746 | 50 726 | 50 726 | 50 726 | 50 726 | 54 870 |
| DC16 XHARIEP DISTRICT MUNICIPAL | 29 739 | 99 | 29 640 | 29 640 | 29 640 | 29 640 | 30 091 |
| FS181 MASILONYANA | 83 362 | 9 880 | 73 482 | 73 482 | 73 482 | 73 482 | 111 301 |
| FS182 TOKOLOGO | 43 424 | | 43 424 | 43 424 | 43 424 | 43 424 | 44 637 |
| FS183 TSWELOPELE | 59 589 | 4 911 | 54 678 | 54 678 | 54 678 | 54 678 | 62 570 |
| FS184 MATJHABENG | 385 851 | 1 004 | 384 847 | 384 847 | 384 847 | 384 847 | 556 081 |
| FS185 NALA | 108 273 | 374 | 107 899 | 107 899 | 107 899 | 107 899 | 154 602 |
| DC18 LEJWELEPUTSWA DIST MUNICIPAL | 111 727 | | 111 727 | 111 727 | 111 727 | 111 727 | 110 390 |
| M 007 FS191 SETSOTO | 158 775 | | 158 775 | 158 775 | 158 775 | 158 775 | 166 309 |
| FS192 DIHLABENG | 124 304 | 5 000 | 119 304 | 119 304 | 119 304 | 119 304 | 160 795 |
| FS193 NKETOANA | 79 054 | 303 | 78 751 | 78 751 | 78 751 | 78 751 | 101 925 |
| FS194 MALUTI-A- PHOFUNG | 458 097 | 4 641 | 453 456 | 453 456 | 453 456 | 453 456 | 557 648 |
| FS195 PHUMELELA | 59 830 | 1 752 | 58 078 | 58 078 | 58 078 | 58 078 | 60 462 |
| FS196 MANITSOPIA | 67 748 | 873 | 66 875 | 66 875 | 66 875 | 66 875 | 87 570 |
| DC19 THABO MOFUTSANYANE DIST MUN | 97 724 | | 97 724 | 97 724 | 97 724 | 97 724 | 96 978 |
| FS201 MOQHAKA | 158 519 | | 158 519 | 158 519 | 158 519 | 158 519 | 161 083 |
| FS203 NGWATHE | 157 639 | 434 | 157 205 | 157 205 | 157 205 | 157 205 | 186 904 |
| FS204 METSIMAHOLO | 125 978 | 59 | 125 919 | 125 919 | 125 919 | 125 919 | 144 549 |
| FS205 MAFUBE | 77 214 | 11 874 | 65 340 | 65 340 | 65 340 | 65 340 | 88 555 |
| DC20 FEZILE DABI DIST MUNICIPAL | 142 178 | 1 000 | 141 178 | 141 178 | 141 178 | 141 178 | 140 135 |

| | | | | | | | | | |
|------------------------------------|----------------|----------|----------------|----------------|----------------|----------------|--|--|----------------|
| GAUTENG | | | | | | | | | |
| EKU EKURHULENI METRO | 2 381 367 | 344 832 | 2 036 535 | 2 036 535 | 2 036 535 | 2 036 535 | | | 2 181 182 |
| JHB CITY OF JOHANNESBURG | 3 182 318 | 95 317 | 3 087 001 | 3 087 001 | 3 087 001 | 3 087 001 | | | 2 864 065 |
| TSH CITY OF TSHWANE | 1 864 838 | 37 804 | 1 827 034 | 1 827 034 | 1 827 034 | 1 827 034 | | | 1 654 390 |
| GT421 EMPULENI | 608 581 | | 608 581 | 608 581 | 608 581 | 608 581 | | | 600 889 |
| GT422 MIDVAAL | 76 401 | | 76 401 | 76 401 | 76 401 | 76 401 | | | 68 291 |
| GT423 LESEDI | 92 186 | | 92 186 | 92 186 | 92 186 | 92 186 | | | 82 794 |
| DC42 SEDIBENG DISTRICT MUNICIPAL | 250 882 | | 250 882 | 250 882 | 250 882 | 250 882 | | | 245 760 |
| GT481 MOGALE CITY | 285 456 | 3 773 | 281 683 | 281 683 | 281 683 | 281 683 | | | 259 185 |
| GT484 MERAFOG CITY | 162 952 | 1 336 | 161 616 | 161 616 | 161 616 | 161 616 | | | 168 320 |
| GT483 WESTONARIA | | - 20 212 | 20 212 | 20 212 | 20 212 | 20 212 | | | 159 236 |
| GT482 RANDFONTEIN | | - 15 910 | 15 910 | 15 910 | 15 910 | 15 910 | | | 122 804 |
| GT485 NEW LOCUN(RNDRNT&W51NR) | 216 728 | 37 979 | 178 749 | 178 749 | 178 749 | 178 749 | | | |
| WEST RAND DIST MUNICIPALITY | 188 872 | | 188 872 | 188 872 | 188 872 | 188 872 | | | 184 842 |
| KWAZULU NATAL | | | | | | | | | |
| ETH ETHEKWINI | 2 319 380 | 16 687 | 2 302 693 | 2 302 693 | 2 302 693 | 2 302 693 | | | 2 115 453 |
| KZN211 VULAMEHLO NEW | | - 10 274 | 10 274 | 10 274 | 10 274 | 10 274 | | | 62 870 |
| KZN212 UMDON | 121 144 | 13 920 | 107 224 | 107 224 | 107 224 | 107 224 | | | 60 678 |
| KZN213 UMZUMBE | 119 488 | | 119 488 | 119 488 | 119 488 | 119 488 | | | 127 112 |
| KZN214 UMUZIWABANTU | 76 377 | | 76 377 | 76 377 | 76 377 | 76 377 | | | 76 322 |
| KZN215 EZINGOLENI NEW | | - 7 097 | 7 097 | 7 097 | 7 097 | 7 097 | | | 43 543 |
| KZN216 HIBISCUS COAST | 165 774 | 7 680 | 158 094 | 158 094 | 158 094 | 158 094 | | | 125 965 |
| DC21 UGU DISTRICT MUNICIPALITY | 384 729 | 8 398 | 376 331 | 376 331 | 376 331 | 376 331 | | | 362 776 |
| KZN221 UMSHWATHI | 83 479 | | 83 479 | 83 479 | 83 479 | 83 479 | | | 84 824 |
| KZN222 UMINGENI | 49 326 | 9 682 | 39 644 | 39 644 | 39 644 | 39 644 | | | 44 316 |
| KZN223 MPOFANA | 27 693 | | 27 693 | 27 693 | 27 693 | 27 693 | | | 27 603 |
| KZN224 IMPENDLE | 31 349 | | 31 349 | 31 349 | 31 349 | 31 349 | | | 32 943 |
| KZN225 MSUNDUZI | 432 307 | | 432 307 | 432 307 | 432 307 | 432 307 | | | 395 786 |

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|------------------------------------|---------|----------|---------|---------|---------|---------|---------|
| KZN275 MTUBATUBA | 120 328 | 914 | 119 414 | 119 414 | 119 414 | 119 414 | 116 487 |
| KZN274 HLABISA NEW | | - 5 117 | 5 117 | 5 117 | 5 117 | 5 117 | 49 368 |
| KZN273 THE BIG FIVE FALSE BAY NE | | - 8 113 | 8 113 | 8 113 | 8 113 | 8 113 | 31 134 |
| KZN276 MUN | 79 379 | 22 616 | 56 763 | 56 763 | 56 763 | 56 763 | 265 376 |
| DC27 UMKHANYAKUDE DIST MUNICIPAL | 292 146 | 6 732 | 285 414 | 285 414 | 285 414 | 285 414 | 93 949 |
| KZN281 MFOLOZI | 98 724 | | 98 724 | 98 724 | 98 724 | 98 724 | 229 925 |
| KZN282 UMHLATHUZE | 263 487 | 22 738 | 240 749 | 240 749 | 240 749 | 240 749 | 145 537 |
| KZN284 UMLALAZI | 148 417 | 7 398 | 141 019 | 141 019 | 141 019 | 141 019 | 42 362 |
| KZN283 NTAMBANANA NEW | | - 7 422 | 7 422 | 7 422 | 7 422 | 7 422 | 38 963 |
| KZN285 MTHONJANENI | 63 687 | 4 338 | 59 349 | 59 349 | 59 349 | 59 349 | 82 242 |
| KZN286 NKANDLA | 79 169 | | 79 169 | 79 169 | 79 169 | 79 169 | 410 276 |
| DC28 UTHUNGULU DIST MUNICIPALITY | 433 405 | 10 811 | 422 594 | 422 594 | 422 594 | 422 594 | 119 361 |
| KZN291 MANDENI | 122 874 | | 122 874 | 122 874 | 122 874 | 122 874 | 105 352 |
| KZN292 KWADUKUZA | 116 642 | | 116 642 | 116 642 | 116 642 | 116 642 | 110 311 |
| KZN93 NDWEDWE | 108 709 | 886 | 107 823 | 107 823 | 107 823 | 107 823 | 74 233 |
| KZN294 MAPHUMULO | 71 404 | | 71 404 | 71 404 | 71 404 | 71 404 | 338 090 |
| DC29 ILEMBE DISTRICT MUNICIPALITY | 373 996 | 105 | 373 891 | 373 891 | 373 891 | 373 891 | 47 497 |
| KZN433 GREATER KOKSTAD | 45 887 | 2 831 | 43 056 | 43 056 | 43 056 | 43 056 | 85 227 |
| KZN434 UBUHLEBEZWE | 90 491 | | 90 491 | 90 491 | 90 491 | 90 491 | 151 222 |
| KZN435 UMZIMKHULU | 152 393 | | 152 393 | 152 393 | 152 393 | 152 393 | 15 076 |
| KZN432 KWA SANI NEW | | - 2 412 | 2 412 | 2 412 | 2 412 | 2 412 | 83 132 |
| KZN431 INGWE NEW | | - 13 302 | 13 302 | 13 302 | 13 302 | 13 302 | |
| KZN436 INGWE/KWA SANI LOC MUN | 94 288 | 15 714 | 78 574 | 78 574 | 78 574 | 78 574 | 241 033 |
| DC43 SISONKE DISTRICT MUNICIPALITY | 260 069 | | 260 069 | 260 069 | 260 069 | 260 069 | |
| LIMPOPO | | | | | | | |
| LIM331 GREATER GIYANI | 219 308 | | 219 308 | 219 308 | 219 308 | 219 308 | 221 971 |
| LIM332 GREATER LETABA | 206 299 | | 206 299 | 206 299 | 206 299 | 206 299 | 208 866 |
| LIM333 GREATER TZANEEN | 291 141 | 1 271 | 289 870 | 289 870 | 289 870 | 289 870 | 288 642 |
| LIM334 BA-PHALABORWA | 110 235 | | 110 235 | 110 235 | 110 235 | 110 235 | 130 354 |

