

2018/19

ANNUAL

Report

Department of Cooperative Governance



cooperative
governance

Department:
Cooperative Governance
REPUBLIC OF SOUTH AFRICA



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CHAPTER I

PART A: GENERAL
INFORMATION



DEPARTMENT'S GENERAL INFORMATION

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LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor-General of South Africa
AO	Accounting Officer
APP	Annual Performance Plan
B2B	Back to Basics Programme
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COGHSTA	Cooperative Governance, Human Settlements and Traditional Affairs
COGTA	Cooperative Governance and Traditional Affairs
CWP	Community Work Programme
DCOG	Department of Cooperative Governance
DG	Director-General
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
EBC	Executive Briefing Centre
EC	Eastern Cape
ENE	Estimates of National Expenditure
ESRI	Environment System Research Institute
FBSA	Fire Brigade Services Act
FBS	Free Basic Services
FS	Free State
GIS	Geographic Information System
HCM	Human Capital Management
IDDR	International Day for Disaster Risk Reduction
IDP	Integrated Development Plan
IUDF	Integrated Urban Development Framework
IUDG	Integrated Urban Development Grant
IGR	Intergovernmental Relations
IMSI	Intergovernmental Monitoring, Support and Intervention
IMTT	Inter-Ministerial Task Team
KPA	Key Performance Area
KZN	KwaZulu-Natal
LED	Local Economic Development
LGSETA	Local Government Sector Education and Training Authority
LM	Limpopo
MP	Mpumalanga
M&E	Monitoring and Evaluation
MDB	Municipal Demarcation Board
MEC	Member of Executive Committee
MIG	Municipal Infrastructure Grant
MinMEC	Minister and Members of Executive Council
MISA	Municipal Infrastructure Support Agent
MoU	Memorandum of Understanding
MPRA	Municipal Property Rates Act
MSA	Municipal Systems Act
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NC	Northern Cape
NDMC	National Disaster Management Centre

LIST OF ABBREVIATIONS/ACRONYMS

NDP	National Development Plan
NGO	Non-Governmental Organisation
NT	National Treasury
NW	North West
UCLGA	United Cities and Local Governments of Africa
SA	South Africa
SACN	South African Cities Network
SALGA	South African Local Government Association
SARS	South African Revenue Services
SCM	Supply Chain Management
SDIP	Service Delivery Improvement Plan
SITA	State Information Technology Agency
SIU	Special Investigation Unit
SLA	Service Level Agreement
SPLUMA	Spatial Planning and Land Use Management Act 16 of 2013
SMART	Specific, Measurable, Attainable, Realistic, Timely
SMS	Senior Management Services
TOR	Terms of Reference
WC	Western Cape

I.1 SIGNED FOREWORD



Dr Nkosazana Dlamini Zuma, MP
Minister for Cooperative Governance and Traditional Affairs

A strong and improving Local, Provincial and National Government working together in partnership is essential to the growth and vibrancy of our democracy and government's ability to improve quality life for all our people. It remains therefore COGTA's strategic focus to ensure coordination among the three spheres of government to enable services to be channeled towards the people in accordance with our objective to eradicate poverty, inequality and unemployment.

In the year under review a number of initiatives continued to enhance the provision of services to our people through the all of government approach as we attempt to ensure equity and quality of services in all our cities, towns, townships and villages. We recognise some of the strides recorded during the period under review despite the difficult economic conditions thanks to the guidance and leadership of my predecessor Dr Zwelani Mkhize.

Indeed, our efforts to reach citizens in all corners of South Africa, particularly those in most need, are beginning to pay off as the social wage provided by our government contributes to improving the living condition of our people with the extension of the provision of clean water, electricity, waste water treatment, waste removal, education at all levels, health care, all freely provided to the poor and indigent. The Department continued efforts to enhance the Community Work Programme (CWP) through the formation of partnerships and the formal and informal training of CWP participants. We will continue to assess and improve the impact of the CWP program until it can achieve the objectives for which it was intended. As we improve the program, it is also important to restore the credibility of the departments by urgently attending to the issues raised by the Auditor-General in relation to its administration.

The AG's report 2018/19 attributed the poor quality of the department's financial statements and consequently the disclaimer audit opinion directly to the CWP program, specifically around four identified areas (1) Community Work Programme Assets Management (2) Project Management fees (3) Accruals and (4) Wages to participants.

These setbacks should not deter us from our progressive drive to achieve the promises set out in our constitution and our hard-fought struggle to truly liberate our people. We will enhance our mode of delivery and development by reinserting the people at the centre of planning, development and implementation of Government initiatives. This will require an enhancement of coordination and integration of National and Provincial Government plans and services in support of Local Government as envisaged by the White Paper on Local Government. The White Paper, in concert with Section 154 of the Constitution, also positions this Department at the centre of coordination of Government efforts. The success of such cooperation hinges on optimum functionality of all spheres, therefore if Local Government fails, then both Provincial and National Government fail.

Unfortunately, many Local Authorities find themselves in distress, facing challenges of governance, lack of institutional capacity, financial sustainability and persistent difficulty in service provision. We have realised that certain municipalities are unsustainable in their current status. There are 39 municipalities that have been placed under administration, with most instances being due to failure caused by either inability or unwillingness to fulfil their responsibilities and functions. It is also true that in some instances, local authorities are placed under administration prematurely, before the principles set out in Section 154 have been explored, which in itself causes further harm to the ability of the municipality to function.

One of the ever-recurring reasons for the failure of Local Government to carry out its responsibilities has been the persistent level of poverty and inequality. This is manifested by a poor local economic base, resulting in low levels of revenue. We need to ensure, thus, that we work together to develop municipalities in order to ensure that their ability to serve Local Economic growth depends not only on investment, but also on capacity and skilling of people to benefit from the available opportunities.

The White Paper places the Department of Cooperative Governance at the centre of “coordinating and aligning development priorities and objectives among the three spheres of government”. To this end, the President has launched the District Development Model, which will enhance cooperation, planning, implementation, monitoring and evaluation in all spheres, whilst ensuring that people-led development occurs in all 44 Districts and 8 Metros. Through the One Plan and One Budget for every district project, we will enhance existing initiatives such as the Back 2 Basics programme, thus turning our communities into vibrant, sustainable and safe communities. In the end, all the children of South Africans will find their place under the sun. We will fulfil the hopes of our people. We do not need new policies or new frameworks to achieve this, but we need to change the way we work as Government: working as ONE Government whose purpose is to serve only one master- the people.

Working with our social partners, we will make better use of the Intergovernmental mechanisms to support, develop and capacitate Local Government to execute its responsibilities and functions. Despite the challenges and setbacks, we have reason to be optimistic about the year ahead, and the future, in the knowledge that the fulfilment of the promise of a better life for all South Africans is in our hands; we dare not fail.



DR NKOSAZANA DLAMINI ZUMA, MP

Minister for Cooperative Governance and Traditional Affairs

Date: 21/11 2019

I.2 DEPUTY MINISTER'S STATEMENT



Mr Parks Tau

Deputy Minister: Department of Cooperative Governance

As we approach the end of the current Medium Term Strategic Framework (MTSF) for the 2014 to 2019 period, I would like to extend my appreciation for the persistent work done by the Department in supporting municipalities towards building a developmental local government that is accountable and capable of delivering quality services to communities, in a consistent and sustainable manner. In the process of building the desired developmental local government, we continue to put in place policies and strategies that are strong enough to dismantle some of the challenges that undermine the good work of government, such as the apartheid spatial legacy. The unfortunate reality that 25 years into democracy apartheid spatial planning continue to play a big part in the reproduction of poverty and inequality in our country is one that the Department is committed to addressing. The key instrument to addressing this challenge, among other government initiatives, is the Integrated Urban Development Framework (IUDF), which was adopted in 2016 as a policy roadmap for pursuing spatial transformation in cities and towns by guiding South Africa towards inclusive, resilient and liveable urban settlements. The IUDF is intended to help guide the nation towards growth and management of urban areas in ways that will unleash the potential of our cities and towns and reverse the spatial legacies of the apartheid era. In addition, the development of a national planning legislation and the transfer of the Spatial Planning Land Use Management Act (SPLUMA) from Rural Development and Land Reform to this Department and the Department of Planning Monitoring and Evaluations (DPME) will also assist in this regard.

As we prepare to celebrate 25 years into democracy, it is important that we recognize the great work that has been done by our municipalities in the past years, especially in the provision of basic services such as water, electricity, sanitation and waste removal to the millions of our citizens. Highlights of this great work are reflected in the 2017 Non-Financial Census of Municipalities that was released by Statistics South Africa in 2018, showing that between 2016 and 2017, there was an increase in the provision of sewerage and sanitation in the country of 3.8%, followed by solid waste management at 2.6%, as well as water and electricity both 2.1%. Our municipalities also supported 3.5 million indigent households over the same period.

Despite these achievements, the Department is aware that much still has to be done to improve the state of local government, especially considering the outcomes of the assessment of the state of local government, which identified 87 municipalities as distressed or dysfunctional. To address this, we initiated an intensive Recovery Programme focusing on governance, service delivery and financial management functional areas. Further, through our implementing agent, the Municipal Infrastructure Support Agent (MISA) we offered support to 55 of the distressed municipalities to spend their infrastructure allocations. We also deployed District Technical Support Teams to the affected municipalities consisting of engineers and town planners to build the long-term capacity that is needed to improve service delivery and management of those municipalities.

(CWP), which is a programme established to create access to a minimum level of regular, predictable, part-time work opportunities for beneficiaries. It is an achievement to be proud of that more than 280 000 participants benefited directly from the CWP over the 2018-2019 financial year, while over 67 000 participants received training in various specialties. The programme further contributed in bringing about social balance and equality by focusing on the most vulnerable groups of society, with about 78% of participants being female, 28% youth and almost 2% being people living with disabilities.



MR PARKS TAU

Deputy Minister for the Department of Cooperative Governance

Date: 21/11/2019

I.3 REPORT OF THE ACCOUNTING OFFICER



Mr DMG Mashitsho

Director-General: Department of Cooperative Governance

I.3.1 Overview of the operations of the Department

In the year under review, we visited most provinces with the intention of assessing the challenges experienced by municipalities as we continue to implement the second phase of the Back to Basics programme. Following these, much work was done to turn around the situation in municipalities. The fruit of these engagements and efforts must result in improvements. In December 2018, we managed to report a reduction in the number of dysfunctional municipalities. We are embarking on a critical path to reduce these numbers significantly. While we continue to support municipalities, we have started to create a database of Local Government practitioners to ensure that we beef-up our capacity to respond to challenges at local government level. These teams of practitioners will be deployed at identified municipalities to deal with governance, infrastructure, finance, planning, engineering and Information Communication Technology (ICT) related challenges. Through our Municipal Infrastructure Support Agent (MISA), we have already deployed a team of engineers to struggling municipalities to assist with project management.

This means that in parallel with our central role of supporting provinces and municipalities, we are also mobilising stakeholders to assist in responding to these challenges that are causing discontent amongst communities so that we all contribute to future economic and social resilience in the spirit of 'Thuma Mina'. We also explored other initiatives like GovChat, an effective community engagement platform with inbuilt communication tools on WhatsApp. We believe this initiative will bring government closer to the people since it has a complaints management system for local government, with an automated escalation process for unattended queries ranging from potholes, non-functioning street and traffic lights and others. The Department held fruitful engagements with the Portfolio Committee on Cooperative Governance on a number of issues that directly affect the public, amongst them, VBS Mutual Bank impact on municipalities, Municipal Councillors Pension Fund and Eskom debt payments by municipalities. We got valuable inputs from the Honourable members and ensured that these are discussed at various inter-governmental relations (IGR) forums.

Through various IGR forums, we engaged on a number of issues which included the following:

1. Constitutional, Systemic and Structural Challenges in electricity reticulation;
2. Implementation of the Integrated Service Delivery Approach in the 57 municipalities;
3. Curbing of the killing of Councillors and Senior Managers in Municipalities;
4. Implementation of the Integrated Urban Development Framework Reconfiguration of District Governments;
5. Revitalisation of Distressed Mining Communities; and
6. Water shortage and drought

I also participated in a number of the Forum of South African Directors-General (FOSAD) Clusters such as the Justice, Crime Prevention and Security Cluster; the Governance and Administration Cluster; the Social Protection, Community and Human Development Cluster as well as the Economic Sectors, Employment and Infrastructure Development Cluster. These platforms show Cooperative Governance in action as they are comprised of various role-players and deal with pertinent issues that affect South African citizens.

1.3.2 Overview of the financial results of the Department

Departmental Receipts

Table 1: Departmental receipts for the 2018/19 financial year

Departmental Receipts	2018/2019			2017/2018		
	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	335	329	6	375	185	190
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-
Interest, dividends and rent on land	950	1 132	(182)	1 100	778	322
Sale of capital assets	100	621	(521)	50		50
Financial transactions in assets and liabilities	42 383	42 498	(115)	350	698	(348)
Total	43 768	44 580	(812)	1 875	1 661	214

Programme Expenditure

Below is a summary of the actual expenditure incurred in the 2018/19 financial year in comparison to the adjusted appropriation amounts for both the current and previous financial years. The financial information is presented per programme to reflect the key reasons for under/over expenditure.

Programme 1: Administration

The actual expenditure for Programme 1 against the adjusted appropriation only reflects a 1.7% under-spending, which is immaterial. The lower spending is mainly due to the effect of the vacancies not yet filled.

Programme 2: Regional and Urban Development and Legislative Support

The actual expenditure for Programme 2 against the adjusted appropriation reflects an under-spending of 0.1%, which is immaterial. The current spending indicates a 2.3% increase against the spending for the same period in the previous financial year (2017/18).

Programme 3: Institutional Development

The actual expenditure for Programme 3 against the adjusted appropriation reflects an under-spending of 3.2%. The underspending is mainly due to the off-setting/withholding of Local Government Equitable Share funds from some municipalities, in line with the Division of Revenue Act (DORA) requirements, as well as delays in the spending of the indirect grant portion of Municipal Systems Improvement Grant. The current spending rate is 1.2% higher than the spending rate in the previous financial year (2017/18).

Programme 4: National Disaster Management Centre

The actual expenditure for Programme 4 against the adjusted appropriation reflects an under-spending of 30.22%. The disaster relief grants at national level are top-up funding and are only paid when the funding at the provincial level and local government is exhausted. The current spending reflects a 39.8% increase against the expenditure for the previous financial year (2017/18).

Programme 5: Local Government Support and Interventions Management

The actual expenditure for Programme 5 against the adjusted appropriation reflects 100% against the budget.

Programme 6: Community Work Programme

The actual expenditure for Programme 6 against the adjusted appropriation reflects an under-spending of 16.4%. The under-spending is mainly due to procurement of goods and services for the implementation of the CWP.

The current spending indicates a 10.9% increase against the spending for the same period in the previous financial year (2017/18). The increase is mainly due to inflation-related increases and payment of invoices of the previous financial year (from the Implementing Agents) that were received and/or processed late due to the required due diligence processes.

Table 2: Savings trends since the 2011/12 financial year

Year	Expenditure	Saving	Saving
	R'000	%	R'000
2011/12	46 221 564	4.29	1 983 096
2012/13	53 442 919	2.64	1 412 259
2013/14	56 401 572	3.65	2 057 335
2014/15	59 386 548	6.85	4 067 337
2015/16	68 097 537	3.99	2717 940
2016/17	69 852 230	4.54	3 169 676
2017/18	76 362 043	2.68	2 101 847
2018/19	81 918 384	3.71	3 112 828

The main Estimates of National Expenditure (ENE) for 2018/19 financial year provided for the appropriation of an amount of R83.652 billion, which was increased by R1.385 billion in the Adjusted Estimation to bring the adjusted appropriation amount voted to R85.037 billion. This adjusted appropriation represents an increase of R6.573 billion (8.4%) when compared against the budget allocation for the previous year.

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

Programme Name	2018/2019			2017/2018		
	Final Appropriation	Actual Expenditure	Over/Under Expenditure	Final Appropriation	Actual Amount Expenditure	Over/Under Expenditure
Prog 1: Administration	298 986	293 785	5 201	262 496	260 405	2 091
Prog 2: Regional and Urban Development and Legislative Support	99 875	99 739	136	248 553	232 397	16 156
Prog 3: Institutional Development	63 117 938	61 120 171	1 997 767	57 358 921	55 899 113	1 459 808
Prog 4: National Disaster Management Centre	1 962 716	1 370 257	592 459	544 051	492 439	51 612
Prog 5: Local Government Support and Intervention Management	15 706 373	15 705 790	583	16 408 608	16 361 922	46 686
Prog 6: Community Work Programme	3 851 123	3 328 642	522 481	3 641 261	3 115 766	525 495
Total	85 037 011	81 918 384	3 112 828	78 463 890	76 362 043	2 101 847

Table 3 indicates the final appropriated budget for the Department of Cooperative Governance for the 2018/19 financial year to the amount of R83.652 billion. During the 2018/19 Adjusted Estimates of National Expenditure, the Department received an additional appropriation to the value of R1.385 billion, which increased the appropriation to R85.037 billion. This represents an increase of R8.063 billion (10.47%) when compared to the budget allocation for the previous financial year. The increased allocation for the 2018/19 financial year was mainly in respect of the approved funds and other adjustments to the Municipal Disaster Recovery and Disaster Relief Grants.

Reasons for underspending R1,998 billion by Institutional Development was due to the withholding of Local Government Equitable Share funding to some municipalities as a result of the non-compliance with the Dora Act. The main reason for the lower spending of R592 459 relates to fact that the Disaster Relief Grant is designed to fund expenditure in the event that the municipalities or provinces are unable to deal with the effects of the disaster utilising own legislation/ guidelines and resources. Therefore, the funds from this Grant were not utilised in the financial year under review.

Virements/roll-overs

The following virements were effected in terms of Section 43 of the PFMA (Act No. 1 of 1999) as amended to fund the overruns and increased spending levels of the different Programmes of the Department of Cooperative Governance during the 2018/19 financial year, in line with the mandate and priorities of the Department:



Compensation of employees

- R5.080 million was shifted from Programme 6: Community Work Programme to Programme 1: Administration.
- R500 thousand needed to be shifted from Programme 6: Community Work Programme to Programme 4: National Disaster Management Centre.
- R500 thousand was shifted from Programme 3: Institutional Development to Programme 4: National Disaster Management Centre.

Goods and Services

- R4.5 million was shifted from Programme 2: Regional and Urban Development and Legislative Support to increase the allocation for Programme 1: Administration.
- R500 thousand was shifted from Programme 3: Institutional Development to Programme 4: National Disaster Management Centre.
- R4.5 million was shifted from Programme 2: Regional and Urban Development and Legislative Support to increase the allocation for Programme 1: Administration.
- R4 million was shifted from Programme 4: National Disaster Management Centre to increase the allocation for Programme 1: Administration.
- R1.952 million was shifted from Programme 4: National Disaster Management Centre to increase the allocation for Programme 3: Institutional Development.
- R1.700 million was shifted from Programme 5: Local Government Support and Interventions Management to increase the allocation for Programme 3: Institutional Development.

Payment on Capital Assets

- R50 thousand was shifted from Programme 1: Administration for capital assets to increase the allocation for Programme 3: Institutional Development.

Shifting

- Further to the above-mentioned virements, the following shifting of funds were also approved within the main division and economic classifications to fund the over-expenditure due to the increased spending levels:

Programme 1: Administration

- R1.696 million was shifted from the goods and services allocation to increase the transfers and subsidies allocation: Households, to provide for the payment of leave gratuities to the amount of R1.401 million and R290 thousand under payments for Financial Assets (theft and losses).

Programme 5: Local Government

Support and Interventions Management

- R190 thousand was shifted from the goods and services allocation to increase the transfers and subsidies allocation: Households, to provide for the payment of non- returning councillors.

Programme 6: Community Work

Programme

- R2.252 million was shifted consistently from goods and services to increase the transfers and subsidies allocation: Households, to provide for the payment of leave gratuities (R252 thousand) and R2 million under-payment on Capital Assets.

Roll-over

An amount of R R29.60 million of the unspent funds at the end of the 2017/18 financial year was requested to be rolled-over to finalise the outstanding payments to the old CWP Implementing Agents. There was a delay in the delivery of invoices for payment by the end of March 2018 and R1.712 million for outstanding invoices related to the National Disaster Management. No roll-over was approved by National Treasury.

Unauthorised, fruitless and wasteful expenditure and the amounts involved as well as steps taken to address the matter towards preventing a recurrence.

The Department has not experienced any potential unauthorised expenditure (note 10), however, the Department has incurred Fruitless and wasteful expenditure (note 25) to the value of R765 thousand in the 2018/19 financial year. The notes are disclosed on the notes to the annual financial statement. Moreover, the Department will enhance the current internal controls to prevent and detect fruitless and wasteful expenditure and also implement effective, efficient and transparent processes of risk management

Future plans of the Department

The Department's future plans have been incorporated in the Annual Performance Plan and are consistent with the Back to Basics Approach.

Public Private Partnerships

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

Discontinued activities / activities to be discontinued

There were no activities discontinued during the 2017/18 financial year.

New or proposed activities

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

Supply Chain Management (SCM)

The Department has not concluded any unsolicited bids or proposals for the year under review.

Gifts and donations received in kind from non-related parties

Donor support 2018/19 financial year

	Date/ Period	Purpose	Receipts	Source/ Funding Organisation	Type of Support	Amount
1	25 May to 10 June 2018 Tokyo and Osaka, Japan	Study tour on public financial management for development	Dr Plaatjie Mahlobogoane	JICA	Flights and Accommodation	R135 000
2	9-13 July 2018 California, USA	The Environmental System Research Institute (ESRI) International User Conference	Ms Nomsa Seabela	ESRI	Flights and Accommodation	R45 000
3	21-24 August 2018 Redmond Seattle, USA	Invitation to attend an Executive Briefing Centre (EBC) at Microsoft Headquarters	Mr Dudley Petersen	Microsoft SA	Flights and Accommodation	R85 000
4	24 June to 18 July 2018, India	Intergovernmental Coordination Group for the Indian Ocean Tsunami Warning and Mitigation System (ICG/IOTWS)	Mr Dechlan Pillay	ICG/IOTWS (host organisation)	Flights and Accommodation	R14 508
5	16-21 September 2018 Frankfurt & Munich, Germany	Participation at the 12 TH Federal Congress and the SA-Germany Cities Network Workshop	Mr Josiah Lodi Ms Nomkita Fani Ms Gigi Gosnell	Germany	Flights and Accommodation	R223 600

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 Preferential Procurement Framework Act, Preferential Procurement Regulations and the National Treasury Instruction Notes in SCM.

Challenges experienced in SCM and how they were resolved

The Department experienced difficulties in the implementation of the Departmental Procurement Plan due to late submission of the Terms of Reference/ specifications to initiate tendering processes as well as the unavailability of Bid Committee members. The Department is addressing this challenge by ensuring that project managers develop terms of references for the next financial year early during the 1st strategic planning process preceding the delivery period.

	Date/ Period	Purpose	Receipts	Source/ Funding Organisation	Type of Support	Amount
6	20-24 November 2018, Morocco	Participation at Africities Summit	Ms Nomkita Fani	GIZ	Flights and Accommodation	R30 000
7	September and November 2018	Participation in the Core Development team working sessions to develop two guidelines	NDMC	Oxfam Italy		In Kind
8	1-16 December 2018 Tokyo, Japan	Participation at the JICA Training on Promoting Disability Empowerment and mainstreaming approach towards community-based inclusive development in Okinawa, Japan	Ms Lato Mabaso	JICA	Flights and Accommodation / Travel allowance	R27 260
9	4-6 February 2019 New Delhi - India	Participation at the IORA Cluster group meeting	Mr. Dechlan Pillay	IORA	Flights and Accommodation / Travel allowance	R52 900
10	26-27 March 2019 Berlin, Germany	To jointly address job creation and safeguarding of jobs and investments	Mr. Kanyiso Walaza	GIZ	Flights and Accommodation	R42 230
11	1 April 2018 to 31 March 2019	To support intermediate cities to implement the IUDF	Local Government Support and Interventions Management	SECO	Donor Funding	Total cost of the support is R2.2 m over a period of 2 years (June 2017 to June 2019)
12	February to April 2019	Assist the Department to develop and populate an electronic database on Municipal powers and functions	Intergovernmental Policy and Practice	GIZ	Donor Funding	Total amount for the whole project is R1,5m but nothing was spent during the current reporting period.
13	2018/2019	All Gifts for BRICS Meetings	BRICS	DCoG	Gifts	R30 000
14	2018/2019	Gifts to Tunisian Delegation	Tunisian Delegation	DCoG	Gifts	R3 000
15	2018/2019	Gifts awarded by DM Nel in Germany	Counterparts of DM Nel	DCoG	Gifts	R3 000

Exemptions and deviations received from the National Treasury

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

Events after the reporting date

None.

Any Other material matters

None.

Acknowledgment(s) or Appreciation

In 2018, we were pleased to have Honourable Minister Mkhize joining Honourable Deputy Minister Nel, and our Department. I want to recognize all of our employees in the Department for their efforts behind our achievements. Their talent and agility have allowed us to successfully navigate a tough local government backlogs and continue to achieve growth. It has been a privilege working together with the Minister, Deputy Minister, and the senior management, in building what will undoubtedly become a truly great Department in the three spheres of government in South African; one that is set to make a lasting contribution to the development of our country through its intergovernmental commitment towards functional municipalities and a capable machinery at a local level that can create safe, healthy and economically sustainable areas, where citizens and other people can work, live and socialise.

Thanks also to each of our stakeholders for their support and understanding, our focus remains the creation of sustainable value for all our stakeholders. We appreciate their oversight, trust and confidence, and we work each day to develop systems that would strengthen local government in our country.

Conclusion

This year, we made major strides to bring this “back to basic programme” to life. We built an Integrated Service Delivery Approach in the 57 municipalities that will be a constant source to beef-up our capacity to respond to challenges at local government level to help serve our citizens. We visited most provinces with the intention of assessing the challenges experienced by municipalities as we continue to implement the second phase of the Back to Basics programme.

The journey to restore the Department’s reputation will be a long one and, as we pursue this aim, we understand that we will remain under intense scrutiny. I look forward to a fulfilling 2019/20 financial year as we continue to strive towards realising the mandate of the Department.

Approval and sign-off

MR DMG MASHITSHO

Accounting Officer: Department Of Cooperative Governance

Date: 21/11/2019

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 the 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 2019.

Yours faithfully



MR DMG MASHITISHO

Accounting Officer: Department Of Cooperative Governance

Date: 21/11/2019

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

Our Mission is 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 (People First), 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.



LEGISLATIVE AND OTHER MANDATES

Constitutional mandate

Cooperative Governance and Traditional Affairs' (CoGTA) 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 with, inter alia, 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 the national policy and legislation, seeking to transform and strengthen key institutions and mechanisms of governance to fulfil their developmental role;
- Develop, promote and monitor mechanisms, systems and structures to enable integrated service delivery and implementation within government; and
- Promote sustainable development by providing support to and exercising oversight over provincial and local government.

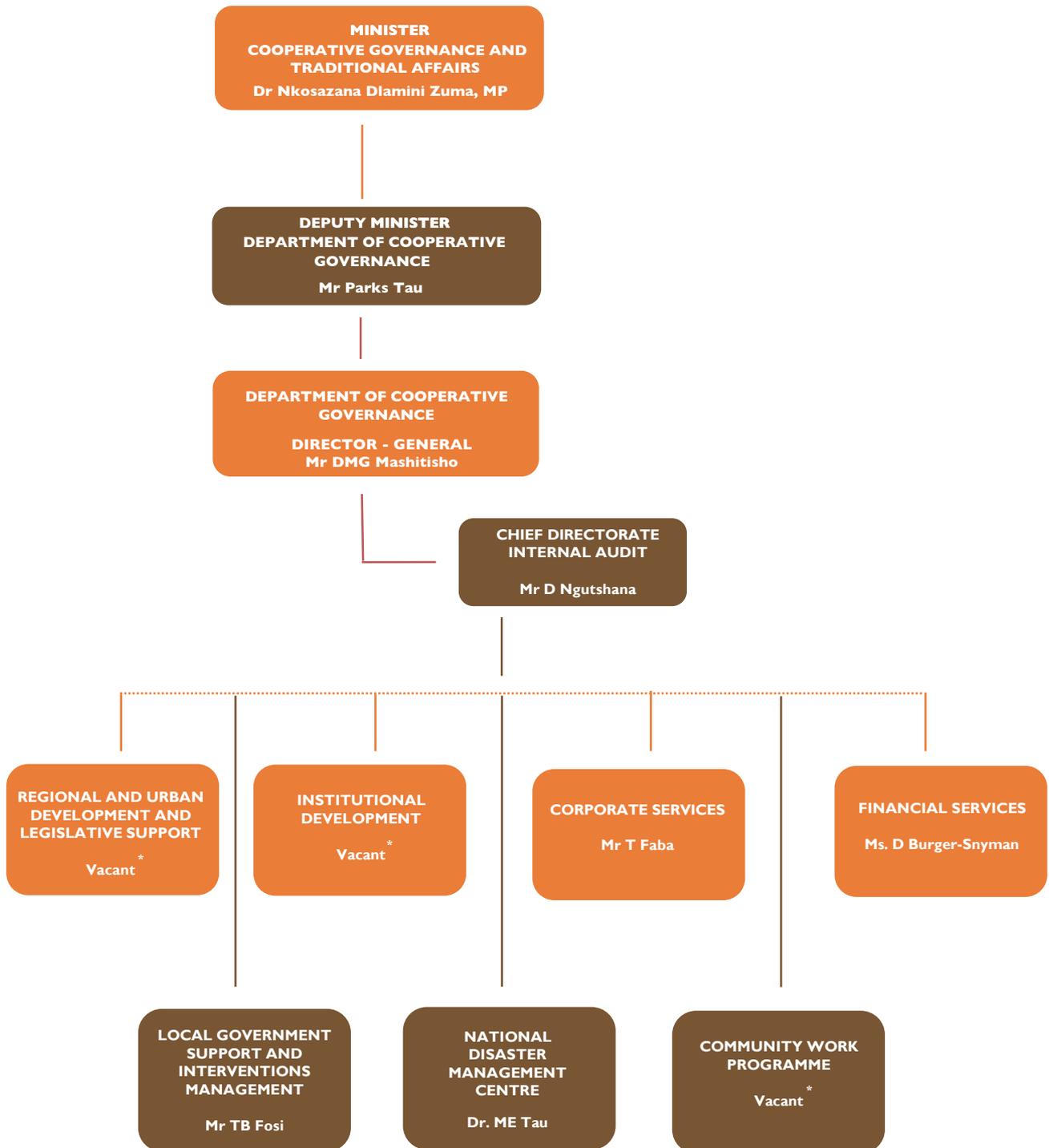
Legislative Mandate

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.
Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)	To secure sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government; to establish treasury norms and standards for the local sphere of government; and to provide for matters connected therewith.

Name of Legislation	Mandate
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)	<p>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.</p>
Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998)	<p>To provide for the establishment of municipalities, in accordance with the requirements relating to categories and types of municipalities; to establish criteria for determining the category of a municipality to be established in an area; to define the types of municipalities 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>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>
Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998)	<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>
Organised Local Government Act, (Act No. 52 of 1997)	<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>
Fire Brigade Services Act, (Act No. 99 of 1987)	<p>To provide for the establishment, maintenance, employment, coordination and standardisation of Fire Brigade Services; and for matters connected therewith.</p>
Remuneration of Public Bearers Act, (Act No. 20 of 1998)	<p>To provide for a framework determining the salaries and allowances of the President, members of the National Assembly, permanent delegates to the National Council of Provinces, Deputy President, ministers, deputy ministers, traditional leaders, members of provincial Houses of Traditional Leaders and members of the Council of Traditional Leaders; to provide for a framework determining the upper limit of salaries and allowances of Premiers.</p>
Local Government: Cross-Boundary Municipal Act, (Act No. 29 of 2000)	<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 redetermination of the boundaries of such municipalities under certain circumstances; and to provide for matters connected therewith.</p>

ORGANISATIONAL STRUCTURE



* The process of filling the vacant positions is underway.

ENTITIES REPORTING TO THE MINISTER

The table below indicates the entities that report to the Minister and highlights for 2018/19:

South African Local Government Association (SALGA)

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. 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. <ul style="list-style-type: none"> Capacity building by facilitating capacity building initiatives for municipalities and also representing municipalities' interests in the Local Government Sector Education and Training 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 governmental knowledge and intelligence. The knowledge hub is also a useful reference point for all who seek information on local governments.

Highlights for 2018/19

Support in managing the debt owed to Eskom

Apart from policy initiatives undertaken during the financial year under review, SALGA supported municipalities on revenue, debtors and creditors management initiatives. In collaboration with the National Treasury and CoGTA, SALGA formed the National Revenue Management Steering Committee to deal with low revenue collections impacting negatively on cash flow and general working capital lifecycle. A pilot project, dependent on Cabinet approval, focused on municipalities with highest creditors and debt as well as worst financial health. The initiatives included installation of prepaid meters; appointment of independent revenue collectors for municipalities; campaigns to encourage a culture of payment for municipal services; and strict management of payment defaults with firm actions by government before the court process comes to effect. SALGA endeavoured to improve revenue collection through the data exchange project by providing municipalities with access to SARS' customer database, which would subsequently improve customer data integrity. SALGA specifically facilitated the pilot data exchange process between SARS and eThekweni Metro where a Memorandum of Understanding was signed to govern the data exchange.

Significant progress has been made in terms of data exchange, with the final testing phase and going live scheduled to take place during the 2019/2020 financial year. SALGA continues to form an integral part of the Inter-Ministerial Task Team (IMTT) on ESKOM and Water Board debts, where most of the activities envisaged at the forum manifest themselves in the National Revenue Management Steering Committee reported on earlier. Provincially, monitoring and evaluation are exercised to ensure that municipalities adhere to negotiated payment plans to settle creditors.

Solutions in Revenue Management

SALGA sought innovative ways in the revenue value chain propositions aimed at understanding the nature, causes and future prospects of municipal institutional instability in the sector; identifying increased pressure on the self-funding gap faced by municipalities, difficulty in Revenue Collection.

SALGA commissioned a study to ascertain fundamental internal and external factors contributing to challenges faced by the municipalities in the revenue management and credit control processes. The findings were that capacity constraints, poor data management, ineffective credit control policies and an overall poor revenue management system contributed greatly to increasing debt levels.

Support for non-returning Councillors

Engagements were held with CoGTA and Independent Commission for the Remuneration of Office Bearers to address the review of the system of remuneration for councillors; the gratuity (ex-gratia) payment for councillors; and the update on the Commission's recommendations for 2018/19 remuneration of councillors. As a result, the final 2018 Upper Limits notice was gazetted and published on 28 December 2018 with improvements in the remuneration of councillors such as sitting allowances and limit on the number of personal protectors of Executive Mayors and Speakers.

SALGA Study on Demarcation and its impact on Good Governance

SALGA commissioned a research study on the impact of boundary redetermination, amalgamations or mergers of municipalities and the effects thereof on the ability of municipalities to effectively deliver services and minimise service delivery disruptions, financial sustainability and effective performance of local government going forward

Local Government salary and wage negotiations

Following negotiations with municipal unions, a three year Salary and Wage Collective Agreement for municipal workers was concluded. The agreement was signed by all parties and circulated through circulars to municipalities.

Knowledge Management

The SALGA Knowledge Hub was updated with news, events and relevant information from SALGA business units and sector departments. National and international best practice as well as case studies were also uploaded, including the updated contact list of municipalities. Further, SALGA developed a directory of its knowledge products to enable easy access to SALGA's institutional memory. The 5th SALGA Innovation Publication (in.KNOW.vation) was developed, packaged and published profiling eThekweni Metro's innovation agency fittingly called Innovate Durban, an innovation initiative within the eThekweni region, with the key purpose of making innovation easy, accessible and possible.

The SALGA National Executive Committee launched the SALGA Municipal Awards aimed at recognising achievements and contributions of municipalities that have led to a more accountable, effective and responsive Local Government.

South African Cities Network (SACN)

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 programme 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.

Infrastructure Dialogues Series:

The Infrastructure Dialogues Series comprises a series of regular engagements highlighting relevant topics and issues within the infrastructure sector. The dialogues are held at the Development Bank of Southern Africa (DBSA) and selected delegates are invited to attend. Five Infrastructure Dialogues took place during the 2018/2019 performance year and covered the following topics:

- **Intermediate Cities as Destinations for Investments:** The dialogue, which was held on 17 May 2018, focused on the infrastructure needs and investment opportunities present in cities outside of the major metropolitan regions.
- **Falling Forward: How we turn mistakes into stepping stones:** This dialogue took place on 16 August 2018 and the purpose was to explore how corruption was manifested between the private sector and local government. It also looked at what could be done to address the issue. Discussions on what needed to be in place to support meaningful collaboration for improved service delivery were facilitated.
- **Municipal Finance and Inclusive Growth: Financiers and Sector Specialists:** This dialogue was convened on 15 November 2018 and the issues that were discussed revolved around the financing of infrastructure in South Africa. Central to the discussions was an improved climate for policy and decision-making; strengthened cooperation within the infrastructure sector; and specifically, ideas that participants could take forward or apply through their respective areas of responsibility and influence.

The Dialogue Series engagements are a partnership of the DBSA; South African Cities Network; Department of Planning, Monitoring and Evaluation; National Business Initiative (NBI); Engineering News and the Department of Economic Development.

SA Urban Conference 2018:

The SACN, hosted the second South African Urban Conference 2018 as the second conference of its nature, created to provide a stimulating platform for partners and stakeholders to exchange knowledge and experience of implementing the urban agenda. The foundational conference (in 2017) brought together officials from South Africa's major metros and a series of targeted stakeholders to build knowledge and awareness about the IUDF in order to inform their strategies and plans for urban development interventions. The 2018 conference was extended to include various other urban actors who play a role in designing and implementing urban policies and interventions, including intermediate cities.

The conference was in partnership with the National Departments of Cooperative Governance and Traditional Affairs (CoGTA), Human Settlements and National Treasury, South African Local Government Association (SALGA), South African Council for Planners (SACPLAN). Over 400 delegates were in attendance from various sectors of society. The theme for this conference was All-of-Society Approach to Implementing the Urban Agenda.

The following recommendations were made around the IUDF:

- More awareness and action is needed around the IUDF – the roles of the private sector, civil society, academia and government need to be clear and based on a common objective;
- Society is putting pressure on government to implement their policies, which are considered internationally as world class;
- Achieving the objectives of South Africa's urban agenda will require intensive dialogue, extensive collaboration and appetite for experimentation; and
- A baseline for monitoring needs be established.

The consensus from the conference was that a differentiated response to urbanisation was needed. There was a sense that all urban actors wanted the same thing and were tired of articulating the same problem. All actors recognised the need to work together on implementing the IUDF – and that there was political will to drive the IUDF.

MUNICIPAL DEMARCATION BOARD (MDB)

The Municipal Demarcation Board is an independent authority responsible for determining municipal boundaries in terms of Section 155 (3) (b) of the Constitution. The independence of MDB is 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 and provide advisory services on any matter related to its mandate.

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 2018/19

Municipal boundary redeterminations were finalised with the publication of Section 21(5) notices in terms of the MDA during July and August 2018. This concluded a process that was started in 2016/17 that saw the Board, following a technical assessment of municipal boundaries, deciding to consider only identified technical boundary determinations and redeterminations. The assessment of municipalities to perform their powers and functions was completed. Municipal, provincial and national reports were concluded, and the results launched on 31 January 2019. Four sector reports on water, housing, health and energy were also produced. To celebrate 20 years of existence, the MDB hosted a conference themed “**20 Years of Demarcation, Reflections on Spatial Transformation.**” The conference successfully engaged thought leaders on the demarcation instrument and various other aspects.

The MDB continued to build on public participation, education and awareness foundations laid in previous years, by conducting quarterly awareness and education programmes for different demarcation objectives, including an awareness campaign in four provinces during the last quarter on ward delimitation processes. The MDB will commence with ward delimitation during 2019/20, in preparation for the 2021 local government elections.

CHAPTER 2

PART B: PERFORMANCE
INFORMATION



2. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa's page 114 of the Report of the Auditor-General, published as Part E: Financial Information.

2.1 OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1.1 Service Delivery Environment

Government is grateful for the significant progress that has been made between 2002 and 2018 to improve the socio-economic living conditions of South Africans. The progress is partly quantified by the following statistics:

- Nationally, the percentage of households with access to tap water in their dwellings, off-site or on-site increased by 4, 6 percentage points between 2002 (84, 4% or 9.4 million households) and 2018 (89% or 14.8 million households);
- Households with access to at least basic sanitation (VIP pit latrines) improved from 61, 7% (6.9 million households) in 2002 to 83% (13.8 million households);
- The percentage of South African households that were connected to the main electricity supply increased from 76, 7% in 2002 to 84, 7% in 2018. By 2018, 14.1 million households were connected to an electricity supply; and
- The percentage of households with refuse removed once per week increased from 56, 1% (6.3 million households) in 2002 to 64, 7% (10.8 million households) in 2017, while the percentage of households with their own, or no facilities decreased.

Whilst the process is treasured, it is acknowledged that the transformation of local government and the improving of municipal performance is a medium to long-term dynamic process without quick fixes. There is growing evidence that a significant number of municipalities is failing to perform the basic legislative responsibilities, and there is still a long way to go before all 257 municipalities are fully functional and developmental.

Since the demarcation of local government into wall-to-wall municipalities, the distribution and reticulation of electricity has been largely characterised by two main service providers: Eskom and the municipalities. Electricity is distributed in South Africa to end customers by 186 municipalities and Eskom, through the Eskom Distribution Group. Municipalities serve 57% and Eskom 43% of the end customers in South Africa. Of significance is the inability of some municipalities to pay their bulk electricity account to Eskom. This is posing a major risk to the sustainability of the Electricity Supply Industry (ESI). The failure of more municipalities to pay for their bulk electricity purchases could result in a serious financial and fiscal risk to South Africa.

A Ministerial task team was appointed to investigate the above challenges and a report was submitted to Cabinet in November 2018. A study that was done for the Inter-Ministerial Task Team on Electricity Reticulation and Distribution identified that municipalities experience the following challenges:

- Municipalities are not servicing their Eskom-municipality bulk accounts. This challenge is not limited to Eskom but extends to other major creditors, including Water Boards;
- Municipalities have previously signed agreements with Eskom and other creditors. Unfortunately, most municipalities do not adhere to these agreements due to insufficient revenue recovery from customers, inefficient municipal practices, unaffordable and unsustainable agreements, and at times, having signed without comprehensive affordability analyses;

- There is a generic problem with electricity as a trading and business unit in respect of revenue collection, which is often lower than bulk purchases. This is largely due to:
 - Inadequate tariff structures (high/low seasons vs municipalities' flat tariff);
 - Incorrect tariff design;
 - Absence of cost of supply or cost to serve studies;
 - High energy losses due to ineffective energy balancing, infrastructure failures, theft, lack of maintenance, and the absence of technology deployment investments; and
 - High indigent rate. However, municipalities do not have updated databases on indigents in their respective areas of jurisdiction.
- Defaulting municipalities tend to create a dependency on the entire "equitable share" allocation and grants for payment of outstanding debt.

Service delivery protests as monitored by Municipal IQ increased from 173 in 2017 to 237 in 2018. With regard to Public Participation, CoGTA facilitated the development of various public participation mechanisms to contribute to the attainment of a public participatory governance.

These mechanisms include the following:

a) Ward Committees

4 222 (96%) ward committees out of the total 4 392 wards across the country have been established. Many ward committees have developed ward committee operational plans that reflect the needs and aspirations of communities. The objective of these plans is to provide an environment for ward committees to assist in planning, implementation and monitoring of service delivery at ward level, as well as improve accountability of ward committees. The Department has started the legislative review process on the ward committees and community participation to address the challenges of ward committee participatory model and supported 100 municipalities to strengthen the functionality of their ward committees.

b) Complaints Management Systems

Chapter 4 of Local Government: Municipal Systems Act (2000) provides for municipalities to develop a culture of community participation as well as mechanisms, processes and procedures for community participation, but more specifically the receipt, processing and consideration of petitions and complaints lodged by community members. Eighty (80) municipalities were supported to institutionalise community complaints management processes.

c) Public Participation Platforms

Communication is one of the critical elements of public participation. The Department is working in collaboration with GovChat to implement a government-led social media platform that enables active engagement between local government and communities in real time. The platform will connect about 10 000 councillors with their constituencies. The data generated across the multiple channels caters for an integrated complaints management system for local government with an automated escalation process for unattended queries.

Section 139 of the Constitution allows municipalities to be put under administration when they are no longer able to deliver on their mandate. Currently, 25 municipalities are under intervention, namely:

- Eastern Cape:** Walter Sisulu, Enoch Mgijima and Great Kei Local Municipality.
- Free State:** Mafube, Masilonyana, and Maluti-a-Phofung local municipalities. In Mafube, a continuation of the Section 139 intervention is required due to high vacancy rates and low revenue collection, as well as infrastructure delivery blockages that still need to be overcome for the municipality to be self-sustainable. In Maluti-a-Phofung, the Recovery Action Plan developed by the Consultative Committee in response to the court order, was approved by the Minister of Cooperative Governance and Traditional Affairs, Dr. Zwelini Mkhize (MP), and endorsed by the Free State MECs responsible for Finance and Cooperative Governance and Traditional Affairs.

The Recovery Action drew priorities from a holistic Financial Recovery Plan that was approved by the Maluti-A-Phofung municipality, and addresses institutional, service delivery and financial issues in the short, medium and long term. A status quo report by the Administrator and the acting Municipal Manager reported that there is generally some progress on grant-funded service delivery projects, but there are major delays pertaining to the refurbishment of Fika Patso (Phase 1) and the rectification of the Intabazwe water supply pipeline.

- c) **Gauteng:** Emfuleni. The province seconded two officials as acting Municipal Manager and Chief Financial Officer to Emfuleni. A financial recovery plan for the Emfuleni municipality was developed and approved as per the Section 139 (5) intervention and is being implemented. There has already been varying progress across the pillars with visible changes in the financial stream.
- d) **KwaZulu-Natal:** Emadlangeni, Edumbe, Endumeni, Inkosi Langelibalele, Mpofana, Dr Nkosazana Dlamini-Zuma local municipalities and Umzinyathi District Municipality. The Dr Nkosazana Dlamini-Zuma municipality experienced serious and persistent governance and institutional challenges. The municipality received support through intervention from both the Ministerial Representative and the Department of CoGTA. The Ministerial Representative has succeeded in implementing the recovery plan, and the intervention resulted in noticeable progress.

The Administrator assisted the Emadlangeni municipality to unlock funding from Social Labour Plans (SLPs) from coal mining operations within the Emadlangeni municipal area. Presently, the municipality is negotiating the release of R18.5 million of which R2.7 million has been released by Uitkomst Colliery for phase one of the Local Disaster Centre. The municipality has a debt collection rate of over 80%, which is below the norm of 95% as prescribed by National Treasury. The municipality currently has backlogs of almost 48% in terms of electricity supply for household use. For the 2018/2019 financial year, the municipality received R6 million in INEP funding.

Councillors and oversight structures of the municipality were capacitated over the period of the intervention.

- e) **Limpopo:** Modimolle-Mookgopong.
- f) **North West:** Ditsobotla, Ramotshere Moiloa, Maquassi, Kgetleng-Rivier, Kagisano-Molopo, Naledi, Mahikeng and Ngaka Modiri Molema. The Terms of References for all the municipalities under intervention in North West were developed and approved in consultation with the Office of the Premier, Provincial Treasury and the Department of Cooperative Governance. Following the prescripts of Section 139 (1)(b) and the MFMA, 137 Administrators were appointed during the months of September and October 2018 respectively. The most recent appointment of Administrators (replacements) was with effect from 1 February 2019 for both Maquassi Hills, Mahikeng and Kagisano-Molopo Municipalities. In effect, due to several challenges and resistance from the Kagisano-Molopo Local Municipality, the actual intervention had resumed.
- g) **Western Cape:** Kannaland Local Municipality.

The Department continues to monitor and support municipalities that are in distress through the Back to Basics approach. The economic and institutional capacity challenges have resulted in municipalities struggling to collect adequate revenue to satisfy their responsibilities for administration and service delivery in accordance with legislation. In this regard, municipal-specific revenue plans were implemented in 35 distressed municipalities.

In the Eastern Cape, Makana Local Municipality (MLM) is experiencing one of the worst droughts in history resulting in very low dam levels, which has led to the town experiencing a water crisis. A Water Crisis Joint Operations Committee (WCJOC) was established to develop and implement the Disaster Management Plan.

Dr Beyers Naude local municipality started to default on payments to Eskom in May 2018. The municipality is reliant on the revenue from electricity provisioning for the running of the institution including salaries, which impacts negatively in honouring the Eskom current account.