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|---------------------------------------|---------|----------|---------|---------|---------|---------|---------|
| LIM335 MARULENG | 91 329 | 4 482 | 86 847 | 86 847 | 86 847 | 86 847 | 92 441 |
| DC33 MOPANI DIST MUNICIPALITY | 686 633 | 60 926 | 625 707 | 625 707 | 625 707 | 625 707 | 631 553 |
| LIM341 MUSINA | 87 434 | 6 748 | 80 686 | 80 686 | 80 686 | 80 686 | 47 735 |
| LIM343 THULAMELA | 337 132 | - 17 806 | 354 938 | 354 938 | 354 938 | 354 938 | 433 020 |
| LIM344 MAKHADO | 275 985 | - 14 620 | 290 605 | 290 605 | 290 605 | 290 605 | 354 731 |
| LIM342 MUTALE NEW | | - 15 198 | 15 198 | 15 198 | 15 198 | 15 198 | 88 938 |
| LIM345 | 247 247 | 41 208 | 206 039 | 206 039 | 206 039 | 206 039 | |
| DC34 VHEMBE DIST MUNICIPALITY | 743 976 | 117 318 | 626 658 | 626 658 | 626 658 | 626 658 | 681 432 |
| LIM351 BLOUBERG | 155 178 | -119 | 155 297 | 155 297 | 155 297 | 155 297 | 147 635 |
| LIM353 MOLEMOLE | 118 756 | 1 296 | 117 460 | 117 460 | 117 460 | 117 460 | 106 287 |
| LIM352 AGANANG NEW | | - 21 617 | 21 617 | 21 617 | 21 617 | 21 617 | 122 831 |
| LIM354 POLOKWANE | 675 714 | 33 968 | 641 746 | 641 746 | 641 746 | 641 746 | 522 595 |
| LIM355 LEPELLE-NKUMPI | 202 533 | 20 690 | 181 843 | 181 843 | 181 843 | 181 843 | 204 754 |
| DC35 CAPRICORN DIST MUNICIPALITY | 522 710 | 7 575 | 515 135 | 515 135 | 515 135 | 515 135 | 502 417 |
| LIM361 THABAZIMBI | 61 051 | 4 519 | 56 532 | 56 532 | 56 532 | 56 532 | 72 313 |
| LIM362 LEPHALALE | 94 514 | 10 515 | 83 999 | 83 999 | 83 999 | 83 999 | 87 409 |
| LIM366 BELA BELA | 68 411 | | 68 411 | 68 411 | 68 411 | 68 411 | 63 428 |
| LIM367 MOGALAKWENA | 348 115 | 16 420 | 331 695 | 331 695 | 331 695 | 331 695 | 341 563 |
| LIM364 MOOKGOPONG NEW | | - 6 324 | 6 324 | 6 324 | 6 324 | 6 324 | 41 540 |
| LIM365 MODIMOLLE NEW | | - 9 100 | 9 100 | 9 100 | 9 100 | 9 100 | 59 775 |
| LIM368 MODIMOLLE/ MOOKGOPONG L MIN | 92 547 | 15 558 | 76 989 | 76 989 | 76 989 | 76 989 | |
| DC36 WATERBERG DIST MUNICIPALITY | 113 277 | | 113 277 | 113 277 | 113 277 | 113 277 | 111 232 |
| LIM471 EMPRAIM MOGALE | 117 556 | 89 | 117 467 | 117 467 | 117 467 | 117 467 | 118 546 |
| LIM473 MAKHUDUTHAMAGA | 225 123 | 12 280 | 212 843 | 212 843 | 212 843 | 212 843 | 228 571 |
| LIM472 ELIAS MOTSOALEDI | 210 385 | 1 108 | 209 277 | 209 277 | 209 277 | 209 277 | 212 959 |
| LIM474 FETAGOMO NEW | | - 13 414 | 13 414 | 13 414 | 13 414 | 13 414 | 83 169 |
| LIM475 GREATER TUBATSE NEW | | - 37 879 | 37 879 | 37 879 | 37 879 | 37 879 | 234 852 |
| LIM476 GRTR TUBATSE/ FETAKGOMO | 307 760 | 75 508 | 232 252 | 232 252 | 232 252 | 232 252 | |

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|---|----------------|----------|----------------|----------------|----------------|----------------|
| DC47 GREATER SEKHUKHUNE DIST MUN | 600 889 | 19 364 | 581 525 | 581 525 | 581 525 | 546 538 |
| MPUMALANGA | | | | | | |
| MP301 ALBERT LUTHULI | 233 446 | 2 072 | 231 374 | 231 374 | 231 374 | 219 137 |
| MP302 MSUKALIGWA | 121 443 | 210 | 121 233 | 121 233 | 121 233 | 145 765 |
| MP303 MKHONDO | 166 350 | | 166 350 | 166 350 | 166 350 | 187 671 |
| MP304 PIXLEY KA SEME | 91 996 | 7 515 | 84 481 | 84 481 | 84 481 | 91 201 |
| MP305 LEKWA | 86 239 | 191 | 86 048 | 86 048 | 86 048 | 106 058 |
| MP306 DIPALESENG | 54 345 | 13 585 | 40 760 | 40 760 | 40 760 | 52 509 |
| MP307 GOVAN MBEKI | 199 430 | 480 | 198 950 | 198 950 | 198 950 | 247 415 |
| DC30 GERT SIBANDE DIST MUNICIPAL | 275 755 | | 275 755 | 275 755 | 275 755 | 270 971 |
| MP311 VICTOR KHANYE | 72 949 | | 72 949 | 72 949 | 72 949 | 67 348 |
| MP312 EMALAHLENI | 255 989 | 5 082 | 250 907 | 250 907 | 250 907 | 285 343 |
| MP313 STEVE TSHWETE | 136 037 | | 136 037 | 136 037 | 136 037 | 119 935 |
| MP314 EMAKHAZENI | 51 837 | 966 | 50 871 | 50 871 | 50 871 | 59 937 |
| MP315 THEMBSILE | 313 317 | 21 143 | 292 174 | 292 174 | 292 174 | 288 644 |
| MP316 DR JS MOROKA | 314 608 | 12 184 | 302 424 | 302 424 | 302 424 | 314 082 |
| DC31 NKANGALA DIST MUNICIPALITY | 333 667 | | 333 667 | 333 667 | 333 667 | 326 223 |
| MP321 THABA CHWEU | 115 054 | | 115 054 | 115 054 | 115 054 | 104 771 |
| MP324 NKOMAZI | 447 689 | 2 076 | 445 613 | 445 613 | 445 613 | 511 360 |
| MP325 BUSHBUCKRIDGE | 647 298 | 20 000 | 627 298 | 627 298 | 627 298 | 783 562 |
| MP323 UMJINDI NEW | | - 11 792 | 11 792 | 11 792 | 11 792 | 83 164 |
| MP322 MBOMBELA NEW | | - 80 878 | 80 878 | 80 878 | 80 878 | 462 073 |
| MP326 MBOMBELA UMJINDI LOC MUN | 556 020 | 141 169 | 414 851 | 414 851 | 414 851 | |
| DC32 EHLANZENI DIST MUNICIPALITY | 221 660 | | 221 660 | 221 660 | 221 660 | 217 441 |
| NORTHERN CAPE | | | | | | |
| NC061 RICHTERSVELD | 13 498 | | 13 498 | 13 498 | 13 498 | 13 401 |
| NC062 NAMA KHOI | 38 318 | 7 191 | 31 127 | 31 127 | 31 127 | 46 378 |
| NC064 KAMIESBERG | 18 175 | 709 | 17 466 | 17 466 | 17 466 | 19 924 |
| NC065 HANTAM | 20 774 | 1 226 | 19 548 | 19 548 | 19 548 | 20 662 |

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|------------------------------------|---------|---------|---------|---------|---------|---------|---------|
| NC066 KAROO HOOGLAND | 16 678 | 540 | 16 138 | 16 138 | 16 138 | 16 138 | 15 812 |
| NC067 KHAI-MA-DISTRICT MUNICIPALIT | 15 552 | 3 262 | 12 290 | 12 290 | 12 290 | 12 290 | 17 571 |
| DC6 NAMAKWA DISTRICT MUNICIPALIT | 35 436 | 23 | 35 413 | 35 413 | 35 413 | 35 413 | 35 005 |
| NC071 UBUNTU | 25 817 | 5 252 | 20 565 | 20 565 | 20 565 | 20 565 | 28 291 |
| NC072 UMSOBOMVU | 36 658 | | 36 658 | 36 658 | 36 658 | 36 658 | 34 931 |
| NC073 EMTHANJENI | 36 197 | 3 292 | 32 905 | 32 905 | 32 905 | 32 905 | 35 929 |
| NC074 KAREEBERG | 18 919 | | 18 919 | 18 919 | 18 919 | 18 919 | 18 021 |
| NC075 RENOSTERBERG | 18 733 | 4 250 | 14 483 | 14 483 | 14 483 | 14 483 | 20 168 |
| NC076 THEMBELIHLE | 19 367 | 259 | 19 108 | 19 108 | 19 108 | 19 108 | 23 209 |
| NC077 SIYATHEMBA | 25 732 | 1 576 | 24 156 | 24 156 | 24 156 | 24 156 | 30 299 |
| NC078 SIYANCUMA | 39 977 | 373 | 39 604 | 39 604 | 39 604 | 39 604 | 49 773 |
| DC7 PIXLEY KA SEME DISTRICT MUN | 35 824 | 32 | 35 792 | 35 792 | 35 792 | 35 792 | 35 320 |
| NC082 IKAI! GARIB | 54 787 | | 54 787 | 54 787 | 54 787 | 54 787 | 52 338 |
| NC084 IKHEIS | 20 223 | | 20 223 | 20 223 | 20 223 | 20 223 | 19 697 |
| NC085 TSANTSABANE | 30 151 | 136 | 30 015 | 30 015 | 30 015 | 30 015 | 28 192 |
| NC086 KGATELOPELE | 17 858 | 485 | 17 373 | 17 373 | 17 373 | 17 373 | 17 104 |
| NC081 MIER NEW | | - 2 345 | 2 345 | 2 345 | 2 345 | 2 345 | 14 577 |
| NC083 //KHARA HAIS NEW | | - 9 272 | 9 272 | 9 272 | 9 272 | 9 272 | 57 629 |
| NC087 //KHARA HAIS/MIER LOC MUN | 69 707 | 11 718 | 57 989 | 57 989 | 57 989 | 57 989 | |
| DC8 SIYANDA DISTRICT MUNICIPAL | 51 034 | | 51 034 | 51 034 | 51 034 | 51 034 | 50 237 |
| NC091 SOL PLAATJIE | 144 171 | | 144 171 | 144 171 | 144 171 | 144 171 | 143 335 |
| NC092 DIKGATLONG | 60 379 | 445 | 59 934 | 59 934 | 59 934 | 59 934 | 72 148 |
| NC093 MAGARENG | 35 300 | 1 032 | 34 268 | 34 268 | 34 268 | 34 268 | 38 761 |
| NC094 PHOKWANE | 79 307 | 42 | 79 265 | 79 265 | 79 265 | 79 265 | 95 354 |
| DC9 FRANCES BAARD DIST MUNICIPAL | 105 416 | | 105 416 | 105 416 | 105 416 | 105 416 | 98 936 |
| NC451 JOE MOROLONG | 115 068 | | 115 068 | 115 068 | 115 068 | 115 068 | 115 253 |
| NC452 GA-SEGONYANA | 117 413 | 6 437 | 110 976 | 110 976 | 110 976 | 110 976 | 109 444 |
| NC453 GAMAGARA | 25 352 | 6 649 | 18 703 | 18 703 | 18 703 | 18 703 | 22 923 |
| DC45 JOHN TAOLO GAETSWewe MUN | 66 326 | 2 799 | 63 527 | 63 527 | 63 527 | 63 527 | 64 383 |

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|-----------------------------------|---------------|------------------|-------------------|-------------------|-------------------|-------------------|
| WC012 CEDERBERG | 37 173 | 37 173 | 37 173 | 37 173 | 37 173 | 34 235 |
| WC013 BERGRIVIER | 33 341 | 33 319 | 33 319 | 33 319 | 33 319 | 30 454 |
| WC014 SALDANHA BAY | 62 832 | 22 | 62 832 | 62 832 | 62 832 | 55 497 |
| WC015 SWARTLAND | 59 275 | 59 275 | 59 275 | 59 275 | 59 275 | 51 772 |
| West Coast District Municipality | 82 194 | 82 194 | 82 194 | 82 194 | 82 194 | 80 458 |
| WC022 WITZENBERG | 59 734 | 409 | 59 325 | 59 325 | 59 325 | 54 850 |
| WC023 DRAKENSTEIN | 106 240 | 106 240 | 106 240 | 106 240 | 106 240 | 96 845 |
| WC024 STELLENBOSCH | 95 982 | 95 982 | 95 982 | 95 982 | 95 982 | 84 962 |
| WC025 BREEDE VALLEY | 88 524 | 88 524 | 88 524 | 88 524 | 88 524 | 81 661 |
| WC026 LANGEBERG | 60 461 | 5 395 | 55 066 | 55 066 | 55 066 | 57 378 |
| DC2 CAPE WINELANDS DIST MUNICIPAL | 220 870 | 220 870 | 220 870 | 220 870 | 220 870 | 217 006 |
| WC031 THEEWATERSKLOOF | 69 861 | 728 | 69 133 | 69 133 | 69 133 | 63 908 |
| WC032 OVERSTRAND | 72 950 | 72 950 | 72 950 | 72 950 | 72 950 | 64 598 |
| WC033 CAPE AGULHAS | 23 075 | 23 075 | 23 075 | 23 075 | 23 075 | 20 679 |
| WC034 SWELLENDAM | 24 012 | 24 012 | 24 012 | 24 012 | 24 012 | 21 922 |
| DC3 OVERBERG DISTRICT MUNICIPAL | 52 163 | 52 163 | 52 163 | 52 163 | 52 163 | 51 338 |
| WC041 KANNALAND | 22 940 | 582 | 22 358 | 22 358 | 22 358 | 22 391 |
| WC042 HESSEQUA | 34 558 | 11 519 | 23 039 | 23 039 | 23 039 | 31 529 |
| WC043 MOSSEL BAY | 70 874 | 70 874 | 70 874 | 70 874 | 70 874 | 63 673 |
| WC044 GEORGE | 109 872 | 4 536 | 105 336 | 105 336 | 105 336 | 100 693 |
| WC045 OUDTSHOORN | 58 194 | 345 | 57 849 | 57 849 | 57 849 | 54 373 |
| WC047 BITOU | 64 235 | 64 235 | 64 235 | 64 235 | 64 235 | 57 298 |
| WC048 KNYSNA | 62 982 | 1 748 | 61 234 | 61 234 | 61 234 | 56 163 |
| DC4 EDEN DISTRICT MUNICIPALITY | 142 094 | 15 022 | 127 072 | 127 072 | 127 072 | 138 902 |
| WC051 LAINGSBURG | 12 526 | 3 923 | 8 603 | 8 603 | 8 603 | 12 015 |
| WC052 PRINCE ALBERT | 16 192 | 16 192 | 16 192 | 16 192 | 16 192 | 15 247 |
| WC53BEAUFORT WEST | 46 569 | 9 249 | 37 320 | 37 320 | 37 320 | 44 160 |
| DC5 CENTRAL KAROO DIST MUNICIPAL | 19 416 | 59 | 19 357 | 19 357 | 19 357 | 19 324 |
| Total LGES | 52 568 | 1 859 718 | 50 708 988 | 50 708 988 | 50 708 988 | 49 366 507 |
| | 706 | | | | | |