By March 2019, Eskom published a notice in regional newspapers stating that the municipality had not remedied the breach of payment agreement and that it was reinstating processes to interrupt bulk electricity supply. CoGTA, through the Municipal Infrastructure Support Agent (MISA), is assisting the municipality to develop an energy master plan.

In the Free State, Integrated Municipal Support Plans (IMSPs) have been developed through collaboration between DCoG, FS CoGTA, PT and MISA for the following seven (7) distressed municipalities: Mafube, Maluti-A-Phofung, Masilonyana, Letsemeng, Kopanong, Mantsopa and Nketoana. The National Treasury and DCoG are collaborating to support Mangaung with the implementation of the Financial Recovery Plan.

From 08 January 2019 to date, a community organisation, the Harrismith (Maluti-a-Phofung) Water Heroes Forum, has undertaken repair work on the Sterkfontein and Wilge Water Treatment Plants estimated at R800 thousand, including fixing about 80 water leaks on the system and repairing valves.

The Gauteng provincial administration is piloting a range of interventions through the B2B programme in Emfuleni Local Municipality, which has been beset with challenges of institutional performance and the collapse of service delivery infrastructure, notably water- and sanitation services. Subsequently, the Minister concurred to the invocation of the intervention in terms of Section 139 (1b) of the Constitution, and it was ultimately approved by the National Council of Provinces (NCOP). The National Treasury has developed a resource plan for the entire intervention.

The intervention in Emfuleni Local Municipalities by SANDF commenced in November 2018. Since then, the cleaning and desludging of primary settling tanks have commenced, as well as repairs and maintenance affecting all the pipelines, pump stations and waste water treatment works (WWTWs).

A team comprising the Department of Water and Sanitation (DWS), Department of Defence (DoD), National CoGTA (through MISA), Provincial CoGTA and the East Rand Water Care Company (ERWAT) has prepared a costed intervention plan to deal with the Emfuleni LM pollution to the Vaal River Systems (VRS). In addition to this exercise, the team has also developed an Implementation Protocol that provides an agreement among key stakeholders on their roles and responsibilities in implementing required interventions to address pollution in the VRS. The intervention continues with clear timelines and the funding has been committed for the 2019/20 financial year to address the identified challenges with the sanitation infrastructure to unlock development in the Vaal and surrounding areas. In Limpopo, interim measures for the provision of support in Vuwani and surrounding areas remains a challenge. The Minister met with the Pro-Makhado Demarcation Task Team on 24 January 2019 to provide an update on matters they raised with him during the July 2018 visit in the Province.

A meeting was held with the Administrator of Tubatse – Fetakgomo LM and the SAMWU Union to deal with labour tensions that paralysed the Municipality during the December 2018 holidays. In Mpumalanga, five municipalities were categorised as distressed. These municipalities are Thaba Chweu, Emalahleni, Lekwa, Govan Mbeki and Msukaligwa. Support Plans or IMSPs (Integrated Municipal Support Plans) for all the five (5) distressed municipalities, were developed and approved, by their respective Councils. Engagement sessions with the above-mentioned municipalities continued as part of monitoring and implementation of the IMSPs. Financial Recovery Plans for each of the above municipalities were developed through the facilitation of the Provincial Treasury. The Govan Mbeki Municipality (GMM) is amongst the municipalities in Mpumalanga that are faced with challenges relating to governance, financial management, service delivery failures and debt owed to Eskom and Rand Water. A Ministerial visit to the Govan Mbeki Local Municipality during April 2019, followed up on progress made since the visit in August 2018 to Embalenhle Township. Although sewer spillages were still prevalent, they were fewer than those found during the previous visit in August 2018.

The Minister directed relevant parties to improve the monitoring of the project following the inspection made as well as interaction with the contractor on site.

In North West, since the invocation of Section 100 of the Constitution in May 2018, 12 municipalities were identified as critical. Out of the 12 municipalities, 7 have been placed under section 139 (1)(B) of the Constitution, one (1) is under Section 137 of the Municipal Finance Management Act (MFMA). The other 14 municipalities are under section 139 (1)(a), implementing directives relating to corrective measures on governance and institutional matters, financial management, and service delivery matters. Workshops were held for Section 100 Administrators.

A number of municipalities experience challenges with water provision. The B2B programme coordinator assisted in the co-ordination of district water summits, and in the compilation of B2B support plans for service delivery challenges. To date, some of the municipalities that had been classified as worst performers, have been stabilised, namely, Ramotsere Moiloa municipality where governance and institutional matters have been addressed. Ngaka Modiri Molema district municipality and Ditloboetla local municipality have improved the municipal infrastructure grant (MIG) expenditure through the intervention of CoGTA on cost re-imbusement arrangements. Unfortunately, Mafikeng and Naledi local municipalities that were previously placed under intervention in terms of Section 137 of the Municipal Finance Management Act (MFMA), regressed and have consequently been placed under Section 139 (1)(b) of the Constitution.

In the Northern Cape, after the Premier's Intergovernmental Forum meeting (PIGF) of 16 August 2018, the Premier started to engage with distressed municipalities by coordinating support by sectors. This PIGF received presentations from Provincial Treasury, Cooperative Governance, Human Settlements and Traditional Affairs and DCoG (inclusive of MISA) indicating the commitments each was making towards improving the performance of the distressed municipalities as part of the Integrated Municipal Support Programme.

In the Western Cape, four (4) municipalities were identified for targeted support through custom-made B2B support plans, namely: Kannaland, Beaufort West, Cederberg and Laingsburg.

In October 2018, the Province reported at the MinMEC that a Provincial Integrated Delivery Coordination Forum (PIDCF) had been created. In September 2014, the President launched the Back to Basics Programme. One initiative taken was to initiate a monthly monitoring of municipalities. Out of the 3 084 templates that had been sent out, a total of 1 425 (46%) were returned over the 2017/18 municipal financial year. Two hundred and six (80%) of municipalities responded at least once during the 2017/18 municipal financial year.

Some of the improvements over the 2017/18 municipal financial year included:

- The average rate of Ward Committee meetings per month increased from 7 in 2016/17, to 16 in 2017/18;
- The average rate of Ward Councillor Report back meetings per month improved from 6 in 2016/17 to an average rate of 11 in 2017/18;
- The time taken to respond to water stoppages was reduced from an average of 9,7 hours in 2016/17, to 9.6 in 2017/18;
- An average of 7 696 households were registered as indigent per reporting municipality;
- An average of 26 181 households per reporting municipality received free basic water in 2017/18;
- An average of 11 768 households per reporting municipality received free basic electricity in 2017/18;
- In terms of the Municipal Structures Act 117 of 1998, Section 18 (2), a municipal council must meet at least quarterly. The national average was indicative of a trend towards monthly council meetings rather than having meetings once per quarter. The average of 0.83 meetings per month in 2016/17, increased to 1.01 in 2017/18.
- The average occupancy levels of Municipal Manager post in the reporting municipalities improved from 73% for the 2016/17 municipal financial year to 75% for the 2017/18 municipal financial year.

Some of the challenges included:

- Nationally, protests increased from 1 366 in 2016/17, to 1 531 in 2017/18. Violent protests increased from 43% to 44.4%, i.e. from 587 in 2016/17 to 680 in 2017/18. A percentage of 39,8% (271) of violent protests took place in Gauteng municipalities;
- 15 municipalities had below 50% of their households with access to “Piped Water” as per the Community Survey of 2016. A total of 10 municipalities were from the Eastern Cape (e.g. Ngquza Hill local municipality with only 18, 3% of its households having access to Piped Water), and 5 municipalities from KwaZulu-Natal (e.g. Nongoma with 24, 6% of its households having access to piped water).
- The average sewerage spillages per month increased from 348 to 386, with the number being significantly higher in metros than in local municipalities. The response time to repairing sewerage spillages also increased from 9.2 hours on average for 2016/17 to 9.7 hours on average in 2017/18. Metros had the longest average response times in 2016/17 (16, 4 hours) and District Municipalities (C1 and C2) in 2017/18 (17, 3 hours).
- The average occupancy levels of Section 56 managers (i.e. managers directly reporting to the municipal manager) in the reporting municipalities, declined from 77% in 2017/17 to 71% in 2017/18.
- Construction Engineers SA (MISA);
- ESKOM;
- FNB’s Academy of Municipal Excellence (FAME);
- Human Science Research Council (Traditional Affairs, Disaster Risk Reduction. and Local Government);
- Mercedes Benz entered into a MoU with Buffalo City Metro;
- MONDI entered into a MoU with Makhado LM;
- National Black Business Caucus (to, amongst others, ensure 30 day payment is complied with for their constituents);
- Old Mutual;
- Partners for Possibility (Leadership development);
- Rand Water Foundation;
- Royal HaskoningDHV (Integrated Project management Room: I-Room);
- SANTAM (Disaster Risk Reduction);
- Small Business Institute;
- Standard Bank; and
- Thaba Chweu Business Forum and TCLM (local municipality).

The National Development Plan identifies the absence of broad partnerships between the public and the private sector as one of the main reasons for slow progress in the delivery of equitable growth, and urges business and government to work together with other stakeholders to ensure faster and more effective service delivery.

The Department held workshops with potential partners and is in the process of developing a partnership governance model. The following private sector partners entered into memoranda of understanding (MoUs) with the Department:

- AfLead (LED and mining towns through collAbronomics, facilitates a participatory approach from public governance and private sector structures to grass-root levels);
- AfriForum (Community Affairs);
- Anglo American SA;

The Community Work Programme established partnerships with Barberton mines, the National Home Builders Registration Council (NHBRC) for training of participants, and the Department of Rural Development and Land Reform to train participants on agriculture towards supporting the Agrarian Revolution.

Community Work Programme

The Community Work Programme exists with the purpose of creating income security, work experience for participants, and promote social and economic inclusion by targeting areas of high unemployment. The Medium Term Strategic Framework (MTSF) states that Public Employment Programmes (PEPs) should be expanded through the Community Work Programme to have 1 million participants active by 2020. The programme had created 281 207 work opportunities by the end of March 2019.

Municipal Infrastructure Grant (MIG)

According to the 2018 Division of Revenue Act (DoRA), R11.9 billion was allocated to local government in the 2018/19 financial year. R29.9 billion of this money is for infrastructure grants, of which R15.3 billion was allocated to the Municipal Infrastructure Grant (MIG).

As at the end of March 2019, R15.3 billion (100%) was transferred, of which R9 billion (59%) was reported by municipalities as spent. MIG funding to the value of R549.2 million was stopped in 48 municipalities and reallocated to other municipalities in 2018/19. This includes the re-stopping of MIG funding in 43 municipalities to the value of R477.87 million and the reallocation of the same amount to 13 municipalities on 18 March 2019. It is in 13 municipalities of the 55 distressed municipalities that were identified by the Minister for intervention, that funds were stopped on 18 March 2019. This implies that the MISA interventions are yielding positive results.

Disaster Management

The drought in the country has improved, however significant pockets of drought are still experienced in the Eastern Cape, Northern Cape, Western Cape, KwaZulu-Natal, and Limpopo. A national drought response operational plan has been updated to reinforce integrated and coordinated implementation response and recovery measures, nationally. An overall amount of R3.2 billion was allocated for drought relief, of which R21 million was used to replenish the Provincial Disaster Relief fund.

The commemoration of the International Day for Disaster Risk Reduction was held over two days on the 15th and 16th November 2018 in Upington, Dawid Kruiper local municipality in the Northern Cape.

Fire Safety and Prevention Capacity Assessments were conducted in twelve municipalities. The Disaster Management plans of the Department of Energy (Nuclear Energy DM Plan) and that of Robben Island Museum were assessed.

2.1.2 Service Delivery Improvement Plan (SDIP)

Government departments are required to develop Service Delivery Improvement Plans (SDIP) and to monitor and report on its implementation on a quarterly basis to the Department of Public Service and Administration (DPSA), as per Part III.C.1 and Part III.C.2 of the Public Service Regulations (2001). The intention of developing a SDIP is to facilitate the commitment of DCoG officials to continuously manage service delivery improvement mechanisms that seek to improve the nature, standard and quality of the service being provided and the manner in which the service is delivered.

The DCoG SDIP 2017-2019 aims to improve management practices in line with the Management of the Performance Assessment Tool (MPAT) and highlights the following:

1. Outline the key internal and external service(s) that DCoG provides;
2. Identify the service beneficiaries along with the key service(s);
3. Identify the key service(s) that the DCoG will focus on improving;
4. Provide the current standards for the focus service;
5. Indicate standards for the main services to be provided; and
6. Outline the desired standard and improvements over the Medium Term Expenditure Framework (MTEF) period.

The Service Standards as outlined in the SDIP have been displayed at strategic points within the Department.

The following tables highlight achievements and variances against the DCoG 2017-2019 SDIP, together with achievements:

Key Service	Service Beneficiary	Current Standard		Desired Standard		Actual Achievement	Variance
		Principle	2016/17	2017/18	2018/19		
Managing the Management Performance Assessment Tool	Internal Staff	Quality	New Indicator	Final average MPAT score improved from 2.7 in 2015 to 3 in 2018.	Final average MPAT score maintained at 3 in 2019.	Final average MPAT score of 2.6 achieved	Dependencies on different role-players and capacity constraints
Strategic Management							
I.1.2 Annual Performance Plans	Internal Staff	Quality	Current Score 4 Department reviews its performance against the 2015/16-2019/20 strategic plan to inform the development of the 2017/18 Annual Performance Plan.	Final score on APP maintained at 4 in 2018.	Final score on APP maintained at 4 for 2017/18.	Annual Performance Plan 2018/19 was approved and submitted to DPME Final score on APP Improved from 2 in 2018 to 3 in 2019	None
I.3.1 Integration of performance monitoring and strategic management	Internal Staff	Quality	Current Score 2 Two of the 4 signed-off quarterly performance reports were submitted late to the DPME and NT	Signed-off quarterly performance reports are submitted to DPME and NT 30 days after end of each quarter Final score on APP Improved from 2 to 3 in 2018	Final score on APP maintained at 3 for 2017/18.	A score of 3 was maintained at the end of quarter 3. Signed-off quarterly performance reports were submitted to DPME and NT 30 days after end of quarter Management engages with the 2017/18 Annual report.	
		Quality	Management did not thoroughly engage with the 2015/16 Annual report.	Management engages with the 2016/17 Annual report.			

Key Service	Service Beneficiary	Current Standard		Desired Standard		Actual Achievement	Variance
		Principle	2016/17	2017/18	2018/19		
1.3.2 Integration of evaluation and strategic management	Internal Staff	Quality	Current Score 1 Department does not have planned capacity to manage/conduct evaluation.	Relevant Evaluation staff appointed on a contract basis. Department has approved or adopted guidelines that follow the national evaluation system.	Final score on Integration of evaluation and strategic management improved from 2 to 2,5 in 2018	Final score remained at 2 Integration of evaluation and strategic management not improved	An evaluation plan and framework have been developed but not approved as the process requires robust consultative processes. Relevant Evaluation staff were due to.
KPA 2: GOVERNANCE AND ACCOUNTABILITY							
2.3.2 Assessment of accountability mechanisms (Audit Committee)	Internal Staff	Information	Current Score 4 Department has an Audit Committee in place, it meets as scheduled and has an approved Charter in place.	Final score maintained at 4 in 2018.	Final score maintained at 4 for 2017/18.	The Audit Committee meet on a regular basis to discuss and address issues raised by the AGSA as well as other audit related matters	
2.4.1 Assessment of policies and systems to ensure professional ethics	Internal Staff	Information	Designation letter signed by ethics officer	Final score maintained at 4 in 2018.	Final score maintained at 4 for 2017/18.	Final score improved from 3 to 4 on ethics management Designation letter signed by ethics officer	None
			Current Score 3 No disciplinary action taken for non-compliance (with reference to Senior Management Service who have not completed financial disclosures by the due date).	Disciplinary action taken for non-compliance (with reference to SMS who have not completed financial disclosures by the due date). Final score maintained at 3 in 2018.	Department analyses financial disclosures, identifies potential conflicts of interest and takes action to address them. Final score maintained at 3 for 2017/18.	No evidence of disciplinary action taken for non-compliance (with reference to Senior Management Service who have not completed financial disclosure forms	

Key Service	Service Beneficiary	Current Standard		Desired Standard		Actual Achievement	Variance
		Principle	2016/17	2017/18	2018/19		
			All Senior Management Service members completed financial disclosures on time.				
2.4.2 Fraud prevention	Internal Staff	Information	Current Score 2,5 Department did not submit POE on register of employees under investigation and only provided feedback on 86% of cases.	Department has an approved Fraud Prevention Strategy and Whistle-Blowing Policy, and implementation plan. Final score improved from 2,5 to 3 in 2019.	Department keeps a register of employees under investigation and provides feedback. Final score improved from 2,5 to 3 for 2017/18.	Final score remained at 2,5 in 2019 The Department provided evidence on anti-corruption feedback to PSC within 40 days	
2.5.1 Assessment of internal audit arrangements	Internal Staff	Information	Current Score 4 Management acts on Internal Audit recommendations.	Final score maintained at 4 in 2018.	Final score maintained at 4 for 2017/18.	Final score maintained at 4 in 2019.	
2.6.1 Assessment of risk management arrangements	Internal Staff	Information	Current Score 4 Department has risk management committee in place. Management acts on risk management reports.	Final score maintained at 4 in 2018.	Final score maintained at 4 for 2017/18.	Final score regressed from 4 to 3 for 2017/18.	Not all level 3 requirements were met: Q3 progress reports not uploaded
2.8.1 Corporate governance of ICT	Internal Staff	Information	Current Score 2 No evidence of the ICT Implementation Plan (IIP).	Develop the ICT Implementation Plan. Final score improved from 2 to 3 in 2018.	Final score improved from 3 to 4 for 2017/18.	Final score remained at 3 for 2017/18	Not all level 3 requirements were met: MTEF budget not included in the ICT Implementation Plan

Key Service	Service Beneficiary	Current Standard		Desired Standard		Actual Achievement	Variance
		Principle	2016/17	2017/18	2018/19		
KPA 3: HUMAN RESOURCE MANAGEMENT							
3.1.1 HR planning	Internal Staff	Quality	Current Score 2,5 The HR Plan was signed and submitted to DPSA after the due date. No evidence of integration with other planning processes.	Improve the quality of the HP Plan and facilitate timely submission to DPSA. Final score improved from 2,5 to 3 in 2018.	Final score improved from 3 to 4 for 2017/18.	Final score remained at 3 for 2017/18	Minutes of TMC fall outside the MPAT assessment
3.1.2. Organisational Design and Implementation	Internal Staff	Human Resource	Current Score 2,5 No evidence was provided that the Department reviewed vacancies and spending on the compensation budget at a management level within the Department.	Maintain alignment of structure to MTEF allocations on compensation within the allowed 5%. Final score improved from 2,5 to 3 in 2018.	Review vacancies and spending on the compensation budget at a management level. Final score improved from 3 to 4 for 2017/18.	Final score regressed to 2	Minutes of TMC fall outside the MPAT assessment
3.2.2 Application of recruitment and retention practices	Internal Staff	Quality	Current Score 2,5 Department did not submit evidence to prove that the employee satisfaction survey report (not older than 36 months) served before top management committee.	Employee satisfaction survey report approved by TMC. Final score improved from 2,5 to 3 in 2018.	Final score improved from 3 to 4 for 2017/18.	Final score improved from 3 to 4 for 2017/18	None
3.2.6 Delegations in terms of PSA	Internal Staff	Openness & Transparency	Current Score 4 Fully compliant and delegated in accordance with the Cabinet approved minimum levels.	Final score maintained at 4 in 2018.	Final score maintained at 4 for 2017/18.	Final score improved from 3 to 4 for 2017/18	None

Key Service	Service Beneficiary	Current Standard		Desired Standard		Actual Achievement	Variance
		Principle	2016/17	2017/18	2018/19		
3.3.1 Implementatio n of level 1-12 PMDS	Internal Staff	Human Resource	Current Score 2 No declaration from the DG that there are no outstanding annual assessments for past 3 performance cycles	Obtain declaration from the DG that there are no outstanding annual assessments for past 3 performance cycles. Final score improved from 2 to 3 in 2018.	Final score improved from 2 to 3 in 2018.	Final score remained at 2	85% of staff complied with the due date
3.3.3 Implementation of SMS MPDS for DG	Internal Staff	Human Resource	Current Score 2 DG submitted a signed performance agreement to the EA for the current cycle.	Letter to DPME signed before 30 June. Final score improved from 2 to 3 in 2018	Final score improved from 3 to 4 for 2017/18.	Final score remained at 2,5	No declaration was provided on the outstanding annual assessment of the HOD
3.4.2 Management of disciplinary cases	Internal Staff	Openness & Transparency	Current Score 4 The Department implements anti-corruption preventative measures for the period July 2015 to June 2016.	Final score maintained at 4 in 2018.	Final score maintained at 4 in for 2017/18.	Final score maintained at 4 in for 2017/18	None
4.1.1 Demand Management	Internal Staff	Openness & Transparency	Current Score 2 Department submits quarterly reports against procurement plan to relevant Treasury by the 15th of the month following the end of the quarter.	Final score improved from 2 to 3 in 2018.	Final score improved from 3 to 4 for 2017/18.	Final score remained at 2	Report was submitted late to NT

Key Service	Service Beneficiary	Current Standard		Desired Standard		Actual Achievement	Variance
		Principle	2016/17	2017/18	2018/19		
4.1.2 Acquisition Management	Internal Staff	Openness & Transparency	<p>Current Score 3 Did not provide evidence of appointment letters and declarations for BSC.</p> <p>Department did not review all suppliers' performance</p>	Final score improved from 3 to 4 in 2018.	Final score maintained at 4 in 2017/18.	Final score remained at 2	Policy approved in 2016
4.1.4 Movable Asset management	Internal Staff	Information	<p>Current Score 4 Department periodically reviews the asset-management policy.</p>	Final score maintained at 4 in 2018.	Final score improved from 3 to 4 for 2017/18.	Final score remained at 2	Policy approved in 2016
4.2.2 Payment of suppliers	Internal Staff	Openness & Transparency	<p>Current Score 2 All service providers will be paid within 30 days of receipt of correct invoices. Where invoices do not comply with requirements, this will be communicated to the service provider within 5 working days after the initial submission.</p>	Final score improved from 2 to 3 in 2018.	Final score improved from 3 to 4 for 2017/18.	Not Achieved Final score remained at 2	The Department did not pay all its suppliers within 30 days
4.2.3 Management of unauthorised, irregular, fruitless, and wasteful expenditure	Internal Staff	Value for money	<p>Current Score 3 Evidence of actions taken against defaulters following the outcome of the investigations need to be submitted.</p>	Final score improved from 3 to 4 in 2018.	Final score improved from 3 to 4 for 2017/18.	Final score remained at 3	Not all level 4 requirements were met

2.1.3 Organisational environment

The Department held a two-day strategic planning Lekgotla in an effort to reposition itself to deliver on its mandate. During this engagement, we relooked at all the Constitutional and Legislative provisions that the Department is mandated to perform in order to cover all the aspects that informs our functions. We see this as an important task in positioning the department to better manage cooperative governance across the three spheres and improve our support to provinces and municipalities. A new strategy and proposed structure has been developed in line with the outcomes of the Lekgotla. The Minister has provisionally approved the organisational structure. We will subject this new structure to processes set out by the Department of Public Service post the National Elections to held in May 2019.

As we usher in the 6th Administration, we will ensure that the Department is in a position to deliver on its mandate. We had challenges with the departure of a number of officials in the legal unit, however, we have overcome this by promoting an official internally to the position and the filling of the post.

We take serious the negative audit outcomes in the form of a disclaimer due to asset management, project management fees, accruals and CWP wages to CWP participants. We have developed a Post Audit Action Plan to address these findings. We will strive to perform at the best of our ability even within the strict cost containment measures experienced by the whole of government.

2.1.4 Key policy developments and legislative changes

a) Local Government: Municipal Structures Amendment Bill

The amendments to the Local Government: Municipal Structures Act, 1998 (“the Structures Act”) are based on the challenges experienced by the Independent Electoral Commission (IEC) since its inception, mostly around the administration and the management of municipal elections. The amendments seek to address issues around the administration and management of municipal elections, and to promote the effective and efficient implementation of the Act, as well as to strengthen oversight and governance in municipalities.

In essence, these amendments to the Structures Act are categorised into three broad areas as follows: Electoral-related amendments; Governance-related amendments; and other amendments.

The Local Government: Municipal Structures Amendment Bill, 2018 (MSAB) and the Explanatory Memorandum on the Objects of the Bill were submitted to the Speaker of the National Assembly and the Chairperson of the National Council of Provinces, respectively for introduction into Parliament by the Minister of CoGTA, in accordance with Rule No. 159(1) (a) and (b) of the Joint Rules of Parliament.

The Bill was subsequently introduced into Parliament on 08 June 2018 and parliamentary engagements and deliberations on the MSAB were held on 13, 14 and 21 November 2018; and 05 and 06 December 2018. The MSAB was further presented to the CoGTA Portfolio Committee debate held on 21 February 2019, and was approved that it be referred to the NCOP for concurrence.

The Local Government: Municipal Structures Amendment Act, 2018 will come into operation on a date to be determined by the President by proclamation in the *Gazette*.

b) Local Government: Municipal Demarcation Amendment Bill

The amendments to the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998) (“the MDA”) are based on proposals received from the MDB and the South African Local Government Association (SALGA).

The proposals are, amongst other things, intended to:

- i. Provide clarity and differentiation between the Board and the Organisation itself (including employees) as it is not clearly defined in the current provisions;
- ii. Ensure alignment of certain provisions with other relevant legislation (such as the Board to be the Accounting Authority and the Chairperson to be the executive authority, in accordance with the Public Finance Management Act, 2000 (PFMA));
- iii. Require additional qualifications for a person to become a member of the Board (such as, experience in or knowledge appropriate to Information Communication Technology (ICT));
- iv. Expand the selection panel by inclusion of a designee of the National Assembly (NA), and the National House of Traditional Leaders (NHTL);
- v. Extend the term of office of the Board member to a maximum of two terms, to allow for continuity and to allow for a sitting Board to preside over municipal boundaries and the subsequent ward delimitation process;
- vi. Provide that the conditions of service and remuneration of the Board members be, from time to time, determined by the Minister, by notice in the *Government Gazette* after consultation with the Independent Commission for the Remuneration of Public Office-bearers and the Minister of Finance;
- vii. Make the Chairperson of the Board to serve only on a part-time basis (as proposed by the OCSLA);
- viii. Provide that the MDB be accountable to Parliament and to annually submit to both Houses of Parliament a written report on the activities of the MDB during a financial year, in accordance with the prescripts of the PFMA;
- ix. Deviate above the present norm of 15% to 30% (that is the margin of variation of registered voters in wards within a specific municipality), with strict conditions, to avoid the splitting of communities;
- x. Provide for the establishment of the Demarcation Appeals Authority (DAA) as the adjudicator of disputes regarding decisions of the MDB;
- xi. Deal with initiating or making proposals by applicants for boundary redeterminations;
- xii. Providing for more extensive public participation and stakeholder consultation for any redetermination proposal;
- xiii. Providing for the MDB to make recommendations to Parliament on the alteration of provincial boundaries;
- xiv. Set timeframes for boundary redeterminations and ward delimitation, taking into account the programme of the IEC; and
- xv. Migrate the MDB functions from the Municipal Structures Act to the Municipal Demarcation Act to ensure that the mandate of the MDB is provided in a single piece of legislation.

Due to the number of the proposed amendments, it is necessary that the whole Demarcation Act be repealed in its entirety and be replaced with a “new” Act.

The MDAB was presented and discussed at the Governance and Administration (G & A) Working Session on 24 January 2019 and to the G & A Director-General Cluster on 14 February 2019, for approval to publish the Bill for public comments.

c) Integrated Urban Development Framework (IUDF)

Rapid urbanisation is a critical ongoing trend shaping national development. The Integrated Urban Development Framework (IUDF) promotes a coordinated response to the spatial legacy, which enhances integration across the planning frameworks and across all spheres of government. To this effect, a political steering committee and a technical working group have been established.

The Intermediate Cities Support Programme is implemented in partnership with the Swiss State Department for Economic Affairs and the World Bank. The implementation methodology is piloted in two municipalities of Polokwane and uMhlathuze.

The support programme implemented in the City of uMhlathuze included:

- Development of infrastructure asset management plans;
- Audit of compliance with norms and standards of CIDMS;
- Review of Standard Operating Procedures;
- Development of spatial policy; and
- Two (2) sessions of Spatial Visioning held at the City of uMhlathuze.

Some challenges are experienced with regard to the urban-rural divide in intermediate cities, with remaining high backlogs in land under the control of traditional leadership. There are low budgets for repairs and maintenance, high water losses and weak asset management practices.

Going forward, the role of provinces and the intergovernmental relations between the offices of the Premiers, the provincial CoGTAs and the Provincial Treasuries will be strengthened. The private sector, academia, research institutions and the donor community will be mobilised to enhance the implementation of the IUDF.

f) Intergovernmental Monitoring, Support and Interventions (IMSI) Bill and Regulations

The Intergovernmental Monitoring, Support and Intervention (IMSI) Bill has been finalised as a draft and submitted to the Department of Performance Monitoring and Evaluation for the purpose of obtaining the compulsory Socio-Economic Impact Assessment System Certificate. Thus, the socio-economic impact assessment was undertaken and tested on the Bill, and a certificate of compliance was issued. However, due to the invocation of Section 100 of the Constitution in 5 North West provincial departments, there have been practice and factors that are empirical, requiring to be collated and codified in the IMSI Bill. Thus, the Department is currently extrapolating empirical evidence gathered on the instances and processes of invoking Section 100 of the Constitution. The Department has been undertaking a review process for the purposes of including and codifying necessary procedures and principles that would make the Bill to be more pragmatic by taking into consideration all the experiences observed. Concomitant to the IMSI Bill, a set of regulations that would give impetus to the Bill, once enacted, have been completed, and will be issued in terms of the provisions of the Bill.

d) Municipal Staff Regulations

The Department has finalised the process of developing the first ever regulations and guidelines setting uniform standards for staff below management echelons, after wide-ranging consultation with key stakeholders. These regulations will go a long way in transforming the administration of municipalities into efficient frontline development agencies that are 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 2019/20. Municipalities will be provided with a period of twelve months to allow them to align their policies with the Regulations and Guidelines. Therefore, the Regulations and Guidelines will take effect after twelve months of promulgation into the gazette.

e) Municipal System Act Regulations on the appointment of municipal senior managers

The Constitutional Court's order in the matter between the South African Municipal Workers' Union v Minister of Co-operative Governance and Traditional Affairs (CCT54/16) [2017] ZACC 7; 2017 (5) BCLR 641 (CC), declared the Local Government: Municipal Systems Amendment Act 7 of 2011 ("the Amendment Act") invalid and unconstitutional. The declaration of invalidity was suspended for 24 months (9 March 2017 to 8 March 2019) to allow the Legislature an opportunity to remedy the defect.

The deadline could not be met by the legislature to remedy the defects. As of 9 March 2019, the Amendment Act, has been declared unconstitutional and invalid. What this entails is that the Amendment Act, 2011 has become obsolete, inoperative and, therefore, cannot be enforced. Cabinet approved the reintroduction of the draft Local Government Municipal Systems Amendment Bill to parliament. The Local Government: Municipal Systems Amendment Bill, 2019 ("the Amendment Bill") and the explanatory memorandum to the Bill were introduced to Parliament on 6 February 2019 in terms of the rules 159(8)(1) (a) and (b) of the Joint Rules of Parliament.

The Amendment Bill was referred to the Portfolio Committee for Cooperative Governance and Traditional Affairs of the National Assembly, as well as to the Joint Tagging Mechanisms (JTM) for classification in terms of Joint Rule 160. In terms of Joint Rule 154, written views on the classification of the Amendment Bill were submitted to the JTM and the Amendment Bill has been properly tagged as a Section 76 Bill. Upon receipt of the Amendment Bill, Parliament embarked on the stakeholder engagement process.

2.1.5 Strategic Outcome Oriented Goals

The Department contributes to the achievement of national priorities as outlined in the five-year strategy of government, the 2014-2019 Medium Term Strategic Framework (MTSF). The Department has been tasked with leading 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 sub-outcomes:

Sub-outcome 1: Members of society have sustainable and reliable access to basic services (Preliminary report. The endorsed report will be made available in June after MinMec).

Water: On a national level, an additional 30 708 households were provided with water supply in the fourth quarter against a quarterly target of 260 000 households. This translates into a cumulative total of 560 385 households served since 2014. Please note that these are calculated figures based on annual project allocation data and average costs to serve a household with water. Adjusted household figures are based on StatsSA midyear Population Estimates. Projects are assumed to be fully complete and functional. Adjusted household figures are based on StatsSA midyear Population Estimates. The current rate of delivery of reliable water services to households is well below the estimated required rate of 105 882 households per quarter. The following provinces were served as at 31 March 2019, namely; Eastern Cape – 9107 households, Free State – 1403 households, Gauteng – 0 households, KwaZulu-Natal – 7208 households, Limpopo – 1619 households, Mpumalanga – 1728 households, North West – 5445 households, Northern Cape – 431 households and Western Cape – 1426 households. In total, 28 367 households were served with reliable water services.

Sanitation: The 2017/18 WSIG backlog for the number of rural households served to eradicate sanitation backlogs as per norms and standards stands at 1489 rural households, and can be broken down as follows: Limpopo province: 415, Northern Cape province: 240 and Eastern Cape province: 834. 17 150 households were provided with individual or shared access to services of at least water and sanitation during the period of 1 January to 31 March 2019 through the Human Settlements and Urban Settlements Development Conditional Grants. Cumulatively a total of 648 401 households were served from 1 April 2014 up to 31 March 2019.

Energy: A cumulative total of 1 285 178 households have been connected to the electricity grid, while 85 993 households have been connected to non-grid since 2014 to 2019.

Environmental Affairs: With regard to the provision of households with access to waste collection services, the General Household Survey data was re-weighted but STATSSA in 2017 and new figures have been provided, but they have not made a change on progress towards the Outcome 9 target. According to the GHS 2017, the total number of households that have access to waste collection services is 11.94 million which represents an increase of 1.27 million additional households from the baseline of 10.67 million households or an increase of 98% towards the MTSF target of R1.3 million additional households. The next data set will be available from STATSSA in May 2019.

Sub-outcome 2: Strengthened Intergovernmental arrangements for a functional System of Cooperative Governance for Local Government

The DCoG developed the District Coordination Guidelines during the financial year under review. The Final Guidelines were presented at the Free State Provincial IDP dialogue, which was held on 27 February 2019; at the Chris Hani District Municipality strategic planning session on 15 March 2019; to the Senior Management of Ehlanzeni District Municipality on 20 March 2019; to Sedibeng District Municipality on 26 March 2019; the DWS Ministerial dialogue with Water Services Authorities together with Deputy Minister for DCOG; and KwaZulu-Natal CoGTA MEC on 25 January 2019 and 15 February 2019.

The Department of Water and Sanitation assessed the Water Service Authorities (WSAs) compliance with the Water Services Development Plan (WSDP) to ensure that they achieve an acceptable score on functionality. As of March 2019, a total of 142 of 144 WSAs have updated Municipal Strategic Self-Assessments (MuSSAs). For processes of compliance, a WSDP on-line system was established for all nine provinces (144 WSAs) to facilitate data capturing and compliance assessment. Monitoring and assessment have been conducted using the WSDP on-line system.

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

The DCoG has established 4261 ward committees, the ward level service improvement plans (Ward Committee Operational Plans) have been developed in 3140 (74%) wards and the implementation of the plans is assessed on a quarterly basis through provincial ward committee functionality reports. A framework has been developed to assist municipalities in the development of ward committee plans that are aligned with IDP, SDBIP and government programmes at large. As at the end of March 2019, a total of 100 municipalities were supported to have functional ward committees.

Sub-outcome 4: Sound Financial Management

The National and Provincial Treasuries have rolled out the Municipal Public Accounts Committee (MPACs) Guideline and Toolkit to assist MPACs to reduce the Unauthorised, Irregular Fruitless and Wasteful expenditure. To date, a total of 875 MPAC Councillors countrywide have been trained in the following provinces: 208 (EC); 77 (FS); 56 (GP); 12 (KZN); 76 (LP); 169 (MP); 113 (NC); 140 (NW) and 31 (WC). In addition, 205 municipal officials have been trained on the Guideline and Toolkit and they are 37 (EC); 26 (FS); 13 (FS); 42 (GP); 4 (KZN); 42 (MP); 43 (NC); 39 (NW) and 11 (WC).

Overall, the top 10 list of municipalities decreased from incurring R24 billion in the 2016/17 financial year in Unauthorised, Irregular, Fruitless and Wasteful expenditure to R16.7 billion in the 2017/18 financial year. This reduction is indicative of the joint efforts from the National and Provincial Treasuries in assisting municipalities in reducing the numbers and also to introduce controls that will increase the detection of non-compliance in-year. It is also important to note that the bulk of the UIFW that is currently on the records relates to historical amounts that have been carried forward year-on-year.



Strategic outcome-oriented goals

Table: Strategic outcome oriented goals of the Department

Goal	Strategic Objective
Effective and efficient internal corporate governance processes and systems (SG 1)	<ul style="list-style-type: none"> ▪ Improve DCoG governance process and systems by March 2020 (SO 1.1)
Lead and support the creation of prosperous cities and towns by restructuring the space economy (SG 2)	<p>Facilitate the restructuring of municipal space economy through integrated development planning and spatial targeting by March 2020 (SO2.1)</p> <ul style="list-style-type: none"> ▪ Support the creation of an enabling environment for municipalities to achieve inclusive economic development through the implementation of initiatives of the National Framework for LED by March 2020 (SO2.2)
Foster the creation of a functional local government system through enhanced accountability and transparency (SG 3)	<p>Deepening the relationship between citizens and local government through improved citizen engagement mechanisms by March 2020 (SO 3.1)</p> <ul style="list-style-type: none"> ▪ Improve accountability in the local government system by coordinating reporting on municipal performance by March 2020 (SO 3.2)
Build institutional resilience and initiate the next phase of institution building (SG 4)	<p>Strengthen the functionality of municipalities through the development and implementation of administrative and institutional systems by March 2020 (SO 4.1)</p> <ul style="list-style-type: none"> ▪ Implement initiatives to improve financial sustainability and revenue management in local government by March 2020 (SO 4.2)
Entrench a culture of good governance and instil a new morality of service and integrity in local government (SG 5)	<ul style="list-style-type: none"> ▪ Promote good governance through strengthening of anti-corruption measures in local government by March 2020 (SO 5.1)
Coordinate effective integrated disaster management and fire services (SG 6)	<p>Improve the system of disaster management and fire services across government by March 2020 (SO 6.1)</p> <ul style="list-style-type: none"> • Developing, strengthening and managing of regulatory frameworks and institutional arrangements; • Promoting capacity building through awareness, education, training and research; • Promoting Disaster Risk Reduction through a well-coordinated and integrated planning process, with specific focus on mitigation, preparedness, response and recovery; ▪ Guiding the development of a comprehensive information management and communication system and establishing integrated communication links with relevant role players.
Ensure significant improvements in service delivery through sound infrastructure management (SG 7)	<ul style="list-style-type: none"> ▪ Coordinate collaboration for infrastructure development at municipal level to extend services to unserved communities by March 2020 (SO7.1)
Local public employment programmes expanded through the Community Work Programme (SG 8)	<ul style="list-style-type: none"> ▪ Provide 1 million work opportunities through effective and efficient programme management and strategic partnerships by March 2020 (SO 8.1)
Effective and efficient internal corporate governance processes and systems (SG 1)	<ul style="list-style-type: none"> ▪ Improve DCoG governance process and systems by March 2020 (SO 1.1)

2.1 Performance Information by Programme

Programme I: 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:

- Improve DCoG governance processes and systems by March 2020.

Sub-programmes

The *Sub-Programmes* listed below are linked to the following strategic oriented goals: Refocus and strengthen capacity of CoGTA to deliver on its mandate as well as create 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, Communication and Media Liaison services to the Minister and Deputy Minister.

Management: Office of the Director-General (ODG): The Department benefits from country to country cooperation agreements, with countries such as Germany – GIZ, USA – USAID, Britain – DFID, Switzerland- SECO, Japan- JICA, OXFAM and others. These Donors support, fund and offer technical assistance in the implementation of some of the DCoG programmes, in areas such as the National Disaster Management Framework (NDMF), Integrated Urban Development Framework (IUDF), Local Economic Development (LED) and the Community Work Programme (CWP). During the 2018/19 financial period, the Department participated in international study tours, seminars, workshops and briefing sessions, which were funded by donors to the value of R786 390. GIZ has also given a total of R1.5m to assist the Department to develop and populate an electronic database on Municipal powers and functions. SECO provided funding estimated at \$2.2m over a period of two years for the Department to support intermediate cities to implement the IUDF Local Government Support and Interventions Management.

Corporate Services

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

Human Capital Management: The sub-programme is mainly responsible for the 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 sub-programme has, during the year under review, developed and consulted on the Performance Management Policy in line with the new directive on the management of employee performance issued by the Department of Public Service and Administration in 2017. The recruitment process was finalised with a total of 27 permanent appointments and 20 interns for a period of 2 years. The sub-programme has also developed the Employment Equity Report and submitted it to the Department of Labour as prescribed. The 2017/18 annual performance assessment for staff members at levels 1-14 were finalised in the year under review. The coordination of employee health and wellness sessions was a success for the Branch, ensuring that employees are offered health screening on-site.

Information Communication Technology Management: In the 2018/2019 financial year, the unit resolved over 95% of all incidents logged within the required service level agreement timeframes.

The ICT service standards charter was reviewed, approved and implemented from the third quarter of the financial year. We also managed to increase the storage capacity and processing power within the local datacenter. In addition, security on the wireless access to the network was enhanced. The unit further managed to approve a revised ICT disaster recovery and performed successful disaster recovery tests of the transversal systems. Finally, in collaboration with the Office of the Director-General, the unit successfully implemented the automation of submissions that resulted in the effective management and tracking of submissions..

Corporate Planning Internal Monitoring and

Evaluation: The sub-programme facilitated performance planning and monitoring on behalf of the Top Management Committee. During the period under review, the sub-programme ensured that the department complied with the Planning, Monitoring and Reporting frameworks and legislations by facilitating the quarterly and annual performance reporting as well as the annual strategic planning sessions, which produced the Annual Performance Plan 2019/20 and Annual Report 2017/18. However, the Department was unable to table the 2017/18 Annual Report in Parliament at the end of September 2018 mainly due to CWP asset verification and late submission of AFS to AGSA.

The sub-programme continued to support Provincial CoGTAs during their strategic planning sessions to ensure that the Provincial priorities are aligned to National CoGTA, thus enhancing the implementation of the Medium Term Strategic Framework (MTSF). This included analysing provincial CoGTAs' draft APPs and quarterly performance reports and providing feedback. In conjunction with the Department of Traditional Affairs, the sub-programme established and hosted the National Planning, Monitoring, Reporting and Evaluation Forum (NPMREF) on 6 November 2018. The Forum provided provincial CoGTAs with an opportunity to engage the Auditor-General of South Africa (AGSA) and the Department of Planning, Monitoring and Evaluation (DPME) on challenges they face with regard to planning and reporting of standardised sector indicators.

Financial services: During the period under review, the sub-programme provided to the Department the prescribed financial, supply chain and asset management services. 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 performed in collaboration with all line functions.

Internal Audit and Risk Management: The sub-programme has provided assurance and consulting services to the department with a view of improving governance, risk management and the system of internal controls. This was achieved through the implementation of the approved internal audit plan for the year under review and progress against the plan was provided to both management and the Audit Committee on a quarterly basis in order to improve the overall control environment.

The risk management processes were reviewed to ensure that all material risks that could affect the achievement of objectives of the department in line with the approved strategic direction are identified and are appropriately managed within the risk management system. The review was focused on aligning the approved risk management strategy and policy with current trends in risk management practices and to enable the department to respond better to material risks. On a quarterly basis, Management together with the Risk Management Committee were provided with progress reports on the implementation of risk mitigation measures.

Office Accommodation: The acquisition of CoGTA's five leased buildings was facilitated by DPW on a cost recovery basis from the Department's allocations that had been earmarked for Office Accommodation.

As a long term solution, CoGTA has started a process of constructing a consolidated national head office building in line with the Government Immovable Assets Management Act (GIAMA). DPW has identified a site for the construction of a building. However the Department is in the process of moving to an interim building. The feasibility study report, with project costing, will be issued by DPW to enable CoGTA to approach the National Treasury for funding.

I.1 Strategic objectives

Programme: Administration						
Strategic Objectives	Strategic Plan target	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2014/15 - 2018/2019	Deviation from planned target to Actual Achievement for 2014- 2020	Comment on deviations
SO1.1 Improve DCoG governance processes and systems by March 2020	Final MPAT score maintained at 3 in 2021	Not Achieved: The annual target to improve the MPAT score from 2,7 to 3 has not been achieved.	Final average MPAT score maintained at 3 by 31 March 2019	Final MPAT score maintained at 2,6 by 31 March 2019.	The target of 3 was not achieved because there was no dedicated capacity to conduct evaluation in line with KPA1, risk management (KPA2) payment of suppliers, demand acquisition management and movable assets (KPA)	The MPAT standards will be integrated into the Branch Operational Plans from the 2019/20 financial year to strengthen management practices.

I.2 Performance Indicators

Programme: Administration							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/19	Comment on deviations
1. Improvement in Departmental MPAT average score	New indicator	New indicator	The annual target to improve the MPAT score from 2,7 to 3 has not been achieved.	Final average MPAT score maintained at a 3 by 31 March 2019	<i>Not achieved</i> The Department has achieved an overall score of 2.6 for the 2018 MPAT process instead of an average score of 3 by 31 March 2019	The target of 3 was not achieved because of a rating below 3 some deliverables under each Key Performance Area	The MPAT standards will be integrated into the Branch Operational Plans from the 2019/20 financial year to strengthen management practices.

1.3 Strategy to overcome areas of under performance

a) Indicator: Improvement in Departmental MPAT average score

The Department had planned to improve the MPAT average score from 2.7 to 3 in 2018/19. However, the target has not been met due to inadequate information that was provided for moderation and KPA 1 with specific reference to the evaluation standards, KPA 2 on risk assessment, PMDS for SMS and KPA 3 in relation to payment of suppliers, demand and acquisition management as well as movable assets. Although, the DPME has discontinued the MPAT process with effect from 2019, the Department will integrate the MPAT standards into Post Audit Action Plan for the 2019/20 financial year to improve and strengthen management practices.

1.4 Changes to planned targets

There were no changes made to the planned targets.

1.5 Linking performance with budgets

The spending is at 1.7%, due vacancies in the Legal Services Unit. The current spending indicates a 0.8% decrease against the spending for the same period in the previous financial year, 2017/18.

1.6 Sub-programme expenditure

The over/under expenditure that reflects 0 (zero) is due to the virement that were done, which were approved by the Accounting Officer.

Sub-Programme Name	2018/2019			2017/2018		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000		R'000	R'000	
Ministry	42 071	42 071	0	32 041	32 040	1
Management	19 138	18 995	143	18 563	18 544	19
Corporate Services	135 618	135 171	447	123 978	123 898	80
Financial Services	33 673	30 797	2 875	31 426	30 616	810
Internal Audit and Risk Management	14 424	12 687	1 737	9 045	7 866	1 179
Office Accommodation	54 064	54 064	0	47 443	47 442	1
Total	298 986	293 785	5 201	262 496	260 406	2 090

Detailed sub-programme expenditure that shows virements is included in the appropriation statement of the AFS



Programme 2: Regional and Urban Development and Legislation Support

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

Strategic Objectives

This programme seeks to achieve the following strategic objectives:

- Facilitate the restructuring of municipal space economy through integrated development planning and spatial targeting by 31 March 2020.
- Support the creation of an enabling environment for municipalities to achieve inclusive economic development through the implementation of initiatives of the National Framework for LED by March 2020.

Sub-programmes

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

Management: Regional and Urban Development and Legislative Support provides strategic leadership for the Programme to comply with and achieve Departmental targets aligned with the B2B approach.

Local Government Legislative Support and Institutional Establishment drafts and amends primary and secondary legislation administered by the Department and provides our stakeholders with legal opinions on the interpretation of legislation and matters that impact our mandate. The sub-programme also provides technical support and advice on the determination and redetermination of municipal boundaries, provincial boundary issues and local government elections.

Urban Development Planning facilitates and monitors the implementation of the IUDF policy. The Department of Cooperative Governance (DCoG) has been driving the Implementation of the Integrated Urban Development Framework (IUDF). The IUDF marks a New Deal for South African cities and towns. It will steer urban growth towards a sustainable model of compact, connected and coordinated towns and cities. It provides a roadmap to implement the NDP's vision for spatial transformation – creating liveable, inclusive and resilient towns and cities, while reversing the apartheid spatial legacy.