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|----------------------------------|---------|----------|---------|---------|---------|---------|---------|
| Engcobo | 50 431 | (4 000) | 46 431 | (4 000) | 46 431 | 46 431 | 37 304 |
| Sakhisizwe | 17 539 | (3 000) | 14 539 | (3 000) | 14 539 | 14 539 | 17 989 |
| Enoch Mgijima | 56 668 | - | 56 668 | 56 668 | 56 668 | 56 668 | |
| Chris Hani District Municipality | 271 423 | - | 271 423 | 271 423 | 271 423 | 271 423 | 273 544 |
| Elundini | 37 250 | 5 000 | 42 250 | 42 250 | 42 250 | 42 250 | 32 992 |
| Maletswai | | | | | | | 11 180 |
| Gariep | | | | | | | 15 189 |
| Senqu | 36 728 | - | 36 728 | 36 728 | 36 728 | 36 728 | 33 262 |
| Walter Sisulu | 21 552 | 6 000 | 27 552 | 27 552 | 27 552 | 27 552 | |
| Joe Gqabi District Municipality | 151 602 | - | 151 602 | 151 602 | 151 602 | 151 602 | 154 270 |
| Ngquza Hill | 52 025 | - | 52 025 | 52 025 | 52 025 | 52 025 | 52 704 |
| Port St Johns | 32 781 | 4 000 | 36 781 | 36 781 | 36 781 | 36 781 | 24 278 |
| Nyandeni | 58 050 | - | 58 050 | 58 050 | 58 050 | 58 050 | 58 809 |
| Mhlontlo | 41 660 | 15 000 | 56 660 | 56 660 | 56 660 | 56 660 | 42 193 |
| King Sabata Dalindyebo | 82 213 | 15 000 | 97 213 | 97 213 | 97 213 | 97 213 | 83 665 |
| O.R.Tambo District Municipality | 609 099 | (90 000) | 519 099 | 519 099 | 519 099 | 519 099 | 617 195 |
| Matatiele | 47 012 | - | 47 012 | 47 012 | 47 012 | 47 012 | 47 644 |
| Umzimvubu | 44 261 | 7 735 | 51 996 | 51 996 | 51 996 | 51 996 | 44 864 |
| Mbizana | 46 159 | - | 46 159 | 46 159 | 46 159 | 46 159 | 46 783 |
| Ntabankulu | 35 960 | - | 35 960 | 35 960 | 35 960 | 35 960 | 26 395 |
| Alfred Nzo District Municipality | 361 497 | - | 361 497 | 361 497 | 361 497 | 361 497 | 384 744 |
| FREE STATE | | | | | | | |
| Mangaung | | | | | | | |
| Letsemeng | 16 635 | 4 000 | 20 635 | 20 635 | 20 635 | 20 635 | 16 978 |
| Kopanong | 19 977 | - | 19 977 | 19 977 | 19 977 | 19 977 | 20 352 |
| Naledi | | | | | | | 13 236 |
| Mohokare | 28 429 | - | 28 429 | 28 429 | 28 429 | 28 429 | 15 780 |
| Xhariep District Municipality | - | - | - | - | - | - | |
| Masilonyana | 22 500 | (11 746) | 10 754 | 10 754 | 10 754 | 10 754 | 23 730 |
| Tokologo | 25 798 | - | 25 798 | 25 798 | 25 798 | 25 798 | 18 133 |
| Tswelopele | 15 736 | - | 15 736 | 15 736 | 15 736 | 15 736 | 16 071 |
| Matjhabeng | 113 363 | - | 113 363 | 113 363 | 113 363 | 113 363 | 114 651 |

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|--|---------|----------|---------|---------|----------|---------|---------|
| Nala | 28 299 | 10 000 | 38 299 | 38 299 | 10 000 | 38 299 | 28 753 |
| Lejweputswa District Municipality | - | - | - | - | - | - | - |
| Setso | 45 091 | 4 000 | 49 091 | 49 091 | 4 000 | 49 091 | 45 953 |
| Dihlabeng | 36 892 | - | 36 892 | 36 892 | - | 36 892 | 37 428 |
| Nketoana | 24 218 | 2 500 | 26 718 | 26 718 | 2 500 | 26 718 | 24 633 |
| Maluti-a-Phofung | 154 870 | - | 154 870 | 154 870 | - | 154 870 | 157 047 |
| Phumelela | 20 090 | - | 20 090 | 20 090 | - | 20 090 | 20 467 |
| Mantsopa | 19 061 | - | 19 061 | 19 061 | - | 19 061 | 19 428 |
| Thabo Mofutsanyana District Municipality | - | - | - | - | - | - | - |
| Moqhaka | 38 349 | - | 38 349 | 38 349 | - | 38 349 | 38 899 |
| Ngwathe | 40 070 | 12 000 | 52 070 | 52 070 | 12 000 | 52 070 | 40 637 |
| Metsimaholo | 42 623 | 15 000 | 57 623 | 57 623 | 15 000 | 57 623 | 43 213 |
| Mafube | 21 422 | (21 422) | - | - | (21 422) | - | 12 460 |
| Fezile Dabi District Municipality | - | - | - | - | - | - | 9 351 |
| GAUTENG | | | | | | | |
| Ekurhuleni | - | - | - | - | - | - | - |
| City of Johannesburg | - | - | - | - | - | - | - |
| City of Tshwane | - | - | - | - | - | - | - |
| Emfuleni | 160 763 | - | 160 763 | 160 763 | - | 160 763 | 163 009 |
| Midvaal | 30 339 | - | 30 339 | 30 339 | - | 30 339 | 30 813 |
| Lesedi | 25 204 | (3 800) | 21 404 | 21 404 | (3 800) | 21 404 | 22 629 |
| Sedibeng District Municipality | - | - | - | - | - | - | - |
| Mogale City | 97 514 | (4 000) | 93 514 | 93 514 | (4 000) | 93 514 | 98 850 |
| Randfontein | - | - | - | - | - | - | 36 590 |
| Westonaria | - | - | - | - | - | - | 46 371 |
| Merafong City | 55 283 | - | 55 283 | 55 283 | - | 55 283 | 56 008 |
| Rand West City | 87 498 | - | 87 498 | 87 498 | - | 87 498 | - |
| West Rand District Municipality | - | - | - | - | - | - | - |
| KWAZULU NATAL | | | | | | | |
| eThekwinini | - | - | - | - | - | - | - |
| Vulamehlo | - | - | - | - | - | - | 15 000 |
| uMdoni | 35 870 | - | 35 870 | 35 870 | - | 35 870 | 20 060 |

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|-------------------------------------|---------|---------|---------|---------|---------|---------|---------|
| Umzumbe | 32 622 | 3 000 | 35 622 | 35 622 | 3 000 | 35 622 | 38 522 |
| uMuziwabantu | 22 275 | - | 22 275 | 22 275 | | 22 275 | 22 672 |
| Eziqolweni | | | | | | | 14 367 |
| Hibiscus Coast | | | | | | | 50 122 |
| Ray Nkonyeni | 60 156 | 2 400 | 62 556 | 62 556 | 2 400 | 62 556 | 249 316 |
| Ugu District Municipality | 233 873 | - | 233 873 | 233 873 | | 233 873 | 26 764 |
| uMshwathi | 26 329 | 2 500 | 28 829 | 28 829 | 2 500 | 28 829 | 13 249 |
| uMngeni | 21 866 | (6 000) | 15 866 | 15 866 | (6 000) | 15 866 | 16 295 |
| Mpofana | 11 680 | - | 11 680 | 11 680 | | 11 680 | 17 063 |
| Impendle | 11 382 | 5 000 | 16 382 | 16 382 | 5 000 | 16 382 | 192 456 |
| Msunduzi | 190 617 | - | 190 617 | 190 617 | | 190 617 | 16 851 |
| Mkhambathini | 15 626 | (1 700) | 13 926 | 13 926 | (1 700) | 13 926 | 25 017 |
| Richmond | 32 659 | (6 659) | 26 000 | 26 000 | (6 659) | 26 000 | 106 052 |
| Umgungundlovu District Municipality | 99 630 | 10 000 | 109 630 | 109 630 | 10 000 | 109 630 | 42 647 |
| Emnambethi-Ladysmith | | | | | | | 22 051 |
| Indaka | | | | | | | 17 955 |
| Umtshezi | | | | | | | 27 456 |
| Okhahlamba | 27 014 | - | 27 014 | 27 014 | | 27 014 | 23 517 |
| Imbabazane | | | | | | | |
| iNkosi Langalibalele | 38 547 | - | 38 547 | 38 547 | | 38 547 | 181 247 |
| Alfred Duma | 60 353 | 10 000 | 70 353 | 70 353 | 10 000 | 70 353 | 14 841 |
| Uthukela District Municipality | 178 506 | - | 178 506 | 178 506 | | 178 506 | 35 246 |
| Endumeni | 14 517 | (1 300) | 13 217 | 13 217 | (1 300) | 13 217 | 38 048 |
| Nqutu | 29 778 | - | 29 778 | 29 778 | | 29 778 | 24 570 |
| Msinga | 35 800 | 3 500 | 39 300 | 39 300 | 3 500 | 39 300 | 203 835 |
| Umvoti | 26 311 | (6 311) | 20 000 | 20 000 | (6 311) | 20 000 | 110 705 |
| Umzinyathi District Municipality | 181 064 | - | 181 064 | 181 064 | | 181 064 | 11 183 |
| Newcastle | 109 214 | - | 109 214 | 109 214 | | 109 214 | 21 074 |
| Emadlangeni | 8 913 | 2 200 | 11 113 | 11 113 | 2 200 | 11 113 | 40 119 |
| Dannhauser | 20 698 | - | 20 698 | 20 698 | | 20 698 | 17 570 |
| Amajuba District Municipality | 39 577 | - | 39 577 | 39 577 | | 39 577 | 27 852 |
| eDumbe | 17 221 | - | 17 221 | 17 221 | | 17 221 | |
| uPhongolo | 42 136 | - | 42 136 | 42 136 | | 42 136 | |

| | | | | | | |
|------------------------------------|---------|---------|----------|---------|---------|---------------|
| Abaqulusi | 35 078 | 30 078 | (5 000) | 30 078 | 30 078 | 39 566 |
| Nongoma | 30 417 | 30 417 | - | 30 417 | 30 417 | 24 691 |
| Ulundi | 29 492 | 29 492 | - | 29 492 | 29 492 | 33 957 |
| Zululand District Municipality | 218 314 | 228 314 | 10 000 | 228 314 | 228 314 | 221 359 |
| Umhlabuyalingana | 33 325 | 36 825 | 3 500 | 36 825 | 36 825 | 33 827 |
| Jozini | 35 689 | 35 689 | - | 35 689 | 35 689 | 36 213 |
| Mtubatuba | 30 303 | 30 303 | - | 30 303 | 30 303 | 30 776 |
| Big Five Hlabisa | 23 800 | 23 800 | - | 23 800 | 23 800 | 16 419 |
| Hlabisa | | | | | | 14 345 |
| Umkhanyakude District Municipality | 207 522 | 207 522 | - | 207 522 | 207 522 | 210 419 |
| Mfolozi | 24 049 | 24 049 | - | 24 049 | 24 049 | 30 537 |
| uMhlatuze | 99 817 | 99 817 | - | 99 817 | 99 817 | 93 154 |
| Ntambanana | | | | | | 15 073 |
| uMlalazi | 38 539 | 35 539 | (3 000) | 35 539 | 35 539 | 39 090 |
| Mthonjaneni | 18 899 | 28 899 | 10 000 | 28 899 | 28 899 | 12 904 |
| Nkandla | 21 795 | 21 795 | - | 21 795 | 21 795 | 22 188 |
| uThungulu District Municipality | 165 170 | 165 170 | - | 165 170 | 165 170 | 175 330 |
| Mandeni | 33 757 | 25 757 | (8 000) | 25 757 | 25 757 | 34 263 |
| KwaDukuza | 49 330 | 61 330 | 12 000 | 61 330 | 61 330 | 56 984 |
| Ndwedwe | 28 451 | 23 951 | (4 500) | 23 951 | 23 951 | 28 907 |
| Maphumulo | 21 301 | 21 301 | - | 21 301 | 21 301 | 21 689 |
| iLembe District Municipality | 186 984 | 186 984 | - | 186 984 | 186 984 | 189 590 |
| Ingwe | | | | | | 24 319 |
| Kwa Sani | | | | | | 10 530 |
| Greater Kokstad | 31 525 | 21 525 | (10 000) | 21 525 | 21 525 | 16 867 |
| Ubuhebezwe | 24 057 | 24 057 | - | 24 057 | 24 057 | 24 335 |
| Umzimkhulu | 41 399 | 41 399 | - | 41 399 | 41 399 | 47 978 |
| Dr Nkosazana Dlamini Zuma | 29 513 | 29 513 | - | 29 513 | 29 513 | |
| Harry Gwala District Municipality | 191 067 | 191 067 | - | 191 067 | 191 067 | 199 784 |
| LIMPOPO | | | | | | |
| Greater Giyani | 57 902 | 87 902 | 30 000 | 87 902 | 87 902 | 78 660 |
| Greater Letaba | 54 976 | 54 976 | - | 54 976 | 54 976 | 79 402 |
| Greater Tzaneen | 89 797 | 154 797 | 65 000 | 154 797 | 154 797 | 91 191 |

| | | | | | | |
|----------------------------------|---------|-----------|---------|---------|---------|---------|
| Ba-Phalaborwa | 30 568 | - | 30 568 | 30 568 | 30 568 | 51 044 |
| Maruleng | 25 418 | 4 000 | 29 418 | 29 418 | 29 418 | 45 830 |
| Mopani District Municipality | 438 907 | (230 407) | 208 500 | 208 500 | 208 500 | 250 000 |
| Musina | 35 814 | - | 35 814 | 35 814 | 35 814 | 14 318 |
| Mutale | | | | | | 25 060 |
| Thulamela | 94 661 | - | 94 661 | 94 661 | 94 661 | 132 820 |
| Makhado | 85 346 | (20 000) | 65 346 | 65 346 | 65 346 | 172 264 |
| LIM345 | 88 177 | - | 88 177 | 88 177 | 88 177 | |
| Vhembe District Municipality | 497 287 | - | 497 287 | 497 287 | 497 287 | 300 000 |
| Blouberg | 44 381 | - | 44 381 | 44 381 | 44 381 | 64 731 |
| Agang | | | | | | 33 371 |
| Molemole | 42 642 | - | 42 642 | 42 642 | 42 642 | 30 017 |
| Polokwane | 299 943 | - | 299 943 | 299 943 | 299 943 | 275 800 |
| Lepele-Nkumpi | 51 466 | (14 364) | 37 102 | 37 102 | 37 102 | 52 128 |
| Capricorn District Municipality | 243 872 | 30 000 | 273 872 | 273 872 | 273 872 | 259 966 |
| Thabazimbi | | | | | | - |
| Lephalale | 36 355 | - | 36 355 | 36 355 | 36 355 | 71 750 |
| Mookgopong | | | | | | 16 156 |
| Modimolle | | | | | | 52 875 |
| Bela-Bela | 22 571 | 15 000 | 37 571 | 37 571 | 37 571 | 61 989 |
| Mogalakwena | 139 486 | - | 139 486 | 139 486 | 139 486 | 143 238 |
| LIM368 | 36 255 | - | 36 255 | 36 255 | 36 255 | |
| Waterberg District Municipality | 28 714 | - | 28 714 | 28 714 | 28 714 | 74 172 |
| Ephraim Mogale | 31 917 | (2 604) | 29 313 | 29 313 | 29 313 | 52 405 |
| Elias Motosoaledi | 52 419 | 20 000 | 72 419 | 72 419 | 72 419 | 53 102 |
| Makhuduthamaga | 59 210 | 28 000 | 87 210 | 87 210 | 87 210 | 74 950 |
| Fetakgomo | | | | | | 37 109 |
| Greater Tubatse | | | | | | 50 978 |
| LIM476 | 80 885 | 30 000 | 110 885 | 110 885 | 110 885 | |
| Sekhukhune District Municipality | 457 984 | (126 800) | 331 184 | 331 184 | 331 184 | 427 014 |
| MPUMALANGA | | | | | | |
| Albert Luthuli | 90 197 | - | 90 197 | 90 197 | 90 197 | 94 091 |
| Msukaligwa | 60 442 | (21 950) | 38 492 | 38 492 | 38 492 | 39 977 |

| | | | | | | |
|------------------------------------|---------|----------|---------|---------|---------|----------------|
| Mkhondo | 74 666 | - | 74 666 | 74 666 | 74 666 | 81 668 |
| Pixley Ka Seme | 25 220 | - | 25 220 | 25 220 | 25 220 | 25 645 |
| Lekwa | 38 531 | - | 38 531 | 38 531 | 38 531 | 27 978 |
| Dipaleseng | 17 959 | 6 200 | 24 159 | 24 159 | 24 159 | 18 315 |
| Govan Mbeki | 55 161 | - | 55 161 | 55 161 | 55 161 | 55 888 |
| Gert Sibande District Municipality | - | - | - | - | - | - |
| Victor Khanye | 30 377 | - | 30 377 | 30 377 | 30 377 | 24 189 |
| Emalahleni | 114 223 | (45 895) | 68 328 | 68 328 | 68 328 | 115 796 |
| Steve Tshwete | 47 457 | - | 47 457 | 47 457 | 47 457 | 48 094 |
| Emakhazeni | 25 404 | - | 25 404 | 25 404 | 25 404 | 20 755 |
| Thembisile Hani | 117 504 | - | 117 504 | 117 504 | 117 504 | 89 139 |
| Dr JS Moroka | 119 102 | - | 119 102 | 119 102 | 119 102 | 124 751 |
| Nkangala District Municipality | - | - | - | - | - | - |
| Thaba Chweu | 46 025 | 15 000 | 61 025 | 61 025 | 61 025 | 64 647 |
| Mbombela | | | | | | 298 264 |
| Umjindi | | | | | | 40 650 |
| Nkomazi | 216 355 | 41 000 | 257 355 | 257 355 | 257 355 | 219 380 |
| Bushbuckridge | 358 773 | 35 000 | 393 773 | 393 773 | 393 773 | 366 158 |
| City of Mbombela | 330 659 | - | 330 659 | 330 659 | 330 659 | |
| Ehlanzeni District Municipality | - | - | - | - | - | |
| NORTHERN CAPE | | | | | | |
| Richtersveld | 7 001 | - | 7 001 | 7 001 | 7 001 | 5 018 |
| Nama Khoi | 13 927 | (2 600) | 11 327 | 11 327 | 11 327 | 14 245 |
| Kamiesberg | 8 406 | - | 8 406 | 8 406 | 8 406 | 7 460 |
| Hantam | 9 272 | 3 000 | 12 272 | 12 272 | 12 272 | 9 542 |
| Karoo Hoogland | 7 744 | - | 7 744 | 7 744 | 7 744 | 5 002 |
| Khâi-Ma | 15 430 | - | 15 430 | 15 430 | 15 430 | 7 688 |
| Namakwa District Municipality | - | - | - | - | - | - |
| Ubuntu | 9 514 | (4 000) | 5 514 | 5 514 | 5 514 | 9 790 |
| Umsobomvu | 17 464 | (1 700) | 15 764 | 15 764 | 15 764 | 8 090 |
| Emthanjeni | 11 602 | (2 415) | 9 187 | 9 187 | 9 187 | 11 898 |
| Kareeberg | 7 669 | 3 000 | 10 669 | 10 669 | 10 669 | 5 828 |
| Renosterberg | 7 137 | (2 481) | 4 656 | 4 656 | 4 656 | 7 390 |