Phase I of the Intermediate City Municipalities (ICM) programme is being implemented in six Intermediate City municipalities and the intergovernmental grant system will be implemented in seven municipalities from July 2019. Another round of applications for the new grant will be open from July 2019 for the 2020/21 intake.

During the financial year under review, the Department has established partnerships with International Council for Local Environmental Initiatives (ICLEI), focusing on Urban Resilience and Climate Change response in intermediate cities which is an important cross-cutting theme on the implementation of the IUDF. The Department has, thus, signed a Memorandum of Understanding with ICLEI. Other partnerships established were with the Development Bank of Southern Africa (DBSA), focusing on infrastructure and spatial planning implementation support for intermediate cities. The Department has also signed a Memorandum of Understanding with the DBSA, focusing on infrastructure and spatial planning implementation support for intermediate cities. The Department has also signed a Memorandum of Understanding with the DBSA. The value of this agreement is to strengthen the implementation of the IUDF Policy Lever 1, 2, 3 and 4 dealing with integrated urban management, integrated transport and mobility, integrated human settlements and integrated urban infrastructure. The Department, in partnership with the South African Cities Network (SACN), the Department of Human Settlements, National Treasury, the South African Local Government Association, the South African Council for Planners, ICLEI and the Gauteng provincial government, co-hosted the second Annual National Urban Conference under the theme, "Activating an All-of-Society Approach to Implementing the Urban Agenda". The aim of the conference was to bring together various targeted stakeholders (local government, private sector and civil society) to build awareness and knowledge about the Integrated Urban Development Framework (IUDF),

In order to inform their strategies and plans for urban development. The objectives of the conference were:

Harvest: Identifying where there are opportunities for collaboration and co-producing effective urban responses amongst various actors.

Engage: Working through what multi-stakeholder engagement looks like in practice, and thinking through creating and generating partnered responses.

Mobilise: How do we develop individual and collective plans to achieve our short and long-term urban goals.

Monitor: Determining our qualitative and quantitative measures for determining progress and success in implementing the urban agenda

Spatial Planning Districts and Regions facilitates the implementation of planning frameworks to promote integrated development across Governments and builds Geographic Information System (GIS) capacity in district and local municipalities to enhance evidence-based decision-making. The sub-programme also facilitates sustainable economic activities in the districts and lagging regions.

During the 2018/19 financial year, the sub-programme developed practice notes to guide municipalities on different aspects of development planning and convened a planning seminar to discuss development planning challenges facing municipalities.

Secondly, draft IDP guidelines were developed to guide municipalities to develop IDPs that respond to the NDP and IUDF imperatives. Thirdly, 5 municipalities were supported to build GIS capabilities. Lastly, 5 municipalities were supported in LED initiatives.

Intergovernmental Policy and Practice reviews and strengthens the policy and institutional framework for intergovernmental relations and the management of powers and functions. The sub-programme does this by contributing to intergovernmental policy coherence through policy and legislative assessments and review across the three spheres of government, strengthening and applying institutional roles of the District Government, and supporting the role of intergovernmental forums in directing development outcomes.

The sub-programme produced a synthesis report on key findings and recommendations on the Reconfiguration of the District Government. One key recommendation was the review and amendment of Sections 84 and 85 of the Local Government, Municipal Structures Act, 117 of 1998.



2.1 Strategic Objectives

Programme: Regional and Urban Development and Legislative Support						
Strategic objectives	Strategic Plan target	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2014/15 - 2018/2019	Deviation from planned target to Actual Achievement for 2014 - 2020	Comment on deviations
SO 2.1 Facilitate the restructuring of municipal space economy through integrated development planning and spatial targeting by 31 March 2020.	Support programmes implemented in 12 identified intermediate cities by March 2021	A comprehensive secondary city support programme has been finalised and rolled-out in Umhlathuze and Polokwane Local Municipalities.	Support programme implemented in 4 identified intermediate cities by 31 March 2019	5 Support programmes implemented in 5 identified, intermediate cities. The ICM support programme design was revised. CEF guidelines developed. Support implementation plans developed and implemented, which included the following: Development of infrastructure asset management policy in line with CIDMS. Supported Internal Audit unit to carry out CIDMS compliance. Review of Standard of Operating Procedure and technical standards of the maintenance units. Development of infrastructure procurement strategies in line with SIPDM 31 March 2019.	N/A	N/A

Programme: Regional and Urban Development and Legislative Support						
Strategic objectives	Strategic Plan target	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2014/15 - 2018/2019	Deviation from planned target to Actual Achievement for 2014 - 2020	Comment on deviations
SO 2.2 Support the creation of an enabling environment for municipalities to achieve inclusive economic development through the implementation of initiatives of the National Framework for LED by March 2020	Regional economic development plans implemented in selected regions by 31 March 2021	New Indicator	Framework on regional economic development planning adopted by the Minister by 31 March 2019	The Framework on regional economic development planning was not adopted by the Minister by 31 March 2019. However, the Draft Framework was finalised by 31 March 2019.	There were delays in the procurement processes of appointing a service provider to develop the Framework. The challenges were driven by the procurement processes of the Commonwealth LG Forum (the funder of the project). The service provider to deliver on the target was only appointed in February 2019. The Framework is being finalised.	This target will be implemented through the Operational Plan in 2019/20 and a project plan with clear timeframes has been developed for implementation.

2.2 Performance indicators

Programme: Regional and Urban Development and Legislation Support							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/19	Comment on deviations
2. Support programmes implemented in selected intermediate cities	-	-	A secondary city support programme has been implemented at Umhlatuze and Polokwane Local Municipalities	Support programme implemented in 4 identified intermediate cities by 31 March 2019	<i>Achieved</i> Support programme implemented in 4 identified intermediate cities namely, Polokwane, UMhlatuze, Sol Plaatje and Drakenstein by 31 March 2019.	N/A	N/A

Programme: Regional and Urban Development and Legislation Support							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/19	Comment on deviations
3. Framework on regional economic development planning adopted by the Minister	-	-	New Indicator	Framework on regional economic development planning approved by the Minister by 31 March 2019	<i>Not achieved</i> The Framework on regional economic development planning was not adopted by the Minister by 31 March 2019.	There were delays in the procurement processes of the Commonwealth LG Forum (the funder of the project). The service provider to deliver on the target was only appointed in February 2019. The Framework is being finalised.	This target will be implemented through the Operational plan in 2019/20 and a project plan with clear timeframes has been developed for implementation

2.3 Strategy to overcome areas of under performance

a) Indicator: Framework on regional economic development planning adopted by the Minister.

The Framework on regional economic development planning was not adopted by the Minister by 31 March 2019. However, the Draft Framework has been finalised. This project has been lagging behind since quarter two and this was due to its dependency upon the Commonwealth LG Forum procurement processes. The service provider to deliver on the targets was appointed in February 2019. This target will be implemented through the Operational Plan in 2019/20 financial year and a project plan with clear timeframes has been developed for implementation.

2.4 Changes to planned targets

There were no changes made to the planned targets.

2.5 Linking performance with budgets

The Programme spent 99.9 % of its budget. The current spending indicates a 6.3% increase against the spending for the same period in the previous financial year, 2017/18

2.6 Sub-programme expenditure

Sub- Programme Name	2018/19			2017/18		
	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	70	1	69	1 547	704	843
Development and Legislative Support	5 030	4 973	57	5 616	5 272	344
Local Government Legislative Support and Institutional Establishment	14 010	14 010	0	17 535	9 558	7 977
Urban Development planning	9 872	9 862	10	11 246	7 445	3 801
Intergovernmental Policy and Practice	5 972	5 972	0	8 314	5 124	3 190
Municipal Demarcation Transition Grant	-	-	-	139 714	139 714	0
Municipal Demarcation Board	55 568	55 568	-	57 631	57 631	0
South African Cities Network	9 353	9 353	-	6 950	6 950	0
Total	99 875	99 739	136	248 553	232 399	16 154

Detailed sub-programme expenditure that shows virements is included in the appropriation statements of the AFS.

The over/under expenditure that reflects 0 (zero) is due to the virement that were done, which were approved by the Accounting Officer. The Municipal Demarcation Transition Grant was a once of grant to fund municipalities that were affected by the demarcations in the 2016 local government election.



Programme 3: Institutional Development

Purpose: Build institutional resilience in the local government system by supporting systems development, governance, capacity building and revenue management and providing for the functions of the Department of Traditional Affairs

Strategic Objectives

This programme seeks to achieve the following strategic objectives:

- Implement initiatives to improve financial sustainability, revenue and debt management in local government, by March 2020.
- Deepen the relationship between citizens and local government through improved citizen engagement mechanisms by March 2020.
- Promote good governance through the strengthening of anti-corruption measures in local government by March 2020.
- Strengthen the functionality of municipalities through implementing administrative systems by March 2020.

Sub-Programmes

The programme has the following sub-programmes:

Management: Institutional Development provides strategic leadership to the programme to ensure compliance and the achievement of departmental targets in line with the Back to Basics programme.

Human Resource Management 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 successful implementation by municipalities. Since the promulgation of the regulations in 2014, a total of 1218 senior managers have been appointed in compliance with the minimum competency requirements as determined in terms of the Municipal Systems Act (the Act) and its regulations.

The appointment numbers consist of 220 municipal managers and 955 managers directly accountable to municipal managers. Of the 1218 appointments, 378 were made in the 2018/2019 financial year. Three hundred and twenty-nine (329) were found to be suitable and competent. Of the 329, 48 are municipal managers and 281 are managers directly accountable to municipal managers. A total of 76 corrective actions relating to inappropriate qualifications, lack of relevant experience and other procedural matters were taken by the MECs and the Minister respectively to enforce compliance.

Municipal Finances provides support and technical capacity to municipalities on municipal finance policies revenue management, revenue protection and debt collection strategies, tariff setting and modelling, free basic services, indigent management and municipal audit outcomes. Thirty-five (35) identified municipalities were supported to develop and implement municipal-specific revenue plans.

Citizen Engagement promotes local government accountability and engages with communities in implementing the citizen engagement framework.

Anti-Corruption and Good Governance conducts anti-corruption campaigns to improve ethical conduct at local level. The sub-programme also strengthens and implements preventative measures against corruption and creates an environment that is conducive to the expeditious resolution of corruption cases.

Municipal Property Rates Act Implementation guides municipalities to comply with critical rating aspects of the Municipal Property Rates Act, 2004 (Act No. 29 of 2014) and its regulations.

Municipal Governance promotes good municipal governance by monitoring the effectiveness of Municipal Public Accounts Committees (MPACs) and process legislative amendments to specific local government legislation, including supporting municipal establishment processes and municipal electoral related matters. Previously, the Chief Directorate was located under the Local Government Legislative Support and Institutional Establishment Branch. It is now located under the Branch: Institutional Development.

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 (FBS) to poor households, and for the funding of institutional capacity and support to weaker municipalities.

An amount of R15.4 billion was transferred to municipalities during the fourth quarter ending March 2019. Cumulatively, an amount of R60,713,793,000 from R62,731,845,000 of the 2018/19 local government equitable share allocation had been transferred at the end of the quarter. It is however worth noting, that from the 2018/19 LGES allocated budget, an amount of R2,018,052,000 was offset against the previous year's unspent conditional grants emanating from the decision taken by the National Treasury to offset unspent conditional grants for the previous financial year.

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 2018/19 MSIG allocation was focused on the following areas: rollout and implementation of simplified revenue plans, implementation of the integrated urban development framework and supporting re-demarcated municipalities on transitional matters. In 2018/19, priority was given to 60 municipalities as follows: forty-two (42) municipalities were supported through the simplified revenue plan project; eight (8) intermediate cities municipalities (ICMs) were supported on the implementation of the integrated urban development framework; and twenty (22) municipalities were supported on transitional matters arising from the mergers.

3.1 Strategic Objectives

Programme: Institutional Development						
Strategic objectives	Strategic Plan target	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2014 - 2020	Deviation from planned target to Actual Achievement for 2014 - 2020	Comment on deviations
SO 4.2 Implement initiatives to improve financial sustainability, revenue and debt management in local government by March 2020	A municipal - specific revenue plan implemented in 105 municipalities	A municipal-specific revenue plan has been implemented in 30 municipalities. Detailed close out reports on each of the 30 supported were also developed and approved.	A municipal-specific revenue plan implemented in 35 municipalities by 31 March 2019	A municipal specific revenue plan has been implemented in 95 municipalities by 31 March 2019	N/A	N/A
	110 Municipalities assessed in terms of compliance with the rating aspects of the MPRA and findings and recommendations communicated to non-compliant municipalities on corrective measures for the 2021/22 FY by 31 March 2021	110 municipalities were assessed in terms of compliance with the rating aspects of the MPRA and letters communicating the outcome of the assessment and findings as well as recommendations to non-compliant municipalities on corrective measures for the 2018/19 FY were sent out to 103 (93.6%) municipalities by 31 March 2018.	110 municipalities assessed in terms of compliance with the rating aspects of the MPRA and findings and recommendations communicated to non-compliant municipalities on corrective measures for the 2019/20 FY by 31 March 2019	110 municipalities were assessed in terms of compliance with the rating aspects of the MPRA. Letters communicating the outcome of the assessment and findings as well as recommendations to non-compliant municipalities on corrective measures were sent out to the assessed municipalities on 31 March 2019.	N/A	110 Municipalities assessed in terms of compliance with the rating aspects of the MPRA and findings and recommendations communicated to non-compliant municipalities on corrective measures for the 2021/22 FY by 31 March 2021
SO 3.1 Deepen the relationship between citizens and local government through improved citizen engagement by March 2020	213 municipalities supported to have functional ward committees by March 2021	A total of 2253 out of 4392 (51%) ward committees' operational plans were developed.	100 municipalities supported to have functional ward committees by 31 March 2019	Upon the establishment and induction programmes for newly elected ward committees 100 municipalities were supported to have functional ward committees 31 March 2019.	N/A	The municipalities supported were identified in line with the B2B classification of dysfunctional municipalities in relation to pillar one of putting people and their concerns first.

Programme: Institutional Development						
Strategic objectives	Strategic Plan target	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2014 - 2020	Deviation from planned target to Actual Achievement for 2014 - 2020	Comment on deviations
	80 municipalities were supported to institutionalise community complaints management processes and a national survey on citizen satisfaction conducted by 31 March 2021	80 municipalities we supported to institutionalise community complaints management processes.	80 municipalities were supported to institutionalise community complaints management processes by 31 March 2019	200 municipalities were supported to institutionalise community complaints management processes 31 March 2019.	N/A	N/A
SO 5.1 Promote good governance through strengthening anti-corruption measures in local government by March 2020	Training on anti-corruption strategy rolled-out in 39 district municipalities/metros by March 2021	Training on anti-corruption Strategy was rolled-out in 18 district municipalities across the nine provinces.	Training on anti-corruption strategy rolled-out in 13 district municipalities /metros by March 2019	Training on anti-corruption strategy rolled-out in 31 district municipalities by 31 March 2019.	N/A	N/A
SO 4.1 Strengthen the functionality of municipalities through implementing administrative and institutional systems by March 2020	12 reports on appointment of senior managers concluded in line with the MSA regulation by March 2021	4 reports on appointment of senior managers concluded in line with the MSA regulations	4 reports on appointments of senior managers concluded in line with MSA regulations by March 2019	17 reports on appointments of senior managers concluded in line with MSA regulations from 2015/16 FY to 31 March 2019.	N/A	N/A
	12 reports on corrective action taken against municipalities that contravened the requirements of MSA regulations in March 2021	4 reports on corrective action taken to enforce compliance by municipalities with the prescribed competency requirements	4 reports on corrective action taken against municipalities that contravened the requirements of the MSA regulations in March 2019	17 reports on corrective action taken to enforce compliance by municipalities with the prescribed competency requirements from 2016/17 to 31 March 2019.	N/A	N/A

3.2 Performance Indicators

Programme / Sub-programme: Institutional Development							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Strategic Objective: Implement initiatives to improve financial sustainability, revenue and debt management in local government by March 2020							
4. A municipal-specific revenue plan implemented in selected municipalities	Initiatives developed and implemented in 60 municipalities	A generic revenue plan developed, and data analysis undertaken, which informed the "As is assessment" reports and implementation plans in 30 municipalities. Implementation entailed the review and update of municipal financial policies, assistance to recover outstanding government debt and data cleansing.	A municipal-specific revenue plan has been implemented in 30 municipalities. Detailed close out reports on each of the 30 supported were also developed and approved.	A municipal-specific revenue plan implemented in 35 municipalities by 31 March 2019	<i>Achieved</i> A municipal-specific revenue plan has been implemented in 35 municipalities by 31 March 2019.	N/A	N/A
5. Number of municipalities assessed in terms of compliance with the rating aspects of MPRA	152 municipalities assessed	All (193) municipalities assessed pertaining to compliance with the rating aspects of the MPRA and guidance provided to non-complying municipalities by 31 March 2017	All (110) municipalities were assessed. Letters communicating the outcome of the assessment and findings as well as recommendations to non-compliant municipalities on corrective measures for the 2018/19 municipal financial year were sent out to 103 (93.6%) municipalities by 31 March 2018.	110 municipalities assessed in terms of compliance with the rating aspects of the MPRA and findings and recommendations communicated to non-compliant municipalities on corrective measures for the 2019/20 FY by 31 March 2019	<i>Achieved</i> 110 municipalities were assessed in terms of compliance with the rating aspects of the MPRA. Letters communicating the outcome of the assessment and findings as well as recommendations to non-compliant municipalities on corrective measures for the 2019/20 municipal financial year were sent out to all the 110 assessed municipalities by 31 March 2019.	N/A	N/A

Programme / Sub-programme: Institutional Development							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Strategic objective: Deepen the relationship between citizens and local government through improved citizen engagement by March 2020							
6. Number of municipalities with functional ward committees	National analysis conducted on the current ward committee functionality to inform the next generation following the 2016 local government elections.	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%) ward committees established in Categories A (Metropolitan) and B (Local) municipalities across the country.	A cumulative figure of 2253 of 4392 (51%) ward committee operational plans have been developed. Some municipalities have pending court cases, such as in the City of Tshwane and Metsimaholo municipalities.	100 municipalities were supported to have functional ward committees by 31 March 2019	Achieved 100 municipalities were supported to have functional ward committees by 31 March 2019	N/A	N/A
7. Number of municipalities supported to institutionalise community complaints management processes	-	-	40 dysfunctional municipalities were supported to create effective community engagement mechanisms	80 municipalities were supported to institutionalise community complaints management processes by 31 March 2019	Achieved 80 municipalities were supported to institutionalise community complaints management processes by 31 March 2019	N/A	N/A
Strategic objective: Promote good governance through strengthening anti-corruption measures in local government by March 2020							
8. Number of district municipalities/ metros where training on local government anti-corruption strategy is rolled-out	Engagements were held with provinces and recommendations of Forensic Investigations in identified municipalities monitored.	Engagements were held with provinces, municipalities and law enforcement agencies as per the annual report.	Training on anti-corruption strategy was rolled-out in 18 district municipalities	Training on anti-corruption strategy was rolled-out in 13 district municipalities/ metros by March 2019	Achieved Training on Anti-Corruption Strategy was rolled-out in 13 District Municipalities/ Metros by 31 March 2019	N/A	N/A

Programme / Sub-programme: Institutional Development							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Strategic objective: Strengthen the functionality of municipalities through implementing administrative and institutional systems by March 2020							
9. Number of reports on the appointment of senior managers concluded in-line with MSA regulations	A report on the status of the appointment of competent and suitably-qualified municipal managers and 56 managers was compiled.	4 reports on the number of appointments of senior managers were concluded and corrective actions taken to enforce compliance were developed.	4 reports on the appointment of senior managers concluded in line with the MSA regulations	4 reports on the appointments of senior managers concluded in line with MSA regulations by March 2019	<i>Achieved</i> 4 reports on the appointments of senior managers concluded in line with the MSA regulations by 31 March 2019	N/A	N/A
10. Number of reports on corrective action taken to enforce compliance by municipalities with the prescribed competency requirements	A report on the status of appointment of competent and suitably-qualified municipal managers and 56 managers was compiled.	4 reports on number of appointments of senior managers concluded and corrective actions taken to enforce compliance was developed.	4 reports on corrective action taken to enforce compliance by municipalities with the prescribed competency requirements	4 reports on corrective action taken against municipalities that contravened the MSA regulations by March 2019	<i>Achieved</i> 4 reports on corrective action taken to enforce compliance by municipalities with the prescribed competency requirements by 31 March 2019	N/A	N/A



3.3 Strategy to overcome areas of under performance

a) None. The programme achieved all the set targets.

3.4 Changes to planned targets

3.5 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 decreased spending is mainly due to the withholding of the Equitable Share funds in compliance with the DORA requirements. The current spending indicates a 0.7% decrease compared to spending for the same period in the previous financial year, 2017/18.

3.6 Sub-programme expenditure

Sub- Programme Name	2018/19			2017/18		
	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	1 545	1 242	303	1 465	1 462	3
Municipal Human Resources Management Systems	13 683	13 455	228	9 538	8 409	1 129
Municipal Finance	28 055	27 433	622	12 863	8 567	4 296
Municipal Finance	28 055	27 433	622	12 863	8 567	4 296
Citizen Engagement	7 574	7 266	308	9 326	8 023	1 303
Anti-Corruption and Good Governance	8 051	8 051	0	6 055	6 023	32
Municipal Property Rates	8 881	8 881	0	8 274	6 853	1 421
Local Government Equitable Share Transfers	62 731 845	60 757 889	1 973 956	57 012 141	55 613 725	1 398 416
South African Local Government Association	33 100	33 100	0	31 300	31 300	0
Municipal Systems Improvement Grant Transfers	115 116	93 749	21 367	103 249	50 647	52 602
Department of Traditional Affairs Transfers	163 306	163 306	0	152 506	152 506	0
United Cities and Local Government of Africa	6 782	5 800	982	12 204	11 600	604
Total	63 117 938	61 120 172	1 997 766	57 358 921	55 899 114	1 459 807

Detailed sub-programme expenditure that shows virements is included in the appropriation statements of the AFS.

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 objective:

- Improve the system of disaster management and fire services across government by March 2020 through:
 - Developing, strengthening and managing regulatory frameworks and institutional arrangement;
 - Promoting capacity building through awareness, education, training and research;
 - Promoting Disaster Risk Reduction through a well-coordinated and integrated planning process, with specific focus on mitigation, preparedness, response and recovery;
 - Guiding the development of a comprehensive information management and communication system and establish integrated communication links with relevant role players.

Sub-programmes

The programme has the following sub-programmes:

Management: Head of Disaster provides strategic leadership to the Programme.

Legislation and Policy Management develops disaster management policies and legislative frameworks, derived from the Disaster Management Act, 2002 (Act No. 57 of 2002) and the National Disaster Management Framework (2005), and manages the improvement of legislative compliance across the sectors and spheres of government. The sub-programme, during the period under review:

- Developed two organisational guidance documents on “Conducting an initial Onsite Assessment” and on “Contingency planning and arrangements”.
- Supported various sector departments with policy-related inputs on disaster management planning, climate change, decertification, disaster classification as well as declaring a national state of disaster.
- Monitored various legislative databases for legislation and policies impacting on disaster management and provided input where required.
- Provided secretariat services to the:
 - National Disaster Management Advisory Forum (NDMAF), which met quarterly as required, 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 and coordinate their actions on matters relating to disaster management.
 - Technical meeting of the Joint Task Force (JTF) for disaster management of the BRICS countries during its meeting in June 2018. The JTF was held under the theme, “BRICS taking action on Sendai commitments”. The BRICS delegates reflected on progress with and challenges experienced in the implementation of the Roadmap and Joint Action Plan 2016-2018. The member states identified opportunities and key actions for the implementation of the new Joint Action Plan 2018-2020 that was agreed to, in an enhanced and improved manner. The meeting also agreed on a draft Buffalo City Declaration to be adopted by BRICS Ministers responsible for Disaster Management.
 - Facilitated the Heads of Centres Forum, which met quarterly (four times) as required, to discuss cross-cutting administrative issues on disaster management.
 - Focused on supporting the establishment and functionality of disaster management centres across the spheres of government by monitoring and reporting on compliance with the disaster management legislation

- Provided the National Joint Drought Coordination Committee (NJDCC), the National Disaster Management (NDMC), other stakeholders and the Inter-Ministerial Task Team with technical advice and administrative support on a number of issues which include support to reclassify and declare a national state of disaster.
- Prepared and distributed the 2017/18 NDMC annual report to the requisite stakeholders, in line with Section 24 of the Disaster Management Act, 2002.

Disaster Risk Reduction, Capacity Building and Intervention develops and implements disaster management operational systems, coordinates disaster management capacity building and strategic research across all three spheres of government and allocates disaster response, relief and rehabilitation funding when a disaster has occurred. The following projects were achieved as part of the operational plan:

- Disaster assessments were undertaken in the following affected areas:
 - Kanyamazane area in Mpumalanga where storm damage occurred mainly on the housing infrastructure.
 - Drought assessment within the agriculture sector was conducted in the North West Province in Dr RS Mompoti and Bojanala Districts as per the request from the province.
 - Drought assessment in the Free State was conducted in municipalities especially on the water sector.
- Assessment was conducted in the areas affected by the hailstorm of 22 October 2018 in Mqhashaka LM in Free State which affected the housing sector. In the 2018/19 financial year, the NDMC assessed eight (8) disaster management plans as follows:
 - Bojanala District Municipality (BDM).
 - Department of Water and Sanitation (DWS).
 - Department of Rural Development and Land Reform (DRDLR).
 - Capricorn District Municipality (CDM).
 - Department of Energy (Nuclear Energy DM Plan).
 - Robben Island Museum.
 - Mpumalanga Province and Nkangala District Municipality.

The sub-programme also facilitated the development of contingency plans to ensure effective mitigation and emergency preparedness for responding timeously to and reducing the impact of disasters. The following contingency plans were developed:

- Multihazard Summer Contingency Plan;
- 2019 National Election Plan; and
- National Drought Operational Plan.

The Department has a functional Bid Committees to ensure transparency, fairness and compliance with the Preferential Procurement Framework Act, Preferential Procurement Regulations and the National Treasury Instruction Notes in Supply Chain Management.

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 work of this sub-programme has been incorporated within the Legislation and Policy Management sub-programme.

Fire Services develops fire services policies and legislative frameworks and coordinates programmes related to the support and administration of fire services. As part of the APP 2018/19, the Directorate assessed 12 municipalities on their capacity to implement the National Fire Safety and Prevention Strategy by March 2019. A specialised skills-based training course i.e. Fire Risk Assessment and Safety Strategies was provided to all the provinces (including the 12 beneficiary municipalities) benefiting a total of 250 officials across the country.

Detailed reports were submitted to all Municipal Managers of the municipalities that were assessed. With regard to the Urban Search and Rescue (USAR), several meetings of the USAR Provincial Working Groups were held in North West and KwaZulu-Natal respectively.

While a total of 36 USAR Practitioners were trained on Fire Search and Rescue (13), Motor Vehicle Rescue (14) and High Angle I (9), a comprehensive USAR Training Action Plan was developed for KwaZulu-Natal and will be implemented in the 2019/2020 Financial Year. Clear and concrete Action Plans and Terms of References were developed to streamline the functioning of the USAR Provincial Working Groups.

Information Technology, Intellegence 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 2018/19 financial year, the sub-programme made progress in the following areas:

- Completed the last phase of the NDMC Geographical Information Systems (GIS) web portal for the hosting of critical disaster related information. As part of the last phase, the NDMC is able to complete and host a disaster atlas for historically declared disasters, with an additional functionality to the existing indicative risk profiles and hazard assessment tool for the quantification of hazards per geographical area.
- Increased its registration to its early warning database for the dissemination of early warnings in collaboration with the South African Weather Service.
- Produced four seasonal profiles that combined the hazard of an area to the forward-looking weather forecast predictions to enable medium term planning for provincial and local municipalities.
- Provided geospatial products, advisories and support to the monitoring of the drought in South Africa via the National Drought Joint Coordinating Committee that meets quarterly.
- In terms of information and communication security, the progress made in this financial year included the completion of a vulnerability and penetration-testing project for the NDMC. This also includes a range of mitigation processes to ensure that the information and data produced and stored at the NDMC was secure and available.
- In addition, general maintenance of the security matters were completed during the year that comprised of antivirus updates, procurement of security related software, firmware upgrades and the general maintenance of the ICT security platform.
- Monthly updates to the NDMC and Fire Service websites and the in-house applications platforms that enable business units to conduct their monthly activities were performed. The infrastructure unit was reasonable for the overall maintenance and upgrade of the physical hardware and software that enables the NDMC to conduct its day-to-day activities.

- These include generating new Service Level Agreements, renewal of existing support contracts and agreements and ensuring that the NDMC environment is functional and supported across all its business units.

Disaster Relief Transfers is a conditional allocation to provide immediate relief after disasters. Transfers are made only when a disaster has been declared. In the 2018/19 financial year, no emergency relief funding was used in 2018/19 due to the absence of incidents that required immediate funding.

Municipal Disaster Recovery Grant is a conditional allocation to repair municipal infrastructure damaged by disasters. This grant is allocated as a second phase of the disaster response to municipalities following a post-disaster cost verification process. An amount of R121.7 million was allocated through Municipal and Provincial Disaster Recovery Grant to address the disaster damages as a result of storms and fires in Western Cape (Bitou LM-R45m) and KwaZulu-Natal (eThekweni-R97m; UGuR20.2m Provinces. A total amount of R21.317 million was transferred to Merafong City Local Municipality to address the infrastructure damages caused by sinkhole formations.

The country experienced drought which mostly affected three provinces that is EC, NC and WC. During 2018/19, an amount of R1.148 billion was allocated from the provisional allocation within National Treasury through the Municipal Disaster Recovery Grant to address the persisting drought situation. The following organs of state benefited from the allocation i.e. Nelson Mandela (R233.4m); City of Cape Town (R553m), NC Department of Agriculture (R84.6m) and WC Department of Agriculture (R38m). The Free State province was also included in the allocation to assist Mangaung Metropolitan Municipality (R239m) to address water challenges to mitigate the drought conditions.

4.1 Strategic Objectives

Programme: National Disaster Management Centre						
Strategic objectives	Strategic Plan target	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2014-2020	Deviation from planned target to Actual Achievement for 2014-2020	Comment on deviations
SO 6.1 Improve the system of disaster management and fire services across government by March 2020	36 municipalities assessed on the capacity to implement the National Fire Safety and Prevention Strategy by 31 March 2020	12 municipalities assessed on the capacity to implement the National Fire Safety and Prevention Strategy	12 municipalities assessed on capacity to implement the National Fire Safety and Prevention Strategy by 2019	51 municipalities assessed on capacity to implement the National Fire Safety and Prevention Strategy by 31 March 2019	N/A	N/A
	International Day for Disaster Reduction commemorated by 31 March 2020	The International Day for Disaster Reduction was commemorated on 13 October 2017.	International Day for Disaster Reduction commemorated by 31 March 2019	5 International Day for Disaster Reduction commemorated by 31 March 2019	N/A	N/A
	Number of Disaster Management Priority Guidelines developed	-		Seven Priority Guidelines developed by 31 March 2019	N/A	N/A



4.2 Performance Indicators

Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
12. Number of municipalities assessed on the capacity to implement the National Fire Safety and Prevention Strategy	-	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.	Assess two municipalities: Progress: Achieved. Kannaland, Western Cape and Dr Beyers Naude Local Municipalities in the Eastern Cape. Assessment reports were prepared and signed by the DDG for onward submission to the two municipal managers; Capacity assessment report developed	12 municipalities assessed on capacity to implement the National Fire Safety and Prevention Strategy by 2019	Achieved 12 municipalities assessed on capacity to implement the National Fire Safety and Prevention Strategy by 31 March 2019	N/A	N/A
13. The International Day for Disaster Reduction (IDDR) Commemorated	National disaster management and fire services advocacy and public awareness campaigns facilitated in 9 provinces	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.	The International Day for Disaster Reduction was commemorated on 13 October 2017 and a report on the outcome of the event was developed and approved.	International Day for Disaster Reduction commemorated by 31 March 2019	Achieved International Day for Disaster Reduction commemorated by 31 March 2019	N/A	N/A
14. Number of Disaster Management Priority Guidelines developed	-	-	-	Two Disaster Management Priority Guidelines developed by 31 March 2019	Achieved Two Disaster Management Priority Guidelines developed by 31 March 2019	N/A	N/A

4.3 Strategy to overcome areas of under performance

None. The programme achieved all the set targets.

4.4 Changes to planned targets

There were no changes to the planned targets.

4.5 Linking performance with budgets

The Programme promotes an integrated and coordinated system of disaster prevention, mitigation and risk management. The lower spending is mainly due to the fact that the Drought Relief Grant is top-up funding and only released as and when required.

4.6 Sub Programme Expenditure

Sub- Programme Name	2018/2019			2017/2018		
	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	3 654	3 176	478	5 719	4 833	886
Disaster Risk Reduction, Capacity Building and Intervention	46 411	45 401	1 010	51 268	10 360	40 908
Legislation and Policy Management	6 211	6 010	201	6 087	5 658	429
Integrated Provincial Disaster Management Support, Monitoring and Evaluation Systems	3 244	3 243	1	4 273	2 166	2 107
Fire Services	3 585	3 585	0	4 236	3 332	904
Information Technology, Intelligence and Information Management Systems	20 300	18 472	1 828	22 608	16 231	6 377
Disaster Relief Grant	672 871	122 678	550 193	423 713	423 712	1
Municipal Disaster Recovery Grant	1 206 440	1 167 692	38 748	26 147	26 147	0
Total	1 962 716	1 370 257	592 459	544 051	492 439	51 612

Detailed sub-programme expenditure that shows virements is included in the appropriation statements of the AFS.

The over/under expenditure that reflects 0 (zero) is due to the virement that were done, which were approved by the Accounting Officer.

Programme 5: Local Government Support and Interventions Management

Purpose: Conduct performance monitoring support and interventions in municipalities and provincial departments of cooperative governance to drive B2B activities.

Objective

This programme seeks to achieve the following strategic objectives:

- Improve accountability in the local government system by coordinating reporting on municipal performance by March 2020.
- Coordinate collaboration for infrastructure development at municipal level to extend services to unserved communities by March 2020.

Sub-programmes

The programme has the following sub-programmes:

Management: Local Government Support and Interventions Management provides strategic leadership to the Programme to ensure compliance and the achievement of Departmental targets in line with the B2B strategy. The sub-programme has continued to coordinate targeted interventions and support to distressed municipalities which was enhanced through Ministerial visits, which included community engagements, that were undertaken to provinces.

Municipal Performance Monitoring monitors and reports on local government performance information by institutionalising monthly municipal performance reporting (consolidated into quarterly analysis reports) to the Department, analyses monthly municipal B2B performance information and identifies key performance trends. In the 2018/19 financial year, information requested and received from municipalities through the monthly B2B questionnaire was consolidated and analysed in two reports, namely a high level analysis report of selected B2B areas, dated 30 September 2018 and an Annual Report on Municipal Performance by 31 March 2019. Following the work on the development and agreement on a set of indicators for Metropolitan Municipalities, a draft set of indicators for Secondary Cities and District Municipalities has been developed, as a next phase in the reporting reforms process. As the monitoring and reporting of municipal performance involves both the national and provincial departments of Cooperative Government, the National Local Government Monitoring, Evaluation and Reporting Forum was revived in which the DCoG meets with the M&E Units in provincial CoGTA departments to discuss the monitoring, reporting and evaluation of the performance of local government on a quarterly basis.

Local Government Improvement Programme monitors and performs diagnostic assessments to support municipalities with the development and implementation of remedial action plans. The sub-programme has continued to coordinate targeted interventions and support to distressed municipalities, which was enhanced through Ministerial visits, which included community engagements, that were undertaken in provinces.

Litigations and Interventions monitors compliance with intervention policies and regulations and develops budgets to address the infrastructure investments priorities of the poor. Currently as at May 2019, there are combined 34 district and local municipalities that have been subjected to interventions in terms of Section 139 of the Constitution. The approval of the interventions by the Minister, as prescribed by the Constitution, are being monitored for their complying with the applicable constitutional and policy prescripts. These interventions are monitored in terms of their progress to mitigate against the reasons for intervention. In-loco engagement with the said municipalities under interventions are occurring on constant intervals, reports are being received as to the progress on interventions, and recommendations are provided based on the diagnostic assessment outcomes from monitoring.

Municipal Infrastructure Administration administers municipal infrastructure grant payments and reviews the related spending and the **Municipal Infrastructure Grant** makes specific transfers to supplement municipal capital budgets to invest in addressing infrastructure priorities for the poor. During the year under review, 183 targeted MIG receiving municipalities were monitored for compliance with DoRA by 31 March 2019. Municipal Infrastructure Grant makes specific transfers to supplement municipal capital budgets to invest in addressing infrastructure priorities for the poor.

5.1 Strategic Objectives

Programme: Local Government Support and Interventions Management						
Strategic objectives	Strategic Plan target	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2014 -2020	Deviation from planned target to Actual Achievement for 2014-2020	Comment on deviations
SO 3.2 Improve performance accountability in the local government system by coordinating reporting on municipal performance by March 2020	4 reports on municipal progress with the implementation of the B2B programme by 31 March 2020	2 reports on municipal progress with the implementation of B2B programme produced	1 annual report on municipal performance progress based on the monthly B2B questionnaire by 31 March 2019	3 reports on municipal progress with the implementation of the B2B programme by 31 March 2019.	N/A	N/A
SO.7.1 Coordinate and facilitate sector collaboration for infrastructure development at municipal level to extend services to unserved communities by March 2019	183 MIG receiving municipalities monitored per annum for financial compliance with DoRA by 2020	municipalities monitored for financial compliance with DoRA	183 municipalities monitored for financial compliance with DoRA	183 municipalities monitored for financial compliance with DoRA by 31 March 2019.	N/A	N/A



5.2 Performance Indicators

Programme: Local Government Support and Interventions Management							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Strategic objective: Improve performance accountability in the local government system by coordinating reporting on municipal performance by March 2020							
15. Number of reports on municipal progress with the implementation of the B2B programme	-	Report on Back to Basics interventions coordinated in 9 provinces produced	1 report providing an analysis of the information from municipalities based on the five B2B pillars for the period July 2016 to June 2017 was developed, submitted and approved.	Annual report on municipal performance progress based on the monthly B2B questionnaire by 31 March 2019	Achieved Annual Report on municipal performance based on the monthly B2B questionnaire developed by 31 March 2019.	N/A	N/A
Strategic Objective: Coordinate collaboration for infrastructure development at municipal level to extend services to unserved communities by March 2020							
16. Number of MIG receiving municipalities monitored for financial compliance with DoRA	213 MIG projects monitored in the 27 Priority districts	1 362 MIG projects monitored on financial compliance with DORA	192 MIG receiving municipalities monitored for financial compliance with DoRA	183 MIG receiving municipalities monitored for financial compliance with DoRA by March 2019	Achieved 183 MIG receiving municipalities monitored for financial compliance with DoRA by 31 March 2019	N/A	N/A

5.3 Strategy to overcome areas of under performance

a) None. The programme achieved all the set targets.

5.4 Changes to planned targets

There were no changes to the planned targets.

5.5 Linking performance with budgets

The programme conducts 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 100% of its budget.

5.6 Sub Performance Indicators

Sub- Programme Name	2018/2019			2017/2018		
	Final Appropriation	Actual Expenditure	Over Under Expenditure	Final Appropriation	Actual Expenditure	Over Under Expenditure
	R'000	R'000		R'000	R'000	
Management: Local Government Support and Interventions	3 271	2 937	334	3 302	2 400	902
Municipal Performance Monitoring	12 280	12 280	0	58 842	22 129	36 713
Local Government Improvement Programme	25 183	25 167	16	25 280	22 944	2 336
Litigations and Interventions	499	499	0	12 352	7 782	4 570
Municipal Infrastructure Administration	34 999	34 766	233	36 097	33 933	2 164
Municipal Infrastructure Grant	15 287 685	15 287 685	0	15 891 252	15 891 252	0
Municipal Infrastructure Support Agency	342 456	342 456	0	381 483	31 483	0
Total	15 706 373	15 705 790	583	16 408 608	16 361 922	46 686

Detailed sub-programme expenditure that shows virements is included in the appropriation statements of the AFS.

The over/under expenditure that reflects 0 (zero) is due to the virement that were done, which were approved by the Accounting Officer.



Programme 6: Community Work Programme

Purpose: Provide a social safety net 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 one million work opportunities through effective and efficient programme management and strategic partnerships by March 2020.

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 implementation and the functionality of coordination structures and monitors the performance of Implementation Agents.

Partnerships, Norms, Standards and Innovation ensures the effective management and coordination of partnerships and special projects for the Community Work Programme.

The sub-programme has established six partnerships to support the CWP. The first partnership was with the Local Government SETA through the Expanded Public Works Programme where 55 CWP participants were trained on environmental practise. The participants graduated and have acquired skills, which will enable them to improve the useful work outcomes such as waste management. The second partnership was with the Council for the built Environment. They committed technical support to distressed municipalities. The third partnership was with the Department of Communications, where the CWP participants were trained on the digital migration programme. This has been rolled-out in the Free State province, where CWP has installed decoders to poor households. The fourth partnership was with Barberton Mines, which has refurbished the Sinqobile ECD centre and also installed water drainage to identified streets.

The fifth partnership was with the National Home Builders Registration Council to provide training to CWP participants in construction and to maintain the training facility. The participants will be trained in TVET Colleges. Lastly, the sixth partnership was with the National Rural Youth Service Corporatives where CWP participants were trained on agricultural skills to improve the useful work outcomes.



6.1 Strategic Objectives

Programme: Community Work Programme						
Strategic objectives	Strategic Plan target	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2014-2020	Deviation from planned target to Actual Achievement for 2014-2020	Comment on deviations
SO 8.1 Provide one million work opportunities through effective and efficient programme management and strategic partnerships by March 2020	241 960 work opportunities provided by 31 March 2021	264 041 work opportunities provided as at 31 March 2018.	241 960 work opportunities provided as at 31 March 2019.	280 206 work opportunities provided by 31 March 2019	The variance of 38 246 is due to the upscaling of CWP work opportunities	N/A
	24 196 CWP participants trained by March 2021	16 033 participants trained.	24 196 CWP participants trained by 31 March 2019	92 891 CWP participants trained by 31 March 2019	Delays in the transfer of the training budget to Non-Profit Organisations	Transfer of budget must be done timeously by Finance.
	30 CWP partnerships established by March 2020	17 partnerships established by the end of March 2018. Partnership with Ndlovu Care Group to maintain disadvantaged schools and provide food gardens in schools (Elias Motswaledi LM); Sapinda with regard to youth empowerment.	6 partnerships established by 31 March 2019	23 partnerships established by 31 March 2019	N/A	N/A



6.2 Performance Indicators

Programme: Community Work Programme							
Performance Indicator	Actual Achievement 2015/2016	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement 2018/2019	Comment on deviations
Strategic Objective: Provide one million work opportunities through effective and efficient programme management and strategic partnerships by March 2020							
17. Number of work opportunities provided by target date(s)	213 400 work opportunities	234 823 work opportunities	264 041 work opportunities provided as at 31 March 2018.	241 960 work opportunities provided by 31 March 2019	Achieved 280 206 work opportunities provided by 31 March 2019	The variance of 38 246 is due to upscaling of CWP work opportunities	N/A
18. Number of CWP participants trained by target date(s)	43 634 participants trained	23 483 CWP participants trained	19 870 out of 23 677 (84%) participants trained.	24 196 CWP participants trained 31 March 2019	Not achieved 16 033 CWP participants trained by 31 March 2019	The variance for the annual targeted training is 8163 . Training was not conducted in quarter two due to training budget delays. Therefore training only started in the 3 rd quarter. Attendance register withheld by the training service providers due to unpaid invoices.	Transfer of budget must be done timeously by Finance.
19. Number of CWP partnerships established by target date(s)	-	5 partnerships established	6 partnerships established by the end of March 2018. Partnership with Ndlovu Care Group to maintain disadvantage schools and provide food gardens schools (Elias Motswaledi LM); Sapinda with regard to youth empowerment.	6 partnerships established by March 2019	Achieved 6 partnerships established by 31 March 2019	N/A	N/A

6.3 Strategy to overcome areas of under performance

- a) **Indicator: Number of participants trained:** The delays in the transfer of training budget has a bearing in the non-achievement of the target to train 24 196 CWP participants by 31 March 2019. Training was not conducted in quarter two. It commenced during quarter three where 5594 participants were trained and 10439 in quarter four. The budget allocation for CWP will be transferred by the first quarter of 2019/20 financial year to ensure that the planned training commences as planned in quarter two.

6.4 Changes to planned targets

There were no changes to the planned targets.

6.5 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 86.4 of its budget. Management is progressively strengthening the monitoring and evaluation of the procurement of tools and materials done by CWP: Implementation Agents in order to decrease and avoid irregular expenditure.

6.6 Sub Programme Expenditure

Sub- Programme Name	2018/2019			2017/2018		
	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	3 810 435	3 225 295	485 140	3 604 323	3 090 518	513 805
Programme Coordination	28 812	1 456	28 356	28 071	1 169	26 902
Partnerships, Norms, Standards and Innovation	10 876	1891	8 985	8 867	594	8 273
Total	3 851 123	3 328 642	522 478	3 641 261	3 092 280	548 981

Detailed sub-programme expenditure that shows virements is included in the appropriation statements of the AFS.

The over/under expenditure that reflects 0 (zero) is due to the virement that were done, which were approved by the Accounting Officer.

CHAPTER 3

PART C: GOVERNANCE
INFORMATION



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 risk management policy and strategy documents were reviewed and approved to ensure that they remained up to date. Risk assessments were also conducted at strategic and operational levels to identify new and emerging risks. The Risk Management Committee convened quarterly as per its approved terms of reference, to review the effectiveness of the risk management in the Department and recommended areas of improvement to the Accounting Officer. The Audit Committee independently monitored the system of risk management and provided recommendations to the Accounting Officer. The management of risks was partially effective and did not translate into improved departmental performance. Some of the efforts of improving the risk culture and maturity include embedding risk management at the operational level, awareness and training.

3.3 FRAUD AND CORRUPTION

The Department has reviewed and continued to implement the anti-corruption and whistleblowing policies and strategies. Regular awareness campaigns were also conducted through available mediums to all employees on whistleblowing reporting procedures as well as on prevention and detection of fraud and corruption.

3.4 MINIMISING CONFLICT OF INTEREST

The Treasury Regulation 16A, 2005, provides operating guidelines on how to manage conflict of interest and ensure that proper declarations are made by all Supply Chain Management (SCM) practitioners as well as by other role players involved in the 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 Department has put in place an OHS Policy to regulate and safeguard the health and safety of employees, visitors and contractors/service providers in its buildings. In addition to that, the Department has a Contingency Plan to guide its response to emergencies that might occur within and around its buildings.

To ensure compliance with the Act, the Department has appointed a health and safety committee, health and safety representatives, fire marshals and fire fighters. The committee ensures cooperation between the employer and employees in developing and implementing the health and safety measures; keep under review the operation of OHS principles and practices and promote a work environment that is safe and free from risk that may cause ill health and/or injuries to employees, visitors and contractors/service providers. The following compliance matters are implemented to enhance a hazard free, safe and secure work environment for employees and visitors:

- OHS Committee appointed and quarterly meetings convened in line with Occupational Health and Safety Act;
- Section 16.2 officer appointed.
- Health and Safety Representatives, FirstAiders and Fire Marshalls appointed.
- Contingency Plan approved and implemented;
- Evacuation drills conducted in various buildings.
- Occupational injuries and diseases investigated as and when reported.
- SHERQ Plan submitted to DPSA annually.