| | | | | | | | |
|---|---------|---------|---------|----------|---------|---------|---------|
| Thembelihle | 9 018 | 8 143 | 8 143 | (875) | 8 143 | 8 143 | 13 289 |
| Siyathemba | 9 379 | 9 379 | 9 379 | - | 9 379 | 9 379 | 15 654 |
| Siyancuma | 15 851 | 30 851 | 30 851 | 15 000 | 30 851 | 30 851 | 26 187 |
| Pixley Ka Seme District Municipality | - | - | - | - | - | - | - |
| Mier | | | | | | | |
| !Kai !Garib | 21 395 | 23 895 | 23 895 | 2 500 | 23 895 | 23 895 | 12 908 |
| Khara Hais | | | | | | | 13 789 |
| !Kheis | 10 202 | 10 202 | 10 202 | - | 10 202 | 10 202 | 11 437 |
| Tsantsabane | 14 833 | 26 833 | 26 833 | 12 000 | 26 833 | 26 833 | 10 485 |
| Kgatelopele | 7 673 | 20 673 | 20 673 | 13 000 | 20 673 | 20 673 | 15 159 |
| Dawid Kruiper | 27 177 | 27 177 | 27 177 | - | 27 177 | 27 177 | 15 931 |
| Z.F. Mgcawu District Municipality | - | - | - | - | - | - | - |
| Sol Plaatje | 47 552 | 37 079 | 37 079 | (10 473) | 37 079 | 37 079 | 48 329 |
| Dikgatlong | 18 487 | 18 487 | 18 487 | - | 18 487 | 18 487 | 18 836 |
| Magareng | 10 653 | 10 653 | 10 653 | - | 10 653 | 10 653 | 5 470 |
| Phokwane | 25 064 | 45 064 | 45 064 | 20 000 | 45 064 | 45 064 | 25 487 |
| Frances Baard District Municipality | - | - | - | - | - | - | - |
| Joe Morolong | 57 839 | 57 839 | 57 839 | - | 57 839 | 57 839 | 63 599 |
| Ga-Segonyana | 51 521 | 51 521 | 51 521 | - | 51 521 | 51 521 | 52 195 |
| Gamagara | 21 569 | 21 569 | 21 569 | - | 21 569 | 21 569 | 9 864 |
| John Taolo Gaetsewe District Municipality | - | - | - | - | - | - | - |
| NORTHWEST | | | | | | | |
| Moretele | 101 410 | 126 410 | 126 410 | 25 000 | 126 410 | 126 410 | 102 404 |
| Madibeng | 248 907 | 248 907 | 248 907 | - | 248 907 | 248 907 | 234 461 |
| Rustenburg | 199 914 | 169 914 | 169 914 | (30 000) | 169 914 | 169 914 | 202 743 |
| Kgetlengrivier | 22 915 | 22 915 | 22 915 | - | 22 915 | 22 915 | 20 318 |
| Moses Kotane | 133 507 | 113 507 | 113 507 | (20 000) | 113 507 | 113 507 | 135 375 |
| Bojanala Platinum District Municipality | - | - | - | - | - | - | - |
| Ratlou | 43 059 | 58 059 | 58 059 | 15 000 | 58 059 | 58 059 | 28 511 |
| Tswaing | 27 939 | 27 939 | 27 939 | - | 27 939 | 27 939 | 23 390 |
| Mafikeng | 70 417 | 95 417 | 95 417 | 25 000 | 95 417 | 95 417 | 59 184 |

| | | | | | | | |
|---|---------|-----------|---------|---------|-----------|---------|---------|
| Ditsobotla | 34 875 | 20 000 | 54 875 | 54 875 | 20 000 | 54 875 | 35 392 |
| Ramotshere Moiloa | 35 460 | - | 35 460 | 35 460 | - | 35 460 | 28 182 |
| Ngaka Modiri Molema District Municipality | 290 197 | (173 976) | 116 221 | 116 221 | (173 976) | 116 221 | 181 160 |
| Naledi | 16 204 | 25 000 | 41 204 | 41 204 | 25 000 | 41 204 | 45 844 |
| Mamusa | 19 979 | (13 688) | 6 291 | 6 291 | (13 688) | 6 291 | 15 306 |
| Greater Taung | 45 436 | 7 900 | 53 336 | 53 336 | 7 900 | 53 336 | 31 052 |
| Lekwa-Teemane | 25 617 | - | 25 617 | 25 617 | - | 25 617 | 14 437 |
| Kagsano-Molopo | 28 697 | - | 28 697 | 28 697 | - | 28 697 | 29 154 |
| Dr Ruth Segomotsi Mompati District Municipality | 134 717 | 105 688 | 240 405 | 240 405 | 105 688 | 240 405 | 136 575 |
| Ventersdorp | | | | | | | 13 920 |
| Tlokwe | | | | | | | 77 028 |
| City of Matlosana | 83 362 | - | 83 362 | 83 362 | - | 83 362 | 84 493 |
| Maquassi Hills | 26 925 | 51 000 | 77 925 | 77 925 | 51 000 | 77 925 | 57 367 |
| NW405 | 64 812 | 27 782 | 92 594 | 92 594 | 27 782 | 92 594 | |
| Dr Kenneth Kaunda District Municipality | - | - | - | - | - | - | - |
| WESTERN CAPE | | | | | | | |
| City of Cape Town | | | | | | | 20 716 |
| Matzikama | 20 337 | - | 20 337 | 20 337 | - | 20 337 | 15 280 |
| Cederberg | 22 631 | - | 22 631 | 22 631 | - | 22 631 | 14 201 |
| Bergivier | 13 884 | (5 000) | 8 884 | 8 884 | (5 000) | 8 884 | 18 893 |
| Saldanha Bay | 18 532 | - | 18 532 | 18 532 | - | 18 532 | 22 709 |
| Swartland | 20 330 | - | 20 330 | 20 330 | - | 20 330 | - |
| West Coast District Municipality | - | - | - | - | - | - | 25 278 |
| Witzenberg | 21 389 | - | 21 389 | 21 389 | - | 21 389 | 34 046 |
| Drakenstein | 33 542 | - | 33 542 | 33 542 | - | 33 542 | 34 657 |
| Stellenbosch | 34 147 | - | 34 147 | 34 147 | - | 34 147 | 33 383 |
| Breede Valley | 32 885 | - | 32 885 | 32 885 | - | 32 885 | 21 368 |
| Langeberg | 20 983 | - | 20 983 | 20 983 | - | 20 983 | - |
| Cape Winelands District Municipality | - | - | - | - | - | - | 25 627 |
| Theewaterskloof | 25 204 | - | 25 204 | 25 204 | - | 25 204 | 21 417 |
| Overstrand | 21 030 | - | 21 030 | 21 030 | - | 21 030 | 10 787 |
| Cape Agulhas | 10 501 | - | 10 501 | 10 501 | - | 10 501 | |

| | | | | | | |
|-------------------------------------|-------------------|----------|-------------------|------------------|-------------------|-------------------|
| Swellendam | 18 391 | (1 054) | 17 337 | (1 054) | 17 337 | 11 684 |
| Overberg District Municipality | - | - | - | - | - | - |
| Kannaland | 9 803 | - | 9 803 | - | 9 803 | 14 082 |
| Hessequa | 13 023 | - | 13 023 | - | 13 023 | 13 332 |
| Mossel Bay | 23 004 | - | 23 004 | - | 23 004 | 23 407 |
| George | 38 283 | - | 38 283 | - | 38 283 | 38 832 |
| Oudtshoorn | 20 756 | - | 20 756 | - | 20 756 | 24 138 |
| Bitou | 19 253 | 6 429 | 25 682 | 6 429 | 25 682 | 22 122 |
| Knysna | 23 891 | - | 23 891 | - | 23 891 | 27 304 |
| Eden District Municipality | - | - | - | - | - | - |
| Laingsburg | 6 316 | - | 6 316 | - | 6 316 | 8 562 |
| Prince Albert | 7 212 | - | 7 212 | - | 7 212 | 9 466 |
| Beaufort West | 25 835 | - | 25 835 | - | 25 835 | 15 647 |
| Central Karoo District Municipality | - | - | - | - | - | - |
| Total MIG | 14 914 028 | - | 14 914 028 | (942 834) | 14 914 028 | 14 887 917 |