3.7 PORTFOLIO COMMITTEES

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

Committee Dates	Matters raised by the Portfolio Committee
26 February 2019	<p>Municipal Systems Amendment Bill [B2-2019]: stakeholder engagement Day 1</p> <ul style="list-style-type: none"> • Members had concerns with the proviso of getting the concurrence of the Minister on appointments. Members wanted to check the reasons for the suggestion of 30 days instead of 14 days. • Members asked if there was proof that municipalities were supplying the Department with wrong information. Members said the Councillors' code of conduct should be amended to include a provision that prevented council from passing a resolution that was in conflict with the legislation.
27 February 2019	<p>Municipal Systems Amendment Bill [B2-2019]: stakeholder engagement Day 2</p> <ul style="list-style-type: none"> • Members requested for more information on the document mentioned by SALGA in its presentation and felt professionalising local government by prohibiting political office bearers from filling any municipal post would be like treating local government as if it was the Independent Electoral Commission. • Members indicated that in future, SALGA had to look at the remuneration of councillors as it had taken two years to get to this point on such an important Bill. • Members asked if anything was done about the wrong tagging of the Bill as someone had to take responsibility for the wrong tagging.
25 April 2018	<p>VBS Bank impact on municipalities' finances; Municipal Councillors Pension Fund. The Municipal Councillors Pension Fund (MCPF) had been placed under curatorship in December 2017 by the Financial Services Board.</p> <ul style="list-style-type: none"> ▪ The MCPF curator, with input from the Financial Sector Conduct Authority (FSCA), spoke about the unlawful actions and mismanagement of the previous board and principal officer of the Pension Fund. Criminal and civil charges may be pursued against them.
08 May 2018	<p>COGTA Budget: Committee Report: It was proposed that the Members of the Executive Councils from Northern Cape, North West, KwaZulu-Natal and Limpopo Provinces should appear before the Committee on 22 May to present the challenges faced by municipalities and the Provinces' proposals to address these challenges.</p>
06 June 2018	<p>Eskom debt payments by municipalities: IMTT progress report; Local Economic Development</p> <ul style="list-style-type: none"> • Members asked how the matter would be resolved for municipalities who had nothing, like rural municipalities who would not be able to pay a cent because 90% of these municipalities are indigent. • Members wanted the Department to give regular updates on the Eskom-SALGA matter as well as on the work of the IMTT. • Members asked how long it would take the NERSA program to collect information as that would affect the revenue of municipalities. • Members asked the Department how it perceived local government in the next five years as it seemed that most municipalities are not doing well. • Members said it appeared as if B2B LED was generally about keeping people busy rather than about the real empowerment of communities and people. Members said that if the LED was to succeed, the Department should establish development initiatives. • Members asked about measures that had been put in place improving the financial situation of municipalities?

Committee Dates	Matters raised by the Portfolio Committee
23 October 2018	<p>Municipalities affected by the VBS Bank collapse</p> <ul style="list-style-type: none"> Members discussed the financial recovery plans, as well as the onus placed by legislation on the Department to impose such plans. This was accompanied by the question of why the Minister, as legally obliged to do so, had not intervened to dissolve the municipal councils which had lost money to VBS-when Provincial Departments had failed to discharge the obligation placed on them by law. The DA wanted to know why municipal officials implicated in the Reserve Bank report on VBS were still occupying their positions. In addition, the discussions included the academic qualifications of the CFOs and Municipal Managers. Their qualifications showed that they were learned people and their illegal conduct could not be excused on the grounds of ignorance or professional incompetence. The meeting was in full agreement that the MFMA should have been the only legal guide in the VBS matter and any outside legal opinion was irrelevant. Given the obvious illegality of the venture, Members asked how it was possible for municipal councils to have approved these investments. The Minister requested the Committee to be patient with the ongoing forensic investigations. They urged the Department to pursue all avenues to recover the money.
13 November 2018	<p>Municipal Structures Amendment Bill: stakeholder engagement</p> <ul style="list-style-type: none"> Members sought more information on the Department's views on the Bill and the various proposals. They asked why the Department was proposing to increase the minimum number of councillors to 15 instead of the current 3 as prescribed in the Act. However the portfolio committee recommended 10 councillors They referred to the often complicated and complex calculation of municipal and ward seats, and asked that the three presentations be linked together to see where the three organisations differed.
14 November 2018	<p>Municipal Structures Amendment Bill</p> <ul style="list-style-type: none"> The Committee agreed that the Municipal Structures Bill should be tagged as a section 75 Bill (not affecting the provinces). The parliamentary law advisor reasoned that the Bill was not invoking section 76(3)(d) of the Constitution as it was dealing with a political structure of government, elections and councillors but not public administration.
20 November 2018	<p>Local Government: Municipal Structures Amendment Bill: deliberations</p> <ul style="list-style-type: none"> There was a discussion on the clauses related to the calling of council meetings by the Speaker, and the proposed two-year cooling off period. Members were concerned that the financial implications of the proposals contained in the Bill have not been considered. They agreed that because of the late call for public comments on the Bill – and the constitutional need to consider all proposals made by stakeholders – the clause by clause analysis would take place next year.
27 November 2018	<p>Department of Cooperative Governance 2017/18 Annual Report; Municipal Systems Amendment Bill:</p> <ul style="list-style-type: none"> The Committee was informed that the Department had received a disclaimer audit opinion for the 2018/19 financial period. The Department stated that they had achieved 71% of targets during the 2017/18 financial year because of three factors: external factors, targets depended on other departments, and internal factors. The Committee heard that the Department was too ambitious with targets and some of the targets were not SMART. Of the 21 targets, six (29%) were not achieved. The decline in performance during the 2017/18 financial year was acknowledged compared to 91% of the 2016/17 financial year. The Committee heard that the basis for the disclaimer was as a result of the following areas: Goods and services; Accruals; Assets and Irregular expenditure, and that the Department had a plan to address issues of the disclaimer. In developing the plan, it has worked with the AG and progress on the plan would be shared with the Committee. Members asked for clarity on why ward committees seemed to be optional in some municipalities because such issues have been addressed in the Structures Act; What strategy was in place to address wages paid to CWP participants that could not be verified, and what the turnaround strategy was for accruals; If the planned workshops to support provinces synchronized with the NDP; how the Department was going to deal with the situation where communities were stating that the municipality was not accountable to them and started buying electricity directly from Eskom instead of the municipality, And how things were going to be turned around if there were so many vacancies in municipalities. The Committee was provided with a progress report on the Local Government Amendment Bill. The Bill was due for presentation to the Governance and Administration Cabinet Committee. If things went according to plan the Department would meet the Constitutional Court deadline of 9 March 2019.

Committee Dates	Matters raised by the Portfolio Committee
04 December 2018	<p>Municipal Structures Amendment Bill: deliberations</p> <ul style="list-style-type: none"> The Department of Cooperative Governance (DCOG) and the South African Local Government Association (SALGA) briefed the Portfolio Committee on the comments that had been made on the Municipal Structures Amendment Bill. The Committee proposed that the definition of the MPAC should be broadened, and that it should be specific about holding municipal officials and municipal councillors to account. The Committee failed to understand why the MDB had objected to the removal of the reference to MDAs from the Structures Act, given that MDAs were no longer in existence and there were no plans to reinstate them. The Committee suggested that there needed to be some way to force the Speaker to make a determination for each vote as to whether or not there was a quorum in the room. One of the proposals was that the Speaker should be responsible for the performance of ward councillors. A Member had a problem with this proposal, saying it was not the job of the Speaker to determine whether councillors were doing their job. That was the job of the electorate.
05 December 2019	<p>Municipal Structures Amendment Bill: deliberations</p> <ul style="list-style-type: none"> The Committee had a problem with this amendment because it did not provide a constraint on the size of the deviation if there were more than 35 councillors, or if the area is more than 20 000 square kilometers. The Committee also had a problem with the removal of the “40 councillors” requirement for having a whip of council. The argument was that the position of whip of council was likely to become a full-time position, which would require funding, and small municipalities would not be able to afford this. The Committee was not happy with the idea of removing the qualification and leaving the decision entirely to the Minister, because there was a possibility that the decision could be influenced by political circumstances. Sticking to a number that was stated in the legislation was therefore better than leaving it to the discretion of the Minister. Other concerns raised by the Committee involved the timeframe for public notices on council meetings, informing the chief electoral officer about a vacancy, and investigations around the misconduct of councillors.
26 February 2019	<p>Municipal Systems Amendment Bill [B2-2019]: stakeholder engagement Day 1</p> <ul style="list-style-type: none"> The Committee was briefed by the Department of Cooperative Governance on the Municipal Systems Amendment Bill [B2-2019]. COGTA Gauteng indicated that it had met with COGTA National about the process to comply with the Constitutional Court judgement on the Municipal Systems Act Amendment Bill. The Committee heard that the application of Section 139 and the placing of a municipality under administration were also discussed. Another issue of concern was getting the concurrence of the Minister regarding the appointment of employees under Section 56. The Committee took cognizance of the fact that there were other issues regarding ambiguities in the legislation that needed to be cleared up and it was felt that it would be prudent to look at the entire Act and amend it as necessary. Additional amendments to the Municipal Systems Act Amendment Bill dealing with Section 54 A, Section 56, and Section 57 of the Bill were proposed and accepted. Members had concerns with the proviso of getting the concurrence of the Minister on appointments. Members wanted to check the reasons for the suggestion of 30 days instead of 14 days. Members asked if there was proof that municipalities were supplying the Department with wrong information. Members said the Councilors’ code of conduct should be amended to include a provision that prevented council from passing a resolution that is in conflict with the legislation. The Chairperson said that the 6th Parliament would be dealing with the additional proposed amendments.
27 February 2019	<p>Municipal Systems Amendment Bill [B2-2019]: stakeholder engagement Day 2</p> <ul style="list-style-type: none"> The Committee was briefed by the Western Cape Province and SALGA on the Local Government Municipal Systems Amendment Bill [B2-2019]. The Western Cape Province promised to submit more information, in writing, on all the problems in the Municipal Systems Act (MSA). For example it proposed amendments to clarify section 54A (7) (b) and that the secondment of people by the MEC to a manager directly accountable to the municipal manager position in a municipality is extended to positions of senior managers. It further proposed amendments to the political rights of municipal manager and managers directly accountable to the municipal manager. Members asked for more information on the document mentioned by SALGA in its presentation and felt professionalising local government by prohibiting political office bearers from filling any municipal post would be like treating local government as if it was the Independent Electoral Commission. Members said that in future SALGA had to look at the remuneration of councillors as it had taken two years to get to this point on such an important Bill. Members asked whether anything was done about the wrong tagging of the Bill as someone had to take responsibility for the wrong tagging.

3.8 SCOPA RESOLUTIONS

The following table indicates the dates and resolutions of SCOPA meetings

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
Date: 16 May 2018	Municipal Debt owed to Eskom: inputs by Eskom, CoGTA, SALGA, National Treasury	COGTA, detailed the support it is providing to municipalities to ensure that they are financially viable	<p>The IMTT was established to deal with Constitutional, Systemic and Structural Challenges in electricity reticulation. The scope was further extended to include bulk water related debt.</p> <p>The municipal position is that the current dispensation whereby Eskom reticulates and distributes electricity within a municipal boundary without a service delivery agreement (SDA) is in conflict with Section 156(1) of the Constitution.</p> <p>A contradictory view, which is held by Eskom is that “executive authority” is not defined in the Constitution and as such it does not imply an exclusive authority to municipalities on electricity distribution and reticulation.</p> <p>Government received a number of applications by different business bodies, against Eskom and certain municipalities, wherein the Ministers of Finance, CoGTA and the Presidency have also been cited as one of the respondents.</p>	<p>The Chairperson confirmed that the Committee had agreed to meet the top ten affected municipalities to hear from them why they had not been paying Eskom. It was clear that the problems were bigger than the finances.</p> <p>Standing Committee on Public Accounts noted the IMTT’s progress on the electricity constitutional matter between Eskom and Municipalities as well as the work of the advisory panel</p> <p>The Standing Committee on Public Accounts noted the IMTT’s progress on matters relating to structural and systemic challenges on electricity reticulation.</p> <p>Standing Committee on Public Accounts noted the level of debt that is consistently escalating and that the CoGTA MINMEC has requested Provinces to enforce the payment agreements and ensure that Municipalities demonstrate a commitment to do their part in this process.</p>
Date: 14 June 2018	Municipalities owing Eskom debt: Inter-Ministerial Task Team report	<p>COGTA briefed the Committee on the work of the IMTT and the Advisory Panel</p> <p>COGTA also briefed the Committee on the level of municipal debt to Eskom.</p>	<p>COGTA recommended that SCOPA notes:</p> <ul style="list-style-type: none"> ▪ The IMTT’s progress in addressing constitutional challenges relating to electricity reticulation and distribution. ▪ The level of municipal debt to Eskom that is consistently escalating. ▪ CoGTA MINMEC requested Provinces to enforce the payment agreements and ensure that municipalities demonstrate a commitment to do their part in this process. 	<p>Members sought more information on government debt to municipalities.</p> <p>The Committee also asked whether there is a possibility of financial bailouts to the struggling municipalities.</p> <p>The Committee also asked why NERSA was not part of the IMTT.</p> <p>The Committee requested the IMTT to provide regular reports on these matters.</p> <p>The Committee emphasised that the IMTT needed to get Eskom to stop interrupting electricity since the matter was being given priority.</p> <p>The Committee emphasised that municipalities had to honour their debts and their payment arrangements. The fact that both Parliament and government were intervening did not mean that they should relax and not pay their debts.</p> <p>Municipalities should also improve on their financial management processes and systems.</p>

3.9 PRIOR MODIFICATIONS TO AUDIT REPORTS

In 2018/19, the Department put the following mechanisms in place to resolve the matters reported by the AGSA in the previous (2017/18) financial year:

Nature of qualification on and matters of non-compliance	Financial year in which it first arose	Progress made in clearing/resolving the matter
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.	2013/14	Enforced the implementation of the Action Plan with turn-around times to ensure that invoices are paid within the 30-days. Achieved an average processing rate of 97 percent of invoices during the 2018/19 financial year.
Insufficient appropriate audit evidence for payments made to Community Work Programme (CWP) implementing agents as the Department could not provide accurate and complete substantiating records, as required by the contracts signed with implementing agents.	2015/16	<ul style="list-style-type: none"> The amounts that could not be substantiated were quantified and accordingly disclosed in the 2018/19 Annual Financial Statements. The assessment process will be done in 2019/20. <p>The Service Level Agreements with the newly appointed Non-Profit Institutions were amended to address previous findings.</p>
Insufficient 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	2015/16	<ul style="list-style-type: none"> Strengthening the CWP MIS system. Finalised the design phase of the web-based Information Management System (IMS) to replace the current system in collaboration with all key role-players. <p>Reviewed and finalised monthly CWP wage payment reconciliations for the 2018/19 financial years.</p>
<p>Management did not implement effective controls over daily and monthly processing and reconciling of transactions.</p> <p>Management did not prepare regular, accurate and complete financial and performance reports that were supported and evidenced by reliable information.</p>	2015/16	<ul style="list-style-type: none"> Progressive strengthening the monitoring and oversight over daily, monthly processing and reconciling of transactions. <p>Progressively strengthening the monitoring and oversight to ensure that complete and accurate quarterly Interim and Annual Financial Statements and Performance Reports are timeously completed.</p>
Disciplinary steps were not taken against officials who had incurred and/or permitted irregular expenditure as required by section 38(1)(h)(iii) of the PFMA.	2016/17	Letters were sent to the supervisors of the officials who incurred/permitted irregular expenditure to implement the necessary consequence management actions.
Leadership did not exercise adequate oversight responsibility regarding financial, performance reporting, compliance, and related internal controls. Oversight in respect of the Community Work Programme is of particular concern.	2016/17	Management monitored the implementation of the identified actions through meetings with the Branch, Internal Control Committee and the Top Management Committee (TMC).
Usefulness and reliability of the selected programmes	2016/17	<ul style="list-style-type: none"> The Department has put measures in place to ensure that targets in the 2019/20 Annual Performance Plan adhere to the smart criteria. Facilitated follow-up training of departmental role-players on planning, monitoring and evaluation. Facilitated, supported and monitored the implementation of the detailed Standard Operating Procedure for the Annual Performance Plan. Worked with Branches and Internal Audit Unit to strengthen oversight over quarterly performance reporting and supporting evidence. Worked with project managers to improve compliance to the Framework for Strategic Plans and Annual Performance Plans.
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 Public Finance Management Act.	2016/17	<ul style="list-style-type: none"> Facilitated, supported and monitored compliance to the integrated, comprehensive and complete checklist on all financial information to be disclosed in the Interim and Annual Financial Statements as per the MCS, supported by the Financial Statement Template issued by National Treasury, as amended.

Nature of qualification on and matters of non-compliance	Financial year in which it first arose	Progress made in clearing/resolving the matter
Material misstatements of payable, expenditure and disclosure items identified by the auditors in the submitted financial statements were subsequently corrected, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified audit opinion.		Facilitated and ensured the monthly sign-off of information by departmental roll-players and strengthen the verification and confirmation of information and calculations in collaboration with the respective departmental role-players to avoid misstatements.
Leadership did not monitor and enforce the timeous implementation of action plans developed to address internal control deficiencies.	2016/17	<ul style="list-style-type: none"> • In 2018/19, the Department, through its Governance Structures which meet monthly, continued to monitor and provide oversight on committed actions. • The Internal Audit unit verify and confirm progress with the implementation of the identified actions against the evidence provided by the relevant role-player. The confirmed progress is presented to the ICC and TMC meetings.
Management did not appropriately review and monitor compliance with applicable laws and regulations.	2016/17	<ul style="list-style-type: none"> • Progressively strengthening the capacity to monitor and enforce compliance to legislation, policies and delegations of authority through investigation of irregularities as well as the facilitation of consequence management actions, as required.

3.10 INTERNAL CONTROL UNIT

The Internal Control unit facilitated, to the extent possible, that the Department maintains an effective, efficient and transparent internal control system hosting of the Audit Steering Committee and the Internal Control Committee meetings during the year under review. The main functions performed by the Internal Control Unit covered the following areas:

- Facilitated the audit process.
- Managed the Loss Control activity.
- Safeguarded financial documents.
- Developed and monitored the Audit Implementation Action Plans (Integrated Management Tool).
- Facilitated consequence management on matters relating to non-compliance with policies and prescripts.

3.11 INTERNAL AUDIT AND AUDIT COMMITTEES

The Internal Audit Activity implemented the approved internal audit plan for the period under review and provided management as well as the Audit Committee with a comprehensive set of recommendations in order to improve the system of internal controls, risk management and governance processes. During the financial year under review, the Audit Committee met regularly to discharge its responsibilities arising from Section 77 of the Public Finance Management Act and Treasury Regulations 3.1.10. As such, quarterly progress reports were presented by management, internal audit and the Auditor-General of South Africa and these were promptly reviewed, and recommendations were provided to management with a view of improving the overall control environment of the Department. The Audit Committee further met with the Executive Authority to raise areas of concerns that could negatively impact the performance and the achievement of the objectives of the Department.

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 01 August 2016	N/A	8	8
Mr. E Cousins	BCom (Accounting) BCom (HONS) (AUD) Advanced Diploma in Public Administration	External	N/A	Member appointed on 01 August 2016	N/A	8	8

3.12 AUDIT COMMITTEE REPORT

We are pleased to present the Department of Cooperative Governance (DCOG) Annual Audit Committee Report for the financial year ended 31 March 2019. The Audit Committee is an independent statutory Committee appointed by the Accounting Officer, in consultation with the Executive Authority. The duties are delegated to the Audit Committee according to the approved Audit Committee Terms of Reference. This report includes these duties and responsibilities.

Audit Committee Responsibility

The Audit Committee (herein referred as the "Committee") reports that it has complied with its responsibilities arising from Section 38(1)(a)(ii) of the Public Finance Management Act (PFMA) and Treasury Regulation 3.1.13. The Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter; has regulated its affairs during the period under review in accordance with these terms of reference/Charter and has discharged all its responsibilities as contained therein.

Effectiveness of internal control systems

The Committee has observed that the overall control environment of the Department has not improved for the year under review when compared with the previous financial year. The Committee further notes that Management has not implemented all the agreed Management action plans proposed and emanating from the 2017/18 financial year prior to year-end, thereby affecting both internal audit and external auditor's findings. This conclusion is supported by the external audit process, which revealed that there was no improvement in the audit opinion.

Management and Monthly/Quarterly Report

The Committee notes that the Department has been reporting on a monthly and quarterly bases to the National Treasury as required by the PFMA, however, it seems that those reports have been inaccurate based on the conclusions of the Auditor-General of South Africa (AGSA). Management is thus implored to ensure that monthly and quarterly reports are checked for accuracy and completeness prior to reporting to the various stakeholders.

Internal Audit

The three-year rolling and annual internal audit plan was tabled and approved at the beginning of the financial year with 39 projects planned for execution. The Committee is satisfied that the plan represented a clear alignment with key Departmental risks and a sound balance across the different categories of audits, i.e. risk-based, mandatory, performance, computer and follow-up audits.

The internal audit conducted during the year focused on Interim and Annual Financial Statements, Quarterly and Annual Performance Information, Risk Management, Information and Records Management, Transfer Payments of Conditional and Unconditional Grants, Transfers to Entities, Supply Chain Management, Vulnerability Assessment, CWP Prepayments, CWP Compliance with SLA, CWP Training of Participants, CWP Site Visits and CWP Performance Audit. The results of those audits indicated overall control weaknesses and Management undertook to address those identified weaknesses through a comprehensive action plan. The Internal audit function remained independent during the year under review and had the standing and authority within the Department to enable it to execute its functions.

The internal audit function provided progress reports on a quarterly basis to the Committee. The progress reports provided status on the implementation of the audit plan, repeat findings and status on the implementation of recommendations and investigation reports. The progress reports also highlighted control weaknesses that management should attend to if the overall control environment is to improve.

Risk Management

The Committee is aware that the risk management process is receiving the required attention from Management. To this end, Management presented a strategic risk register during the first quarter of the period under review for consideration. Progress on the implementation of the strategic risk action plans as well as emerging risks were monitored on a quarterly basis. Such results were presented to the Committee for consideration. Although the Committee notes that there have been regular reports on risk management, there are areas that still need improvement in terms of integration of risk management with regard to the processes of the Department, identification of appropriate risks and mitigation thereof. Management should take full responsibility for the entire risk management process and continue to support the risk management function in order to enhance the performance of the Department.

Implementation of Corrective Actions

We have reviewed the Department's implementation plan for audit issues raised in the previous year and the Committee is concerned that most of the matters raised have not been resolved by the end of the 2018/19 financial year. This has led to the Department obtaining a disclaimer audit opinion. As such, the Committee concurs with and accepts the conclusions of AGSA on the Annual Financial Statements.

Evaluation of annual financial statements

The Committee has:

- Reviewed and discussed the unaudited and audited Annual Financial Statements to be included in the Annual Report with the AGSA and Management;
- Reviewed the Auditor-General's management report and Management responses;
- Reviewed any changes in accounting policies and practices;
- Reviewed the Department compliance with legal and regulatory provisions; and
- Reviewed the information on predetermined objectives to be included in the annual report.

The Committee was not satisfied with the quality of the Annual Financial Statements that were prepared and presented by Management. Despite the Department having submitted their draft Annual Financial Statements for auditing purposes, they were still not of a satisfactory standard due to the outstanding Community Works Programme inputs and the Committee provided this feedback to the Accounting Officer.

The Accounting Officer was of the opinion that a further delay would be unlikely to enhance the quality of the draft unaudited Annual Financial Statements and decided to submit at the end of June 2019.

As such, the Committee concurs with the conclusions of the AGSA on the Annual Financial Statements and other legal and regulatory matters.

External Audit

The Committee confirms that it met with the AGSA and that there were a number of unresolved issues between the AGSA and Management that affect the audit opinion. In the main, the unresolved issues pertain to the areas that led to the disclaimer of opinion as per AGSA's Audit Report. The Committee has urged Management and AGSA to continuously engage in an effort to resolve all the outstanding areas. This will ensure that there will be no recurrence of similar issues when the next audit cycle commences.



Mr. AF Sinthumule
Chairperson of the Audit Committee
Department of Cooperative Governance
Date: 21/11/2019

CHAPTER 4

PART D: HUMAN RESOURCE
MANAGEMENT



1.1 INTRODUCTION

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

The status of human resources in the Department during the financial year under review is as follows:

(a) Human resource priorities for the year under review and their impact:

Employee performance management: The Department implemented Performance Management System for all staff members on salary levels 1-16 for the 2017/18 financial year. During the assessment process, nine (9) members of the Senior Management Service (SMS) classified as “critical occupation”, received performance bonuses as follows: six (6) on Band A, and three (3) on Band B. Of the ninety-eight (98) qualifying members of the SMS, one (1) member of the SMS on Band B, did not submit assessment and therefore, forfeited performance rewards.

Training and Development: The Branches are annually requested to submit training and developments needs that will assist in achieving the Annual Performance Plan (APP) and the Operational Plans (OP) and future plans. The Department in the context of the submitted developmental needs, managed to facilitate thirty-two (32) Training programmes/courses and spent R2 155 911,6 including cost on technical training programmes organised by the different Branches.

Workforce planning and key strategies to attract and recruit a skilled and capable workforce: The Department is challenged to increase capacity due to financial constraints. Posts are only filled when the incumbent vacates, resigns or is transferred to another Department.

Employee wellness programmes: The sub-programme, through its programme Diversity and Employee Health and Wellness, provided employee health and wellness support such as health screening, health education, financial wellness and HIV and AIDS voluntary testing and counselling. The programme also partnered with the South African Blood Services (SANBS), Government Employees Medical Scheme (GEMS) and other health care providers to provide quality wellness service to employees.

Highlight achievements and challenges faced by the Department, as well as future human resource plans /goals: The Chief Directorate is challenged in acquiring skills for the Department because of financial constraints in the Compensation of Employees budget due to cost cutting measures.

HUMAN RESOURCES OVERSIGHT STATISTICS

4.1 Personnel Related Expenditure

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

- Amount spent on personnel
- Amount spent on salaries, overtime, homeowners' allowance and medical aid.

Table 4.1.1 Personnel expenditure by programme for the period 1 April 2018 and 31 March 2019

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	295 090	136 899	897	10 099	46,39	236
Regional and Urban Development and Rural Support	99 697	21 939	124	6 239	22,01	32
Institutional Development	61 125 942	35 400	232	110 838	0,06	57
National Disaster Management Centre	1 370 234	22 448	3 660	37 178	1,64	39
Local Government Support and Interventions Management	15 716 607	60 148	11	1 035	0,38	113
Community Work Programme	2 945 412	30 008	97 935	255 573	1,02	74
Total	81 552 982	306 842	102 859	420 962	0,38	551

Table 4.1.2 Personnel costs by salary band for the period 1 April 2018 and 31 March 2019

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Abnormal Appointment	3 530	1,11	6	588
Contract (Levels 13-16)	10 644	3,35	9	1 183
Contract (Levels 3-5)	1 706	0,54	3	569
Contract (Levels 6-8)	4 125	1,30	7	589
Contract (Levels 9-12)	9 502	2,99	8	1 188
Highly skilled production (Levels 6-8)	1 318	0,41	18	0
Highly skilled supervision (Levels 9-12)	43 643	13,74	118	370
Lower skilled (Levels 1-2)	97 157	30,59	139	699
Periodical Remunerations	9 817	3,09	12	818
Senior management (Levels 13-16)	122 839	38,67	102	1204
Skilled (Levels 3-5)	13 369	4,21	62	216
Total	317 650	100,00	484	656

Table 4.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2018 and 31 March 2019

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	114 250	39,7%	2 283	0,79%	2 647	0,92%	3 451	1,20%
Regional and Urban Development and Rural Support	19 101	6,6%	126	0,04%	363	0,13%	455	0,16%
Institutional Development	32 429	11,3%	201	0,07%	558	0,19%	650	0,23%
National Disaster Management Centre	19 855	6,9%	46	0,02%	289	0,10%	379	0,13%
Local Government Support and Interventions Management	53 269	18,5%	47	0,02%	671	0,23%	1 033	0,36%
Community Work Programme	24 137	8,4%	1 222	0,42%	748	0,26%	417	0,14%
Total	263 041	91%	3 925	1,4%	5 276	1,83%	6 385	2,22%

Table 4.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2018 and 31 March 2019

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
Abnormal Appointment	9 500	3,30%	796	0,28%	860	0,30%	953	0,33%
Contract (Levels 13-16)	33 464	11,62%	1799	0,62%	1 608	0,56%	2785	0,97%
Contract (Levels 3-5)	84 067	29,18%	818	0,28%	1 134	0,39%	1928	0,67%
Contract (Levels 6-8)	109 988	38,18%	0	0,00%	1 674	0,58%	719	0,25%
Contract (Levels 9-12)	1 540	0,53%	124	0,04%	0	0,00%	0	0,00%
Highly skilled production (Levels 6-8)	3 925	1,36%	110	0,04%	0	0,00%	0	0,00%
Highly skilled supervision (Levels 9-12)	8 808	3,06%	271	0,09%	0	0,00%	0	0,00%
Lower skilled (Levels 1-2)	10 417	3,62%	0	0,00%	0	0,00%	0	0,00%
Periodical Remunerations	1 312	0,46%	7	0,00%	-	0,00%	0	0,00%

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
Senior management (Levels 13-16)	-	0,00%	0	0,00%	0	0,00%	0	0,00%
Skilled (Levels 3-5)	20	0,01%	0	0,00%	0	0,00%	0	0,00%
Total	263 041	91,32%	3 925	1,36%	5 276	1,83%	6 385	2,22%

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 are any additional staff members 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 on 31 March 2018

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	239	224	6.30	21
Community Work Programme	18	16	5.60	0
Institutional Development	55	53	3.60	2
Local Government Support and Interventions Management	109	101	7.30	0
National Disaster Management Centre	30	27	10	1
Total	451	422	6.40	24

Table 4.2.2 Employment and vacancies by salary band as on 31 March 2018

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)	70	63	7	3
Highly skilled production (6-8)	122	119	2.50	7
Highly skilled supervision (9-12)	147	138	6.10	8
Senior management (13-16)	112	102	8.90	6
Total	451	422	6.40	24

4.3 Filling of SMS Posts

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

Table 4.3.1 SMS post information as on 31 March 2019

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	5	3	60	2	40
Salary Level 14	30	28	93	2	7
Salary Level 13	76	70	92	6	8
Total	112	102	91	10	9

Table 4.3.2 SMS post information as on 30 September 2018

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	5	3	60	2	40
Salary Level 14	30	28	93	2	7
Salary Level 13	76	69	91	7	9
Total	112	101	90	11	10

Table 4.3.3 Advertising and filling of SMS posts for the period 1 April 2018 and 31 March 2019

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	0	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	2	0	0
Salary Level 13	5	0	0
Total	7	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 2018 and 31 March 2019

Reasons for vacancies not advertised within six months
None

Reasons for vacancies not advertised within six months
<p>The post of Chief Director: Legislative Review and Drafting Services and Support was vacated on 1 February 2018. The post was advertised on 2 March 2018 with a closing date of 23 March 2018. Interviews were conducted and no suitable candidate was identified. The head-hunting process was initiated, and the interviews were held on 26 March 2019. The post is in the final stages of filling.</p> <p>The post of Chief Director: Intergovernmental Policy and Practice was vacated on 1 January 2019 and advertised on 8 February 2019 with a closing date of 1 March 2019.</p> <p>The post of Senior Auditor was vacated on 1 March 2019 and advertised on 29 March 2019 with a closing date of 23 April 2019.</p> <p>The post of Director: Spatial Planning Districts and Regions was vacated on 1 October 2018 and advertised on 2 November 2018 with a closing date of 23 November 2018. The filling of the post finalised and approval of the nominee granted on 19 March 2019. The post to be filled on 1 April 2019</p> <p>The post of Director: Contract Management was vacated on 1 July 2018 and advertised on 14 December 2018 with a closing date of 4 January 2019. The filling of the post finalised and approval of the nominee granted on 18 March 2019. The post to be filled on 1 May 2019</p> <p>The post of Director: Corporate Communication and Public Liaison was vacated on 1 January 2019 and advertised on 25 January 2019 with a closing date of 15 February 2019. The post is in the final stages of filling.</p> <p>The post of Deputy Director-General: Institutional Development was vacated on 1 February 2017 and advertised on 12 March 2017 with a closing date of 31 March 2017. An alternative recruitment process is currently underway.</p> <p>The post of Deputy Director-General: Community Work Programme was created in August 2015. The post was advertised numerous times without finalisation due to changes in top management. The post was recently re-advertised for the fourth time on 24 February 2019 with a closing date of 15 March 2019. The shortlisting process is currently underway.</p>

Table 4.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2018 and 31 March 2019

Reasons for vacancies not advertised within six months
<p>The post of Director: Performance Management, Limpopo was created on the structure in September 2017. The filling of the post has been suspended by the Director-General</p> <p>The post of Director: Performance Management: KwaZulu-Natal was vacated on 1 August 2018. The filling of the post was suspended by the Director-General.</p>

Reasons for vacancies not filled within six months
<p>The post of Chief Director: Legislative Review and Drafting Services and Support was vacated on 1 February 2018. The post was advertised on 2 March 2018 with a closing date of 23 March 2018. Interviews were conducted with no suitable candidate identified. The head-hunting process was initiated, and the interviews were held on 26 March 2019. The post is in the final stages of filling.</p> <p>The post of Director: Spatial Planning Districts and Regions was vacated on 1 October 2018 and advertised on 2 November 2018 with a closing date of 23 November 2018. The filling of the post finalised and approval of the nominee granted on 19 March 2019. The post was to be filled on 1 April 2019</p> <p>The post of Director: Contract Management was vacated on 1 July 2018 and advertised on 14 December 2018 with a closing date of 4 January 2019. The filling of the post was finalised and approval of the nominee granted on 18 March 2019. The post to be filled on 1 May 2019</p> <p>The post of Director: Performance Management, Limpopo was created on the structure in September 2017. The filling of the post was suspended by the Director-General.</p> <p>The post of Director: Performance Management: KwaZulu-Natal was vacated on 1 August 2018. The filling of the post was suspended by the Director-General.</p>

4.4 Job Evaluation

Within a nationally determined framework, executing authorities may evaluate or re-evaluate any job in their 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.

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)	73	1	1.4	0	0	0	0
Highly skilled production (Levels 6-8)	127	7	6	0	0	1	0.80
Highly skilled supervision (Levels 9-12)	155	18	12	0	0	0	0
Senior Management Service Band A	79	11	14	0	0	0	0
Senior Management Service Band B	32	2	6.3	0	0	0	0
Senior Management Service Band C	5	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	472	39	8.3	0	0	1	0.80

Table 4.4.1 Job Evaluation by Salary band for the period 1 April 2018 and 31 March 2019

The following table provides a summary of the number of employees whose positions were upgraded due to their posts 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 2018 and 31 March 2019

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

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

Table 4.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2018 and 31 March 2019

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation	
Chief Director	1	14	15	Buy offer	Chief Director
Total number of employees whose salaries exceeded the level determined by job evaluation					1
Percentage of total employed					0.21

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 2018 and 31 March 2019

Gender	African	Asian	Coloured	White	Total
Female	1	0	0	0	1
Male	0	0	0	0	0
Total	0	0	0	0	1
Employees with a disability	0	0	0	0	0

Total number of Employees whose salaries exceeded the grades determined by job evaluation	One
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4.5 Employment Changes

Employment Changes

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

Table 4.5.1 Annual turnover rates by salary band for the period 1 April 2018 and 31 March 2019

Salary band	Number of employees at beginning of period 1 April 2017	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 (Levels 3-5)	57	10	3	5
Highly skilled production (Levels 6-8)	118	3	7	6
Highly skilled supervision (Levels 9-12)	131	12	13	10
Senior Management Service Bands A	67	5	4	6
Senior Management Service Bands B	28	1	2	7
Senior Management Service Bands C	3	0	0	0
Senior Management Service Bands D	1	0	0	0
Contracts	69	26	39	57
Total	474	57	68	14

Table 4.5.2 Annual turnover rates by critical occupation for the period 1 April 2018 and 31 March 2019

Critical occupation	Number of employees at beginning of period - April 2017	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Senior Management Services	99	7	8	8
Total	99	7	8	8

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 2018 and 31 March 2019

Termination Type	Number	% of Total Resignations
Death	0	0
Resignation	12	19
Expiry of contract	39	55
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	2	4
Transfer to other Public Service Departments	15	22
Other	0	0
Total	68	100
Total number of employees who left as a % of total employment	136	14

Table 4.5.4 Promotions by critical occupation for the period 1 April 2018 and 31 March 2019

Occupation	Employees 1 April 2018	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	99	1	0.20	76	77
Total	99	1	0.20	76	77

Table 4.5.5 Promotions by salary band for the period 1 April 2018 and 31 March 2019

Salary Band	Employees 1 April 2018	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	1.8	45	79
Highly skilled production (Levels 6-8)	118	1	1	81	69
Highly skilled supervision (Levels 9-12)	131	8	6	105	80
Senior Management (Level 13-16)	99	1	2	76	77
Total	405	11	3	307	76

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 2019

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	115	3	5	7	106	2	5	11	254
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	56	3	0	1	95	2	1	10	168
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	15	0	0	0	8	0	0	0	23
Labourers and Related Workers	0	0	0	0	0	0	0	0	0
Total	186	6	5	8	209	4	6	21	445
Employees with disabilities	2	0	0	1	3	0	0	0	8

Table 4.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2019

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	4	0	0	0	0	0	0	0	4
Senior Management	42	2	5	4	37	0	2	10	102
Professionally qualified and experienced specialists and mid-management	67	1	2	3	70	2	2	3	150
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	38	2	0	1	86	2	1	10	140
Semi-skilled and discretionary decision making	26	0	0	0	30	0	0	0	56
Unskilled and defined decision making	15	0	0	0	7	0	0	0	22
Total	192	5	7	8	230	4	5	23	474

Table 4.6.3 Recruitment for the period 1 April 2018 to 31 March 2019

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	4	1	0	0	4	0	0	0	9
Professionally qualified and experienced specialists and mid-management	8	0	0	0	10	0	0	0	18
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	8	0	0	0	5	0	0	0	13
Semi-skilled and discretionary decision making	7	0	0	0	10	0	0	0	17
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	27	1	0	0	29	0	0	0	57
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 4.6.4 Promotions for the period 1 April 2018 and 31 March 2019

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

Table 4.6.5 Terminations for the period 1 April 2018 to 31 March 2019

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	2	0	1	0	4	0	0	1	8
Professionally qualified and experienced specialists and mid-management	10	0	1		10	1	0	0	22
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	7	0	0	0	16	0	0	0	23
Semi-skilled and discretionary decision making	6	0	0	0	9	0	0	0	15
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	25	0	2	0	39	1	0	1	68
Employees with Disabilities	0	0	0	0	0	0	0	0	0

Table 4.6.6 Disciplinary action for the period 1 April 2018 and 31 March 2019

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Misrepresentation	0	0	0	0	0	0	0	0	0
Fraud and Dishonesty	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0

Table 4.6.7 Skills development for the period 1 April 2018 and 31 March 2019

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	17	1	5	1	18	0	0	1	43
Professionals	52	1	0	0	35	0	0	0	88
Technicians and associate professionals	85	0	0	0	173	0	9	8	275
Clerks	20	0	0	0	90	0	0	3	113
Service and sales workers	11	0	0	1	1	0	0	0	13
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	4	0	0	0	4
Elementary occupations	5	0	0	0	9	0	0	0	14
Labourers and Related Workers	0	0	0	0	0	0	0	0	0
Employees with disabilities	0	0	0	0	3	0	0	0	3
Total	190	2	5	2	330	0	9	12	550

4.7 Signing of Performance Agreements by SMS Members

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

Table 4.7.1 Signing of Performance Agreements by SMS members as on 31 May 2018

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	100%
Salary Level 15	4	3	3	100%
Salary Level 14	31	27	27	100%
Salary Level 13	76	67	67	100%
Total	112	98	98	100%

Table 4.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2019

Reasons
Not applicable

Table 4.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2019

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 (see definition in notes below).

Table 4.8.1 Performance Rewards by race, gender and disability for the period 1 April 2018 and 31 March 2019

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	59	167	35,30	R1 322 696,00	R22 418 576,00
Female	96	201	47,80	R1 902 807,00	R19 820 906,00
Asian					
Male	3	6	50	R155 847,00	R51 949 000,00
Female	1	4	25	R18 129,00	R18 129 000,00
Coloured					
Male	3	5	60	R63 694,00	R21 231 333,00
Female	1	3	33	R12 127,00	R12 127 000,00
White					
Male	3	8	37,50	R107 542,00	R35 847 333,00
Female	11	22	50,00	R227 008,00	R20 637 091,00
Total	177	416	42,50	R3 809 850,00	R21 524 576,00

Table 4.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2018 and 31 March 2019

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 (Levels 3-5)	11	54	20,40	R98 155,00	R8 923 182,00	11
Highly Skilled Production (Levels 6-8)	74	124	59,70	R954 818,00	R12 902 946,00	74
Highly Skilled Supervision (Levels 9-12)	83	144	57,60	R2 203 903,00	R26 553 048,00	83
Total	168	322	52,20	R3 256 876,00	R19 386 167,00	168

Table 4.8.3 Performance Rewards by critical occupation for the period 1 April 2017 and 31 March 2018

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Senior Managers	9	94	9,60	R552 974,00	R61 441 556,00
Total	90	94	9,60	R552 974,00	R61 441 556,00

Table 4.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2018 and 31 March 2019

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	6	66	9,10	R367 947,00	R61 324 500,00	6
Band B	3	28	10,70	R185 027,00	R61 675 666,70	3
Band C	0	3	0,00	R0,00	R0,00	0
Band D	0	1	0	R0,00	R0,00	0
Total	9	98	19,80	R552 974,00	R61 441 555,60	9

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 2018 and 31 March 2019

Salary band	01 April 2018		31 March 2019		Change	
	Number	% of total	Number	% of total	Number	% Change
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)	0	0	0	0	0	0
Highly Skilled Supervision (Levels 9-12)	0	0	0	0	0	0
Senior Management (Levels 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 2018 and 31 March 2019

Major occupation	01 April 2018		31 March 2019		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 2018 to 31 December 2018

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 (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	278	61	51	14	5	219
Highly Skilled Production (Levels 6-8)	709	59	111	31	6	981
Highly Skilled Supervision (Levels 9 -12)	793	72	121	34	7	1 998
Top and Senior Management (Levels 13-16)	513	93	77	21	7	2 256
Total	2 293	73	360	100	6	5 454

Table 4.10.2 Disability leave (temporary and permanent) for the period 1 January 2018 to 31 December 2018

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)	3	100	1	3.7	3	3
Highly skilled production (Levels 6-8)	188	100	9	33.4	21	278
Highly skilled supervision (Levels 9-12)	388	100	12	44.4	32	843
Senior management (Levels 13-16)	71	100	5	18.5	7	313
Total	650	100	27	100	24	1 437

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 2018 to 31 December 2018

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)	1 487	84	18
Highly skilled production (Levels 6-8)	3 291	158	21
Highly skilled supervision (Levels 9-12)	3 713	175	21
Senior management (Levels 13-16)	2 728	135	20
Total	11 219	552	20

Table 4.10.4 Capped leave for the period 1 January 2018 to 31 December 2018

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 2018
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	2	1	2	34
Highly skilled production (Levels 6-8)	0	0	0	10
Highly skilled supervision (Levels 9-12)	7	2	4	45
Senior management (Levels 13-16)	7	2	4	47
Total	16	5	3	37

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 2017 and 31 March 2018

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay-outs for 2017/18 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave pay-outs on termination of service for 2017/18	0	0	0
Current leave pay-outs on termination of service for 2017/18	792	33	24
Total	792		24

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 and 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 (indicate on the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter I 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. Budget is provided in the Chief Directorate: Human Capital Management when required.

Table 4.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
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 employees 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 management) HIV and Aids awareness and Testing Financial wellness Blood Donation Sports and recreation (netball, netball sporting codes and athletics club)
4. Has the Department established committee(s) as contemplated in Part VI E.5 (e) of Chapter I 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 NEHAU, and 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
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: <ul style="list-style-type: none"> 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 and 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 you achieved.	Yes		Voluntary Counselling and testing is hosted twice a year during health screening with additional screenings during blood donation drives. A total of 144 employees translating to 90 (females) and 54 (males) tested during wellness sessions. Additional 82 tested during blood donation drives.
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: <ul style="list-style-type: none"> 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 2017 and 31 March 2018

Subject matter	Date
None	Not applicable

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

Table 4.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2018 and 31 March 2019

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	1	50%
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	0	0
Total	2	100%
Total number of Disciplinary hearings finalised		100%

Table 4.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2018 and 31 March 2019

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	1	50%
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	0	0
Total	2	100%
Total number of Disciplinary hearings finalised		100%

Table 4.12.4 Grievances lodged for the period between 1 April 2017 and 31 March 2018

Type of misconduct	Number	% of total
Dishonesty	1	100%
Misrepresentation	0	0
Total	1	100%

Table 4.12.5 Disputes lodged with Councils for the period 1 April 2017 and 31 March 2018

Grievances	Number	% of Total
Number of grievances resolved	3	43%
Number of grievances not resolved	4	57%
Total number of grievances lodged	7	100%

Table 4.12.6 Strike actions for the period 1 April 2017 and 31 March 2018

Disputes	Number	% of Total
Number of disputes upheld	0	0
Number of disputes pending	4	40%
Number of disputes dismissed	6	60%
Total number of disputes lodged	10	100%

Table 4.12.7 Precautionary suspensions for the period 1 April 2017 and 31 March 2018

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

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

4.13 Skills Development

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

Table 4.13.1 Training needs identified for the period 1 April 2017 and 31 March 2018

Occupational category	Gender	Number of employees as at 1 April 2018	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	46	0	10	0	10
	Male	56	0	11	0	11
Professionals	Female	31	0	2	0	2
	Male	26	0	13	0	13
Technicians and associate professionals	Female	109	0	51	0	51
	Male	102	0	35	0	35
Clerks	Female	75	0	42	0	42
	Male	18	0	11	0	11
Service and sales workers	Female	1	0	0	0	0
	Male	12	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	1	0	3	0	3
Elementary occupations	Female	6	0	7	0	7
	Male	9	0	8	0	8
Sub Total	Female	268	0	112	0	112
	Male	224	0	81	0	81
Total		492	0	193	0	193

Table 4.13.2 Training provided for the period 1 April 2018 and 31 March 2019

Occupational Category	Gender	Number of employees as at 1 April 2018	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	46	0	19	3	46
	Male	56	0	24	2	56
Professionals	Female	31	0	35	2	31
	Male	26	0	53	4	26
Technicians and associate professionals	Female	109	0	190	9	109
	Male	102	0	85	6	102
Clerks	Female	75	0	93	13	75
	Male	18	0	20	14	18
Service and sales workers	Female	1	0	1	0	1
	Male	12	0	12	0	12
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	4	0	0
	Male	1	0	0	0	1
Elementary occupations	Female	6	0	9	1	6
	Male	9	0	5	0	9
Sub Total	Female	268	0	351	28	268
	Male	224	0	199	26	224
Total		492	0	550	54	492

4.14 Injury on Duty

The following tables provide basic information on injury on duty.

Table 4.14.1 Injury on duty for the period 1 April 2018 and 31 March 2019

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

4.15 Utilisation of Consultants

The following tables present 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:

- The rendering of expert advice;
- The drafting of proposals for the execution of specific tasks; and
- 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 2018 and 31 March 2019

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Appointment of a service provider to provide additional internal audit services	11	522	R6 098 202
Appointment of a service provider for implementation of the local government anti-corruption strategy as well as the municipal integrity framework.	2	522	R1 788 716
Review of the national framework for municipal indigent policy and guideline for implementation of municipal indigent policies for a period of 24 months	12	522	R4 610 247

Table 4.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2018 and 31 March 2019

Potential bidders are no longer required to submit this information, they only submit the BBBEE Contributor Certificates or Sworn Affidavit in terms of Preferential Procurement Regulations, 2017 and Codes of Good Practice on Black Economic Empowerment.

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

Table 4.15.3 Report on consultant appointments using Donor funds for the period 1 April 2018 and 31 March 2019

No tenders were awarded using donor funding.

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

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
N/A	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 2018 and 31 March 2019

No tenders were awarded using donor funding.

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

4.16 Severance Packages

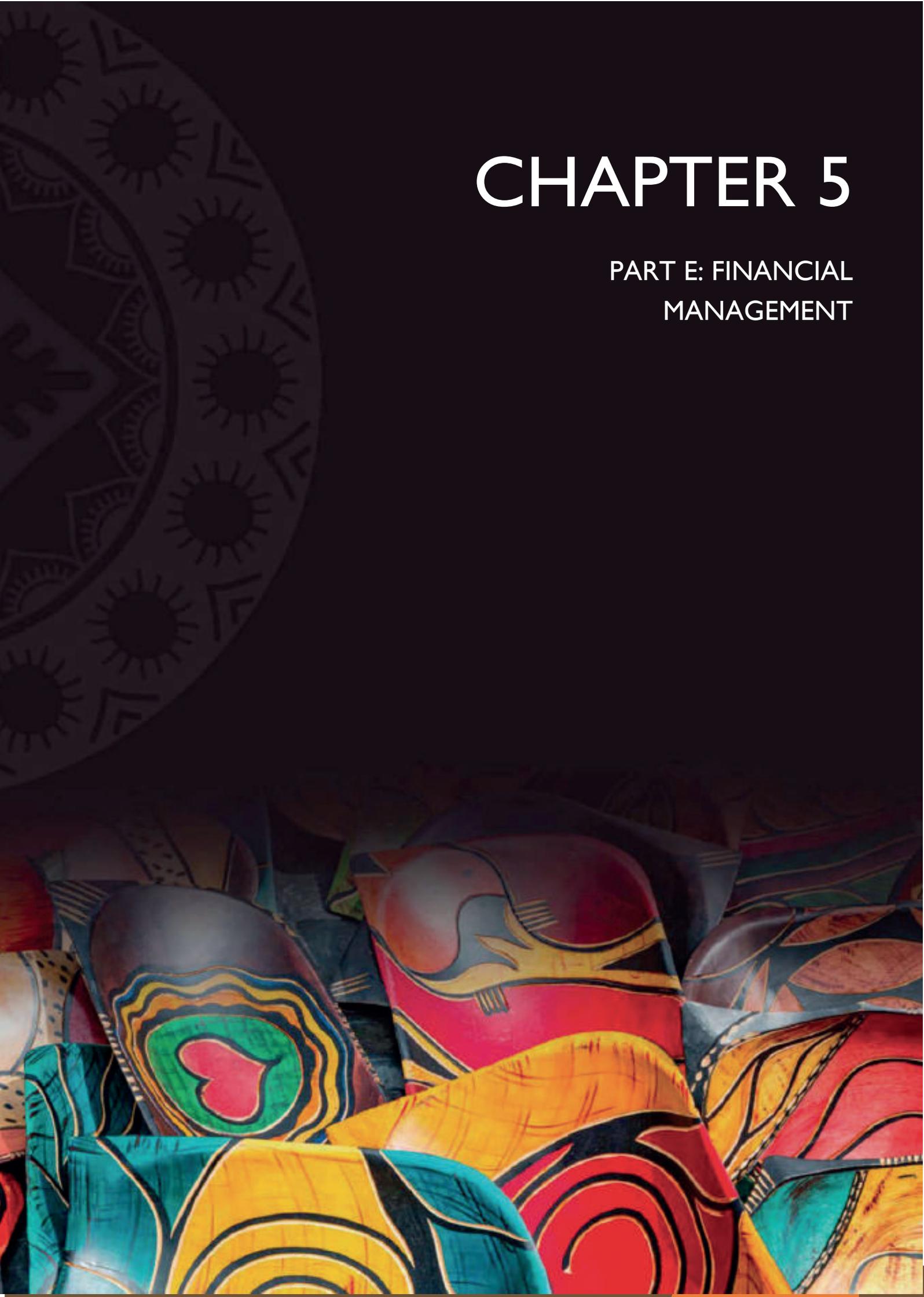
Table 4.16.1 Granting of employee initiated severance packages for the period 1 April 2018 and 31 March 2019

Salary band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by the Department
Lower Skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0
Highly Skilled Production (Levels 6-8)	0	0	0	0
Highly Skilled Supervision (Levels 9-12)	0	0	0	0
Senior Management (Levels 13-16)	0	0	0	0
Total	0	0	0	0

No Severance Packages were granted during, for the reported period

CHAPTER 5

PART E: FINANCIAL
MANAGEMENT



REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO. 04: DEPARTMENT OF COOPERATIVE GOVERNANCE

Report on the audit of the financial statements

Disclaimer of opinion

1. I was engaged to audit the financial statements of the Department of Cooperative Governance set out on pages 124 to 232, which comprise the appropriation statement, the statement of financial position as at 31 March 2019, the statement of official performance, statement of changes in net assets and cash flow statement for the year ended as well as the notes to the financial statements, including a summary of significant accounting policies.
2. I do not express an opinion on the financial statements of the Department. Because of the significance of the matters described in the basis for the disclaimer of opinion section of this auditor's report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

Goods and Services

3. I was unable to obtain sufficient appropriate audit evidence for payments made to Community Work Programme (CWP) implementing agents as the Department could not provide accurate and complete substantiating records for payments made for goods and services purchased and some material invoices were not recorded on the financial statements, as required by the contracts, signed with implementing agents. In addition I could not obtain sufficient appropriate audit evidence for payments, made to CWP participants as the Department could not provide accurate and complete timesheets. Some participants could not be verified, and payments were made to deceased participants who are employed by the state. I could not confirm the amounts by alternate means. Consequently, I was unable to determine whether any adjustment to goods and services at R3 594 986 000 (2018: R3 308 147 000) in note 6 to the financial statements was necessary.

Movable tangible capital assets

4. I was unable to obtain sufficient appropriate audit evidence for Movable assets. I was unable to obtain sufficient appropriate audit evidence that management had properly accounted for movable tangible capital CWP assets and minor assets, due to the status of the accounting records could not trace the assets from the asset register to the floor and I could not trace assets selected from the floor to the asset register because of no unique identification information. I was unable to confirm these assets by alternative by means. Consequently, I was unable to determine whether any adjustments were necessary to movable tangible capital assets stated at R227 970 000 (2018: R67 906 000) and minor assets stated at R49 853 000 (2018: R37 480 000) in note 29 to the financial statements.

Prepayment and advances

5. I was unable to obtain sufficient appropriate audit evidence for prepayment audit disclosed in note 12 to the financial statement. The department made an advance payment to the implementing agents which no relevant supporting evidence were obtained at year end to clear the prepayment for which funds were already spend by implementing agents. I was unable to confirm these prepayments by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the prepayment stated at R188 720 000 in the financial statements.

Accruals and payables not recognised

6. The Department did not have adequate systems to maintain records of accounts payable for goods and services received but not yet paid for. This resulted in accruals being understated by R63 322 200. In addition, I was unable to obtain sufficient appropriate audit evidence for the amounts disclosed as accruals. I could not confirm accruals by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to accruals stated at R147 487 000 in the financial statements in note 21 to the financial statements.

Irregular expenditure

7. I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figure for irregular expenditure and the corresponding prior period error. As described in note 24 and note 33 to the financial statements was made to rectify prior year misstatements, but the restatements could not be substantiated by supporting audit evidence. I was unable to confirm the Irestatements by alternative means. Consequently, I was unable to determine whether any adjustments was necessary to the irregular expenditure figure stated at R1 260 532 000 (2018: R1 861 883) in the financial statements.

Emphasis of matters

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

Assets under investigation

With reference to note 29 to the financial statements, the Department has disclosed assets under investigation to the value of R13 594 000 (2018: R43 132 000). The amount disclosed in the current year has reduced without the auditors being supplied with the appropriate audit evidence to support the reduction. The ultimate 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.

Restatement of corresponding figures

9. As disclosed in note 33 to the financial statements, the corresponding figures for 31 March 2018 were restated as a result of errors in the financial statements of the Department for the year ended at, and for the year ended, 31 March 2019.

Other matter

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

Unaudited supplementary schedules

10. The supplementary information set out on pages 231 to 266 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 on them

Responsibilities of accounting officer for the financial statements

11. The accounting officer is responsible for the preparation and fair presentation of the financial statements, in accordance with the Modified Cash Standard (MCSI) prescribed by National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and such internal control as the accounting office determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
12. In preparing the financial statements, the accounting officer is responsible for assessing the Department of Cooperative Governance ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the Department or to cease operations, or has no realistic alternative but to do so.

Auditor-Generals. Responsibilities for the audit of the financial statements

13. My responsibility is to conduct an audit of the financial statements in accordance with the International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the basis for disclaimer of opinion section of the auditors' report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.
14. I am independent of the Department in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of ethics for professional accountants. (IESBA code), part 1 and 3 of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) and the ethical requirements that are relevant to my audit of the financial statements in South Africa. I have fulfilled my other ethical responsibilities in accordance with these Requirements and the IESBA codes.

Report on the audit of the annual performance report

Introduction and scope

15. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof. I have the 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.
16. My procedures address the reported performance information, which must be based on the approved performance planning documents of the Department. I have 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.

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON VOTE NO.4 DEPARTMENT OF COOPERATIVE GOVERNANCE for the year ended 31 March 2019

17. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance of the Department for the year ended 31 March 2019

Programme	Pages in the annual financial performance report
Programme 2 – REGIONAL AND URBAN DEVELOPMENT AND LEGISLATIVE SUPPORT	51 - 56
Programme 3 – INSTITUTIONAL DEVELOPMENT	57 - 64
Programme 6 – COMMUNITY WORK PROGRAMME	75 - 78

18. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the appropriate performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

19. The material findings in respect of the usefulness and reliability of the selected programmes are as follows:

Programme 2 - Regional and Urban Development and Legislative Support

Support programmes implemented in selected intermediate cities

20. The achievement for target Support programmes implemented in 4 identified cities by 31 March 2019 reported in the annual performance report was support programme implemented in 4 identified intermediate cities namely Polokwane, uMhlathuze, Sol Plaatje and Drakenstein. However, the supporting evidence provided did not agree to the reported achievement and indicated an achievement of support programme implemented in 2 identified cities namely Polokwane and uMhlathuze.

Programme 3 - Institutional Development

21. I was unable to obtain sufficient appropriate audit evidence for the reported achievements in the annual performance report of the indicators listed below. This was due to a lack of technical indicator descriptions proper performance management systems and processes with formal standard operating procedures that predetermined how the achievement would be measured, monitored and reported. I was. Unable to confirm that the reported achievements of these Indicators were reliable by alternative means. Consequently, I was unable to determine whether any adjustments were required: to the reported achievements.

Indicator Description	Reported achievement
Number of municipalities with functional ward committees	100 municipalities supported to have functional ward committees
Number of municipalities supported to institutionalise community complaints management processes'	80 municipalities to institutionalise community complaints management processes

Number of reports on the appointment of senior managers concluded in-line with the MSA regulations

22. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of target 4 reports on the appointments of senior managers concluded in line with the MSA regulations by 31 March 2019. This was due to limitations placed on the scope of my work due to inaccurate evidence provided. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the Achieved 4 reports on the appointments of senior managers concluded in line with the MSA regulations by 31 March 2019 as reported in the annual performance report.

Programme 6 - Community Work Programme

Number of work opportunities provided by target date

23. I was unable to obtain appropriate audit evidence to support the reported achievement of target 241 960 work opportunities provided by 31 March 2019. This was due to inadequate technical indicator descriptions, proper performance management systems and processes and documented system descriptions that predetermined how the achievement would be measured, monitored and reported. I was unable to confirm the reported achievement of the indicator by alternate means. Consequently, I was unable to determine whether any adjustments were required to the achievement of 241 960 work opportunities provided by 31 March 2019 as reported in the annual performance report.

Number of CWP participants trained by target date

24. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of target 24 196 CWP participants trained by 31 March 2019. This was due to supporting registers provided for audit purposes not agreeing to actual reported performance. I was unable to confirm the reported, achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievement of 16 033 CWP participants trained by 31 March 2019 as reported in the annual performance report.

Other matters

25. I draw attention to the matters below.

Achievement of planned targets

26. Refer to the annual performance report on pages 27 to 78 for information on the achievement of planned targets for the year and explanations provided for the under achievement of a number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 20 to 24 of this report.

Adjustment of material misstatements

27. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of programme 6: Community Work Programme. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

28. In accordance with the PAA 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.
29. The material findings on compliance with specific matters in key legislation as follows:

Annual financial statements, performance and annual reports

30. Financial statements were not submitted for auditing within two months after the end of financial year, as required by section 40(1)(c)(i) of the PFMA.
31. 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. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were corrected but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a disclaimer opinion.

Expenditure management

32. Effective internal controls were not in place for approval and processing of payments, as required by treasury regulation 8.1.1. The non-compliance resulted in a material irregularity as reported in the section on material irregularities.
33. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation a.2-3.

Consequence management

34. Disciplinary steps were not taken against the officials who had incurred or permitted irregular expenditure, as required by section 38(1)(t) .(iii) of the PFMA. This non-compliance was identified in the procurement processes of the CWP.

Other information

35. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
36. 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 therein.
37. In connection with my audit, my responsibility is to read on 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.
38. As a result of the disclaimer of opinion expressed on the financial statements, I do not conclude on material misstatements of the other information relating to the financial statements. If, based on the work I have performed relating to the audit of performance information and compliance with legislation, I conclude that there is a material misstatement of this other information, I am required to report that I have nothing to report in this regard.

Internal control deficiencies

39. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the disclaimer of opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.
40. Leadership were not always effective in positively influencing good governance as there was inadequate and insufficient oversight to ensure compliance with key laws and regulations, effective action plans to address prior year findings and reliable financial and performance reporting supported by appropriate audit evidence
41. Management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial end performance reporting.
42. Management did not implement controls over daily and monthly processing and recording of transactions.
43. Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidence by reliable information.

Material Irregularities

45. In accordance with the PAA and the material irregularities regulations, I have responsibility to report on material irregularities identified during the audit.
46. The material irregularities identified are as follows:

Transfer Payment to incorrect recipient for Municipal Infrastructure Grant (MIG)

47. The Department incorrectly made a Municipal Infrastructure Grant payment total of R183 450 000.00 to a supplier on the central payment system with a similar name instead of Greater Sekhukhune District Municipality in July and August 2018 as effective internal controls were not in place for the approval and processing of payments as required by treasury regulations 8.1.1.
48. The Department is likely to incur a material financial loss of R1 047 163 as the amount was still not recovered at year end, as disclosed in note 13 of the financial statements.
49. The accounting officer committed to strengthening controls to prevent similar incidents in the future and has reported the matter to the Special Commercial Crimes Unit (Hawks) and the Special Investigations Unit (SIU) for further investigation. A case number was received from the Hawks on 28 January 2019. Furthermore, the department's internal Audit Unit is also investigating the matter to determine the disciplinary steps required.
50. I will follow up on the investigation and the implementation of the planned actions taken including disciplinary steps and on criminal cases arising from the investigation during my next audit.

Payments for services not received - Deceased participants on CWP

51. Payments were made in 2018-19 through the CWP to deceased participants, as effective internal controls were not in place for the approval processing of payments, as required by treasury regulations 8.1.1.
52. The non-compliance is likely to result in a material financial loss not recovered.
53. The accounting officer commenced with the appointment of a service provider to investigate and quantify the financial loss incurred and confirmed that appointment will be finalised by 31 October 2019. The accounting officer further plans to recover the financial losses from implementing agents and institute disciplinary steps against the relevant officials, where applicable.

54. I will follow up on the investigation and the implementation of the planned actions taken including disciplinary steps and financial recovery, arising from the outcome of the investigation during my next audit.

Payments to non-qualifying government employees on the CWP

55. Payments were made in 2018-19 through the CWP to non-qualifying government employees who were further paid by the relevant Department where they are employed, as effective internal controls were not in place for the approval and processing of payments, as required by treasury regulations 8.1.1.
56. The non-compliance is likely to result in a material financial loss, if not recovered.
57. The accounting officer commenced with the appointment of a service provider to investigate and quantify the financial loss incurred and confirmed that appointment will be finalised by 31 October 2019. The accounting officer further plans to recover the financial losses from implementing agents as to institute disciplinary steps against the relevant officials, were applicable.
58. I will follow up on the investigation and the implementation of the actions taken including disciplinary steps and financial recovery arising from the outcome of the investigation, during my next audit.

Prepayments for goods and services that were not received at CWP sites

59. The Department made quarterly advance payments to implementing agents on the CWP without the required evidence that previous advance payments were spent correctly resulting in payments being made for goods and services that were not received at the CWP sites, as effective internal controls were not in place for the approval and processing of payments as required by treasury regulations 8.1.1.
60. The non-compliance is likely to result in a material financial loss, if not recovered.
61. The Department has commenced with a reconciliation of information from the implementing agents and has committed to clearing the prepayments in the 2018-19 financial statements by 31 January 2020. Any amount that cannot be substantiated by the implementing agents will be recovered from the respective implementing agent's next payable project management fee tranche. Some implementing agents have been referred to internal audit for investigation.
62. I will follow up on the investigation and the implementation of the planned actions taken including disciplinary steps and financial recovery arising from the outcome of the investigation, during my next audit.

Project management fees paid to implementing agents for services not received - 2018

63. The Department made project management payments to the implementing agents for the CWP whose contract started on 1 April 2014 and ended on 31 March 2018 with inadequate evidence to justify such payments since inception of the contract and resulting in payments for services not received as effective internal controls were not in place for the approval and processing of payments as required by treasury regulations 8.1.1.
64. The non-compliance is likely to result in a material financial loss, if not recovered.
65. The accounting officer indicated that, an investigation will be conducted to assess the exact magnitude of the loss that resulted from payments for project management over the contract period and recover the financial losses from implementing agents. Appointments of the investigators will be finalised by 31 October 2019. The Department will also institute the disciplinary steps against the relevant officials were applicable.
66. I will follow up on the investigation and the implementation of the planned actions taken including disciplinary steps and financial recovery arising from the outcome of the investigation, during my next audit.

Project management fees aid to implementing agents for services not received - 2019

67. The Department made a project management payment to the implementing agents for the CWP whose contract started on 1 April 2018 and will end in March 2021 with inadequate evidence to justify such payments and resulted in payments for services not received, as effective internal controls were not in place or the approval and processing of payments as required by treasury regulations 8.1.1.
68. The non-compliance is likely to result in a material financial loss, if not recovered.
69. The accounting officer indicated that, an investigation will be conducted to assess the exact magnitude of the loss that resulted from payments for project management fees for the current year and the loss will be assessed and recouped from the relevant parties after conclusion of the investigation and the Department over the contract period and recover the financial losses from implementing agents. Appointment of the investigators be finalised by 31 October 2019. The Department will also institute the disciplinary steps against the relevant officials where applicable.
70. I will follow up on the investigation and the implementation of the actions taken including disciplinary steps and financial recovery arising from the outcome of the investigation during my next audit.

Auditor-General

Pretoria

22/10/2019



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNUAL FINANCIAL STATEMENTS FOR THE DEPARTMENT OF COOPERATIVE GOVERNANCE

**For the year ended
31 March 2019**

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APPROPRIATION STATEMENT for the year ended 31 March 2019

Appropriation per programme									
2018/19								2017/18	
	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
Programme	-	-	-	-	-	-	-	-	-
Administration	278 456	-	20 530	298 986	293 785	5 201	98,3%	262 496	260 405
Regional and Urban Development and Legislative Support	104 375	-	(4 500)	99 875	99 739	136	99,9%	248 553	232 397
Institutional Development	63 114 736	-	3 202	63 117 938	61 120 171	1 997 767	96,8%	57 358 921	55 899 113
National Disaster Management Centre	1 967 668	-	(4 952)	1 962 716	1 370 257	592 459	69,8%	544 051	492 439
Local Government Support and Intervention Management	15 708 073	-	(1 700)	15 706 373	15 705 790	583	100,0%	16 408 608	16 361 922
Community Work Programme	3 863 703	-	(12 580)	3 851 123	3 328 642	522 481	86,4%	3 641 261	3 115 766
Subtotal	85 037 011	-	-	85 037 011	81 918 384	3 112 828	96,3%	78 463 890	76 362 043

APPROPRIATION STATEMENT for the year ended 31 March 2019

	2018/19				2017/18	
	Final Appropriation	Actual Expenditure			Final Appropriation	Actual Expenditure
TOTAL (brought forward)	-	-			-	-
Reconciliation with statement of financial performance	-	-			-	-
	-	-			-	-
ADD	-	-			-	-
Departmental receipts	44 580	-			1 661	-
NRF Receipts	-	-			-	-
Aid assistance	-	-			-	-
Actual amounts per statement of financial performance (total revenue)	85 081 591	-			78 465 551	-
ADD	-	-			-	-
Aid assistance	-	-			-	-
Prior year unauthorised expenditure approved without funding	-	-			-	-
Actual amounts per statement of financial performance (total expenditure)	-	81 918 384			-	76 362 043

APPROPRIATION STATEMENT for the year ended 31 March 2019

Appropriation per economic classification									
	2017/18							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	4 495 342	(43 063)	-	4 452 279	3 901 829	550 450	87,7%	4 238 343	3 596 203
Compensation of employees	310 025	-	-	310 025	306 841	3 184	99,0%	307 753	288 058
Salaries and wages	274 189	2 879	-	277 068	275 459	1 609	99,4%	278 417	259 954
Social contributions	35 836	(2 879)	-	32 957	31 382	1 575	95,2%	29 336	28 104
Goods and services	4 185 317	(43 063)	-	4 142 254	3 594 988	547 266	86,9%	3 930 584	3 308 139
Administrative fees	12 246	6 315	1 952	20 513	18 656	1 857	91,0%	9 353	9 302
Advertising	4 740	143	-	4 883	4 529	354	92,8%	6 101	3 506
Minor assets	1 790	2 313	-	4 103	3 998	105	97,4%	15 104	6 949
Audit costs: External	14 249	(1 404)	-	12 845	12 492	353	97,3%	15 555	15 514
Bursaries: Employees	7 137	(865)	-	6 272	1 223	5 049	19,5%	1 928	1 927
Catering: Departmental activities	9 421	(321)	(1 000)	8 100	6 524	1 576	80,5%	8 745	3 702
Communication	14 406	(9 861)	-	4 545	3 807	738	60,7%	7 042	3 715
Computer services	46 770	16 124	-	62 894	28 677	34 217	45,6%	55 370	33 303
Consultants: Business and advisory services	217 079	212 051	(4 452)	424 678	401 738	22 940	96,0%	405 050	287 770
Infrastructure and planning services	-	-	-	-	-	-	-	1 700	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	152	(152)	-	-	-	-	-	-	-
Legal services	6 550	3 045	3 000	12 595	11 037	1 558	87,6%	7 054	7 054
Contractors	2 921 761	1 875	(3 000)	2 920 636	2 585 456	335 180	88,5%	2 552 076	2 440 195
Agency and support / outsourced services	658	(581)	-	77	35	42	45,5%	883	-
Entertainment	37	(19)	-	18	-	18	-	22	-

APPROPRIATION STATEMENT for the year ended 31 March 2019

Appropriation per economic classification									
	2017/18							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Fleet services	2 989	1 834	-	4 823	4 793	30	99,4%	3 167	2 822
Housing	-	-	-	-	-	-	-	6	-
Inventory: Clothing material and supplies	-	1 712	-	1 712	1 712	-	100,0%	-	-
Inventory: Farming supplies	-	9 323	-	9 323	9 323	-	100,0%	-	-
Inventory: Food and food supplies	937	(715)	-	222	222	-	100,0%	-	-
Inventory: Fuel, oil and gas	697	2 344	-	3 041	3 022	19	99,4%	390	380
Inventory: Learner and teacher support material	576	(395)	-	181	181	-	100,0%	-	-
Inventory: Materials and supplies	671 837	(536 314)	-	135 523	11 689	123 834	8,6%	305 200	-
Inventory: Medical supplies	20	(20)	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	5	-	5	5	-	100,0%	-	-
Inventory: Other supplies	900	(584)	-	316	119	197	37,7%	681	-
Consumable supplies	5 089	226 145	-	231 234	227 438	3 796	98,4%	230 136	220 027
Consumable: Stationery, printing and office supplies	18 564	(5 774)	-	12 790	4 327	8 463	33,8%	22 311	5 080
Operating leases	57 533	(9 134)	-	48 399	46 745	1 654	94,7%	41 349	38 882
Property payments	6 573	14 244	4 500	25 317	25 317	-	100,0%	25 279	25 278
Transport provided: Departmental activity	326	150	-	476	476	-	100,0%	-	-
Travel and subsistence	50 589	10 771	(1 000)	60 360	57 122	3 238	94,6%	47 175	39 691
Training and development	103 812	14 929	-	118 741	117 799	942	99,2%	157 260	154 349
Operating payments	1 834	1 441	-	3 275	3 120	155	95,3%	4 576	4 111

APPROPRIATION STATEMENT for the year ended 31 March 2019

Appropriation per economic classification									
	2017/18							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Venues and facilities	6 016	(1 863)	-	4 153	3 202	951	77,0%	6 993	4 504
Rental and hiring	29	175	-	204	204	-	100,0%	78	78
Interest and rent on land	-	-	-	-	-	-	-	6	6
Interest	-	-	-	-	-	-	-	6	6
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	80 533 862	1 849	-	80 535 711	77 971 531	2 564 180	96,8%	74 181 705	72 747 717
Provinces and municipalities	79 922 163	(80)	-	79 922 083	77 359 186	2 562 897	96,8%	73 493 070	72 094 572
Provinces	339 895	6	-	339 901	138 988	200 913	40,9%	82 361	82 361
Provincial Revenue Funds	339 895	6	-	339 901	138 988	200 913	40,9%	22	22
Provincial agencies and funds	-	-	-	-	-	-	-	82 339	82 339
Municipalities	79 582 268	(86)	-	79 582 182	77 220 198	2 361 984	97,0%	73 410 709	72 012 211
Municipal bank accounts	79 582 268	(86)	-	79 582 182	77 220 198	2 361 984	97,0%	73 410 709	72 012 211
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	594 430	-	-	594 430	594 430	-	100,0%	622 920	622 920
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	594 430	-	-	594 430	594 430	-	100,0%	622 920	622 920
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	1 946	(374)	-	1 572	289	1 283	18,4%	1 841	1 190
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT for the year ended 31 March 2019

Appropriation per economic classification									
	2017/18							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	14 878	374	-	15 252	15 252	-	100,0%	17 972	17 972
Households	445	1 929	-	2 374	2 374	-	100,0%	45 902	11 063
Social benefits	245	1 739	-	1 984	1 984	-	100,0%	243	242
Other transfers to households	200	190	-	390	390	-	100,0%	45 659	10 820
Payments for capital assets	7 757	40 762	-	48 519	44 522	3 997	91,8%	43 658	17 939
Buildings and other fixed structures	-	-	-	-	-	-	-	315	315
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	315	315
Machinery and equipment	7 757	40 762	-	48 519	44 522	3 997	91,8%	43 343	17 624
Transport equipment	1 990	742	-	2 732	2 286	446	83,7%	1 195	1 195
Other machinery and equipment	5 767	40 020	-	45 787	42 236	3 551	92,2%	42 148	16 430
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT for the year ended 31 March 2019

Appropriation per economic classification									
	2017/18							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	50	452	-	452	452	-	100,0%	184	184
	85 037 011	-	-	85 037 011	81 918 384	3 118 627	96,3%	78 463 890	76 362 043
Sub-programme									
Ministry	36 488	5 083	500	42 071	42 071	-	100,0%	32 041	32 040
Management	18 447	691	-	19 138	18 995	143	99,2%	18 563	18 543
Corporate Services	126 606	(1 988)	11 000	135 618	135 171	447	99,7%	124 787	123 898
Financial Services	35 421	(6 280)	4 530	33 671	30 797	2 875	91,5%	30 617	30 616

APPROPRIATION STATEMENT for the year ended 31 March 2019

Programme I: Administration									
2018/19								2017/18	
	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
Internal Audit and Risk Management	12 972	1 452	-	14 424	12 687	1 737	88,0%	9 045	7 866
Office Accommodation	48 522	1 042	4 500	54 064	54 064	-	100,0%	47 443	47 442
Total for Sub-programmes	278 456	-	20 530	298 986	293 785	5 201	98,3%	262 496	260 405
Economic classification									
Current payments	273 083	(4 491)	20 580	289 172	286 127	3 045	98,9%	256 281	254 272
Compensation of employees	130 825	-	5 080	135 905	135 350	555	99,6%	125 163	124 030
Salaries and wages	117 261	(766)	5 080	121 575	121 020	555	99,5%	112 319	111 299
Social contributions	13 564	766	-	14 330	14 330	-	100,0%	12 844	12 730
Goods and services	142 258	(4 491)	15 500	153 267	150 777	2 490	98,4%	131 118	130 242
Administrative fees	1 969	(88)	-	1 881	1 870	11	99,4%	714	700
Advertising	2 111	(886)	-	1 225	1 145	80	93,5%	2 822	2 822
Minor assets	1 075	(660)	-	415	403	12	97,1%	254	245
Audit costs: External	9 199	(2 531)	-	6 668	6 315	353	94,7%	9 124	9 116
Bursaries: Employees	2 013	(1 163)	-	850	850	-	100,0%	621	621
Catering: Departmental activities	4 669	(2 294)	-	2 375	1 445	930	60,8%	1 096	1 096
Communication	7 108	(5 068)	-	2 040	1 925	115	94,4%	2 398	1 803
Computer services	4 799	14 191	-	18 990	18 884	106	99,4%	20 510	20 500
Consultants: Business and advisory services	10 138	(4 039)	4 000	10 099	9 625	474	95,3%	3 588	3 588
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	105	(105)	-	-	-	-	-	-	-
Legal services	4 992	265	3 000	8 257	8 257	-	100,0%	833	833

APPROPRIATION STATEMENT for the year ended 31 March 2019

Programme I: Administration									
2018/19								2017/18	
	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
Contractors	820	(1 667)	4 000	3 153	3 150	3	99,9%	204	203
Agency and support / outsourced services	453	(453)	-	-	-	-	-	-	-
Entertainment	17	(17)	-	-	-	-	-	-	-
Fleet services	2 115	1 868	-	3 983	3 983	-	100,0%	2 553	2 553
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	937	(937)	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	608	(266)	-	342	330	12	96,2%	135	134
Inventory: Learner and teacher support material	576	(576)	-	-	-	-	-	-	-
Inventory: Materials and supplies	1	(1)	-	-	-	-	-	-	-
Inventory: Medical supplies	20	(20)	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	36	(13)	-	23	3	20	13,0%	-	-
Consumable supplies	867	173	-	1 040	1 029	11	98,9%	687	687
Consumable: Stationery, printing and office supplies	3 641	(1 517)	-	2 124	2 062	62	97,1%	2 919	2 919
Operating leases	55 026	(14 034)	-	40 992	40 992	-	100,0%	35 206	34 974
Property payments	6 573	13 837	4 500	24 910	24 910	-	100,0%	25 268	25 267
Transport provided: Departmental activity	326	(326)	-	-	-	-	-	-	-

APPROPRIATION STATEMENT for the year ended 31 March 2019

Programme I: Administration									
2018/19								2017/18	
	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
Travel and subsistence	16 611	4 707	-	21 318	21 071	247	98,8%	15 271	15 269
Training and development	1 455	(558)	-	897	891	6	99,3%	1 611	1 611
Operating payments	1 316	(107)	-	1 209	1 209	-	100,0%	2 419	2 418
Venues and facilities	2 653	(2 278)	-	375	327	48	87,0%	2 860	2 857
Rental and hiring	29	72	-	101	101	-	100,0%	25	25
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	165	1 401	-	1 566	1 566	-	100,0%	220	139
Provinces and municipalities	106	(86)	-	20	20	-	100,0%	103	22
Provinces	-	-	-	-	-	-	-	22	22
Provincial Revenue Funds	-	-	-	-	-	-	-	22	22
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	106	(86)	-	20	20	-	100,0%	81	-
Municipal bank accounts	106	(86)	-	20	20	-	100,0%	81	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT for the year ended 31 March 2019

Programme I: Administration									
2018/19								2017/18	
	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
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	59	1 487	-	1 546	1 546	-	100,0%	117	117
Social benefits	59	1 487	-	1 546	1 546	-	100,0%	60	60
Other transfers to households	-	-	-	-	-	-	-	57	57
Payments for capital assets	5 158	2 716	(50)	7 824	5 668	2 156	72,4%	5 811	5 810
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	5 158	2 715	(50)	7 824	5 668	2 156	72,4%	5 811	5 810
Transport equipment	1 990	(1 544)	-	446	-	446	-	1 195	1 195
Other machinery and equipment	3 168	4 260	(50)	7 378	5 668	1 710	76,8%	4 616	4 616
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT for the year ended 31 March 2019

Programme I: Administration									
2018/19								2017/18	
	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
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Payments for financial assets	50	374	-	424	424	-	100,0%	184	184
Total	278 456	-	20 530	298 986	293 785	5 201	98,3%	262 496	260 405

APPROPRIATION STATEMENT for the year ended 31 March 2019

Programme 2: Regional and Urban Development and Legislative Support									
2018/19								2017/18	
	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	1 414	(344)	(1 000)	70	1	69	1,4%	1 547	703
Local Government Legislative Support and Institutional Establishment	6 329	(299)	(1 000)	5 030	4 973	57	98,9%	5 616	5 272
Urban Development Planning	13 098	912	-	14 010	14 010	-	100,0%	17 535	9 558
Spatial Planning Districts and Regions	11 527	545	(2 200)	9 872	9 862	10	99,9%	11 246	7 445
Intergovernmental Policy and Practice	7 086	(814)	(300)	5 972	5 972	-	100,0%	8 314	5 124
Municipal Demarcation Transition Grant	-	-	-	-	-	-	-	139 714	139 714
Municipal Demarcation Board	55 568	-	-	55 568	55 568	-	100,0%	57 631	57 631
South African Cities Network	9 353	-	-	9 353	9 353	-	100,0%	6 950	6 950
Total for Sub-programmes	104 375	-	(4 500)	99 875	99 739	136	99,9%	248 553	232 397
Economic classification									
Current payments	39 454	(14)	(4 500)	34 940	34 804	136	99,6%	44 258	28 102
Compensation of employees	21 997	-	-	21 997	21 939	58	99,7%	20 412	16 810
Salaries and wages	19 526	(171)	-	19 355	19 618	(263)	101,4%	18 239	14 902
Social contributions	2 471	171	-	2 642	2 321	321	87,9%	2 173	1 908
Goods and services	17 457	(14)	(4 500)	12 943	12 865	78	99,4%	23 846	11 292
Administrative fees	81	153	-	234	234	-	100,0%	166	165
Advertising	167	(123)	-	44	-	44	-	175	66
Minor assets	167	(139)	-	28	-	28	-	157	-
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	907	365	(1 000)	272	169	103	62,1%	480	157
Communication	1 357	(1 116)	-	241	217	24	90,0%	596	222
Computer services	793	(756)	-	37	37	-	100,0%	542	145
Consultants: Business and advisory services	6 242	2 497	(2 500)	6 239	6 121	118	98,1%	14 725	5 551

APPROPRIATION STATEMENT for the year ended 31 March 2019

Programme 2: Regional and Urban Development and Legislative Support									
	2018/19							2017/18	
	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
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	7	-	-	7	-	7	-	3	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	18	-
Fleet services	51	(26)	-	25	10	15	40,0%	43	15
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	2	34	-	36	36	-	100,0%	19	18
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	13	(13)	-	-	-	-	-	10	-
Consumable supplies	290	(281)	-	9	6	3	66,7%	275	2
Consumable: Stationery, printing and office supplies	1 559	(1 058)	-	501	248	253	49,5%	978	270
Operating leases	79	(79)	-	-	-	-	-	75	-
Property payments	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT for the year ended 31 March 2019

Programme 2: Regional and Urban Development and Legislative Support									
2018/19								2017/18	
	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
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	4 998	(628)	(1 000)	3 370	4 135	(765)	122,7%	3 244	2 918
Training and development	342	(218)	-	124	39	85	31,5%	475	284
Operating payments	208	(118)	-	90	25	65	27,8%	196	10
Venues and facilities	194	1 492	-	1 686	1 588	98	94,2%	1 669	1 468
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	64 921	-	-	64 921	64 921	-	100,0%	204 295	204 295
Provinces and municipalities	-	-	-	-	-	-	-	139 714	139 714
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	139 714	139 714
Municipal bank accounts	-	-	-	-	-	-	-	139 714	139 714
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	55 568	-	-	55 568	55 568	-	100,0%	57 631	57 631
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	55 568	-	-	55 568	55 568	-	100,0%	57 631	57 631
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT for the year ended 31 March 2019

Programme 2: Regional and Urban Development and Legislative Support									
2018/19								2017/18	
	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
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	9 353	-	-	9 353	9 353	-	100,0%	6 950	6 950
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT for the year ended 31 March 2019

Programme 2: Regional and Urban Development and Legislative Support									
2018/19								2017/18	
	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
Payments for financial assets	-	14	-	14	14	-	100,0%	-	-
Total	104 375	-	(4 500)	99 875	99 739	136	99,9%	248 553	232 397

APPROPRIATION STATEMENT for the year ended 31 March 2019

Programme 3: Institutional Development									
2018/19								2017/18	
	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	2 493	(948)	-	1 545	1 242	303	80,4%	1 857	1 461
Municipal Human Resources Management Systems	10 203	(172)	3 652	13 683	13 455	228	98,3%	9 538	8 409
Municipal Finance	25 955	2 600	(500)	28 055	27 433	622	97,8%	13 296	8 567
Citizen Engagement	7 304	270	-	7 574	7 266	308	95,9%	9 134	8 023
Anti-Corruption and Good Governance	6 674	1 327	50	8 051	8 051	-	100,0%	6 055	6 023
Municipal Property Rates	11 958	(3 077)	-	8 881	8 881	-	100,0%	7 641	6 853
Local Government Equitable Share	62 731 845	-	-	62 731 845	60 757 889	1 973 956	96,9%	57 012 141	55 613 725
South African Local Government Association	33 100	-	-	33 100	33 100	-	100,0%	31 300	31 300
Municipal Systems Improvement Grant	115 116	-	-	115 116	93 749	21 367	81,4%	103 249	50 647
Department of Traditional Affairs	163 306	-	-	163 306	163 306	-	100,0%	152 506	152 506
United Cities and Local Government of Africa	6 782	-	-	6 782	5 800	982	85,5%	12 204	11 600
Total for Sub-programmes	63 114 736	-	3 202	63 117 938	61 120 172	1 997 766	96,8%	57 358 921	55 899 113
Economic classification									
Current payments	155 797	(28)	3 152	158 921	136 401	22 520	85,8%	150 210	89 469
Compensation of employees	36 521	-	(500)	36 021	35 399	622	98,3%	30 557	29 451
Salaries and wages	32 266	567	(500)	32 333	31 711	622	98,1%	27 154	26 432
Social contributions	4 255	(567)	-	3 688	3 688	-	100,0%	3 403	3 019
Goods and services	119 276	(28)	3 652	122 900	101 002	21 898	82,2%	119 653	60 018
Administrative fees	101	(1 803)	1 952	250	249	1	99,6%	221	211
Advertising	160	38	-	198	198	-	100,0%	18	-
Minor assets	185	(125)	-	60	15	45	25,0%	128	8
Audit costs: External	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT for the year ended 31 March 2019

Programme 3: Institutional Development									
2018/19								2017/18	
	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
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	1 538	(878)	-	660	549	111	83,2%	914	544
Communication	1 772	(1 436)	-	336	332	4	98,8%	1 318	290
Computer services	-	-	-	-	-	-	-	191	191
Consultants: Business and advisory services	98 955	10 183	1 700	110 838	89 451	21 387	80,7%	106 986	52 849
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	2 180	-	2 180	2 180	-	100,0%	-	-
Contractors	3 601	(3 550)	-	51	-	51	-	288	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	816	(787)	-	29	14	15	48,3%	333	27
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	75	(33)	-	42	37	5	88,1%	23	23

APPROPRIATION STATEMENT for the year ended 31 March 2019

Programme 3: Institutional Development									
2018/19								2017/18	
	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
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	2	(2)	-	-	-	-	-	2	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	36	(1)	-	35	-	35	-	30	-
Consumable supplies	-	15	-	15	15	-	100,0%	10	10
Consumable: Stationery, printing and office supplies	2 348	(2 216)	-	132	44	88	33,3%	1 144	429
Operating leases	95	(95)	-	-	-	-	-	39	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	8 080	(583)	-	7 497	7 384	113	98,5%	6 876	5 217
Training and development	318	(86)	-	232	215	17	92,7%	298	14
Operating payments	118	212	-	330	319	11	96,7%	299	207
Venues and facilities	1 076	(1 061)	-	15	-	15	-	535	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT for the year ended 31 March 2019

Programme 3: Institutional Development									
2018/19								2017/18	
	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
Transfers and subsidies	62 958 839	-	-	62 958 839	60 983 600	1 975 239	96,9%	57 208 711	55 809 644
Provinces and municipalities	62 755 061	-	-	62 755 061	60 781 105	1 973 956	96,9%	57 012 141	55 613 725
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	62 755 061	-	-	62 755 061	60 781 105	1 973 956	96,9%	57 012 141	55 613 725
Municipal bank accounts	62 755 061	-	-	62 755 061	60 781 105	1 973 956	96,9%	57 012 141	55 613 725
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	196 406	-	-	196 406	196 406	-	100,0%	183 806	183 806
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	196 406	-	-	196 406	196 406	-	100,0%	183 806	183 806
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	1 946	(374)	-	1 572	289	1 283	18,4%	1 841	1 190
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT for the year ended 31 March 2019

Programme 3: Institutional Development									
	2018/19							2017/18	
	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
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	5 426	374	-	5 800	5 800	-	100,0%	10 923	10 923
Households	-	-	-	-	-	-	-	-	-
Social benefits	-	-	-	-	-	-	-	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	100	-	50	150	142	8	94,7%	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	100	-	50	150	142	8	94,7%	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	100	-	50	150	142	8	94,7%	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	28	-	28	28	-	100,0%	-	-
Total	63 114 736	-	3 202	63 117 938	61 120 971	1 991 968	96,8%	57 358 921	55 899 113

APPROPRIATION STATEMENT for the year ended 31 March 2019

Programme 4: National Disaster Management Centre									
2018/19								2017/18	
	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: Head of Disaster	4 101	(447)	-	3 654	3 176	478	86,9%	5 719	4 833
Disaster Risk Reduction, Capacity Building and Intervention	51 592	(229)	(4 952)	46 411	45 401	1 010	97,8%	51 268	10 360
Legislation and Policy Management	6 352	(141)	-	6 211	6 010	201	96,8%	6 087	5 658
Integrated Provincial Disaster Management Support, Monitoring and Evaluation Systems	3 405	(161)	-	3 244	3 243	1	100,0%	4 273	2 166
Fire Services	3 259	326	-	3 585	3 585	-	100,0%	4 236	3 332
Information Technology, Intelligence and Information Management Systems	19 648	652	-	20 300	18 472	1 828	91,0%	22 608	16 231
Disaster Relief Grant	672 871	-	-	672 871	122 678	550 193	18,2%	423 713	423 712
Municipal Disaster Recovery Grant	1 206 440	-	-	1 206 440	1 167 692	38 748	96,8%	26 147	26 147
Total for Sub-programmes	1 967 668	-	(4 952)	1 962 716	1 370 257	592 459	69,8%	544 051	492 439
Economic classification									
Current payments	85 759	(14)	(4 952)	80 793	79 103	1 690	97,9%	91 430	41 172
Compensation of employees	21 883	-	1 000	22 883	22 448	435	98,1%	29 715	20 386
Salaries and wages	18 188	1 221	1 000	20 409	20 173	236	98,8%	27 520	18 333
Social contributions	3 695	(1 221)	-	2 474	2 275	199	92,0%	2 195	2 053
Goods and services	63 876	(14)	(5 952)	57 910	56 655	1 255	97,8%	61 709	20 781
Administrative fees	68	131	-	199	198	-	100,0%	202	187
Advertising	66	139	-	205	170	35	82,9%	494	471
Minor assets	164	3	-	167	147	20	88,0%	161	58
Audit costs: External	50	(50)	-	-	-	-	-	-	-
Bursaries: Employees	75	298	-	373	373	-	100,0%	1 307	1 307
Catering: Departmental activities	410	(108)	-	302	302	-	100,0%	528	435

APPROPRIATION STATEMENT for the year ended 31 March 2019

Programme 4: National Disaster Management Centre									
2018/19								2017/18	
	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
Communication	551	(107)	-	444	444	-	100,0%	642	424
Computer services	2 142	2 057	-	4 199	4 199	-	100,0%	4 448	4 008
Consultants: Business and advisory services	53 736	(10 606)	(5 952)	37 178	36 261	917	97,5%	42 598	3 828
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	295	(264)	-	31	31	-	100,0%	165	-
Agency and support / outsourced services	205	(128)	-	77	35	42	45,5%	-	-
Entertainment	6	-	-	6	-	6	-	2	-
Fleet services	7	109	-	116	116	-	100,0%	132	126
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	36	-	36	36	-	100,0%	28	27
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT for the year ended 31 March 2019

Programme 4: National Disaster Management Centre									
2018/19								2017/18	
	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
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	597	(587)	-	10	10	-	100,0%	489	-
Consumable supplies	144	(41)	-	103	103	-	100,0%	29	26
Consumable: Stationery, printing and office supplies	319	888	-	1 207	1 038	169	86,0%	678	568
Operating leases	323	5 093	-	5 416	5 416	-	100,0%	4 050	3 841
Property payments	-	317	-	317	317	-	100,0%	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	4 157	(503)	-	3 654	3 654	-	100,0%	3 548	3 548
Training and development	329	1 992	-	2 321	2 321	-	100,0%	1 101	971
Operating payments	70	899	-	969	968	1	99,9%	786	751
Venues and facilities	162	418	-	580	516	65	88,8%	268	152
Rental and hiring	-	-	-	-	-	-	-	53	53
Interest and rent on land	-	-	-	-	-	-	-	6	6
Interest	-	-	-	-	-	-	-	6	6
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	1 879 410	6	-	1 879 416	1 290 475	588 941	68,7%	450 205	450 204
Provinces and municipalities	1 879 311	6	-	1 879 317	1 290 376	588 941	68,7%	449 860	449 859
Provinces	339 895	6	-	339 901	138 988	200 913	40,9%	82 339	82 339
Provincial Revenue Funds	339 895	6	-	339 901	138 988	200 913	40,9%	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	82 339	82 339
Municipalities	1 539 416	-	-	1 539 416	1 151 388	388 028	74,8%	367 521	367 520

APPROPRIATION STATEMENT for the year ended 31 March 2019

Programme 4: National Disaster Management Centre									
2018/19								2017/18	
	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
Municipal bank accounts	1 539 416	-	-	1 539 416	1 151 388	388 028	74,8%	367 521	367 520
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	99	-	-	99	99	-	100,0%	99	99
Households	-	-	-	-	-	-	-	246	246
Social benefits	-	-	-	-	-	-	-	44	44
Other transfers to households	-	-	-	-	-	-	-	202	202

APPROPRIATION STATEMENT for the year ended 31 March 2019

Programme 4: National Disaster Management Centre									
2018/19								2017/18	
	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
Payments for capital assets	2 499	-	-	2 499	671	1 828	26,9%	2 416	1 063
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 499	-	-	2 499	671	1 828	26,8%	2 416	1 063
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	2 499	-	-	2 499	671	1 828	26,8%	2 416	1 063
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	8	-	8	8	-	100,0%	-	-
Total	1 967 668	-	(4 952)	1 962 716	1 370 257	592 459	69,8%	544 051	492 439

APPROPRIATION STATEMENT for the year ended 31 March 2019

Programme 5: Local Government Support and Intervention Management									
2018/19								2017/18	
	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	3 471	(200)	-	3 271	2 937	334	89,8%	3 302	2 400
Municipal Performance Monitoring	6 901	5 879	(500)	12 280	12 280	-	100,0%	58 842	22 129
Local Government Improvement Programme	29 477	(3 294)	(1 000)	25 183	25 167	16	99,9%	25 280	22 944
Litigations and Interventions	3 455	(2 756)	(200)	499	499	-	100,0%	12 352	7 782
Municipal Infrastructure Administration	34 628	371	-	34 999	34 766	233	99,3%	36 097	33 933
Municipal Infrastructure Grant	15 287 685	-	-	15 287 685	15 287 685	-	100,0%	15 891 252	15 891 252
Municipal Infrastructure Support Agent	342 456	-	-	342 456	342 456	-	100,0%	381 483	381 483
Total for Sub-programmes	15 708 073	-	(1 700)	15 706 373	15 705 790	583	100,0%	16 408 608	16 361 922
Economic classification									
Current payments	77 702	(213)	(1 700)	75 789	75 206	583	99,2%	90 354	78 507
Compensation of employees	60 647	-	-	60 647	60 147	500	99,2%	63 251	58 740
Salaries and wages	55 171	(1 054)	-	54 117	53 951	166	99,7%	56 845	52 660
Social contributions	5 476	1 054	-	6 530	6 196	334	94,9%	6 406	6 080
Goods and services	17 055	(213)	(1 700)	15 142	15 059	83	99,5%	27 103	19 767
Administrative fees	-	447	-	447	447	-	100,0%	563	554
Advertising	54	(54)	-	-	-	-	-	28	-
Minor assets	98	(96)	-	2	2	-	100,0%	91	5
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	782	820	-	1 602	1 602	-	100,0%	1 310	867
Communication	2 739	(2 189)	-	550	529	21	96,2%	738	572
Computer services	-	1 105	-	1 105	1 105	-	100,0%	952	952

APPROPRIATION STATEMENT for the year ended 31 March 2019

Programme 5: Local Government Support and Intervention Management									
	2018/19							2017/18	
	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
Consultants: Business and advisory services	6 083	(3 348)	(1 700)	1 035	991	44	95,7%	4 273	474
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	47	(47)	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	6 221	6 221
Contractors	79	(51)	-	28	28	-	100,0%	74	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	2	(2)	-	-	-	-	-	2	-
Fleet services	-	45	-	45	45	-	100,0%	67	67
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	12	86	-	98	98	-	100,0%	119	119
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	5	-	5	5	-	100,0%	-	-
Inventory: Other supplies	76	30	-	106	106	-	100,0%	17	-
Consumable supplies	63	(6)	-	57	57	-	100,0%	68	16