MUNICIPAL DEMARCATION TRANSITIONAL GRANT

| | | | | | | |
|----------------------------------|---------------|----------|---------------|----------|---------------|--|
| EASTERN CAPE | | | | | | |
| CAMDEBOO | 20 143 | - | 20 143 | - | 20 143 | |
| EC127 NIKONKOBÉ NEW | 2 686 | - | 2 686 | - | 2 686 | |
| NKONKOBÉ/NXUBA LOCAL MUN | 10 742 | - | 10 742 | - | 10 742 | |
| EC134 LUKHANJII NEW | 2 686 | - | 2 686 | - | 2 686 | |
| EC139 TSOLWANA/INKWANCAYLUKANJII | 17 457 | - | 17 457 | - | 17 457 | |
| EC145 MALETSWAI/GARIEP LOC MUN | 13 428 | - | 13 428 | - | 13 428 | |
| TOTAL EASTERN CAPE | 67 142 | - | 67 142 | - | 67 142 | |
| FREE STATE | | | | | | |
| MAN MANGAUNG | 10 742 | - | 10 742 | - | 10 742 | |
| FS16 NALEDI NEW | 2 686 | - | 2 686 | - | 2 686 | |

| | | | | |
|------------------------------------|--------|--------|--------|--------|
| LP: WHOLE PROVINCE | - | - | - | - |
| LIM474FETAGOMO NEW | 2 686 | 2 686 | 2 686 | 2 686 |
| LIM475 GREATER TUBATSE NEW | 2 686 | 2 686 | 2 686 | 2 686 |
| IM476 GRTR TUBATSE/ FETAKGOMO- | 8 056 | 8 056 | 8 056 | 8 056 |
| LIM341 MUSINA | 6 714 | 6 714 | 6 714 | 6 714 |
| LIM343 THULAMELA | 6 714 | 6 714 | 6 714 | 6 714 |
| LIM344 MAKHADO | 6 714 | 6 714 | 6 714 | 6 714 |
| LIM352 AGANANG NEW | 2 479 | 2 479 | 2 479 | 2 479 |
| TOTAL LIM345 | 20 143 | 20 143 | 20 143 | 20 143 |
| LIM351 BLOUBERG | 8 125 | 8 125 | 8 125 | 8 125 |
| LIM353 MOLEMOLE | 8 125 | 8 125 | 8 125 | 8 125 |
| LIM354 POLOKWANE | 8 127 | 8 127 | 8 127 | 8 127 |
| LIM364 MOOKGOPONG NEW | 2 686 | 2 686 | 2 686 | 2 686 |
| LIM365 MODIMOLLE NEW | 2 686 | 2 686 | 2 686 | 2 686 |
| LIM368 MODIMOLLE/ MOOKGOPONG L MIN | 8 056 | 8 056 | 8 056 | 8 056 |
| TOTAL LIMPOPO | 93 997 | 93 997 | 93 997 | 93 997 |
| MPUMALANGA | | | | |
| MP323 UMJINDI NEW | 2 686 | 2 686 | 2 686 | 2 686 |
| MP322 MBOMBELA NEW | 2 686 | 2 686 | 2 686 | 2 686 |
| MP326MBOMBELA/ UMJINDI LOC MUN | 8 056 | 8 056 | 8 056 | 8 056 |
| MPUMALANGA | 13 428 | 13 428 | 13 428 | 13 428 |
| NORTHERN CAPE | | | | |
| NC081 MIER NEW | 2 686 | 2 686 | 2 686 | 2 686 |
| NC083 //KHARA HAIS NEW | 2 686 | 2 686 | 2 686 | 2 686 |
| NC087 //KHARA HAIS/ MIER LOC MUN | 8 057 | 8 057 | 8 057 | 8 057 |
| TOTAL NORTHERN CAPE | 13 429 | 13 429 | 13 429 | 13 429 |
| NORTH WEST | | | | |
| NW402 TLOKWE NEW | 2 686 | 2 686 | 2 686 | 2 686 |
| NW401 | | | | |
| VENTERSDORP NEW | 2 686 | 2 686 | 2 686 | 2 686 |
| NW405 VENTERSDORP/ TLOKWELOC MN | 8 056 | 8 056 | 8 056 | 8 056 |

| | | | | |
|-------------------------------------|----------------|----------------|----------------|----------------|
| TOTALNORTH WEST | 13 428 | 13 428 | 13 428 | 13 428 |
| TOTALMDTG | 297 422 | 297 422 | 297 422 | 3 714 |
| DISASTER RELIEF GRANT | | | | |
| GAUTENG | | | | |
| GT484 MERAFOENG CITY | 118 075 | 118 075 | 118 075 | 118 075 |
| TOTAL GAUTENG | 118 075 | 118 075 | 118 075 | 118 075 |
| TOTAL DISASTER RELIEF GRANT | 118 075 | 118 075 | 118 075 | 118 075 |
| DISASTER RECOVERY GRANT | | | | |
| KWAZULU-NATAL | | | | |
| KZN212 UMDONI | 30 000 | 30 000 | 30 000 | 6 000 |
| KZN213 UMZUMBE | 10 000 | 10 000 | 10 000 | 11 095 |
| KZN238 LADY SMITH/INDAKA LOC MUN | 50 000 | 50 000 | 50 000 | 50 000 |
| TOTALKWAZULU-NATAL | 90 000 | 90 000 | 90 000 | 67 095 |
| MPUMALANGA | | | | |
| MP324 NIKOMAZI | 20 000 | 20 000 | 20 000 | 20 000 |
| TOTALMPUMALANGA | 20 000 | 20 000 | 20 000 | 20 000 |
| WESTERN CAPE | | | | |
| WC042 HESSEQUA | 30 000 | 30 000 | 30 000 | 30 000 |
| TOTALWESTERN CAPE | 30 000 | 30 000 | 30 000 | 30 000 |
| TOTALDISASTER RECOVERY GRANT | 140 000 | 140 000 | 140 000 | 30 000 |
| VEHICLE LICENCES | | | | |
| GAUTENG | | | | |
| TSHWANE METRO | 25 | 25 | 25 | 27 |
| TOTAL VEHICLE LICENCES | 25 | 25 | 25 | 27 |

ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

| DEPARTMENT/ AGENCY/ ACCOUNT | TRANSFER ALLOCATION | | | | TRANSFER | | 20XX/YY R'000 |
|---|---------------------------|---------------|--------------|--------------------|--------------------|---|------------------|
| | Adjusted Appro-riation | Roll Overs | Adjust-ments | Total Available | Actual Transfer | % of Available funds Transferred | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % | |
| MUNICIPAL DERMACATION BOARD | 59 220 | - | - | 59 220 | 59 220 | 100% | 45 793 |
| MUNICIPAL INFRASTRUCTURE SUPPORT AGENCY | 349 889 | - | - | 349 889 | 349 889 | 100% | 304 013 |
| SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION | 31 500 | - | - | 31 500 | 31 500 | 100% | 9 215 |
| TRADITIONAL AFFAIRS | 133 998 | - | - | 133 998 | 133 998 | 100% | 125 928 |
| TOTAL | 574 607 | - | - | 574 607 | 574 607 | | 484 949 |

ANNEXURE 1F

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

| NON-PROFIT INSTITUTIONS | TRANSFER ALLOCATION | | | | EXPENDITURE | | 2015/16 Appropriation Act R'000 |
|------------------------------|----------------------------|------------|-------------|-----------------|-----------------|----------------------------------|---------------------------------------|
| | Adjusted Appropriation Act | Roll overs | Adjustments | Total Available | Actual Transfer | % of Available funds transferred | |
| | R'000 | R'000 | R'000 | R'000 | R'000 | % | |
| Transfers | | | | | | | |
| South African Cities Network | 9 119 | - | - | 9 119 | 9 119 | 100% | 6 286 |
| | 9 119 | - | - | 9 119 | 9 119 | | 6 286 |
| Subsidies | - | - | - | - | - | - | - |
| TOTAL | 9 119 | - | - | 9 119 | 9 119 | - | 6 286 |