APPROPRIATION STATEMENT for the year ended 31 March 2019

Programme 5: Local Government Support and Intervention Management									
2018/19								2017/18	
	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
Consumable: Stationery, printing and office supplies	847	(613)	-	234	234	-	100,0%	1 096	647
Operating leases	21	(19)	-	2	-	2	-	99	-
Property payments	-	-	-	-	-	-	-	11	11
Transport provided: Departmental activity	-	476	-	476	476	-	100,0%	-	-
Travel and subsistence	5 181	3 478	-	8 659	8 659	-	100,0%	9 963	8 503
Training and development	534	(523)	-	11	11	-	100,0%	387	35
Operating payments	19	430	-	449	449	-	100,0%	716	699
Venues and facilities	418	(203)	-	215	199	16	92,6%	308	26
Rental and hiring	-	16	-	16	16	-	100,0%	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	15 630 371	190	-	15 630 561	15 630 561	-	100,0%	16 318 206	16 283 367
Provinces and municipalities	15 287 685	-	-	15 287 685	15 287 685	-	100,0%	15 891 252	15 891 252
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	15 287 685	-	-	15 287 685	15 287 685	-	100,0%	15 891 252	15 891 252
Municipal bank accounts	15 287 685	-	-	15 287 685	15 287 685	-	100,0%	15 891 252	15 891 252
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	342 456	-	-	342 456	342 456	-	100,0%	381 483	381 483

APPROPRIATION STATEMENT for the year ended 31 March 2019

Programme 5: Local Government Support and Intervention Management									
2018/19								2017/18	
	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
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	342 456	-	-	342 456	342 456	-	100,0%	381 483	381 483
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	230	190	-	420	420	-	100,0%	45 471	10 632
Social benefits	30	-	-	30	30	-	100,0%	71	71
Other transfers to households	200	190	-	390	390	-	100,0%	45 400	10 561
Payments for capital assets	-	-	-	-	-	-	-	48	48
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT for the year ended 31 March 2019

Programme 5: Local Government Support and Intervention Management									
2018/19								2017/18	
	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
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	48	48
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	48	48
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	23	-	23	23	-	100,0%	-	-
Total	15 708 073	-	(1 700)	15 706 373	15 705 790	583	100,0%	16 408 608	16 361 922

APPROPRIATION STATEMENT for the year ended 31 March 2019

Programme 6: Community Work Programme									
2018/19								2017/18	
	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	3 814 134	3 301	(7 000)	3 810 435	3 325 295	485 140	87,3%	3 604 323	3 114 004
Programme Coordination	36 413	(3 021)	(3 580)	29 812	1 456	28 356	4,9%	28 071	1 169
Partnerships, Norms, Standards and Innovation	13 156	(280)	(2 000)	10 876	1 891	8 985	17,4%	8 867	594
Total for Sub-programmes	3 863 703	-	(12 580)	3 851 123	3 328 642	522 478	86,4%	3 641 261	3 115 766
Economic classification									
Current payments	3 863 547	(38 302)	(12 580)	3 812 665	3 290 192	522 476	86,3%	3 605 810	3 104 681
Compensation of employees	38 152	-	(5 580)	32 572	31 559	1 014	96,9%	38 655	38 642
Salaries and wages	31 777	3 082	(5 580)	29 279	28 986	293	99,0%	36 340	36 327
Social contributions	6 375	(3 082)	-	3 293	2 573	721	78,1%	2 315	2 315
Goods and services	3 825 395	(38 302)	(7 000)	3 780 093	3 258 633	521 462	86,2%	3 567 155	3 066 038
Administrative fees	10 027	7 475	-	17 502	15 658	1 844	89,5%	7 487	7 486
Advertising	2 182	1 029	-	3 211	3 016	195	93,9%	2 564	147
Minor assets	101	3 330	-	3 431	3 431	-	100,0%	14 313	6 633
Audit costs: External	5 000	1 177	-	6 177	6 177	-	100,0%	6 431	6 397
Bursaries: Employees	5 049	-	-	5 049	-	5 049	-	-	-
Catering: Departmental activities	1 115	1 774	-	2 889	2 457	432	85,0%	4 417	603
Communication	879	55	-	934	360	574	38,5%	1 350	405
Computer services	39 036	(473)	-	38 563	4 452	34 111	11,5%	28 727	7 506
Consultants: Business and advisory services	41 925	217 364	-	259 289	259 289	-	100,0%	232 880	221 480
Infrastructure and planning services	-	-	-	-	-	-	-	1 700	-

APPROPRIATION STATEMENT for the year ended 31 March 2019

Programme 6: Community Work Programme									
2018/19								2017/18	
	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
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	1 558	600	-	2 158	600	1 558	27,8%	-	-
Contractors	2 916 959	7 407	(7 000)	2 917 366	2 582 247	335 119	88,5%	2 551 342	2 439 992
Agency and support / outsourced services	-	-	-	-	-	-	-	883	-
Entertainment	12	-	-	12	-	12	-	-	-
Fleet services	-	625	-	625	625	-	100,0%	39	34
Housing	-	-	-	-	-	-	-	6	-
Inventory: Clothing material and supplies	-	1 712	-	1 712	1 712	-	100,0%	-	-
Inventory: Farming supplies	-	9 323	-	9 323	9 323	-	100,0%	-	-
Inventory: Food and food supplies	-	222	-	222	222	-	100,0%	-	-
Inventory: Fuel, oil and gas	-	2 487	-	2 487	2 487	2	100,0%	66	60
Inventory: Learner and teacher support material	-	181	-	181	181	-	100,0%	-	-
Inventory: Materials and supplies	671 834	(536 311)	-	135 523	11 690	123 834	8,6%	305 198	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	142	-	-	142	-	142	-	135	-
Consumable supplies	3 725	226 285	-	230 010	226 228	3 782	98,4%	229 067	219 286
Consumable: Stationery, printing and office supplies	9 850	(1 258)	-	8 592	701	7 891	8,2%	15 496	246
Operating leases	1 989	-	-	1 989	337	1 652	16,9%	1 880	67

APPROPRIATION STATEMENT for the year ended 31 March 2019

Programme 6: Community Work Programme									
2018/19								2017/18	
	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
Property payments	-	90	-	90	90	-	100,0%	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	11 562	4 300	-	15 862	12 219	3 643	77,0%	8 273	4 236
Training and development	100 834	14 322	-	115 156	114 322	834	99,3%	153 388	151 434
Operating payments	103	125	-	228	150	78	65,8%	160	26
Venues and facilities	1 513	(230)	-	1 283	572	710	44,6%	1 353	-
Rental and hiring	-	87	-	87	87	-	100,0%	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	156	252	-	408	408	-	100,0%	68	68
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	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-

APPROPRIATION STATEMENT for the year ended 31 March 2019

Programme 6: Community Work Programme									
2018/19								2017/18	
	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
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	156	252	-	408	408	-	100,0%	68	68
Social benefits	156	252	-	408	408	-	100,0%	68	68
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	-	38 046	-	38 046	38 041	5	100,0%	35 383	11 018
Buildings and other fixed structures	-	-	-	-	-	-	-	315	315
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	315	315
Machinery and equipment	-	38 046	-	38 046	38 041	5	100,0%	35 068	10 703
Transport equipment	-	2 286	-	2 286	2 286	-	100,0%	-	-

APPROPRIATION STATEMENT for the year ended 31 March 2019

Programme 6: Community Work Programme									
2018/19								2017/18	
	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
Other machinery and equipment	-	35 760	-	35 760	35 755	5	100,0%	35 068	10 703
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	5	-	5	5	-	100,0%	-	-
Total	3 863 703	-	(12 580)	3 851 123	3 328 642	522 481	86,4%	3 641 261	3 115 766

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

Detail of these transactions can be viewed in the note on transfers and subsidies, disclosure notes and Annexure 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 on Payments for financial assets to the Annual Financial Statements.

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

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Programme 1: Administration	298 986	293 783	5 201	1,7%
<i>In line with expenditure.</i>				
Programme 2: Regional and Urban Development and Legislative Support	99 875	99 739	136	0,1%
<i>In line with expenditure.</i>				
Programme 3: Institutional Development	63 117 938	61 120 171	1 997 767	3,2%
<i>The under-spending is mainly due to the withholding of the Equitable Share Grant due to non-compliance of the DORA requirements.</i>				
Programme 4: National Disaster Management Centre	1 962 716	1 370 257	592 459	30,2%
<i>The under-spending relates to the fact that the Grant for the Drought Relief is top-up funding and only released as and when required.</i>				
Programme 5: Local Government Support and Intervention	15 706 373	15 705 790	583	0,0%
<i>In line with expenditure.</i>				
Programme 6: Community work Programme	3 851 123	3 328 642	522 481	13,6%
<i>The under-spending mainly due to the change of Implementing Agents principal to Non-Profit Organisation programme and due to late clarity of Circular 21 of 2018 of National Treasury.</i>				

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	310 025	306 841	3 184	1%
Goods and services	4 142 254	3 594 988	547 266	13%
Interest and rent on land				
Transfers and subsidies				
Provinces and municipalities	79 922 083	77 359 186	2 562 897	3%
Departmental agencies and accounts	594 430	594 430	-	0%
Higher education institutions				
Public corporations and private enterprises				
Foreign governments and international organisations	1 572	289	1 283	82%
Non-profit institutions	15 252	15 252	-	0%
Households	2 374	2 374	-	0%

NOTES TO THE APPROPRIATION STATEMENT for the year ended 31 March 2019

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Payments for capital assets				
Buildings and other fixed structures	-	-		
Machinery and equipment	48 519	44 522	3 997	3%
Heritage assets				
Specialised military assets				
Biological assets				
Land and subsoil assets				
Intangible assets				
Payments for financial assets	502	502	-	0%

Compensation of employees: The main reason for the lower spending relates to the staff turnover. Goods and Services: CWP, due to an under-expenditure related to the procurement of goods and services for the implementation of the CWP. The under-spending on the remaining budget of DCOG, was due to the slow start with the implementation of the 2018/19 departmental Procurement Plan, indirect grant funding allocated to the goods and services allocations of the Department as well as the net effect of the cost containment measures. Transfers and Subsidies: The under-spending is mainly due to the withholding of Equitable Share funds in compliance with the Division of Revenue Act requirement.

4.3 Per conditional grant	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Disaster Relief Transfers	672 871	122 678	550 193	82%
Disaster Recovery Grant	1 206 440	1 167 692	38 748	3%
Municipal Systems Improvement Grant	115 116	93 749	21 367	19%
Municipal Infrastructure Grant	15 287 685	15 287 685	-	0%

STATEMENT OF FINANCIAL PERFORMANCE for the year ended 31 March 2019

	Note	2018/19 R'000	2017/18 R'000
REVENUE			
Annual appropriation	1	85 037 011	78 463 890
Statutory appropriation	2	-	-
Departmental revenue	3	44 580	1 661
NRF Receipts		-	-
Aid assistance	4	-	-
TOTAL REVENUE		85 081 591	78 465 551
EXPENDITURE			
Current expenditure			
Compensation of employees	5	306 842	288 056
Goods and services	6	3 594 988	3 308 147
Interest and rent on land		-	-
Aid assistance		-	-
Total current expenditure		3 901 830	3 596 203
Transfers and subsidies			
Transfers and subsidies	8	77 971 530	72 747 722
Aid assistance		-	-
Total transfers and subsidies		77 971 530	72 747 722
Expenditure for capital assets			
Tangible assets	9	44 522	17 934
Intangible assets	9	-	-
Total expenditure for capital assets		44 522	17 934
Unauthorised expenditure approved without funding	10	-	-
Payments for financial assets	9	502	184
TOTAL EXPENDITURE		81 918 384	76 362 043
SURPLUS/(DEFICIT) FOR THE YEAR		3 163 207	2 103 508
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		3 118 627	2 101 847
Annual appropriation		2 508 319	2 101 847
Conditional grants		610 308	-
Departmental revenue and NRF Receipts	15	44 580	1 661
Aid assistance	4	-	-
SURPLUS/(DEFICIT) FOR THE YEAR		3 163 207	2 103 508

STATEMENT OF FINANCIAL POSITION for the year ended 31 March 2019

	Note	2018/19 R'000	2017/18 R'000
ASSETS			
Current assets		3 166 495	2 110 615
Unauthorised expenditure	10	1 123	1 123
Cash and cash equivalents	11	2 864 577	2 088 116
Other financial assets		-	-
Prepayments and advances	12	188 720	6 759
Receivables	13	112 075	14 617
Loans		-	-
Aid assistance prepayments		-	-
Aid assistance receivable		-	-
Non-current assets		28	40
Investments		-	-
Receivables	13	28	40
Loans		-	-
Other financial assets		-	-
TOTAL ASSETS		3 166 523	2 110 655
LIABILITIES			
Current liabilities		3 166 523	2 110 655
Voted funds to be surrendered to the Revenue Fund	14	3 097 347	2 080 321
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	15	63 930	21 932
Bank overdraft		-	-
Payables	16	5 246	8 402
Aid assistance repayable		-	-
Aid assistance unutilised		-	-
Non-current liabilities			
Payables			
TOTAL LIABILITIES		3 166 523	2 110 655
NET ASSETS			
Represented by:			
Capitalisation reserve		-	-
Recoverable revenue		-	-
Retained funds		-	-
Revaluation reserves		-	-
TOTAL		-	-

STATEMENT OF CHANGES IN NET ASSETS for the year ended 31 March 2019

	<i>Note</i>	2018/19 R'000	2017/18 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	<u>8.3</u>	-	-
Debts revised		-	-
Debts recovered (included in departmental receipts)		-	-
Debts raised		-	-
Closing balance		-	-
Retained funds			
Opening balance		-	-
Transfer from voted funds to be surrendered (Parliament/Legislatures ONLY)		-	-
Utilised during the year		-	-
Other transfers		-	-
Closing balance		-	-
Revaluation Reserve			
Opening balance		-	-
Revaluation adjustment (Housing departments)		-	-
Transfers		-	-
Other		-	-
Closing balance		-	-
TOTAL		-	-

CASH FLOW STATEMENT for the year ended 31 March 2019

	Note	2018/19 R'000	2017/18 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		85 080 970	78 465 551
Annual appropriated funds received	<u>1.1</u>	85 037 011	78 463 890
Statutory appropriated funds received	<u>2</u>	-	-
Departmental revenue received	<u>3</u>	42 827	884
Interest received	<u>3.3</u>	1 132	777
NRF Receipts		-	-
Aid assistance received		-	-
Net increase/decrease in working capital		(282 563)	7 146
Surrendered to Revenue Fund		(2 104 183)	(3 178 626)
Surrendered to RDP Fund/Donor		-	-
Current payments		(3 901 830)	(3 596 203)
Interest paid		-	-
Payments for financial assets		(502)	(184)
Transfers and subsidies paid		(77 971 530)	(72 747 722)
Net cash flow available from operating activities	17	820 362	(1 050 038)
CASH FLOWS FROM INVESTING ACTIVITIES			
Distribution/dividend received		-	-
Payments for capital assets	<u>9</u>	(44 522)	(17 934)
Proceeds from sale of capital assets	<u>3.4</u>	621	-
(Increase)/decrease in loans		-	-
(Increase)/decrease in investments		-	-
(Increase)/decrease in other financial assets		-	-
Net cash flows from investing activities		(43 901)	(17 934)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		-	-
Increase/(decrease) in non-current payables		-	-
Net cash flows from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		776 461	(1 067 972)
Cash and cash equivalents at beginning of period		2 088 116	3 156 088
Unrealised gains and losses within cash and cash equivalents		-	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	18	2 864 577	2 088 116

PART A: ACCOUNTING POLICIES

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	<p>Basis of preparation</p> <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p>
2	<p>Going concern</p> <p>The financial statements have been prepared on a going concern basis.</p>
3	<p>Presentation currency</p> <p>Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the Department.</p>
4	<p>Rounding</p> <p>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p>
5	<p>Foreign currency translation</p> <p>Cash flows arising from foreign currency transactions are translated into South African Rand using the spot exchange rates prevailing at the date of payment / receipt.</p>
6	<p>Comparative information</p>
6.1	<p>Prior period comparative information</p> <p>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.</p>
6.2	<p>Current year comparison with budget</p> <p>A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p>
7	<p>Revenue</p>
7.1	<p>Appropriated funds</p> <p>Appropriated funds comprised of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation). Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.</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>

	Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy
8	Expenditure
8.1	Compensation of employees
8.1.1	Salaries and wages Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	Social contributions Social contributions made by the Department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the Department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	Other expenditure Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.
8.3	Accruals and payables not recognised Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.
8.4	Leases
8.4.1	Operating leases Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements.
8.4.2	Finance leases Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: <ul style="list-style-type: none"> • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9	Aid Assistance
9.1	Aid assistance received Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.
9.2	Aid assistance paid Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.
10	Cash and cash equivalents Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. 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.

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. 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>
14.1	<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 asset.</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>
14.2	<p>Impairment of financial assets</p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>
15	<p>Payables</p> <p>Payables recognised in the statement of financial position are recognised at cost.</p>
16	<p>Capital Assets</p>
16.1	<p>Immovable capital assets</p> <p>Immovable assets reflected in the asset register of the Department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p> <p>Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.</p>
16.2	<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 R I.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R I.</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 forms part of the cost of the existing asset when ready for use.</p>
16.3	<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 R I.</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 of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.4	<p>Project Costs: Work-in-progress</p> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.</p> <p>Where the Department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.</p>
17	<p>Provisions and Contingents</p>
17.1	<p>Provisions</p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
17.2	<p>Contingent liabilities</p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>
17.3	<p>Contingent assets</p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>
17.4	<p>Commitments</p> <p>Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the Department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.</p>
18	<p>Unauthorised expenditure</p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
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>

	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.
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>Principal-Agent arrangements</p> <p>The Department is party to a principal-agent arrangement with a number of institutions. In terms of the arrangements the Department is the principal and is responsible for providing funding and monitoring the implementation of the agreements. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.</p>
24	<p>Departures from the MCS requirements</p> <p><i>Management has concluded that the financial statements present fairly the department's primary and secondary information; that the Department complied with the Standard and there was no departure from the MCS requirements.</i></p>
25	<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>
26	<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>
27	<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>
28	<p>Inventories (Effective from date determined in a Treasury Instruction)</p> <p>At the date of acquisition, inventories are recognised at cost in the statement of financial performance.</p> <p>Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.</p> <p>The cost of inventories is assigned by using the weighted average cost basis.</p>
29	<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>

	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.
30	Employee benefits The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.

PART B: EXPLANATORY NOTES

I. Annual Appropriation

I.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:

	2018/19			2017/18	
	Final Appropriation	Actual Funds Received	Funds not requested/not received	Final Appropriation	Appropriation received
Programmes	R'000	R'000	R'000	R'000	R'000
Administration	298 986	298 986	-	262 496	262 496
Regional and Urban Development and Legislative Support	99 875	99 875	-	248 553	248 553
Institutional Development	63 117 938	63 117 938	-	57 358 921	57 358 921
National Disaster Management Centre	1 962 716	1 962 716	-	544 051	544 051
Local Government Support and Intervention Management Programme	15 706 373	15 706 373	-	16 408 608	16 408 608
Community Work Programme	3 851 123	3 851 123	-	3 641 261	3 641 261
TOTAL	85 037 011	85 037 011	-	78 463 890	78 463 890

The funds for the 2018/19 financial year were requested according to the cash flow projections

I.2 Conditional grants

	Note	2018/19 R'000	2017/18 R'000
Total grants received	47	17 282 112	16 480 826
Provincial grants included in Total Grants received		138 982	82 339

2. Statutory Appropriation

	2018/19 R'000	2017/18 R'000
President and Deputy President salaries	-	-
Members' remuneration	-	-
Debt-service costs	-	-
Provincial equitable share	-	-
General fuel levy sharing with metropolitan municipalities	-	-
National Revenue Fund payments	-	-
Skills levy and sector education and training authorities	-	-
Magistrates salaries	-	-
Judges salaries	-	-
TOTAL	-	-
Actual Statutory Appropriation received		

3. Departmental revenue

	Note	2018/19 R'000	2017/18 R'000
Tax revenue			
Sales of goods and services other than capital assets	3.1	-	-
Fines, penalties and forfeits	3.2	329	186
Interest, dividends and rent on land	3.3	-	-
Sales of capital assets	3.4	1 132	777
Transactions in financial assets and liabilities	3.5	621	-
Transfer received	3.6	42 498	698
Total revenue collected		44 580	1 661
Less: Own revenue included in appropriation		-	-
DEPARTMENTAL REVENUE COLLECTED		44 580	1 661

Revenue includes sales of waste paper, commission on insurance and interest on bank account

3.1 Sales of goods and services other than capital assets

	Note	2018/19 R'000	2017/18 R'000
Sales of goods and services produced by the Department	3	329	184
Sales by market establishment		329	184
Administrative fees		-	-
Other sales		-	-
Sales of scrap, waste and other used current goods		-	2
TOTAL		329	186

3.2 Fines, penalties and forfeits

	Note	2018/19 R'000	2017/18 R'000
Fines	3	-	-
Penalties		-	-
Forfeits		-	-
TOTAL		-	-

3.3 Interest, dividends and rent on land

	Note	2018/19 R'000	2017/18 R'000
Interest	3	1 132	777
Dividends		-	-
Rent on land		-	-
TOTAL		1 132	777

3.4 Sale of capital assets

	Note	2018/19 R'000	2017/18 R'000
	3		
Tangible assets		621	-
Buildings and other fixed structures	41	-	-
Machinery and equipment	39	621	-
Specialised military assets	39	-	-
Land and subsoil assets	41	-	-
Biological assets	39	-	-
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		621	-

3.5 Transactions in financial assets and liabilities

	Note	2018/19 R'000	2017/18 R'000
	3		
Loans and advances		-	-
Receivables		-	-
Forex gain		-	-
Stale cheques written back		-	-
Other Receipts including Recoverable Revenue		42 498	698
Gains on GFECRA		-	-
TOTAL		42 498	698

4. Aid assistance

	Note	2018/19 R'000	2017/18 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		-	-

5. Compensation of employees

5.1 Salaries and Wages

	Note	2018/19 R'000	2017/18 R'000
Basic salary		204 225	190 734
Performance award		3 832	4 381
Service Based		331	616
Compensative/circumstantial		6 453	6 134
Periodic payments		-	-
Other non-pensionable allowances		60 620	58 087
TOTAL		275 461	259 2

5.2 Social contributions

	Note	2018/19 R'000	2017/18 R'000
Employer contributions			
Pension		24 873	22 272
Medical		6 438	5 794
UIF		-	-
Bargaining council		70	38
Official unions and associations		-	-
Insurance		-	-
TOTAL		31 381	28 104
TOTAL COMPENSATION OF EMPLOYEES		306 842	288 056
Average number of employees		452	468

6. Goods and services

	Note	2018/19 R'000	2017/18 R'000
Administrative fees		18 659	9 302
Advertising		4 529	3 506
Minor assets	6.1	3 999	6 949
Bursaries (employees)		1 223	1 927
Catering		6 526	3 701
Communication		3 808	3 716
Computer services	6.2	28 676	33 302
Consultants: Business and advisory services		401 738	287 770
Infrastructure and planning services		-	-
Laboratory services		-	-
Scientific and technological services		-	-
Legal services		11 036	7 054
Contractors		2 585 550	2 415 831
Agency and support / outsourced services		-	-
Entertainment		-	-
Audit cost – external	6.3	12 493	15 514
Fleet services		4 792	2 821
Inventory		-	-
Consumables	6.4	258 001	249 858
Housing		-	-
Operating leases		46 787	38 883
Property payments	6.5	25 316	25 278
Rental and hiring		204	78
Transport provided as part of the departmental activities		-	-
Travel and subsistence	6.6	57 596	39 691
Venues and facilities		3 200	4 504
Training and development		117 796	154 351
Other operating expenditure	6.7	3 119	4 111
TOTAL		3 594 988	2 308 147

6.1 Minor assets

	Note	2018/19 R'000	2017/18 R'000
Tangible assets	6	3 999	6 949
Buildings and other fixed structures		-	-
Biological assets		-	-
Heritage assets		-	-
Machinery and equipment		3 999	6 949
Transport assets		-	-
Specialised military assets		-	-
Intangible assets			
Software		-	-
Mastheads and publishing titles		-	-
Patents, licences, copyright, brand names, trademarks		-	-
Recipes, formulae, prototypes, designs, models		-	-
Services and operating rights		-	-
TOTAL		3 999	6 949

6.2 Computer services

	Note 6	2018/19 R'000	2017/18 R'000
SITA computer services		14 953	27 105
External computer service providers		13 723	6 197
TOTAL		28 676	33 302

6.3 Audit cost – External

	Note 6	2018/19 R'000	2017/18 R'000
Regularity audits		12 493	15 514
Performance audits		-	-
Investigations		-	-
Environmental audits		-	-
Computer audits		-	-
TOTAL		12 493	1 514

6.4 Consumable

	Note 6	2018/19 R'000	2017/18 R'000
Consumable supplies		253 873	246 189
Uniform and clothing		168 278	184 430
Household supplies		8 903	405
Building material and supplies		-	-
Communication accessories		-	-
IT consumables		69	160
Other consumables		76 623	61 194
Stationery, printing and office supplies		4 128	3 669
TOTAL		258 001	249 8

6.5 Property payments

	Note 6	2018/19 R'000	2017/18 R'000
Municipal services		14 098	13 644
Property management fees		-	-
Property maintenance and repairs		-	-
Other		11 218	11 634
TOTAL		25 316	25 278

Other comprises of pest control, cleaning and garden services

6.6 Travel and subsistence

	Note 6	2018/19 R'000	2017/18 R'000
Local		53 477	32 574
Foreign		4 119	7 117
TOTAL		57 596	3 991

6.7 Other operating expenditure

	Note	2018/19 R'000	2017/18 R'000
	6		
Professional bodies, membership and subscription fees		515	1 822
Resettlement costs		111	50
Other		2 493	2 239
TOTAL		3 119	4 111

7. Payments for financial assets

	Note	2018/19 R'000	2017/18 R'000
Material losses through criminal conduct		-	-
Theft		-	-
Other material losses	7.1	-	-
Purchase of equity		-	-
Extension of loans for policy purposes		-	-
Other material losses written off	7.2	502	184
Debts written off		-	-
Forex losses		-	-
Debt take overs		-	-
Losses on GFECRA		-	-
TOTAL		502	184

Local Government Claims Recoverable and Staff Debts were written off in the 2018/19 financial year.

7.1 Other material losses

	Note	2018/19 R'000	2017/18 R'000
	8		
Nature of other material losses (Group major categories, but list material items)		-	-
Incident: Disciplinary Steps taken/ Criminal proceedings		-	-
TOTAL		-	-

7.2 Other material losses written off

	Note	2018/19 R'000	2017/18 R'000
	8		
Nature of losses (Group major categories, but list material items)			
Air Tickets		165	175
Debt Write Off		337	9
TOTAL		502	184

8. Transfers and subsidies

		2018/19 R'000	2017/18 R'000
	<i>Note</i>		
Provinces and municipalities	48, 49	77 359 186	72 094 578
Departmental agencies and accounts	Annex 1B	594 430	622 920
Higher education institutions	Annex 1C	-	-
Foreign governments and international organisations	Annex 1E	289	513
Public corporations and private enterprises	Annex 1D	-	-
Non-profit institutions	Annex 1F	15 252	18 649
Households	Annex 1G	2 373	11 062
TOTAL		77 971 530	72 747 722

9. Expenditure for capital assets

	<i>Note</i>	2018/19 R'000	2017/18 R'000
Tangible assets		44 522	17 934
Buildings and other fixed structures	40	-	315
Heritage assets	39, 41	-	-
Machinery and equipment	39	44 522	17 619
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		44 522	17 934
The following amounts have been included as project costs in Expenditure for capital assets			
Compensation of employees		-	-
Goods and services		-	-
TOTAL		-	-

Expenditure for Capital assets increased in 2018/19 financial year due to capital assets that were purchased by the new CWP Implementing assets

9.1 Analysis of funds utilised to acquire capital assets – 2018/19

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	44 522	-	44 522
Buildings and other fixed structures	-	-	-
Heritage assets	-	-	-
Machinery and equipment	44 522	-	44 522
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	44 522	-	44 522

9.2 Analysis of funds utilised to acquire capital assets – 2017/18

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	17 934	-	17 934
Buildings and other fixed structures	315	-	315
Heritage assets	-	-	-
Machinery and equipment	17 619	-	17 619
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
Intangible assets	-	-	-
Software	-	-	-
Mastheads and publishing titles	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-
Services and operating rights	-	-	-
TOTAL	17 934	-	17 34

9.3 Finance lease expenditure included in Expenditure for capital assets

	Note	2018/19 R'000	2017/18 R'000
Tangible assets			
Buildings and other fixed structures		-	-
Heritage assets		-	-
Machinery and equipment		2 715	1 540
Specialised military assets		-	-
Land and subsoil assets		-	-
Biological assets		-	-
TOTAL		2 715	1 540

10 Unauthorised expenditure

10.1 Reconciliation of unauthorised expenditure

	Note	2018/19 R'000	2017/18 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
Analysis of closing balance			
Unauthorised expenditure awaiting authorisation			
Unauthorised expenditure approved without funding and not derecognised		-	-
		1 123	1 123
TOTAL		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. The Department is still making follow up with the National Treasury.

11. Cash and cash equivalents

	Note	2018/19 R'000	2017/18 R'000
Consolidated Paymaster General Account		2 864 547	2 088 116
Cash receipts		-	-
Disbursements		-	-
Cash on hand		30	-
Investments (Domestic)		-	-
Investments (Foreign)		-	-
TOTAL		2 864 577	2 088 116

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 2019. The amount will be cleared in the subsequent months.

12. Prepayments and advances

	Note	2018/19 R'000	2017/18 R'000
Staff advances		5	6
Travel and subsistence		16	70
Prepayments (Not expensed)	12.2	182 688	-
Advances paid (Not expensed)	12.1	6 011	6 683
SOCPEN advances		-	-
TOTAL		188 720	6 759

12.1 Advances paid (Not expensed)

Note	Balance as at 1 April 2018	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2019
12	R'000	R'000	R'000	R'000	R'000
National departments	6 683	(6 599)			84
Provincial departments					-
Public entities				5 927	5 927
Other entities					-
TOTAL	6 683	(6 599)	-	5 927	6 011

Note	Balance as at 1 April 2018	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2019
12	R'000	R'000	R'000	R'000	R'000
National departments	7 709	(1 026)	-	-	6 683
Provincial departments	-	-	-	-	-
Public entities	-	-	-	-	-
Other entities	-	-	-	-	-
TOTAL	7 709	(1 026)	-	-	13. 683

12.2 Prepayments (Not expensed)

Note	Balance as at 1 April 2018	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year prepayments	Balance as at 31 March 2019
12	R'000	R'000	R'000	R'000	R'000
Goods and services					
Interest and rent on land		(510 670)		693 358	182 688
Transfers and subsidies					-
Capital assets					-
Other					-
TOTAL	-	(510 670)	-	693 358	182 688

Prepayments relates to payments that were made to the CWP Implementing Agents and they will be cleared upon receipt and confirmation of proof of expenditure.

13. Receivables

	Note	2018/19			2017/18		
		Current R'000	Non-current R'000	Total R'000	Current R'000	Non-current R'000	Total R'000
Claims Recoverable	13.1	2 917		2 917	8 320	-	8 320
Trade receivables Recoverable expenditure	13.2 13.3	1 896		1 896	-	-	-
Staff debt	13.4	1 661	28	1 689	1 896	-	1 896
Fruitless and wasteful expenditure	13.6			-	1 875	40	1 915
Other debtors	13.5	105 601		105 601	2 526	-	2 526
TOTAL		112 075	28	112 103	14 617	40	13 57

13.1 Claims recoverable

	Note 13 and Annex 4	2018/19 R'000	2017/18 R'000
National departments		2 607	4 070
Provincial departments		20	141
Foreign governments			-
Public entities		290	3 967
Private enterprises			-
Higher education institutions			-
Households and non-profit institutions			-
Local governments			142
TOTAL		2 917	8 320

An amount of R142 000 that was owed by Local Government has been written off

13.2 Trade receivables

	Note 13	2018/19 R'000	2017/18 R'000
(Group major categories, but list material items)		-	-
TOTAL		-	-

13.3 Recoverable expenditure (disallowance accounts)

	Note 13	2018/19 R'000	2017/18 R'000
(Group major categories, but list material items)			
Disallowance: Damages and Losses		1 895	1 896
Sal: Reversal			-
Sal: Tax Debt		1	-
TOTAL		1 896	1 896

Larger portion of Disallowance: Damages and Losses relates to car accidents that are still under investigation to determine liability

13.4 Staff debt

	Note 13	2018/19 R'000	2017/18 R'000
Debt Account		1 689	1 915
TOTAL		1 689	1 915

Included in the staff Debts are debts relating to salary overpayments and Bursary Breach of Contract

13.5 Other debtors

	Note 13	2018/19 R'000	2017/18 R'000
Vat Input Account		2 399	2 399
Sal: Medical Aid		12	12
Sal: Pension Fund		49	49
Sal: Income Tax		150	66
Wrongful Payment		102 991	
TOTAL		105 601	2 526

Other receivables relate to wrongful payment made to the Sekhukhune Cooperative. The Department is currently instituting processes to recover the money.

13.6 Impairment of receivables

	Note	2018/19 R'000	2017/18 R'000
Estimate of impairment of receivables		5 090	5 067
TOTAL		5 090	5 067

Included in the impairment of receivables are Debtors that are older than three years

14. Voted funds to be surrendered to the Revenue Fund

	Note	2018/19 R'000	2017/18 R'000
Opening balance		2 080 321	3 155 419
Prior period error	14.2	-	-
As restated		2 080 321	3 155 419
Transfer from statement of financial performance (as restated)		3 118 627	2 101 847
Add: Unauthorised expenditure for current year	10	-	-
Voted funds not requested/not received	1.1	-	-
Transferred to retained revenue to defray excess expenditure (PARLIAMENT/LEGISLATURES ONLY)		-	-
Paid during the year		(2 101 601)	(3 176 945)
CLOSING BALANCE		3 097 347	3 080 321

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

	Note	2018/19 R'000	2017/18 R'000
Opening balance		21 932	21 952
Prior period error	15.1		
As restated		21 932	21 952
Transfer from Statement of Financial Performance (as restated)		44 580	1 661
Own revenue included in appropriation		-	-
Transfer from aid assistance		-	-
Transfer to voted funds to defray expenditure (Parliament/Legislatures ONLY)		-	-
Paid during the year		(2 582)	(1 681)
CLOSING BALANCE		63 930	2 132

16. Payables – current

	Note	2018/19 R'000	2017/18 R'000
Amounts owing to other entities		-	-
Advances received		-	-
Clearing accounts	16.1	3 909	6 968
Other payables	16.2	1 337	1 434
TOTAL		5 246	8 402

16.1 Clearing accounts

	Note	2018/19 R'000	2017/18 R'000
Sal: Finance Other Institutions		-	2
Revenue Accrual		-	-
Sal: Income Tax		-	-
Sal: GEHS Refund Control Account		34	47
Disallowance Miscellaneous		3 875	6 816
Sal: ACB Recall		-	103
TOTAL		3 909	6 968

16.2 Other payables

	Note	2018/19 R'000	2017/18 R'000
Debt Receivable Interest		23	62
Debt Receivable Income		1 314	1 336
Pension Recoverable		-	36
TOTAL		1 337	1 434

17. Net cash flow available from operating activities

	Note	2018/19 R'000	2017/18 R'000
Net surplus/(deficit) as per Statement of Financial Performance		3 163 207	2 103 508
Add back non cash/cash movements not deemed operating activities		(2 342 845)	(3 153 546)
(Increase)/decrease in receivables		(97 446)	7 084
(Increase)/decrease in prepayments and advances		(181 961)	982
(Increase)/decrease in other current assets		-	-
Increase/(decrease) in payables – current		(3 156)	(920)
Proceeds from sale of capital assets		(621)	-
Proceeds from sale of investments		-	-
(Increase)/decrease in other financial assets		-	-
Expenditure on capital assets		44 522	17 934
Surrenders to Revenue Fund		(2 104 183)	(3 178 626)
Surrenders to RDP Fund/Donor		-	-
Voted funds not requested/not received		-	-
Own revenue included in appropriation		-	-
Other non-cash items		-	-
NET CASH FLOW GENERATED BY OPERATING ACTIVITIES		8 202	(1 050 038)

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

	Note	2018/19 R'000	2017/18 R'000
Consolidated Paymaster General account		2 864 547	2 088 116
Fund requisition account		-	-
Cash receipts		-	-
Disbursements		-	-
Cash on hand		30	-
Cash with commercial banks (Local)		-	-
Cash with commercial banks (Foreign)		-	-
TOTAL		2 864 577	2 088 116

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 2019. The amount will be cleared in the subsequent months.

19. Contingent liabilities and contingent assets

19.1 Contingent liabilities

Liable to	Nature	Note	2018/19 R'000	2017/18 R'000
Motor vehicle guarantees	Employees	Annex 3A	-	-
Housing loan guarantees	Employees	Annex 3A	-	-
Other guarantees		Annex 3A	-	-
Claims against the Department		Annex 3B	-	-
Intergovernmental payables (unconfirmed balances)		Annex 5	51	-
Environmental rehabilitation liability		Annex 3B	-	-
Other		Annex 3B	-	-
TOTAL			51	-

The Contingent liability relates to the unconfirmed interdepartmental claims

19.2 Contingent assets

	Note	2018/19 R'000	2017/18 R'000
Nature of contingent asset			-
TOTAL			-

20. Commitments

	Note	2018/19 R'000	2017/18 R'000
Current expenditure			
Approved and contracted		763 221	106 459
Approved but not yet contracted		8 266	736 672
		771 487	843 131
Capital expenditure			
Approved and contracted		1 381	58
Approved but not yet contracted		-	-
		1 381	58
TOTAL COMMITMENTS		772 868	843 189

The Commitments relating to contracts that are more than 12 months amount to R709 Million. There are 45 contracts that are currently running for more than 12 months

21. Accruals and payables not recognised

21.1 Accruals

	2018/19 R'000			2017/18 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	96 952	46 535	143 487	61 164
Interest and rent on land			-	-
Transfers and subsidies			-	-
Capital assets			-	500
Other			-	-
TOTAL	96 952	46 535	143 487	61 664

	Note	2018/19 R'000	2017/18 R'000
Listed by programme level			
Programme 1: Administration		14 514	21 107
Programme 2: Regional and Urban Development		341	662
Programme 3: Institutional Development		608	645
Programme 4: National Disaster Management Centre		801	4 743
Programme 5: Local Government Support and Intervention		1 087	288
Programme 6: Community Works Programme		126 136	34 219
TOTAL		143 487	61 664

The Accruals Comparative Figures have been restated as a result of Errors and Omissions. Accruals relate to CWP wages and COIDA amounts not paid as at the end of the financial year.

21.2 Payables not recognised

	2018/19 R'000			2017/18 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	3 368	623	3 991	207 632
Interest and rent on land			-	-
Transfers and subsidies			-	-
Capital assets			-	307
Other			-	-
TOTAL	3 368	623	3 991	207 939

	Note	2018/19 R'000	2017/18 R'000
Listed by programme level			
Programme 1: Administration		3 765	13 687
Programme 2: Regional and Urban Development		49	-
Programme 1: Institutional Development		-	2 470
Programme 1: National Disaster Management Centre		145	1 180
Programme 1: Local Government Support and Intervention		1	187
Programme 6: Community Works Programme		31	190 415
Total		3 991	207 939

The Payables Not Recognised Comparative Figures have been restated as a result of Errors and Omissions.

	Note	2018/19 R'000	2017/18 R'000
Included in the above totals are the following:			
Confirmed balances with other departments	Annex 5	2	-
Confirmed balances with other government entities	Annex 5	-	-
TOTAL		2	-

22. Employee benefits

	Note	2018/19 R'000	2017/18 R'000
Leave entitlement		11 190	10 687
Service bonus		7 069	6 542
Performance awards		5 480	5 096
Capped leave commitments		6 275	5 862
Other		163	178
TOTAL		30 177	28 365

Included in the leave entitlement balance is a negative leave amount of R321 thousand relating to leave days that were used before they were accrued. 'Other' relate to long service awards and it amounts to R163 thousand

23. Lease commitments

23.1 Operating leases

2018/19	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year			3 475	2 541	6 016
Later than 1 year and not later than 5 years				3 310	3 310
Later than five years					-
TOTAL LEASE COMMITMENTS	-	-	3 475	5 851	9 326

2017/18	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	3 462	-	3 462
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than five years	-	-	-	-	-
TOTAL LEASE COMMITMENTS	-	-	3 462	-	3 462

Departmental Operating leases relates to rental of Office Building and Parking Space. The Operating lease contract for Office Buildings has expired and is now on a month-to-month basis

	Note	2018/19 R'000	2017/18 R'000
Rental earned on sub-leased assets	3		
Total			

23.2 Finance leases **

2018/19	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	2 453	2 453
Later than 1 year and not later than 5 years	-	-	-	979	979
Later than five years	-	-	-	-	-
TOTAL LEASE COMMITMENTS	-	-	-	3 432	3 432

2017/18	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	1 691	1 691
Later than 1 year and not later than 5 years	-	-	-	1 120	1 120
Later than five years	-	-	-	-	-
TOTAL LEASE COMMITMENTS	-	-	-	2 811	2 811

Finance Leases relates to rented photocopier machines, Contract Pool Vehicles, and Cell Phones.

	Note	2018/19 R'000	2017/18 R'000
Rental earned on sub-leased assets	3	-	-
TOTAL		-	-

24 Irregular expenditure

24.1 Reconciliation of irregular expenditure

	Note	2018/19 R'000	2017/18 R'000
Opening balance		1 861 883	1 336 388
Prior period error		-	-
As restated		1 861 883	1 336 388
Add: Irregular expenditure – relating to prior year		-	-
Add: Irregular expenditure – relating to current year		151 782	525 495
Less: Prior year amounts condoned		(753 133)	-
Less: Current year amounts condoned		-	-
Less: Amounts not condoned and recoverable	15	-	-
Less: Amounts not condoned and not recoverable		-	-
CLOSING BALANCE		1 260 532	1 861 883

Analysis of awaiting condonation per age classification

	2018/19 R'000	2017/18 R'000
Current year	151 782	525 495
Prior years	1 108 750	1 336 388
TOTAL	1 260 532	1 861 883

A larger portion of the Irregular Expenditure relates to the expenditure incurred after the irregular appointment of some of the CWP NPOS

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

Incident	Disciplinary steps taken/criminal proceedings	2018/19 R'000
Non compliance to SCM (Procurement by NPOs)	N/A - Awaiting NT to condone/regularise	119 482
Non Compliance SCM (RFP) (Award of contracts to NPOs)	N/A - Awaiting NT to condone/regularise	8 682
Other Noncompliance	Under Investigation	23 618
TOTAL		151 782

A larger portion of the Irregular Expenditure relates to the expenditure incurred after the irregular appointment of some of the CWP NPOS

24.3 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2018/19 R'000
Irregular Appointment of CWP Implementing Agents	National Treasury	737 781
Catering for Internal meetings not approved by Director-General	Director General	3
SCM processes not followed to acquire office space for NDMC	National Treasury	14 130
Approval of procurement was above the delegations	Director General	1 219
TOTAL		753 133

24.4 Prior period error

Note	2018/19 R'000	2017/18 R'000
Nature of prior period error		
Relating to 2017/18 [affecting the opening balance]	-	-
	-	-
Relating to 2017/18	-	181 074
	-	181 074
TOTAL PRIOR PERIOD ERRORS	-	181 074

The entire population of Irregular, Fruitless and Wasteful Expenditure was revisited and verified and the figure was restated after identifying omissions and errors

25. Fruitless and wasteful expenditure

25.1 Reconciliation of fruitless and wasteful expenditure

Note	2018/19 R'000	2017/18 R'000
Opening balance	496	357
Prior period error	-	-
As restated	496	357
Fruitless and wasteful expenditure – relating to prior year	-	-
Fruitless and wasteful expenditure – relating to current year	765	139
Less: Amounts resolved	-	-
Less: Amounts transferred to receivables for recovery	-	-
CLOSING BALANCE	1 261	496

25.2 Analysis of awaiting resolution per economic classification

	2018/19 R'000	2017/18 R'000
Current		
Capital	765	139
Transfers and subsidies	-	-
TOTAL	765	139

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

Incident	Disciplinary steps taken/criminal proceedings	2018/19 R'000
Cancellation of Air ticket	under Investigation	165
Interest Charged on NDMC rental Account	under Investigation	14
Non Attendance of Training	under Investigation	513
Hotel no show	under Investigation	21
Shuttle No show	under Investigation	52
TOTAL		765

Fruitless and wasteful expenditure for 2017/18 was understated and was subsequently corrected. The Department has incurred possible fruitless and wasteful expenditure relating to payments of Project Management Fee, Deceased, PERSAL participants that cannot be quantified currently and is currently under investigation to determine the amount.

25.4 Prior period error

	Note	2017/18 R'000
Nature of prior period error		
Relating to 2017/18 <i>[affecting the opening balance]</i>		-
Relating to 2017/18		
TOTAL PRIOR PERIOD ERRORS		103

The entire population of Irregular, Fruitless and Wasteful Expenditure was revisited, verified and the figure was restated after identifying omissions and errors

26. Related party transactions

Entity	Mandate	Relationship
CRL Rights Commission	The Commission is a Chapter 9 Constitutional institution and it is mandated to promote and protect cultural, religious and linguistic rights. The Commission focuses on conflict resolution, research, advocacy and community engagement on conflicts pertaining to 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, it suffices to state that we share a Minister.

Entity	Mandate	Relationship
Municipal Demarcation Board	The 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)	The Agency transforms local government to enable it to fulfil its developmental mandate. SALGA essentially protects and represents the interest of local government and acts as an employer body for its municipal members.	There were no related party transactions with MISA, however, it suffices 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	2018/19 R'000	2017/18 R'000
Political office bearers (provide detail below)	2	4 379	4 253
Officials:			
Level 15 to 16	6	10 280	6 522
Level 14 (including CFO if at a lower level)	34	40 321	40 049
Family members of key management personnel			-
TOTAL		54 980	50 824

Key management personnel (Parliament/Legislatures)

	No. of Individuals	2018/19 R'000	2017/18 R'000
Speaker to Parliament / the Legislature		-	-
Deputy Speaker		-	-
Secretary to Parliament / the Legislature		-	-
Deputy Secretary		-	-
Chief Financial Officer		-	-
Legal Advisor		-	-
Other		-	-
TOTAL		-	-

28. Provisions

	Note	2018/19 R'000	2017/18 R'000
Retention Fee		43 961	33 363
TOTAL		43 961	33 363

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 contract are satisfactorily met.

28.1 Reconciliation of movement in provisions – 2018/19

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance	33 363			33 363
Increase in provision	13 466			13 466
Settlement of provision	(2 868)			(2 868)
Unused amount reversed				-
Reimbursement expected from third party				-
Change in provision due to change in estimation of inputs				-
CLOSING BALANCE	43 961	-	-	43 961

Reconciliation of movement in provisions – 2017/18

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Total provisions R'000
Opening balance	24 834	-	-	24 834
Increase in provision	10 757	-	-	10 757
Settlement of provision	(2 228)	-	-	(2 228)
Unused amount reversed	-	-	-	-
Reimbursement expected from third party	-	-	-	-
Change in provision due to change in estimation of inputs	-	-	-	-
CLOSING BALANCE	33 363	-	-	33 363

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 contract are satisfactorily met.

29. Movable Tangible Capital Assets

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

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
HERITAGE ASSETS	137	-	-	-	137
Heritage assets	137	-	-	-	137
MACHINERY AND EQUIPMENT	167 769	-	63 000	2 936	227 833
Transport assets	15 950	-	7 191	2 348	20 793
Computer equipment	63 494	-	6 686	511	69 669
Furniture and office equipment	13 937	-	2 903	13	16 827
Other machinery and equipment	74 388	-	46 220	64	120 544
SPECIALISED MILITARY ASSETS	-	-	-	-	-
Specialised military assets	-	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-	-	-	-	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	167 906	-	63 000	2 936	227 970

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	537	10 030
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 2019

	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	44 522	-	2 713	21 191	63 000
Transport assets	4 806	-	-	2 385	7 191
Computer equipment	5 689	-	-	997	6 686
Furniture and office equipment	2 869	-	982	1 016	2 903
Other machinery and equipment	31 158	-	1 731	16 793	46 220
SPECIALISED MILITARY ASSETS	-	-	-	-	-
Specialised military assets	-	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-	-	-	-	-
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	44 522	-	2 713	21 191	63 000

29.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
MACHINERY AND EQUIPMENT	2 348	588	2 936	621
Transport assets	2 348	-	2 348	621
Computer equipment	-	511	511	-
Furniture and office equipment	-	13	13	-
Other machinery and equipment	-	64	64	54
SPECIALISED MILITARY ASSETS	-	-	-	-
Specialised military assets	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-
Biological assets	-	-	-	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	2 348	588	2 936	621

29.3 Movement for 2017/18

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	137	-	-	-	137
Heritage assets	137	-	-	-	137
MACHINERY AND EQUIPMENT	143 688	(2 005)	28 671	2 585	167 769
Transport assets	13 761	1 690	1 272	773	15 950
Computer equipment	59 746	(557)	5 984	1 679	63 494
Furniture and office equipment	15 180	(2 141)	950	52	13 937
Other machinery and equipment	55 001	(997)	20 465	81	74 388
SPECIALISED MILITARY ASSETS	-	-	-	-	-
Specialised military assets	-	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-	-	-	-	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	143 825	(2 005)	28 671	2 585	167 906

29.3.1 Prior period error

	Note	2018/19 R'000	2017/18 R'000
Nature of prior period error			
Relating to 2017/18 [affecting the opening balance]		-	(2 005)
		-	(2 005)
Relating to 2017/18			
TOTAL PRIOR PERIOD ERRORS		-	(2 005)

The verification of prior year assets was conducted and the closing balance was restated thereafter to include amounts that has been previously omitted

29.4 Minor assets

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

	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	-	-	564	40 635	-	41 199
Value adjustments				2 049		2 049
Additions	-	-	-	6 234	2	6 236
Disposals				(369)		(369)
TOTAL MINOR ASSETS	-	-	564	49 287	2	49 853

	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
Number of RI minor assets	-	-	-	-	-	-
Number of minor assets at cost	-	6	-	3 663	5	3 674
TOTAL NUMBER OF MINOR ASSETS	-	6	-	3 663	5	3 674

MINOR CAPITAL ASSETS UNDER INVESTIGATION

Included in the above total of the minor capital assets per the asset register are assets that are under investigation:

	Number	Value R'000
Specialised military assets	-	-
Intangible assets	-	-
Heritage assets	-	-
Machinery and equipment	2 545	3 564
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 2018

	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	-	-	564	33 856	-	34 420
Prior period error	-	-	-	-	-	-
Additions	-	-	-	7 098	-	7 098
Disposals	-	-	-	319	-	319
TOTAL MINOR ASSETS	-	-	564	40 635	-	41 199

	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
Number of RI minor assets	-	-	-	-	-	-
Number of minor assets at cost	-	-	18	37 462	-	37 480
TOTAL NUMBER OF MINOR ASSETS	-	-	18	37 462	-	37 480

29.4.1 Prior period error

	Note	2018/19 R'000	2017/18 R'000
Nature of prior period error			
Relating to 2017/18 <i>[affecting the opening balance]</i>		-	-
Relating to 2017/18		-	-
Total prior period errors		-	-

29.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2019

	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
Assets written off	-	-	-	-	-	-
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	-	-	-

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2018

	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
Assets written off	-	-	-	-	-	-
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	-	-	-

29.6 S42 Movable capital assets

MAJOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2019

	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
No. of Assets	-	-	-	-	-	-
Value of the assets (R'000)	-	-	-	-	-	-

MAJOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2019

	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
No. of Assets	-	-	-	-	-	-
Value of the assets (R'000)	-	-	-	-	-	-

MAJOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2019

	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
No. of Assets	-	-	-	-	-	-
Value of the assets (R'000)	-	-	-	-	-	-

MAJOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2019

	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
No. of Assets	-	-	-	-	-	-
Value of the assets (R'000)	-	-	-	-	-	-

30. Intangible Capital Assets

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

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Software	813	-	-	-	813
Mastheads and publishing titles	-	-	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-	-	-
Services and operating rights	-	-	-	-	-
	813	-	-	-	813
TOTAL INTANGIBLE CAPITAL ASSETS	813	-	-	-	813

INTANGIBLE CAPITAL ASSETS UNDER INVESTIGATION

Included in the above total of the intangible capital assets per the asset register are assets that are under investigation:

Software
 Mastheads and publishing titles
 Patents, licences, copyright, brand names, trademarks
 Recipes, formulae, prototypes, designs, models
 Services and operating rights

Number	Value R'000
-	-
-	-
-	-
-	-
-	-

30.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Cash R'000	Non-Cash R'000	(Develop- ment work in progress – current costs) R'000	Received current year, not paid (Paid current year, received prior year) R'000	Total R'000
Software	-	-	-	-	-
Mastheads and publishing titles	-	-	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-	-	-
Services and operating rights	-	-	-	-	-
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	-	-	-	-	-

30.2 Disposals

DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash Received Actual R'000
Software	-	-	-	-
Mastheads and publishing titles	-	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-	-
Services and operating rights	-	-	-	-
TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS	-	-	-	-

30.3 Movement for 2017/19

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
Software	1 580	-	-	767	813
Mastheads and publishing titles	-	-	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-	-	-
Services and operating rights	-	-	-	-	-
TOTAL INTANGIBLE CAPITAL ASSETS	1 580	-	-	767	813

30.4 Prior period error

	Note	2018/19 R'000	2017/18 R'000
Nature of prior period error			
Relating to 2017/18 [<i>affecting the opening balance</i>]			
Relating to 2017/18		-	-
Total prior period errors		-	-

31. Immovable Tangible Capital Assets

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

	Opening balance R'000	Value adjustments	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	315	-	-	-	315
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	-	-	-
Other fixed structures	315	-	-	-	315
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
LAND AND SUBSOIL ASSETS	-	-	-	-	-
Land	-	-	-	-	-
Mineral and similar non-regenerative resources	-	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	315	-	-	-	315

IMMOVABLE TANGIBLE CAPITAL ASSETS UNDER INVESTIGATION

Included in the above total of the immovable tangible capital assets per the asset register are assets that are under investigation:

Buildings and other fixed structures
Heritage assets
Land and subsoil assets

Number	Value R'000
-	-
-	-
-	-

31.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Cash R'000	Non-cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
BUILDING AND OTHER FIXED STRUCTURES	-	-	-	-	-
Dwellings					-
Non-residential buildings					-
Other fixed structures	-	-	-	-	-
HERITAGE ASSETS	-	-	-	-	-
Heritage assets					-
LAND AND SUBSOIL ASSETS	-	-	-	-	-
Land	-	-	-	-	-
Mineral and similar non-regenerative resources	-	-	-	-	-
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	-	-	-	-	-

31.2 Disposals

DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash Received Actual R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	-	-
Dwellings	-	-	-	-
Non-residential buildings	-	-	-	-
Other fixed structures	-	-	-	-
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
LAND AND SUBSOIL ASSETS	-	-	-	-

Land	-	-	-	-
Mineral and similar non-regenerative resources	-	-	-	-
TOTAL DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS	-	-	-	-

31.3 Movement for 2017/18

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2018

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	-	315	-	315
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	-	-	-
Other fixed structures	-	-	315	-	315
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
LAND AND SUBSOIL ASSETS	-	-	-	-	-
Land	-	-	-	-	-
Mineral and similar non-regenerative resources	-	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	-	-	315	-	315

31.4 Prior period error

	Note	2018/19 R'000	2017/18 R'000
Nature of prior period error			
Relating to 2017/18 [affecting the opening balance]		-	-
Relating to 2017/18		-	-
TOTAL PRIOR PERIOD ERRORS		-	-

32. Principal-agent arrangements

32.1 Department acting as the principal

	Fee paid	
	2018/19 R'000	2017/18 R'000
Thembaletu Development	44 835	-
Insika Foundation	40 386	-
Joubert Park Outreach Project	23 983	-
Seboka Training and Network	23 820	-
3L Development	21 556	-
SAYM	20 572	-
Beulah Africa	20 473	-
NPO Iketsitse	19 194	-
AIDS Foundation	8 760	-
Icembe Foundation	7 924	-
Out the Box	4 232	-
TOTAL	235 735	-

The Department has appointed eleven Implementing Agents under the Community Works Programme to assist in creating job opportunities for participants who are involved in useful work in all municipalities in the country, on behalf of the Department. The Department has entered into an agreement with the Development Bank of Southern Africa to assist in providing IUDF programme management services on behalf of the Department. The Department has entered into an agreement with the South African Cities Network for support in the implementation of the Integrated Urban Development Framework

33. Prior period errors

33.1 Correction of prior period errors

	Amount bef error correction R'000	Prior period error 2017/18 R'000	Restated Amount R'000
Appropriation Statement:	-	-	-
Municipal Agencies and Funds	367 520	(367 520)	-
Municipal Bank Accounts	71 644 691	367 520	72 012 211
	-	-	-
NET EFFECT	72 012 211	-	72 012 211

An Amount of R367 520 000 was previously classified under municipal agencies and accounts instead of Municipal Bank Accounts

	Amount bef error correction R'000	Prior period error 2017/18 R'000	Restated Amount R'000
Assets:	-	-	-
Closing Balance for Tangible Capital Assets	169 517	(1 611)	167 906
	-	-	-
	-	-	-
NET EFFECT	169 517	(1 611)	167 906

The verification of prior year assets was conducted and the closing balance was restated to include amounts that were previously omitted

<i>Note</i>	Amount bef error correction	Prior period error 2017/18	Restated Amount
	R'000	R'000	R'000
Liabilities:	-	-	-
Accruals and Payables not Recognised	252 616	16 730	269 346
	-	-	-
NET EFFECT	252 616	16 730	269 346

The entire population of Accruals and Payables not recognised was verified and the figure was restated after identifying errors

<i>Note</i>	Amount bef error correction	Prior period error 2017/18	Restated Amount
	R'000	R'000	R'000
Other:	-	-	-
Irregular expenditure	344 421	181 074	525 495
	-	-	-
Fruitless and wasteful expenditure	36	103	139
NET EFFECT	344 457	181 177	525 634

The entire population of Irregular, Fruitless and Wasteful Expenditure was revisited and verified and the figure was restated after identifying omissions and errors

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

Detail of these transactions can be viewed in the note on transfers and subsidies, disclosure notes and Annexure 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 on Payments for financial assets to the Annual Financial Statements.

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

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Programme 1: Administration	298 986	293 783	5 201	1,7%
<i>In line with expenditure.</i>				
Programme 2: Regional and Urban Development and Legislative Support	99 875	99 739	136	0,1%
<i>In line with expenditure.</i>				
Programme 3: Institutional Development	63 117 938	61 120 171	1 997 767	3,2%
<i>The under-spending is mainly due to the withholding of the Equitable Share Grant due to non-compliance of the DORA requirements.</i>				
Programme 4: National Disaster Management Centre	1 962 716	1 370 257	592 459	30,2%
<i>The under-spending relates to the fact that the Grant for the Drought Relief is top-up funding and only released as and when required.</i>				
Programme 5: Local Government Support and Intervention	15 706 373	15 705 790	583	0,0%
<i>In line with expenditure.</i>				
Programme 6: Community work Programme	3 851 123	3 328 642	522 481	13,6%
<i>The under-spending mainly due to the change of Implementing Agents principal to Non-Profit Organisation programme and due to late clarity of Circular 21 of 2018 of National Treasury.</i>				

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	310 025	306 841	3 184	1%
Goods and services	4 142 254	3 594 988	547 266	13%
Interest and rent on land				
Transfers and subsidies				
Provinces and municipalities	79 922 083	77 359 186	2 562 897	3%
Departmental agencies and accounts	594 430	594 430	-	0%
Higher education institutions				
Public corporations and private enterprises				
Foreign governments and international organisations	1 572	289	1 283	82%
Non-profit institutions	15 252	15 252	-	0%
Households	2 374	2 374	-	0%

34. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT				2017/18	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by Department	Amount spent by Department	Under / (Overspending)	% of available funds spent by Department	Division of Revenue Act	Amount spent by Department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Disaster Relief Transfers	672 871	-	-	-	672 871	672 871	122 678	550 193	18%	423 713	423 712
Disaster Recovery Grant	1 206 440	-	-	-	1 206 440	1 206 440	1 167 692	38 748	97%	26 147	26 147
Municipal Systems Improvement Grant	115 116	-	-	-	115 116	115 116	99 547	15 569	86%	-	-
Municipal Infrastructure Grant	15 287 685	-	-	-	15 287 685	15 287 685	15 287 685	-	100%	15 891 252	15 891 252
Municipal Demarcation Transitional Grant	-	-	-	-	-	-	-	-	-	139 714	139 714
	17 282 112	-	-	-	17 282 112	17 282 112	16 677 602	604 510	-	16 480 826	16 480 825

The Department confirms, as required by DoRA, that all transfers were deposited into the primary bank account of the Province and /Municipality

35. STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER				SPENT				2017/18
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Department	Amount spent by Department	Unspent funds	% of available funds spent by Department	Division of Revenue Act	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	
Summary by province													
Eastern Cape	-	-	-	-	-	-	-	-	-	-	-	-	-
Free State	-	-	-	-	-	-	-	-	-	-	-	-	-
Gauteng	-	-	-	-	-	-	-	-	-	-	-	-	-
Kwazulu-Natal	16 304	-	-	16 304	16 304	-	-	16 304	16 304	-	100%	-	-
Limpopo	-	-	-	-	-	-	-	-	-	-	-	-	-
Mpumalanga	-	-	-	-	-	-	-	-	-	-	-	-	-
Northern Cape	84 678	-	-	84 678	84 678	-	-	84 678	84 678	-	100%	42 339	-
North West	-	-	-	-	-	-	-	-	-	-	-	-	-
Western Cape	38 000	-	-	38 000	38 000	-	-	38 000	38 000	-	100%	40 000	-
TOTAL	138 982	-	-	138 982	138 982	-	-	138 982	138 982	-		82 339	

Summary by grant

Disaster Relief Grant	122 678	-	-	122 678	122 678	-	-	122 678	122 678	-	100%	82 339	-
Disaster Recovery Grant	16 304	-	-	16 304	16 304	-	-	16 304	16 304	-	100%	-	-
TOTAL	138 982	-	-	138 982	138 982	-	-	138 982	138 982	-		82 339	

1. Disaster Relief Grant

Eastern Cape	-	-	-	-	-	-	-	-	-	-	-	-	-
Free State	-	-	-	-	-	-	-	-	-	-	-	-	-
Gauteng	-	-	-	-	-	-	-	-	-	-	-	-	-
Kwazulu-Natal	-	-	-	-	-	-	-	-	-	-	-	-	-
Limpopo	-	-	-	-	-	-	-	-	-	-	-	-	-
Mpumalanga	-	-	-	-	-	-	-	-	-	-	-	-	-
Northern Cape	84 678	-	-	84 678	84 678	-	-	84 678	84 678	-	100%	42 339	-
North West	-	-	-	-	-	-	-	-	-	-	-	-	-
Western Cape	38 000	-	-	38 000	38 000	-	-	38 000	38 000	-	100%	40 000	-
	122 678	-	-	122 678	122 678	-	-	122 678	122 678	-	-	82 339	-

2. Disaster Recovery Grant

Eastern Cape	-	-	-	-	-	-	-	-	-	-	-	-	-
Free State	-	-	-	-	-	-	-	-	-	-	-	-	-
Gauteng	-	-	-	-	-	-	-	-	-	-	-	-	-
Kwazulu-Natal	16 304	-	-	16 304	16 304	-	-	16 304	16 304	-	100%	-	-
Limpopo	-	-	-	-	-	-	-	-	-	-	-	-	-
Mpumalanga	-	-	-	-	-	-	-	-	-	-	-	-	-
Northern Cape	-	-	-	-	-	-	-	-	-	-	-	-	-
North West	-	-	-	-	-	-	-	-	-	-	-	-	-
Western Cape	-	-	-	-	-	-	-	-	-	-	-	-	-
	16 304	-	-	16 304	16 304	-	-	16 304	16 304	-	-	-	-

The Department confirms, as required by DoRA, that all transfers were deposited into the primary bank account of the Province and /Municipality

36. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	%
Municipal Infrastructure Grant (MIG)							
EASTERN CAPE							
Buffalo City	-	-	-	-	-	-	-
Nelson Mandela Bay	-	-	-	-	-	-	-
Dr Beyers Naude	20 267	-	-4 000	16 267	16 267	-4 000	-
Blue Crane Route	14 117	-	-	14 117	14 117	-	-
Makana	23 976	-	-	23 976	-	-	-
Ndlambe	26 809	-	-	26 809	26 809	-	-
Sundays River Valley	25 162	-	-2 500	22 662	22 662	-2 500	-
Kouga	31 186	-	-	31 186	31 186	-	-
Kou-Kamma	15 170	-	-	15 170	15 170	-	-
Sarah Baartman District Municipality		-	12 800	12 800	36 776	-	12 800
Mbhashe	70 192	-	-	70 192	70 192	-	-
Mnquma	61 352	-	-	61 352	61 352	-	-
Great Kei	11 116	-	-	11 116	11 116	-	-
Amahlathi	27 634	-	-8 700	18 934	18 934	-8 700	-
Ngqushwa	22 122	-	10 800	32 922	32 922	-	10 800
Raymond Mhlaba	38 486	-	-	38 486	38 486	-	-
Amathole District Municipality	419 232	-	-20 000	399 232	399 232	-20 000	-
Inxuba Yethemba	15 862	-	11 700	27 562	27 562	-	11 700
Intsika Yethu	42 190	-	-	42 190	42 190	-	-
Emalahleni	43 902	-	-	43 902	43 902	-	-
Engcobo	37 794	-	-4 000	33 794	33 794	-4 000	-
Sakhisizwe	17 912	-	15 000	32 912	32 912	-	15 000
Enoch Mgijima	53 040	-	-	53 040	53 040	-	-
Chris Hani District Municipality	280 880	-	-10 000	270 880	270 880	-10 000	-
Elundini	38 207	-	-	38 207	38 207	-	-
Senqu	37 755	-	-	37 755	37 755	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2019

EASTERN CAPE							
Walter Sisulu	18 570	-	-	18 570	18 570	-	-
Joe Gqabi District Municipality	153 554	-	-	153 554	153 554	-	-
Ngquza Hill	61 976	-	-7 000	54 976	54 976	-7 000	-
Port St Johns	33 705	-	-	33 705	33 705	-	-
Nyandeni	59 625	-	-	59 625	59 625	-	-
Mhlontlo	43 394	-	-	43 394	43 394	-	-
King Sabata Dalindyebo	84 506	-	-	84 506	84 506	-	-
O.R.Tambo District Municipality	619 684	-	-	619 684	619 684	-	-
Matatiele	59 690	-	-	59 690	45 507	-	-
Umzimvubu	45 507	-	-	45 507	59 690	-	-
Mbizana	47 416	-	12 000	59 416	59 416	-	12 000
Ntabankulu	26 681	-	15 000	41 681	41 681	-	15 000
Alfred Nzo District Municipality	367 914	-	-20 000	347 914	347 914	-20 000	-
TOTAL EASTERN CAPE	<u>2 996 585</u>	-	<u>1 100</u>	<u>2 997 685</u>	<u>2 997 685</u>	<u>-76 200</u>	<u>77 300</u>

FREE STATE							
Mangaung	-	-	-	-	-	-	-
Letsemeng	29 949	-	-	29 949	29 949	-	-
Kopanong	20 201	-	-4 700	15 501	15 501	-4 700	-
Mohokare	17 708	-	-	17 708	17 708	-	-
Xhariep District Municipality	-	-	-	-	-	-	-
Masilonyana	23 019	-	-23 019	-	-	-23 019	-
Tokologo	16 301	-	-	16 301	16 301	-	-
Tswelopele	23 837	-	-	23 837	23 837	-	-
Matjhabeng	116 581	-	-	116 581	116 581	-	-
Nala	29 107	-	-	29 107	29 107	-	-
Lejweleputswa District Municipality	-	-	23 019	23 019	23 019	-	23 019
Setsoto	57 782	-	-	57 782	57 782	-	-
Dihlabeng	37 914	-	-	37 914	37 914	-	-
Nketoana	24 927	-	-	24 927	24 927	-	-
Maluti-a-Phofung	159 321	-	-	159 321	159 321	-	-
Phumelela	20 698	-	-	20 698	20 698	-	-
Mantsopa	32 759	-	-	32 759	32 759	-	-
Thabo Mofutsanyana District Municipality	-	-	-	-	-	-	-
Moqhaka	39 410	-	4 000	43 410	43 410	-	4 000
Ngwathe	41 164	-	-	41 164	41 164	-	-
Metsimaholo	43 786	-	6 000	49 786	49 786	-	6 000
Mafube	22 064	-	-	22 064	22 064	-	-
Fezile Dabi District Municipality	-	-	-	-	-	-	-
TOTAL FREE STATE	<u>756 528</u>	-	<u>5 300</u>	<u>761 828</u>	<u>761 828</u>	<u>-27 719</u>	<u>33 019</u>

NOTES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2019

GAUTENG							
Ekurhuleni	-	-	-	-	-	-	-
City of Johannesburg	-	-	-	-	-	-	-
City of Tshwane	-	-	-	-	-	-	-
Emfuleni	165 389	-	-	165 389	165 389	-	-
Midvaal	31 201	-	-	31 201	31 201	-	-
Lesedi	25 937	-	-	25 937	25 937	-	-
Sedibeng District Municipality	-	-	-	-	-	-	-
Mogale City	118 300	-	-	118 300	118 300	-	-
Merafong City	64 938	-	2 700	67 638	67 638	-	2 700
Rand West City	89 275	-	2 700	91 975	91 975	-	2 700
West Rand District Municipality	-	-	-	-	-	-	-
TOTAL GAUTENG	<u>495 040</u>	-	<u>5 400</u>	<u>500 440</u>	<u>500 440</u>	-	<u>5 400</u>

KWAZULU NATAL							
eThekwini	-	-	-	-	-	-	-
uMdoni	30 118	-	-	30 118	30 118	-	-
Umzumbe	33 442	-	3 950	37 392	37 392	-	3 950
uMuziwabantu	22 940	-	-	22 940	22 940	-	-
Ray Nkonyeni	60 317	-	-	60 317	60 317	-	-
Ugu District Municipality	235 888	-	-	235 888	235 888	-	-
uMshwathi	27 098	-	-	27 098	27 098	-	-
uMngeni	22 646	-	-	22 646	22 646	-	-
Mpofana	11 878	-	2 000	13 878	13 878	-	2 000
Impendle	11 572	-	-	11 572	11 572	-	-
Msunduzi	193 316	-	-	193 316	193 316	-	-
Mkhambathini	15 835	-	3 550	19 385	19 385	-	3 550
Richmond	18 149	-	-	18 149	18 149	-	-
Umgungundlovu District Municipality	99 828	-	-	99 828	99 828	-	-
Okhahlamba	27 795	-	4 500	32 295	32 295	-	4 500
iNkosi Langalibalele	36 949	-	-	36 949	36 949	-	-
Alfred Duma	69 946	-	-	69 946	69 946	-	-
Uthukela District Municipality	180 033	-	-	180 033	180 033	-	-
Endumeni	24 487	-	-	24 487	24 487	-	-
Nqutu	30 627	-	-	30 627	30 627	-	-
Msinga	36 715	-	-	36 715	36 715	-	-
Umvoti	29 261	-	4 000	33 261	33 261	-	4 000
Umzinyathi District Municipality	184 485	-	-	184 485	184 485	-	-
Newcastle	110 232	-	-54 000	56 232	56 232	-54 000	-

NOTES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2019

KWAZULU NATAL							
Emadlangeni	9 247	-	-	9 247	9 247	-	-
Dannhauser	21 400	-	-	21 400	21 400	-	-
Amajuba District Municipality	40 253	-	-	40 253	40 253	-	-
eDumbe	17 762	-	9 000	26 762	26 762	-	9 000
uPhongolo	27 794	-	-	27 794	27 794	-	-
Abaqulusi	36 434	-	-	36 434	36 434	-	-
Nongoma	31 286	-	-	31 286	31 286	-	-
Ulundi	30 335	-	6 000	36 335	36 335	-	6 000
Zululand District Municipality	220 762	-	-	220 762	220 762	-	-
Umhlabuyalingana	34 265	-	-	34 265	34 265	-	-
Jozini	36 687	-	-	36 687	36 687	-	-
Mtubatuba	31 166	-	-	31 166	31 166	-	-
Big Five Hlabisa	21 000	-	-	21 000	21 000	-	-
Umkhanyakude District Municipality	210 378	-	-	210 378	210 378	-	-
Mfolozi	25 761	-	-	25 761	25 761	-	-
uMhlathuze	104 604	-	-	104 604	104 604	-	-
uMlalazi	49 108	-	-	49 108	49 108	-	-
Mthonjaneni	17 749	-	4 000	21 749	21 749	-	4 000
Nkandla	31 945	-	3 000	34 945	34 945	-	3 000
King Cetshwayo District Municipality	167 200	-	-	167 200	167 200	-	-
Mandeni	34 706	-	-	34 706	34 706	-	-
KwaDukuza	50 665	-	3 301	53 966	53 966	-	3 301
Ndwedwe	29 267	-	3 500	32 767	32 767	-	3 500
Maphumulo	21 942	-	-	21 942	21 942	-	-
iLembe District Municipality	188 503	-	-	188 503	188 503	-	-
Greater Kokstad	17 049	-	5 500	22 549	22 549	-	5 500
Ubuhlebezwe	26 439	-	-	26 439	26 439	-	-
Umzimkhulu	42 536	-	-	42 536	42 536	-	-
Dr Nkosazana Dlamini Zuma	26 666	-	-	26 666	26 666	-	-
Harry Gwala District Municipality	196 587	-	-	196 587	196 587	-	-
TOTAL KWAZULU NATAL	3 313 053	-	-1 699	3 311 354	3 311 354	-54 000	52 301

LIMPOPO							
Greater Giyani	59 473	-	-	59 473	59 473	-	-
Greater Letaba	56 460	-	20 000	76 460	76 460	-	20 000
Greater Tzaneen	92 315	-	-	92 315	92 315	-	-
Ba-Phalaborwa	31 437	-	15 000	46 437	46 437	-	15 000
Maruleng	26 337	-	15 000	41 337	41 337	-	15 000
Mopani District Municipality	444 492	-	-	444 492	444 492	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2019

LIMPOPO							
Musina	28 492	-	-5 998	22 494	22 494	-5 998	
Thulamela	114 323	-	-1 500	112 823	112 823	-1 500	-
Makhado	87 732	-	-	87 732	87 732	-	-
LIM345	80 350	-	21 500	101 850	101 850	-	21 500
Vhembe District Municipality	503 646	-	-	503 646	503 646	-	-
Blouberg	43 491	-	-	43 491	43 491	-	-
Molemole	34 493	-	12 000	46 493	46 493	-	12 000
Polokwane	330 877	-	-	330 877	330 877	-	-
Lepele-Nkumpi	53 003	-	-11 000	42 003	42 003	-11 000	-
Capricorn District Municipality	225 862	-	-	225 862	225 862	-	-
Thabazimbi	32 612	-	-22 828	9 784	9 784	-22 828	-
Lephalale	42 800	-	8 000	50 800	50 800	-	8 000
Bela-Bela	37 530	-	-	37 530	37 530	-	-
Mogalakwena	153 114	-	-20 256	132 858	132 858	-20 256	-
LIM368	37 826	-	-10 000	27 826	27 826	-10 000	-
Waterberg District Municipality	-	-	-	-	-	-	-
Ephraim Mogale	32 823	-	8 000	40 823	32 823	-	8 000
Elias Motsoaledi	53 832	-	7 000	60 832	61 832	-	7 000
Makhuduthamaga	66 000	-	-	66 000	73 000	-	-
Tubatse/Fetakgomo	82 638	-	-33 226	49 412	49 412	-33 226	-
Sekhukhune District Municipality	464 936	-	-	464 936	464 936	-	-
TOTAL LIMPOPO	3 216 894	-	1 692	3 218 586	3 218 586	-104 808	106 500

MPUMALANGA							
Albert Luthuli	85 281	-	-	85 281	85 281	-	-
Msukaligwa	51 669	-	-	51 669	51 669	-	-
Mkhondo	76 735	-	-	76 735	76 735	-	-
Pixley Ka Seme	25 956	-	-	25 956	25 956	-	-
Lekwa	30 034	-	-2 000	28 034	28 034	-2 000	-
Dipaleseng	32 380	-	3 100	35 480	35 480	-	3 100
Govan Mbeki	56 651	-	-	56 651	56 651	-	-
Gert Sibande District Municipality	-	-	-	-	-	-	-
Victor Khanye	24 477	-	-	24 477	24 477	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2019

MPUMALANGA							
Emalahleni	117 467	-	3 500	120 967	120 967	-	3 500
Steve Tshwete	48 740	-	3 500	52 240	52 240	-	3 500
Emakhazeni	17 946	-	2 000	19 946	19 946	-	2 000
Thembisile Hani	120 845	-	3 500	124 345	124 345	-	3 500
Dr JS Moroka	122 491	-	-	122 491	122 491	-	-
Nkangala District Municipality	-	-	-	-	-	-	-
Thaba Chweu	55 457	-	-11 606	43 851	43 851	-11 606	-
Nkomazi	220 261	-	-	220 261	220 261	-	-
Bushbuckridge	365 988	-	-	365 988	365 988	-	-
City of Mbombela	336 980	-	-	336 980	336 980	-	-
Ehlanzeni District Municipality	-	-	-	-	-	-	-
TOTAL MPUMALANGA	1 789 358	-	1 994	1 791 352	1 791 352	-13 606	15 600

NORTHERN CAPE							
Richtersveld	7 287	-	-4 858	2 429	2 429	-4 858	-
Nama Khoi	14 384	-	-2 887	11 497	11 497	-2 887	-
Kamiesberg	11 867	-	-	11 867	11 867	-	-
Hantam	9 656	-	-2 220	19 656	7 436	-2 220	-
Karoo Hoogland	8 020	-	10 000	18 020	18 020	-	10 000
Namakwa District Municipality	-	-	-	-	-	-	-
Ubuntu	9 862	-	-9 862	-	-	-9 862	-
Umsobomvu	11 348	-	-2 000	9 348	9 348	-2 000	-
Emthanjeni	12 001	-	-2 101	9 900	9 900	-2 101	-
Kareeberg	7 972	-	-	7 972	7 972	-	-
Renosterberg	7 426	-	-2 213	5 213	5 213	-2 213	-
Thembelihle	9 352	-	5 000	14 352	14 352	-	5 000
Siyathemba	9 724	-	20 000	29 724	29 724	-	20 000
Siyancuma	16 355	-	-	16 355	16 355	-	-
Pixley Ka Seme District Municipality	-	-	9 862	9 862	9 862	-	9 862
!Kai !Garib	22 036	-	-5 214	16 822	16 822	-5 214	-
!Kheis	10 567	-	-	10 567	10 567	-	-
Khâi-Ma	7 712	-	-	7 712	7 712	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2019

NORTHERN CAPE							
Tsantsabane	15 312	-	-4 000	11 312	11 312	-4 000	-
Kgatelopele	7 975	-	20 000	27 975	27 975	-	20 000
Dawid Kruiper	24 652	-	-4 950	19 702	19 702	-4 950	-
Z.F. Mgcawu District Municipality	-	-	-	-	-	-	-
Sol Plaatjie	48 816	-	-	48 816	48 816	-	-
Dikgatlong	19 210	-	-4 501	14 709	14 709	-4 501	-
Magareng	11 029	-	-	11 029	11 029	-	-
Phokwane	37 092	-	-10 000	27 092	27 092	-10 000	-
Frances Baard District Municipality	-	-	-	-	-	-	-
Joe Morolong	58 824	-	-	58 824	58 824	-	-
Ga-Segonyana	62 793	-	-10 000	52 793	52 793	-10 000	-
Gamagara	13 713	-	-4 750	8 963	8 963	-4 750	-
John Taolo Gaetsewe District Municipality	-	-	-	-	-	-	-
TOTAL NORTHERN CAPE	474 985	-	-4 694	470 291	470 291	-69 556	64 862

NORTH WEST							
Moretele	112 384	-	-29 462	82 922	82 922	-29 462	-
Madibeng	285 258	-	-60 000	225 258	225 258	-60 000	-
Rustenburg	230 086	-	30 000	260 086	260 086	-	30 000
Kgetlengrivier	25 392	-	12 000	37 392	37 392	-	12 000
Moses Kotane	146 535	-	28 000	174 535	174 535	-	28 000
Bojanala Platinum District Municipality	-	-	-	-	-	-	-
Ratlou	28 867	-	-10 000	18 867	18 867	-10 000	-
Tswaing	39 294	-	-12 594	26 700	26 700	-12 594	-
Mafikeng	60 004	-	-20 004	40 000	40 000	-20 004	-
Ditsobotla	35 851	-	15 000	50 851	50 851	-	15 000
Moretele	112 384	-	-29 462	82 922	82 922	-29 462	-
Madibeng	285 258	-	-60 000	225 258	225 258	-60 000	-
Rustenburg	230 086	-	30 000	260 086	260 086	-	30 000
Kgetlengrivier	25 392	-	12 000	37 392	37 392	-	12 000
Moses Kotane	146 535	-	28 000	174 535	174 535	-	28 000

NOTES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2019

NORTH WEST							
Bojanala Platinum District Municipality	-	-	-	-	-	-	-
Ratlou	28 867	-	-10 000	18 867	18 867	-10 000	-
Tswaing	39 294	-	-12 594	26 700	26 700	-12 594	-
Mafikeng	60 004	-	-20 004	40 000	40 000	-20 004	-
Ditsobotla	35 851	-	15 000	50 851	50 851	-	15 000
Ramotshere Moiloa	36 453	-	11 051	47 504	47 504	-	11 051
Ngaka Modiri Molema District Municipality	293 074	-	-	293 074	293 074	-	-
Naledi	29 218	-	-6 000	23 218	23 218	-6 000	-
Mamusa	15 462	-	-	15 462		-	-
Greater Taung	46 675	-	-	46 675	46 675	-	-
Lekwa-Teemane	14 579	-	-	14 579	14 579	-	-
Kagisano-Molopo	29 521	-	-	29 521	29 521	-	-
Dr Ruth Segomotsi Mompati District Municipality	135 482	-	-	135 482	150 944	-	-
City of Matlosana	85 689	-	34 000	119 689	119 689	-	34 000
Maquassi Hills	27 703	-	-2 651	25 052	25 052	-2 651	-
Ventersdorp/Tlokwe	65 344	-	-8 504	56 840	56 840	-8 504	-
Dr Kenneth Kaunda District Municipality	-	-	-	-	-	-	-
TOTAL NORTH WEST	1 742 871	-	-19 164	1 723 707	1 723 707	-149 215	130 051

WESTERN CAPE							
City of Cape Town	-	-	-	-	-	-	-
Matzikama	20 951	-	-	20 951	20 951	-	-
Cederberg	15 434	-	-5 800	9 634	9 634	-5 800	-
Bergrivier	19 754	-	-	19 754	19 754	-	-
Saldanha Bay	19 101	-	-8 000	11 101	11 101	-8 000	-
Swartland	20 945	-	4 000	24 945	24 945	-	4 000
West Coast District Municipality	-	-	-	-	-	-	-
Witzenberg	22 031	-	-	22 031	22 031	-	-
Drakenstein	34 484	-	-	34 484	34 484	-	-
Stellenbosch	35 107	-	-	35 107	35 107	-	-
Breede Valley	33 810	-	-	33 810	33 810	-	-
Langeberg	21 612	-	-	21 612	21 612	-	-
Cape Winelands District Municipality	-	-	-	-	-	-	-
Theewaterskloof	25 962	-	-	25 962	25 962	-	-
Overstrand	21 639	-	-	21 639	21 639	-	-
Cape Agulhas	10 874	-	3 000	13 874	13 874	-	3 000
Swellendam	11 786	-	-	11 786	11 786	-	-
Overberg District Municipality	-	-	-	-	-	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2019

WESTERN CAPE							
Kannaland	10 156	-	-1 764	8 392	8 392	-1 764	-
Hessequa	13 462	-	-	13 462	13 462	-	-
City of Cape Town	-	-	-	-	-	-	-
Matzikama	20 951	-	-	20 951	20 951	-	-
Cederberg	15 434	-	-5 800	9 634	9 634	-5 800	-
Bergrivier	19 754	-	-	19 754	19 754	-	-
Saldanha Bay	19 101	-	-8 000	11 101	11 101	-8 000	-
Swartland	20 945	-	4 000	24 945	24 945	-	4 000
West Coast District Municipality	-	-	-	-	-	-	-
Witzenberg	22 031	-	-	22 031	22 031	-	-
Drakenstein	34 484	-	-	34 484	34 484	-	-
Stellenbosch	35 107	-	-	35 107	35 107	-	-
Breede Valley	33 810	-	-	33 810	33 810	-	-
Langeberg	21 612	-	-	21 612	21 612	-	-
Cape Winelands District Municipality	-	-	-	-	-	-	-
Theewaterskloof	25 962	-	-	25 962	25 962	-	-
Overstrand	21 639	-	-	21 639	21 639	-	-
Cape Agulhas	10 874	-	3 000	13 874	13 874	-	3 000
Swellendam	11 786	-	-	11 786	11 786	-	-
Overberg District Municipality	-	-	-	-	-	-	-
Kannaland	10 156	-	-1 764	8 392	8 392	-1 764	-
Hessequa	13 462	-	-	13 462	13 462	-	-
Mossel Bay	23 688	-	-	23 688	23 688	-	-
George	47 888	-	-	47 888	47 888	-	-
Oudtshoorn	21 382	-	-	21 382	21 382	-	-
Bitou	19 842	-	6 800	26 642	26 642	-	6 800
Knysna	24 594	-	-	24 594	24 594	-	-
Eden District Municipality	-	-	-	-	-	-	-
Laingsburg	6 588	-	-	6 588	6 588	-	-
Prince Albert	7 505	-	-	7 505	7 505	-	-
Beaufort West	13 776	-	11 835	25 611	25 611	-	11 835
Central Karoo District Municipality	-	-	-	-	-	-	-
TOTAL WESTERN CAPE	502 371	-	10 071	512 442	512 442	-15 564	25 635
TOTAL MIG	15 287 685		-	15 287 685	15 287 685	-510 668	510 668
Local Government Equitable Share (LGES)							

NOTES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2019

EARSTERN CAPE							
(BUF) Buffalo City	778 048	-	-41 592	736 456	736 456	-	-
(NMA) Nelson Mandela Bay	939 530	-	-59 246	880 284	880 284	-	-
(EC101) Dr Beyers Naude	83 278	-		83 278	83 278	-	-
(EC 102) Blue Crane Route	49 012	-		49 012	49 012	-	-
(EC 104) Makana	85 578	-	-	85 578	85 578	-	-
(EC 105) Ndlambe	88 241	-	-	88 241	88 241	-	-
(EC 106) undays River Valley	71 971	-	-2 090	69 881	69 881	-	-
(EC 108) Kouga	113 151	-	-	113 151	113 151	-	-
(EC 109) Kou-kamma	45 406	-	-154	45 252	45 252	-	-
(DC 10) Sarah Baartman District Municipality	88 342	-	-	88 342	88 342	-	-
(EC 121) Mbhashe	225 391	-	-	225 391	225 391	-	-
(EC 122) Mnquma	234 368	-	-7 197	227 171	227 171	-	-
(EC 123) Great Kei	38 154	-	-670	37 484	37 484	-	-
(EC 124) Amahlathi	97 114	-	-623	96 491	96 491	-	-
(EC 126) Ngqushwa	75 488	-	-	75 488	75 488	-	-
(EC 129) Raymond Mhlaba	156 192	-	-	156 192	156 192	-	-
(DC 12) Amathole District Municipality	785 546	-	-3 238	782 308	782 308	-	-
(EC 131) Inxuba Yethemba	39 507	-	-3 655	35 852	35 852	-	-
(EC135) Intsika Yethu	147 779	-	-	147 779	147 779	-	-
(EC 136) Emalaheni	115 774	-	-	115 774	115 774	-	-
(EC 137) Engcobo	136 131	-	-	136 131	136 131	-	-
(EC 138) Sakhisizwe	61 718	-	-610	61 108	61 108	-	-
(EC 139) Enoch Mgijima	164 680	-	-	164 680	164 680	-	-
(DC 13) Chris Hani District Municipality	524 527	-	-18 213	506 314	506 314	-	-
(EC 141) Elundini	138 382	-	-318	138 064	138 064	-	-
(EC 142) Senqu	136 434	-	-	136 434	136 434	-	-
(EC 145) Walter Sisulu	52 677	-	-7 356	45 321	45 321	-	-
(DC 14) Joe Gqabi District Municipality	258 283	-	-2 609	255 674	255 674	-	-
(EC 153) Ngquza Hill	227 562	-	-2 959	224 603	224 603	-	-
(EC 154) Port St Johns	135 729	-	-8 297	127 432	127 432	-	-
(EC 155) Nyandeni	234 532	-	-16 421	218 111	218 111	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2019

EARSTERN CAPE							
(EC 156) Mhlontlo	165 930	-	-	165 930	165 930	-	-
(EC 157) King Sabata Dalindyebo	292 112	-	-14 099	278 013	278 013	-	-
(DC 15) O.R. Tambo District Municipality	791 526	-	-	791 526	791 526	-	-
(EC 441) Matatiele	193 075	-	-	193 075	193 075	-	-
(EC 442) Umzimvubu	207 642	-	-	207 642	207 642	-	-
(EC 443) Mbizana	230 525	-	-	230 525	230 525	-	-
(EC 444) Ntabankulu	108 982	-	-	108 982	108 982	-	-
(DC 44) Alfred Nzo District Municipality	510 344	-	-	510 344	510 344	-	-

FREE STATE							
(MAN) Mangaung	683 500	-	-216 000	467 500	467 500	-	-
(FS 161) Letsemeng	58 082	-	-17 000	41 082	41 082	-	-
(FS 162) Kopanong	77 880	-	-10 599	67 281	67 281	-	-
(FS 163) Mohokare	61 723	-	-21 447	40 276	40 276	-	-
(DC 16) Xhariep District Municipality	40 544	-	-	40 544	40 544	-	-
(FS 181) Masilonyana	107 442	-	-16 723	90 719	90 719	-	-
(FS 182) Tokologo	49 390	-	-7 245	42 145	42 145	-	-
(FS 183) Tswelopele	67 019	-	-53	66 966	66 966	-	-
(FS 184) Matjhabeng	459 037	-	-23 305	435 732	435 732	-	-
(FS 185) Nala	111 110	-	-56	111 054	111 054	-	-
(DC 18) Lejweleputswa District Municipality	121 164	-	-	121 164	121 164	-	-
(FS 191) Setsoto	173 927	-	-	173 927	173 927	-	-
(FS 192) Dihlabeng	147 861	-	-	147 861	147 861	-	-
(FS 193) Nketoana	87 543	-	-	87 543	87 543	-	-
(FS 194) Maluti-a-Phofung	538 719	-	-47 200	491 519	491 519	-	-
(FS 195) Phumelela	68 083	-	-1 016	67 067	67 067	-	-
(FS 196) Mantsopa	74 811	-	-74	74 737	74 737	-	-
(DC 19) Thabo Mofutsanyana District Municipality	107 303	-	-26	107 277	107 277	-	-
(FS 201) Moqhaka	185 144	-	-	185 144	185 144	-	-
(FS 203) Ngwathe	174 340	-	-12 718	161 622	161 622	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2019

FREE STATE							
(FS204) Metsimaholo	163 296	-	-3 458	159 838	159 838	-	-
(FS 205) Mafube	86 279	-	-574	85 705	85 705	-	-
(DC 20) Fezile Dabi District Municipality	149 188	-	-1 665	147 523	147 523	-	-

GAUTENG							
(EKU) City of Ekurhuleni	3 145 138	-	-	3 145 138	3 145 138	-	-
(JHB) City of Johannesburg	4 229 919	-	-56 415	4 173 504	4 173 504	-	-
(TSH) City of Tshwane	2 398 120	-	-151 272	2 246 848	2 246 848	-	-
(GT 21) Emfuleni	707 724	-	-10 959	696 765	696 765	-	-
(GT 422) Midvaal	97 192	-	-	97 192	97 192	-	-
(GT 423) Lesedi	119 340	-	-9 241	110 099	110 099	-	-
(DC 42) Sedibeng District Municipality	258 891	-	-	258 891	258 891	-	-
(GT 481) Mogale City	369 809	-	-	369 809	369 809	-	-
(GT 484) Merafong City	185 872	-	-940	184 932	184 932	-	-
(GT 485) Rand West City Local Municipality	274 916	-	-	274 916	274 916	-	-
(DC 48) West Rand District Municipality	198 007	-	-28 390	169 617	169 617	-	-

KWAZULU NATAL							
(ETH) eThekweni	2 893 016	-	-341 361	2 551 655	2 551 655	-	-
(KZN 212) Umdoni	118 563	-	-1 292	117 271	117 271	-	-
(KZN 213) Umzumbe	120 566	-	-	120 566	120 566	-	-
(KZN 214) uMuziwabantu	82 521	-	-1 781	80 740	80 740	-	-
(KZN 216) Ray Nkonyeni	185 324	-	-	185 324	185 324	-	-
(DC 21) Ugu District Municipality	435 877	-	-	435 877	435 877	-	-
(KZN 221) uMshwathi	91 820	-	-	91 820	91 820	-	-
(KZN 222) uMngeni	60 165	-	-	60 165	60 165	-	-
(KZN 223) Mpofana	32 003	-	-475	31 528	31 528	-	-
(ETH) eThekweni	2 893 016	-	-341 361	2 551 655	2 551 655	-	-
(KZN 212) Umdoni	118 563	-	-1 292	117 271	117 271	-	-
(KZN 213) Umzumbe	120 566	-	-	120 566	120 566	-	-
(KZN 214) uMuziwabantu	82 521	-	-1 781	80 740	80 740	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2019

KWAZULU NATAL							
(KZN 216) Ray Nkonyeni	185 324	-	-	185 324	185 324	-	-
(DC 21) Ugu District Municipality	435 877	-	-	435 877	435 877	-	-
(KZN 221) uMshwathi	91 820	-	-	91 820	91 820	-	-
(KZN 222) uMngeni	60 165	-	-	60 165	60 165	-	-
(KZN 223) Mpofana	32 003	-	-475	31 528	31 528	-	-
(KZN 224) Impendle	32 649	-	-	32 649	32 649	-	-
(KZN 225) Msunduzi	505 853	-	-33 615	472 238	472 238	-	-
(KZN 226) Mkhambathini	55 546	-	-	55 546	55 546	-	-
(KZN227) Richmond	62 473	-	-	62 473	62 473	-	-
(DC 22) uMgungundlovu District Municipality	483 964	-	-7 496	476 468	476 468	-	-
(KZN 235) Okhahlamba	110 874	-	-	110 874	110 874	-	-
(KZN 237) iNkosi Langalibalele	155 907	-	-8 819	147 088	147 088	-	-
(KZN 238) Alfred Duma	206 663	-	-	206 663	206 663	-	-
(DC 23) Uthukela District Municipality	397 482	-	-61 148	336 334	336 334	-	-
(KZN 241) Endumeni	41 599	-	-98	41 501	41 501	-	-
(KZN 242) Nquthu	122 365	-	-2 869	119 496	119 496	-	-
(KZN 244) uMsinga	145 573	-	-	145 573	145 573	-	-
(KZN 245) Umvoti	112 887	-	-14	112 873	112 873	-	-
(DC 24) Umzinyathi District Municipality	325 057	-	-37 299	287 758	287 758	-	-
(KZN 252) Newcastle	341 408	-	-	341 408	341 408	-	-
(KZN 253) Emadlangeni	27 305	-	-	27 305	27 305	-	-
(KZN254) Dannhauser	82 343	-	-	82 343	82 343	-	-
(DC 25) Amajuba District Municipality	148 705	-	-	148 705	148 705	-	-
(KZN 261) eDumbe	66 301	-	-528	65 773	65 773	-	-
(KZN 262) uPhongolo	119 730	-	-	119 730	119 730	-	-
(KZN 263) Abaqulusi	130 276	-	-18 214	112 062	112 062	-	-
(KZN 265) Nongoma	136 733	-	-342	136 391	136 391	-	-
(KZN 266) Ulundi	143 729	-	-	143 729	143 729	-	-
(DC 26) Zululand District Municipality	424 766	-	-	424 766	424 766	-	-
(KZN 271) Umhlabuyalingana	145 676	-	-	145 676	145 676	-	-
(KZN 272) Jozini	159 965	-	-	159 965	159 965	-	-
(KZN 275) Mtubatuba	143 500	-	-294	143 206	143 206	-	-
(KZN 276) Big Five Hlabisa	94 296	-	-	94 296	94 296	-	-
(DC 27) Umkhanyakude District Municipality	374 748	-	-1 165	373 583	373 583	-	-
(KZN 281) uMfolozi	115 041	-	-59	114 982	114 982	-	-
(KZN 282) uMhlatuze	326 255	-	-4 920	321 335	321 335	-	-
(KZN 284) uMlalazi	165 378	-	-	165 378	165 378	-	-
(KZN 285) Mthonjaneni	70 979	-	-	70 979	70 979	-	-