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

ANNEXURE 3A

STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2016 – LOCAL

| Guarantor institution | Guarantee in respect of | Original guaranteed capital amount | Opening balance 1 April 2016 | Guarantees draw downs during the year | Guarantees repayments/ cancelled/ reduced/ released during the year | Revaluations | Closing balance 31 March 2016 | Guaranteed interest for year ended 31 March 2016 | Realised losses not recoverable i.e. claims paid out |
|-----------------------|-------------------------|------------------------------------|------------------------------|---------------------------------------|---|--------------|-------------------------------|--|--|
| | | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| | | | | | | | | | |

ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2016

| Nature of Liability | Opening Balance 1 April 2015 | Liabilities incurred during the year | Liabilities paid/ cancelled/ reduced during the year | Liabilities recoverable (Provide details hereunder) | Closing Balance 31 March 2016 |
|---------------------------------------|---------------------------------|--|---|---|--|
| | R'000 | R'000 | R'000 | R'000 | R'000 |
| Claims against the department | | | | | |
| DML Facilitators Vs Minister of COGTA | 170 | | | | 170 |
| Subtotal | 170 | | | | 170 |
| Environmental Liability | | | | | |
| Subtotal | 170 | - | - | - | 170 |
| Other | | | | | |
| Subtotal | - | - | - | - | - |
| TOTAL | 170 | - | - | - | 170 |

**ANNEXURE 4
CLAIMS RECOVERABLE**

| GOVERNMENT ENTITY | Confirmed balance outstanding | | Unconfirmed balance outstanding | | Total | |
|--|-------------------------------|------------|---------------------------------|---------------|---------------|---------------|
| | 31/03/2017 | 31/03/2016 | 31/03/2017 | 31/03/2016 | 31/03/2017 | 31/03/2016 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| DEPARTMENTS | | | | | | |
| Department of Traditional Affairs | - | - | 12 045 | 6 672 | 12 045 | 6 672 |
| National Treasury | - | - | - | 24 | - | 24 |
| Department of Social Development | - | - | - | 84 | - | 84 |
| Department of Minerals | - | - | - | 19 | - | 19 |
| Department of Environmental Affairs | - | - | - | 72 | - | 72 |
| Department of Public Enterprises | - | - | - | 24 | - | 24 |
| North West Premier | - | - | 16 | 16 | 16 | 16 |
| Gauteng COGTA | - | - | - | 66 | - | 66 |
| Western Cape Premier | - | - | - | 68 | - | 68 |
| Public Service Commission | - | - | - | 19 | - | 19 |
| DIRCO | - | - | - | 2 793 | - | 2 793 |
| KZN Premier | - | - | 19 | 45 | 19 | 45 |
| | - | - | 12 080 | 9 902 | 12 080 | 9 902 |
| OTHER GOVERNMENT ENTITIES | | | | | | |
| Municipal Infrastructure Support Agent | - | - | 3 694 | 3 469 | 3 694 | 3 469 |
| Merafong Local Municipality | - | - | 73 | 73 | 73 | 73 |
| Randfontein Local Municipality | - | - | 69 | 69 | 69 | 69 |
| | - | - | 3 836 | 3 611 | 3 836 | 3 611 |
| Total | - | - | 15 916 | 13 513 | 15 916 | 13 513 |

**ANNEXURE 5
INTER-GOVERNMENT PAYABLES**

| GOVERNMENT ENTITY | Confirmed balance outstanding | | Unconfirmed balance outstanding | | Total | | Cash in transit at year end 2016/17* | |
|------------------------------------|-------------------------------|------------|---------------------------------|------------|------------|------------|---|--------|
| | 31/03/2017 | 31/03/2016 | 31/03/2017 | 31/03/2016 | 31/03/2017 | 31/03/2016 | Payment date up to six (6) working days before year end | Amount |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 | | R'000 |
| DEPARTMENTS | | | | | | | | |
| Current | | | | | | | | |
| Communication & Information System | - | - | 95 | - | 95 | - | - | - |
| Women | - | - | 17 | - | 17 | - | - | - |
| Environmental Affairs | - | - | 44 | - | 44 | - | - | - |
| Gauteng Provincial Treasury | - | - | - | 22 | - | 22 | - | - |
| Subtotal | - | - | 156 | 22 | 156 | 22 | - | - |
| Non-current | | | | | | | | |
| Subtotal | - | - | - | - | - | - | - | - |
| Total Departments | - | - | 156 | 22 | 156 | 22 | - | - |

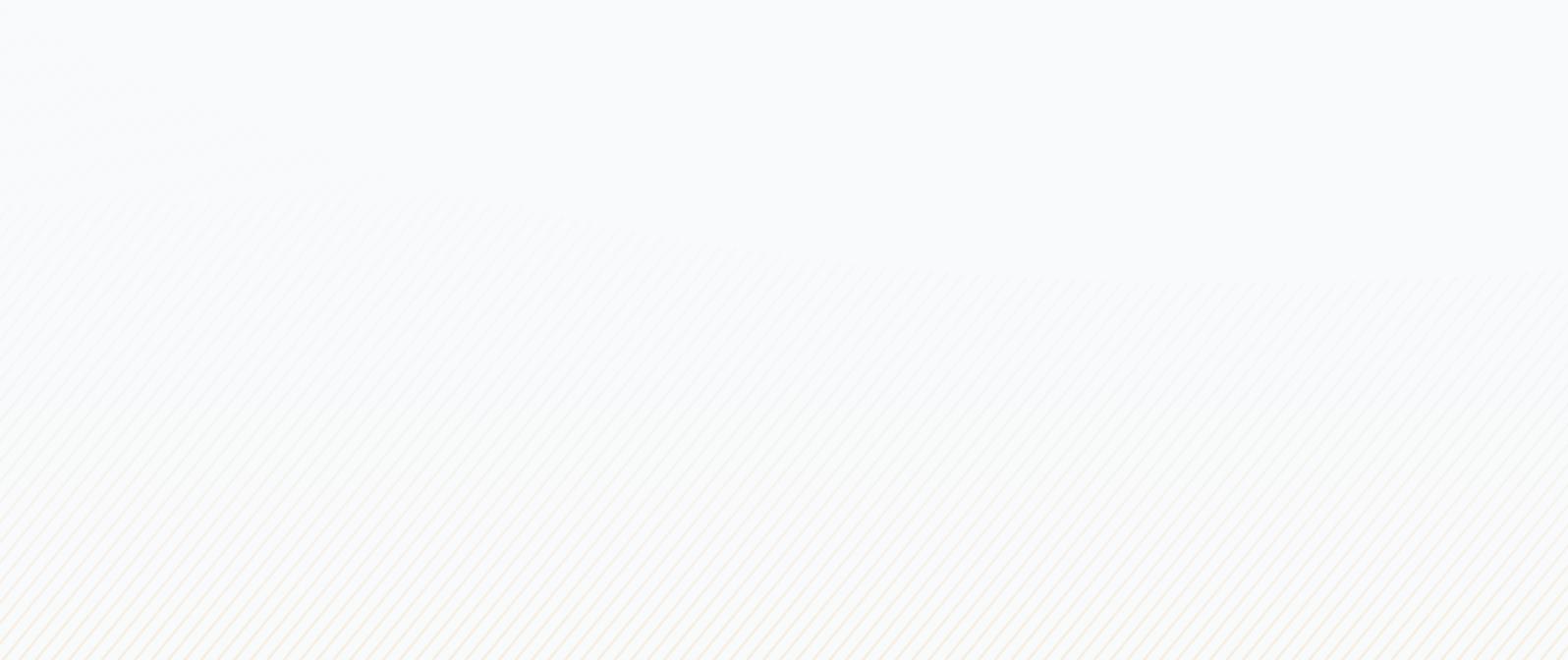
OTHER GOVERNMENT ENTITY

| | | | | | |
|---------------------------------|----------|------------|-----------|------------|-----------|
| Current | - | - | - | - | - |
| Subtotal | - | - | - | - | - |
| Non-current | | | | | |
| Subtotal | - | - | - | - | - |
| Total Other Government Entities | - | - | - | - | - |
| TOTAL INTERGOVERNMENTAL | - | 156 | 22 | 156 | 22 |

ANNEXURE 8A

INTER-ENTITY ADVANCES PAID (note 14)

| ENTITY | Confirmed balance outstanding | | Unconfirmed balance outstanding | | TOTAL | |
|--|-------------------------------|------------|---------------------------------|--------------|--------------|--------------|
| | 31/03/2017 | 31/03/2016 | 31/03/2017 | 31/03/2016 | 31/03/2017 | 31/03/2016 |
| | R'000 | R'000 | R'000 | R'000 | R'000 | R'000 |
| NATIONAL DEPARTMENTS | | | | | | |
| Government Communications and Information System | - | - | 7 045 | 3 501 | 7 045 | 3 501 |
| International Relations and Cooperation | - | - | 473 | - | 473 | - |
| Subtotal | | | 7 518 | 3 501 | 7 518 | 3 501 |
| PROVINCIAL DEPARTMENTS | | | | | | |
| Subtotal | | | | | | |
| PUBLIC ENTITIES | | | | | | |
| Subtotal | | | | | | |
| OTHER ENTITIES | | | | | | |
| Subtotal | | | | | | |
| TOTAL | | | 7 518 | 3 501 | 7 518 | 3 501 |





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