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KWAZULU NATAL							
(KZN 286) Nkandla	86 797	-	-	86 797	86 797	-	-
(DC 28) King Cetshwayo District Municipality	476 842	-	-	476 842	476 842	-	-
(KZN 291) Mandeni	146 821	-	-8 848	137 973	137 973	-	-
(KZN 292) KwaDukuza	147 876	-	-	147 876	147 876	-	-
(KZN 293) Ndwedwe	129 855	-	-4 386	125 469	125 469	-	-
(KZN 294) Maphumulo	81 102	-	-	81 102	81 102	-	-
(DC 29) iLembe District Municipality	468 670	-	-	468 670	468 670	-	-
(KZN 433) Greater Kokstad	55 683	-	-	55 683	55 683	-	-
(KZN 434) Ubuhlebezwe	99 319	-	-	99 319	99 319	-	-
(KZN 435) Umzimkhulu	169 032	-	-	169 032	169 032	-	-
(KZN 436) Dr Nkosazana Dlamini Zuma	111 162	-	-1 140	110 022	110 022	-	-
(DC 43) Harry Gwala District Municipality	318 074	-	-49 266	268 808	268 808	-	-

LIMPOPO							
(LIM 331) Greater Giyani	253 351	-	-	253 351	253 351	-	-
(LIM 332) Greater Letaba	244 692	-	-1 778	242 914	242 914	-	-
(LIM 333) Greater Tzaneen	338 344	-	-2 725	335 619	335 619	-	-
(LIM 334) Ba-Phalaborwa	132 485	-	-	132 485	132 485	-	-
(LIM 335) Maruleng	109 416	-	-290	109 126	109 126	-	-
(DC 33) Mopani District Municipality	840 762	-	-43 778	796 984	796 984	-	-
(LIM 341) Musina	124 015	-	-7 057	116 958	116 958	-	-
(LIM 343) Thulamela	391 032	-	-	391 032	391 032	-	-
(LIM 344) Makhado	316 259	-	-500	315 759	315 759	-	-
(LIM 345) Collins Chabane Local Municipality	327 068	-	-28 859	298 209	298 209	-	-
(DC 34) Vhembe District Municipality	910 477	-	-49 175	861 302	861 302	-	-
(LIM 351) Blouberg	167 730	-	-	167 730	167 730	-	-
(LIM 353) Molemole	128 184	-	-4 057	124 127	124 127	-	-
(LIM 354) Polokwane	831 436	-	-57 271	774 165	774 165	-	-
(LIM 355) Lepelle-Nkumpi	222 970	-	-7 080	215 890	215 890	-	-
(DC 35) Capricorn District Municipality	547 862	-	-372	547 490	547 490	-	-
(LIM 361) Thabazimbi	86 028	-	-187	85 841	85 841	-	-
(LIM 362) Lephalale	130 526	-	-	130 526	130 526	-	-
(LIM 366) Bela Bela	81 986	-	-1 002	80 984	80 984	-	-
(LIM 367) Mogalakwena	395 279	-	-15 634	379 645	379 645	-	-
(LIM 368) LIM 368	100 804	-	-10 000	90 804	90 804	-	-
(DC 36) Waterberg District Municipality	122 853	-	-1 579	121 274	121 274	-	-

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LIMPOPO							
(LIM 471) Ephraim Mogale	129 676	-	-	129 676	129 676	-	-
(LIM 472) Elias Motsaedi	237 506	-	4 012	241 518	241 518	-	-
(LIM 473) Makhuduthamaga	241 518	-	-4 012	237 506	237 506	-	-
(LIM 476) LIM 476	361 513	-	-	361 513	361 513	-	-
(DC 47) Sekhukhune District Municipality	711 481	-	-5 536	705 945	705 945	-	-

MPUMALANGA							
(MP 301) Chief Albert Luthuli	278 934	-	-	278 934	278 934	-	-
(MP 302) Msukaligwa	154 338	-	-952	153 386	153 386	-	-
(MP 303) Mkhondo	209 667	-	-219	209 448	209 448	-	-
(MP 304) Dr Pixley Ka Isaka Seme	107 567	-	-179	107 388	107 388	-	-
(MP 305) Lekwa	107 256	-	-230	107 026	107 026	-	-
(MP 306) Dipaleseng	64 569	-	-6 007	58 562	58 562	-	-
(MP 307) Govan Mbeki	257 245	-	-15 687	241 558	241 558	-	-
(DC 30) Gert Sibande District Municipality	282 406	-	-	282 406	282 406	-	-
(MP 311) Victor Khanye	87 187	-	-	87 187	87 187	-	-
(MP 312) Emalahleni	325 738	-	-52	325 686	325 686	-	-
(MP 313) Steve Tshwete	179 370	-	-	179 370	179 370	-	-
(MP 314) Emakhazeni	58 495	-	-	58 495	58 495	-	-
(MP 315) Thembisile Hani	364 153	-	-	364 153	364 153	-	-
(MP 316) Dr JS Moroka	345 667	-	-815	344 852	344 852	-	-
(DC 31) Nkangala District Municipality	343 962	-	-	343 962	343 962	-	-
(MP 321) Thaba Chweu	132 627	-	-6	132 621	132 621	-	-
(MP 324) Nkomazi	516 133	-	-13 532	502 601	502 601	-	-
(MP 325) Bushbuckridge	720 236	-	-331	719 905	719 905	-	-
(MP 326) City of Mbombela	661 329	-	-90 553	570 776	570 776	-	-
(DC 32) Ehlanzeni District Municipality	239 132	-	-	239 132	239 132	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2019

NORTHERN CAPE							
(NC 061) Richtersveld	15 473	-	-	15 473	15 473	-	-
(NC062) Nama Khoi	43 917	-	-	43 917	43 917	-	-
(NC 064) Kamiesberg	20 768	-	-	20 768	20 768	-	-
(NC 065) Hantam	22 818	-	-	22 818	22 818	-	-
(NC 066) Karoo Hoogland	20 251	-	-192	20 059	20 059	-	-
(NC 067) Khai-Ma	17 420	-	-2 398	15 022	15 022	-	-
(DC 6) Namakwa District Municipality	47 152	-	-129	47 023	47 023	-	-
(NC 071) Ubuntu	31 165	-	-	31 165	31 165	-	-
(NC 072) Umsobomvu	44 259	-	-295	43 964	43 964	-	-
(NC 073) Emthanjeni	40 793	-	-	40 793	40 793	-	-
(NC 074) Kareeberg	22 024	-	-	22 024	22 024	-	-
(NC 075) Renosterberg	22 237	-	-84	22 153	22 153	-	-
(NC 076) Thembelihle	22 988	-	-	22 988	22 988	-	-
(NC 077) Siyathemba	29 848	-	-400	29 448	29 448	-	-
(NC 078) Siyancuma	45 402	-	-3 259	42 143	42 143	-	-
(DC 7) Pixley Ka Seme District Municipality	47 820	-	-202	47 618	47 618	-	-
(NC 082) Kai Garib	77 186	-	-5 000	72 186	72 186	-	-
(NC 084) Kheis	23 163	-	-3 928	19 235	19 235	-	-
(NC 085) Tsantsabane	35 385	-	-3 935	31 450	31 450	-	-
(NC 086) Kgatelopele	20 469	-	-55	20 414	20 414	-	-
(NC 087) Dawid Kruiper	77 934	-	-499	77 435	77 435	-	-
(DC 8) Z.F. Mgcawu Distirct Municipality	66 094	-	-	66 094	66 094	-	-
(NC 091) Sol Plaatjie	172 437	-	-	172 437	172 437	-	-
(NC 092) Dikgatlong	76 057	-	-	76 057	76 057	-	-
(NC 093) Magareng	41 743	-	-2 415	39 328	39 328	-	-
(NC 094) Phokwane	94 534	-	-19 730	74 804	74 804	-	-
(DC 9) Frances Baard District Municipality	116 209	-	-	116 209	116 209	-	-
(NC 451) Joe Morolong	128 635	-	-6 143	122 492	122 492	-	-
(NC 452) Ga-Segonyana	141 895	-	-4 367	137 528	137 528	-	-
(NC 453) Gamagara	33 008	-	-6 763	26 245	26 245	-	-
(DC 45) John Taolo Gaetsewe District Municipality	85 253	-	-94	85 159	85 159	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2019

NORTH WEST							
(NW 371) Moretele	306 721	-	-17 617	289 104	289 104	-	-
(NW 372) Madibeng	624 943	-	-	624 943	624 943	-	-
(NW 373) Rustenburg	605 006	-	-10 299	594 707	594 707	-	-
(NW 374) Kgetlengrivier	81 506	-	-11 639	69 867	69 867	-	-
(NW 375) Moses Kotane	386 730	-	-10 130	376 600	376 600	-	-
(DC 37) Bojanala Platinum District Municipality	322 202	-	-	322 202	322 202	-	-
(NW 381) Ratlou	111 525	-	-4 420	107 105	107 105	-	-
(NW 382) Tswaing	102 431	-	-4 899	97 532	97 532	-	-
(NW 383) Mafikeng	226 626	-	-6 305	220 321	220 321	-	-
(NW 384) Ditsobotla	112 413	-	-	112 413	112 413	-	-
(NW 385) Ramotshere Moiloa	153 173	-	-	153 173	153 173	-	-
(DC 38) Ngaka Modiri Molema District Municipality	696 369	-	-539	695 830	695 830	-	-
(NW 392) Naledi	47 260	-	-1 644	45 616	45 616	-	-
(NW 393) Mamusa	50 209	-	-	50 209	50 209	-	-
(NW 394) Greater Taung	175 974	-	-5 162	170 812	170 812	-	-
(NW 396) Lekwa-Teemane	44 723	-	-1 797	42 926	42 926	-	-
(NW 397) Kagisano-Molopo	109 062	-	-	109 062	109 062	-	-
(DC 39) Dr Ruth Segomotsi Mompati District Municipality	337 205	-	-37 500	299 705	299 705	-	-
(NW 403) City of Matlosana	392 856	-	-366	392 490	392 490	-	-
(NW 404) Maquassi Hills	115 571	-	-4 511	111 060	111 060	-	-
(NW 405) JB Marks Local Municipality	233 655	-	-9 501	224 154	224 154	-	-
(DC 40) Dr Kenneth Kaunda District Municipality	180 033	-	-	180 033	180 033	-	-

WESTERN CAPE							
(CPT) City of Cape Town	2 574 650	-	-	2 574 650	2 574 650	-	-
(WC 011) Matzikama	52 340	-	-	52 340	52 340	-	-
(WC 012) Cederberg	45 080	-	-2 286	42 794	42 794	-	-
(WC 013) Bergrivier	41 390	-	-	41 390	41 390	-	-
(WC 014) Saldanha Bay	80 432	-	-	80 432	80 432	-	-
(WC 015) Swartland	82 048	-	-	82 048	82 048	-	-
(DC 1) West Coast District Municipality	88 405	-	-	88 405	88 405	-	-
(WC 022) Witzenberg	84 602	-	-18	84 584	84 584	-	-

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WESTERN CAPE							
(WC 023) Drakenstein	137 518	-	-	137 518	137 518	-	-
(WC 024) Stellenbosch	124 176	-	-	124 176	124 176	-	-
(WC 025) Breede Valley	108 977	-	-	108 977	108 977	-	-
(WC 026) Langeberg	73 093	-	-	73 093	73 093	-	-
(DC 2) Cape Winelands District Municipality	225 214	-	-	225 214	225 214	-	-
(WC 031) Theewaterskloof	87 385	-	-910	86 475	86 475	-	-
(WC 032) Overstrand	96 068	-	-	96 068	96 068	-	-
(WC 033) Cape Agulhas	27 606	-	-	27 606	27 606	-	-
(WC 034) Swellendam	29 001	-	-	29 001	29 001	-	-
(DC 3) Overberg District Municipality	67 902	-	-	67 902	67 902	-	-
(WC 041) Kannaland	25 957	-	-2 795	23 162	23 162	-	-
(WC 042) Hessequa	40 885	-	-	40 885	40 885	-	-
(WC 043) Mossel Bay	85 858	-	-	85 858	85 858	-	-
(WC 044) George	137 401	-	-	137 401	137 401	-	-
(WC 045) Oudtshoorn	67 861	-	-	67 861	67 861	-	-
(WC 047) Bitou	83 028	-	-	83 028	83 028	-	-
(WC 048) Knysna	78 375	-	-37	78 338	78 338	-	-
(DC 4) Eden District Municipality	151 237	-	-4 987	146 250	146 250	-	-
(WC 051) Laingsburg	15 000	-	-	15 000	15 000	-	-
(WC 052) Prince Albert	19 317	-	-	19 317	19 317	-	-
(WC 053) Beaufort West	56 655	-	-112	56 543	56 543	-	-
(DC 5) Central Karoo District Municipality	28 502	-	-	28 502	28 502	-	-
TOTAL LGES	62 731 845	-	-1 973 957	60 757 888	60 757 888	-	-

Vehicle Licences	-	-	-	-	-	-	-
City of Tshwane	26	-	-	26	26	-	-
Total for Vehicle Licences	26	-	-	26	26	-	-

Disaster Recovery Grant							
Nelson Mandela Bay	233 400	-	-	233 400	233 400	-	-
Mangaung	239 034	-	-	239 034	239 034	-	-
Merafong City	21 317	-	-	21 317	21 317	-	-
Ethekwini	79 763	-	-	79 763	79 763	-	-
Ugu District Municipality	20 237	-	-	20 237	20 237	-	-
City Of Cape Town	553 050	-	-	553 050	553 050	-	-
Bitou	4 587	-	-	4 587	4 587	-	-
Total Disaster Recovery Grant	1 151 388	-	-	1 151 388	1 151 388	-	-

NOTES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2019

Municipal Systems Improvement Grant							
EC101 DR Beyers Naude Local Municipality	1 055	-	-	1 055	1 055	-	-
EC129 Raymond Mhlaba	1 055	-	-	1 055	1 055	-	-
EC139 Enoch Mgijima Local Municipality	1 055	-	-	1 055	1 055	-	-
MAN Mangaung	1 055	-	-	1 055	1 055	-	-
KZN212 Umdoni Local Municipality	1 055	-	-	1 055	1 055	-	-
KZN216 Ray Nkonyeni	1 055	-	-	1 055	1 055	-	-
KZN237 Inkosi Ilangalibalele	1 055	-	-	1 055	1 055	-	-

Municipal Systems Improvement Grant							
KZN238 Alfred Duma	1 055	-	-	1 055	1 055	-	-
KZN28 Mfolozi	1 055	-	-	1 055	1 055	-	-
KZN282 Umhlathuze Local Municipality	1 055	-	-	1 055	1 055	-	-
LIM476 Greater Tubatse/Fetakgomo	1 055	-	-	1 055	1 055	-	-
LIM341 Musina Local Municipality	1 055	-	-	1 055	1 055	-	-
LIM343 Thulamela Local Municipality	1 055	-	-	1 055	1 055	-	-
LIM344 Makhado	1 055	-	-	1 055	1 055	-	-
LIM345 New Local Municipality	1 061	-	-	1 061	1 061	-	-
LIM351 Blouberg Local Municipality	1 055	-	-	1 055	1 055	-	-
LIM353 Molemole Local Municipality	1 055	-	-	1 055	1 055	-	-
LIM354 Polokwane Local Municipality	1 055	-	-	1 055	1 055	-	-
LIM368 Modimolle/Mookgopong L Municipality	1 055	-	-	1 055	1 055	-	-
MP326 Mbombela/Umjindi Loc Municipality	1 055	-	-	1 055	1 055	-	-
NC087 Dawid Kruiper	1 055	-	-	1 055	1 055	-	-
NW405 Ventersdorp/Tlokwe Loc Municipality	1 055	-	-	1 055	1 055	-	-
Total MSIG	23 216	-	-	23 216	23 216	-	-
TOTAL	79 194 160	-	(1 973 957)	77 220 203	77 220 203	(510 668)	510 668

The Department confirms, as required by DoRA, that all transfers were deposited into the primary bank account of the Province and /Municipality.

ANNEXURE IA STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2017/18	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
Municipal Infrastructure Grant (MIG)	-	-	-	-	-	-	-	-	-	-	-	-	-

EASTERN CAPE													
Buffalo City	-	-	-	-	-	-	-	-	-	-	-	-	-
Nelson Mandela Bay	-	-	-	-	-	-	-	-	-	-	-	-	-
Dr Beyers Naude	20 267	-	-4 000	16 267	16 267	-4 000	-	16 267	-	-	-	20 902	20 902
Blue Crane Route	14 117	-	-	14 117	14 117	-	-	14 117	-	-	-	12 496	12 496
Makana	23 976	-	-	23 976	-	-	-	-	-	-	-	-	-
Ndlambe	26 809	-	-	26 809	26 809	-	-	26 809	-	-	-	24 715	24 715
Sundays River Valley	25 162	-	-2 500	22 662	22 662	-2 500	-	22 662	-	-	-	26 000	26 000
Kouga	31 186	-	-	31 186	31 186	-	-	31 186	-	-	-	27 274	27 274
Kou-Kamma	15 170	-	-	15 170	15 170	-	-	15 170	-	-	-	19 592	19 592
Sarah Baartman District Municipality	-	-	12 800	12 800	36 776	-	12 800	36 776	-	-	-	24 764	24 764
Mbhashe	70 192	-	-	70 192	70 192	-	-	70 192	-	-	-	58 027	58 027
Mnquma	61 352	-	-	61 352	61 352	-	-	61 352	-	-	-	40 693	40 693
Great Kei	11 116	-	-	11 116	11 116	-	-	11 116	-	-	-	11 371	11 371
Amahlathi	27 634	-	-8 700	18 934	18 934	-8 700	-	18 934	-	-	-	28 574	28 574
Ngqushwa	22 122	-	10 800	32 922	32 922	-	10 800	32 922	-	-	-	31 833	31 833
Raymond Mhlaba	38 486	-	-	38 486	38 486	-	-	38 486	-	-	-	44 877	44 877
Amathole District Municipality	419 232	-	-20 000	399 232	399 232	-20 000	-	399 232	-	-	-	436 439	436 439
Inxuba Yethemba	15 862	-	11 700	27 562	27 562	-	11 700	27 562	-	-	-	16 313	16 313

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2019

EASTERN CAPE													
Intsika Yethu	42 190	-	-	42 190	42 190	-	-	42 190	-	-	-	52 735	52 735
Emalahleni	43 902	-	-	43 902	43 902	-	-	43 902	-	-	-	34 061	34 061
Engcobo	37 794	-	-4 000	33 794	33 794	-4 000	-	33 794	-	-	-	28 656	28 656
Sakhisizwe	17 912	-	15 000	32 912	32 912	-	15 000	32 912	-	-	-	27 948	27 948
Enoch Mgijima	53 040	-	-	53 040	53 040	-	-	53 040	-	-	-	44 536	44 536
Chris Hani District Municipality	280 880	-	-10 000	270 880	270 880	-10 000	-	270 880	-	-	-	292 340	292 340
Elundini	38 207	-	-	38 207	38 207	-	-	38 207	-	-	-	45 587	45 587
Senqu	37 755	-	-	37 755	37 755	-	-	37 755	-	-	-	39 115	39 115
Walter Sisulu	18 570	-	-	18 570	18 570	-	-	18 570	-	-	-	29 954	29 954
Joe Gqabi District Municipality	153 554	-	-	153 554	153 554	-	-	153 554	-	-	-	159 725	159 725
Ngquza Hill	61 976	-	-7 000	54 976	54 976	-7 000	-	54 976	-	-	-	55 437	55 437
Port St Johns	33 705	-	-	33 705	33 705	-	-	33 705	-	-	-	34 897	34 897
Nyandeni	59 625	-	-	59 625	59 625	-	-	59 625	-	-	-	70 894	70 894
Mhlontlo	43 394	-	-	43 394	43 394	-	-	43 394	-	-	-	61 989	61 989
King Sabata Dalindyebo	84 506	-	-	84 506	84 506	-	-	84 506	-	-	-	106 308	106 308
O.R.Tambo District Municipality	619 684	-	-	619 684	619 684	-	-	619 684	-	-	-	645 218	645 218
Matatiele	59 690	-	-	59 690	45 507	-	-	45 507	-	-	-	50 088	50 088
Umzimvubu	45 507	-	-	45 507	59 690	-	-	59 690	-	-	-	47 190	47 190
Mbizana	47 416	-	12 000	59 416	59 416	-	12 000	59 416	-	-	-	59 678	59 678
Ntabankulu	26 681	-	15 000	41 681	41 681	-	15 000	41 681	-	-	-	37 581	37 581
Alfred Nzo District Municipality	367 914	-	-20 000	347 914	347 914	-20 000	-	347 914	-	-	-	373 989	373 989
TOTAL EASTERN CAPE	2 996 585	-	1 100	2 997 685	2 997 685	-76 200	77 300	2 997 685	-	-	-	3 121 796	3 121 796

FREE STATE													
Mangaung	-	-	-	-	-	-	-	-	-	-	-	-	-
Letsemeng	29 949	-	-	29 949	29 949	-	-	29 949	-	-	-	15 877	15 877
Kopanong	20 201	-	-4 700	15 501	15 501	-4 700	-	15 501	-	-	-	30 033	30 033
Mohokare	17 708	-	-	17 708	17 708	-	-	17 708	-	-	-	18 236	18 236
Xharies District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-
Masilonyana	23 019	-	-23 019	-	-	-23 019	-	-	-	-	-	15 913	15 913
Tokologo	16 301	-	-	16 301	16 301	-	-	16 301	-	-	-	16 771	16 771
Tswelopele	23 837	-	-	23 837	23 837	-	-	23 837	-	-	-	16 704	16 704

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2019

FREE STATE													
Matjhabeng	116 581	-	-	116 581	116 581	-	-	116 581	-	-	-	136 216	136 216
Nala	29 107	-	-	29 107	29 107	-	-	29 107	-	-	-	39 482	39 482
Lejweleputswa District Municipality	-	-	23 019	23 019	23 019	-	23 019	23 019	-	-	-	-	-
Setsoto	57 782	-	-	57 782	57 782	-	-	57 782	-	-	-	47 997	47 997
Dihlabeng	37 914	-	-	37 914	37 914	-	-	37 914	-	-	-	39 281	39 281
Nketoana	24 927	-	-	24 927	24 927	-	-	24 927	-	-	-	25 755	25 755
Maluti-a-Phofung	159 321	-	-	159 321	159 321	-	-	159 321	-	-	-	140 732	140 732
Phumelela	20 698	-	-	20 698	20 698	-	-	20 698	-	-	-	41 154	41 154
Mantsopa	32 759	-	-	32 759	32 759	-	-	32 759	-	-	-	20 252	20 252
Thabo Mofutsanyana District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-
Moqhaka	39 410	-	4 000	43 410	43 410	-	4 000	43 410	-	-	-	50 840	50 840
Ngwathe	41 164	-	-	41 164	41 164	-	-	41 164	-	-	-	45 078	45 078
Metsimaholo	43 786	-	6 000	49 786	49 786	-	6 000	49 786	-	-	-	36 667	36 667
Mafube	22 064	-	-	22 064	22 064	-	-	22 064	-	-	-	-	-
Fezile Dabi District Municipality	-	-	-	-	-	-	-	-	-	-	-	27 080	27 080
TOTAL FREE STATE	756 528	-	5 300	761 828	761 828	-27 719	33 019	761 828	-	-	-	764 068	764 068

GAUTENG													
Ekurhuleni	-	-	-	-	-	-	-	-	-	-	-	-	-
City of Johannesburg	-	-	-	-	-	-	-	-	-	-	-	-	-
City of Tshwane	-	-	-	-	-	-	-	-	-	-	-	-	-
Emfuleni	165 389	-	-	165 389	165 389	-	-	165 389	-	-	-	176 145	176 145
Midvaal	31 201	-	-	31 201	31 201	-	-	31 201	-	-	-	37 789	37 789
Lesedi	25 937	-	-	25 937	25 937	-	-	25 937	-	-	-	36 873	36 873
Sedibeng District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2019

GAUTENG													
Mogale City	118 300	-	-	118 300	118 300	-	-	118 300	-	-	-	129 395	129 395
Merafong City	64 938	-	2 700	67 638	67 638	-	2 700	67 638	-	-	-	65 428	65 428
Rand West City	89 275	-	2 700	91 975	91 975	-	2 700	91 975	-	-	-	80 948	80 948
West Rand District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL GAUTENG	495 040	-	5 400	500 440	500 440	-	5 400	500 440	-	-	-	526 578	526 578

KWAZULU NATAL													
eThekweni	-	-	-	-	-	-	-	-	-	-	-	-	-
uMdoni	30 118	-	-	30 118	30 118	-	-	30 118	-	-	-	31 161	31 161
Umzumbe	33 442	-	3 950	37 392	37 392	-	3 950	37 392	-	-	-	34 624	34 624
uMuziwabantu	22 940	-	-	22 940	22 940	-	-	22 940	-	-	-	28 685	28 685
Ray Nkonyeni	60 317	-	-	60 317	60 317	-	-	60 317	-	-	-	62 615	62 615
Ugu District Municipality	235 888	-	-	235 888	235 888	-	-	235 888	-	-	-	245 479	245 479
uMshwathi	27 098	-	-	27 098	27 098	-	-	27 098	-	-	-	39 016	39 016
uMngeni	22 646	-	-	22 646	22 646	-	-	22 646	-	-	-	23 379	23 379
Mpofana	11 878	-	2 000	13 878	13 878	-	2 000	13 878	-	-	-	12 164	12 164
Impendle	11 572	-	-	11 572	11 572	-	-	11 572	-	-	-	11 845	11 845
Msunduzi	193 316	-	-	193 316	193 316	-	-	193 316	-	-	-	201 139	201 139
Mkhambathini	15 835	-	3 550	19 385	19 385	-	3 550	19 385	-	-	-	16 285	16 285
Richmond	18 149	-	-	18 149	18 149	-	-	18 149	-	-	-	25 354	25 354
Umgungundlovu District Municipality	99 828	-	-	99 828	99 828	-	-	99 828	-	-	-	96 021	96 021
Okhahlamba	27 795	-	4 500	32 295	32 295	-	4 500	32 295	-	-	-	33 742	33 742
iNkosi Langalibalele	36 949	-	-	36 949	36 949	-	-	36 949	-	-	-	38 276	38 276
Alfred Duma	69 946	-	-	69 946	69 946	-	-	69 946	-	-	-	62 749	62 749
Uthukela District Municipality	180 033	-	-	180 033	180 033	-	-	180 033	-	-	-	187 304	187 304
Endumeni	24 487	-	-	24 487	24 487	-	-	24 487	-	-	-	21 702	21 702
Nqutu	30 627	-	-	30 627	30 627	-	-	30 627	-	-	-	42 691	42 691
Msinga	36 715	-	-	36 715	36 715	-	-	36 715	-	-	-	38 032	38 032
Umvoti	29 261	-	4 000	33 261	33 261	-	4 000	33 261	-	-	-	27 634	27 634

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2019

KWAZULU NATAL													
Umzinyathi District Municipality	184 485	-	-	184 485	184 485	-	-	184 485	-	-	-	178 941	178 941
Newcastle	110 232	-	-54 000	56 232	56 232	-54 000	-	56 232	-	-	-	114 604	114 604
Emadlangeni	9 247	-	-	9 247	9 247	-	-	9 247	-	-	-	6 423	6 423
Dannhauser	21 400	-	-	21 400	21 400	-	-	21 400	-	-	-	22 081	22 081
Amajuba District Municipality	40 253	-	-	40 253	40 253	-	-	40 253	-	-	-	41 717	41 717
eDumbe	17 762	-	9 000	26 762	26 762	-	9 000	26 762	-	-	-	18 292	18 292
uPhongolo	27 794	-	-	27 794	27 794	-	-	27 794	-	-	-	33 741	33 741
Abaqulusi	36 434	-	-	36 434	36 434	-	-	36 434	-	-	-	35 440	35 440
Nongoma	31 286	-	-	31 286	31 286	-	-	31 286	-	-	-	43 378	43 378
Ulundi	30 335	-	6 000	36 335	36 335	-	6 000	36 335	-	-	-	31 388	31 388
Zululand District Municipality	220 762	-	-	220 762	220 762	-	-	220 762	-	-	-	229 725	229 725
Umhlabuyalingana	34 265	-	-	34 265	34 265	-	-	34 265	-	-	-	35 481	35 481
Jozini	36 687	-	-	36 687	36 687	-	-	36 687	-	-	-	38 003	38 003
Mtubatuba	31 166	-	-	31 166	31 166	-	-	31 166	-	-	-	32 253	32 253
Big Five Hlabisa	21 000	-	-	21 000	21 000	-	-	21 000	-	-	-	21 664	21 664
Umkhanyakude District Municipality	210 378	-	-	210 378	210 378	-	-	210 378	-	-	-	218 910	218 910
Mfolozi	25 761	-	-	25 761	25 761	-	-	25 761	-	-	-	26 623	26 623
uMhlathuze	104 604	-	-	104 604	104 604	-	-	104 604	-	-	-	108 742	108 742
uMlalazi	49 108	-	-	49 108	49 108	-	-	49 108	-	-	-	41 045	41 045
Mthonjaneni	17 749	-	4 000	21 749	21 749	-	4 000	21 749	-	-	-	24 278	24 278
Nkandla	31 945	-	3 000	34 945	34 945	-	3 000	34 945	-	-	-	23 170	23 170
King Cetshwayo District Municipality	167 200	-	-	167 200	167 200	-	-	167 200	-	-	-	173 938	173 938
Mandeni	34 706	-	-	34 706	34 706	-	-	34 706	-	-	-	35 940	35 940
KwaDukuza	50 665	-	3 301	53 966	53 966	-	3 301	53 966	-	-	-	62 562	62 562

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2019

KWAZULU NATAL													
Ndwedwe	29 267	-	3 500	32 767	32 767	-	3 500	32 767	-	-	-	28 275	28 275
Maphumulo	21 942	-	-	21 942	21 942	-	-	21 942	-	-	-	22 646	22 646
iLembe District Municipality	188 503	-	-	188 503	188 503	-	-	188 503	-	-	-	196 126	196 126
Greater Kokstad	17 049	-	5 500	22 549	22 549	-	5 500	22 549	-	-	-	22 591	22 591
Ubuhlebezwe	26 439	-	-	26 439	26 439	-	-	26 439	-	-	-	27 330	27 330
Umzimkhulu	42 536	-	-	42 536	42 536	-	-	42 536	-	-	-	44 095	44 095
Dr Nkosazana Dlamini Zuma	26 666	-	-	26 666	26 666	-	-	26 666	-	-	-	40 066	40 066
Harry Gwala District Municipality	196 587	-	-	196 587	196 587	-	-	196 587	-	-	-	-	204 545
TOTAL KWAZULU NATAL	3 313 053	-	-1 699	3 311 354	3 311 354	-54 000	52 301	3 311 354	-	-	-	3 463 910	3 463 910

LIMPOPO													
Greater Giyani	59 473	-	-	59 473	59 473	-	-	59 473	-	-	-	78 736	78 736
Greater Letaba	56 460	-	20 000	76 460	76 460	-	20 000	76 460	-	-	-	61 162	61 162
Greater Tzaneen	92 315	-	-	92 315	92 315	-	-	92 315	-	-	-	101 742	101 742
Ba-Phalaborwa	31 437	-	15 000	46 437	46 437	-	15 000	46 437	-	-	-	39 619	39 619
Maruleng	26 337	-	15 000	41 337	41 337	-	15 000	41 337	-	-	-	27 223	27 223
Mopani District Municipality	444 492	-	-	444 492	444 492	-	-	444 492	-	-	-	447 748	447 748
Musina	28 492	-	-5 998	22 494	22 494	-5 998	-	22 494	-	-	-	24 468	24 468
Thulamela	114 323	-	-1 500	112 823	112 823	-1 500	-	112 823	-	-	-	121 159	121 159
Makhado	87 732	-	-	87 732	87 732	-	-	87 732	-	-	-	106 169	106 169
LIM345	80 350	-	21 500	101 850	101 850	-	21 500	101 850	-	-	-	83 480	83 480
Vhembe District Municipality	503 646	-	-	503 646	503 646	-	-	503 646	-	-	-	524 360	524 360
Blouberg	43 491	-	-	43 491	43 491	-	-	43 491	-	-	-	45 090	45 090
Molemole	34 493	-	12 000	46 493	46 493	-	12 000	46 493	-	-	-	25 718	25 718
Polokwane	330 877	-	-	330 877	330 877	-	-	330 877	-	-	-	339 578	339 578
Lepele-Nkumpi	53 003	-	-11 000	42 003	42 003	-11 000	-	42 003	-	-	-	53 134	53 134
Capricorn District Municipality	225 862	-	-	225 862	225 862	-	-	225 862	-	-	-	235 037	235 037
Thabazimbi	32 612	-	-22 828	9 784	9 784	-22 828	-	9 784	-	-	-	-	-
Lephalale	42 800	-	8 000	50 800	50 800	-	8 000	50 800	-	-	-	58 712	58 712

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2019

LIMPOPO													
Bela-Bela	37 530	-	-	37 530	37 530	-	-	37 530	-	-	-	26 304	26 304
Mogalakwena	153 114	-	-20 256	132 858	132 858	-20 256	-	132 858	-	-	-	159 266	159 266
LIM368	37 826	-	-10 000	27 826	27 826	-10 000	-	27 826	-	-	-	44 190	44 190
Waterberg District Municipality	-	-	-	-	-	-	-	-	-	-	-	19 400	19 400
Ephraim Mogale	32 823	-	8 000	40 823	32 823	-	8 000	32 823	-	-	-	44 810	44 810
Elias Motsoaledi	53 832	-	7 000	60 832	61 832	-	7 000	61 832	-	-	-	66 860	66 860
Makhuduthamaga	66 000	-	-	66 000	73 000	-	-	73 000	-	-	-	68 646	68 646
Tubatse/Fetakgomo	82 638	-	-33 226	49 412	49 412	-33 226	-	49 412	-	-	-	85 863	85 863
Sekhukhune District Municipality	464 936	-	-	464 936	464 936	-	-	464 936	-	-	-	464 042	464 042
TOTAL LIMPOPO	3 216 894	-	1 692	3 218 586	3 218 586	-104 808	106 500	3 218 586	-	-	-	3 352 516	3 352 516

MPUMALANGA													
Albert Luthuli	85 281	-	-	85 281	85 281	-	-	85 281	-	-	-	88 616	88 616
Msukaligwa	51 669	-	-	51 669	51 669	-	-	51 669	-	-	-	53 608	53 608
Mkhondo	76 735	-	-	76 735	76 735	-	-	76 735	-	-	-	102 215	102 215
Pixley Ka Seme	25 956	-	-	25 956	25 956	-	-	25 956	-	-	-	29 327	29 327
Lekwa	30 034	-	-2 000	28 034	28 034	-2 000	-	28 034	-	-	-	19 293	19 293
Dipaleseng	32 380	-	3 100	35 480	35 480	-	3 100	35 480	-	-	-	29 076	29 076
Govan Mbeki	56 651	-	-	56 651	56 651	-	-	56 651	-	-	-	42 796	42 796
Gert Sibande District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-
Victor Khanye	24 477	-	-	24 477	24 477	-	-	24 477	-	-	-	25 286	25 286
Emalahleni	117 467	-	3 500	120 967	120 967	-	3 500	120 967	-	-	-	110 815	110 815
Steve Tshwete	48 740	-	3 500	52 240	52 240	-	3 500	52 240	-	-	-	50 557	50 557
Emakhazeni	17 946	-	2 000	19 946	19 946	-	2 000	19 946	-	-	-	18 484	18 484
Thembisile Hani	120 845	-	3 500	124 345	124 345	-	3 500	124 345	-	-	-	136 562	136 562
Dr JS Moroka	122 491	-	-	122 491	122 491	-	-	122 491	-	-	-	132 371	132 371
Nkangala District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-
Thaba Chweu	55 457	-	-11 606	43 851	43 851	-11 606	-	43 851	-	-	-	48 179	48 179

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2019

MPUMALANGA													
Nkomazi	220 261	-	-	220 261	220 261	-	-	220 261	-	-	-	233 857	233 857
Bushbuckridge	365 988	-	-	365 988	365 988	-	-	365 988	-	-	-	394 080	394 080
City of Mbombela	336 980	-	-	336 980	336 980	-	-	336 980	-	-	-	339 939	339 939
Ehlanzeni District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL MPUMALANGA	1 789 358	-	1 994	1 791 352	1 791 352	-13 606	15 600	1 791 352	-	-	-	1 855 061	1 855 061

NORTHERN CAPE													
Richtersveld	7 287	-	-4 858	2 429	2 429	-4 858	-	2 429	-	-	-	7 382	7 382
Nama Khoi	14 384	-	-2 887	11 497	11 497	-2 887	-	11 497	-	-	-	14 774	14 774
Kamiesberg	11 867	-	-	11 867	11 867	-	-	11 867	-	-	-	13 101	13 101
Hantam	9 656	-	-2 220	19 656	7 436	-2 220	-	7 436	-	-	-	16 716	16 716
Karoo Hoogland	8 020	-	10 000	18 020	18 020	-	10 000	18 020	-	-	-	14 645	14 645
Khâi-Ma	7 712	-	-	7 712	7 712	-	-	7 712	-	-	-	7 825	7 825
Namakwa District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-
Ubuntu	9 862	-	-9 862	-	-	-9 862	-	-	-	-	-	10 063	10 063
Umsobomvu	11 348	-	-2 000	9 348	9 348	-2 000	-	9 348	-	-	-	11 612	11 612
Emthanjeni	12 001	-	-2 101	9 900	9 900	-2 101	-	9 900	-	-	-	12 292	12 292
Kareeberg	7 972	-	-	7 972	7 972	-	-	7 972	-	-	-	6 095	6 095
Renosterberg	7 426	-	-2 213	5 213	5 213	-2 213	-	5 213	-	-	-	7 527	7 527
Thembelihle	9 352	-	5 000	14 352	14 352	-	5 000	14 352	-	-	-	8 166	8 166
Siyathemba	9 724	-	20 000	29 724	29 724	-	20 000	29 724	-	-	-	15 920	15 920
Siyancuma	16 355	-	-	16 355	16 355	-	-	16 355	-	-	-	14 693	14 693
Pixley Ka Seme District Municipality	-	-	9 862	9 862	9 862	-	9 862	9 862	-	-	-	-	-
Kai !Garib	22 036	-	-5 214	16 822	16 822	-5 214	-	16 822	-	-	-	22 744	22 744
Kheis	10 567	-	-	10 567	10 567	-	-	10 567	-	-	-	10 798	10 798
Tsantsabane	15 312	-	-4 000	11 312	11 312	-4 000	-	11 312	-	-	-	11 740	11 740
Kgatelopele	7 975	-	20 000	27 975	27 975	-	20 000	27 975	-	-	-	26 099	26 099
Dawid Kruiper	24 652	-	-4 950	19 702	19 702	-4 950	-	19 702	-	-	-	19 607	19 607
Z.F. Mgcawu District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2019

NORTHERN CAPE													
Sol Plaatjie	48 816	-	-	48 816	48 816	-	-	48 816	-	-	-	42 503	42 503
Dikgatlong	19 210	-	-4 501	14 709	14 709	-4 501	-	14 709	-	-	-	19 800	19 800
Magareng	11 029	-	-	11 029	11 029	-	-	11 029	-	-	-	7 000	7 000
Phokwane	37 092	-	-10 000	27 092	27 092	-10 000	-	27 092	-	-	-	41 665	41 665
Frances Baard District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-
Joe Morolong	58 824	-	-	58 824	58 824	-	-	58 824	-	-	-	61 060	61 060
Ga-Segonyana	62 793	-	-10 000	52 793	52 793	-10 000	-	52 793	-	-	-	54 211	54 211
Gamagara	13 713	-	-4 750	8 963	8 963	-4 750	-	8 963	-	-	-	9 982	9 982
John Taolo Gaetsewe District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NORTHERN CAPE	474 985	-	-4 694	470 291	470 291	-69 556	64 862	470 291	-	-	-	488 020	488 020

NORTH WEST													
Moretele	112 384	-	-29 462	82 922	82 922	-29 462	-	82 922	-	-	-	159 845	159 845
Madibeng	285 258	-	-60 000	225 258	225 258	-60 000	-	225 258	-	-	-	194 755	194 755
Rustenburg	230 086	-	30 000	260 086	260 086		30 000	260 086	-	-	-	239 436	239 436
Kgetlengrivier	25 392	-	12 000	37 392	37 392		12 000	37 392	-	-	-	22 239	22 239
Moses Kotane	146 535	-	28 000	174 535	174 535		28 000	174 535	-	-	-	142 415	142 415
Bojanala Platinum District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-
Ratlou	28 867	-	-10 000	18 867	18 867	-10 000	-	18 867	-	-	-	29 859	29 859
Tswaing	39 294	-	-12 594	26 700	26 700	-12 594	-	26 700	-	-	-	39 730	39 730
Mafikeng	60 004	-	-20 004	40 000	40 000	-20 004	-	40 000	-	-	-	62 288	62 288
Ditsobotla	35 851	-	15 000	50 851	50 851		15 000	50 851	-	-	-	19 133	19 133
Ramotshere Moiloa	36 453	-	11 051	47 504	47 504		11 051	47 504	-	-	-	36 704	36 704
Ngaka Modiri Molema District Municipality	293 074	-	-	293 074	293 074		-	293 074	-	-	-	235 040	235 040
Naledi	29 218	-	-6 000	23 218	23 218	-6 000	-	23 218	-	-	-	17 205	17 205
Mamusa	15 462	-	-	15 462			-		-	-	-	7 575	7 575

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2019

NORTH WEST													
Greater Taung	46 675	-	-	46 675	46 675	-	-	46 675	-	-	-	63 406	63 406
Lekwa-Teemane	14 579	-	-	14 579	14 579	-	-	14 579	-	-	-	25 977	25 977
Kagisano-Molopo	29 521	-	-	29 521	29 521	-	-	29 521	-	-	-	42 539	42 539
Dr Ruth Segomotsi Mompoti District Municipality	135 482	-	-	135 482	150 944	-	-	150 944	-	-	-	221 767	221 767
City of Matlosana	85 689	-	34 000	119 689	119 689	-	34 000	119 689	-	-	-	130 041	130 041
Maquassi Hills	27 703	-	-2 651	25 052	25 052	-2 651	-	25 052	-	-	-	24 524	24 524
Ventersdorp/Tlokwe	65 344	-	-8 504	56 840	56 840	-8 504	-	56 840	-	-	-	67 850	67 850
Dr Kenneth Kaunda District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NORTH WEST	1 742 871	-	-19 164	1 723 707	1 723 707	-149 215	130 051	1 723 707	-	-	-	1 782 328	1 782 328

WESTERN CAPE													
City of Cape Town	-	-	-	-	-	-	-	-	-	-	-	-	-
Matzikama	20 951	-	-	20 951	20 951	-	-	20 951	-	-	-	21 614	21 614
Cederberg	15 434	-	-5 800	9 634	9 634	-5 800	-	9 634	-	-	-	15 867	15 867
Bergrivier	19 754	-	-	19 754	19 754	-	-	19 754	-	-	-	14 727	14 727
Saldanha Bay	19 101	-	-8 000	11 101	11 101	-8 000	-	11 101	-	-	-	19 687	19 687
Swartland	20 945	-	4 000	24 945	24 945	-	4 000	24 945	-	-	-	24 608	24 608
West Coast District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-
Witzenberg	22 031	-	-	22 031	22 031	-	-	22 031	-	-	-	22 739	22 739
Drakenstein	34 484	-	-	34 484	34 484	-	-	34 484	-	-	-	48 709	48 709
Stellenbosch	35 107	-	-	35 107	35 107	-	-	35 107	-	-	-	36 358	36 358
Breede Valley	33 810	-	-	33 810	33 810	-	-	33 810	-	-	-	35 007	35 007
Langeberg	21 612	-	-	21 612	21 612	-	-	21 612	-	-	-	21 950	21 950
Cape Winelands District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2019

WESTERN CAPE													
Theewaterskloof	25 962	-	-	25 962	25 962	-	-	25 962	-	-	-	26 833	26 833
Overstrand	21 639	-	-	21 639	21 639	-	-	21 639	-	-	-	22 330	22 330
Cape Agulhas	10 874	-	3 000	13 874	13 874	-	3 000	13 874	-	-	-	11 118	11 118
Swellendam	11 786	-	-	11 786	11 786	-	-	11 786	-	-	-	10 067	10 067
Overberg District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-
Kannaland	10 156	-	-1 764	8 392	8 392	-1 764	-	8 392	-	-	-	10 370	10 370
Hessequa	13 462	-	-	13 462	13 462	-	-	13 462	-	-	-	28 432	28 432
Mossel Bay	23 688	-	-	23 688	23 688	-	-	23 688	-	-	-	24 464	24 464
George	47 888	-	-	47 888	47 888	-	-	47 888	-	-	-	40 764	40 764
Oudtshoorn	21 382	-	-	21 382	21 382	-	-	21 382	-	-	-	22 062	22 062
Bitou	19 842	-	6 800	26 642	26 642	-	6 800	26 642	-	-	-	25 458	25 458
Knysna	24 594	-	-	24 594	24 594	-	-	24 594	-	-	-	25 408	25 408
Eden District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-
Laingsburg	6 588	-	-	6 588	6 588	-	-	6 588	-	-	-	6 654	6 654
Prince Albert	7 505	-	-	7 505	7 505	-	-	7 505	-	-	-	7 609	7 609
Beaufort West	13 776	-	11 835	25 611	25 611	-	11 835	25 611	-	-	-	14 140	14 140
Central Karoo District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-

WESTERN CAPE													
TOTAL WESTERN CAPE	502 371	-	10 071	512 442	512 442	-15 564	25 635	512 442	-	-	-	536 975	536 975

TOTAL MIG	15 287 685	-	-	15 287 685	15 287 685	-510 668	510 668	15 287 685	-	-	-	15 891 252	15 891 252
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Local Government Equitable Share (LGES)

EASTERN CAPE													
(BUF) Buffalo City	778 048	-	-41 592	736 456	736 456	-	-	736 456	-	-	-	705 277	705 277
(NMA) Nelson Mandela Bay	939 530	-	-59 246	880 284	880 284	-	-	880 284	-	-	-	844 287	839 004
(EC 101) Dr Beyers Naude	83 278	-		83 278	83 278	-	-	83 278	-	-	-	77 494	64 754
(EC 102) Blue Crane Route	49 012	-		49 012	49 012	-	-	49 012	-	-	-	45 700	44 306
(EC 104) Makana	85 578	-	-	85 578	85 578	-	-	85 578	-	-	-	79 569	76 065
(EC 105) Ndlambe	88 241	-	-	88 241	88 241	-	-	88 241	-	-	-	82 084	82 078
(EC 106) Sundays River Valley	71 971	-	-2 090	69 881	69 881	-	-	69 881	-	-	-	65 367	65 367
(EC 108) Kouga	113 151	-	-	113 151	113 151	-	-	113 151	-	-	-	102 637	102 354
(EC 109) Koukamma	45 406	-	-154	45 252	45 252	-	-	45 252	-	-	-	42 375	42 375
(DC 10) Sarah Baartman District Municipality	88 342	-	-	88 342	88 342	-	-	88 342	-	-	-	84 825	80 299
(EC 121) Mbhashe	225 391	-	-	225 391	225 391	-	-	225 391	-	-	-	218 025	218 025
(EC 122) Mquma	234 368	-	-7 197	227 171	227 171	-	-	227 171	-	-	-	227 129	227 129
(EC 123) Great Kei	38 154	-	-670	37 484	37 484	-	-	37 484	-	-	-	34 997	34 948
(EC 124) Amahlathi	97 114	-	-623	96 491	96 491	-	-	96 491	-	-	-	95 446	95 217
(EC 126) Ngqushwa	75 488	-	-	75 488	75 488	-	-	75 488	-	-	-	73 615	73 615
(EC 129) Raymond Mhlaba	156 192	-	-	156 192	156 192	-	-	156 192	-	-	-	149 375	147 827
(DC 12) Amathole District Municipality	785 546	-	-3 238	782 308	782 308	-	-	782 308	-	-	-	757 132	757 132
(EC 131) Inxuba Yethemba	39 507	-	-3 655	35 852	35 852	-	-	35 852	-	-	-	37 704	30 372
(EC 135) Intsika Yethu	147 779	-	-	147 779	147 779	-	-	147 779	-	-	-	147 333	147 333
(EC 136) Emalahleni	115 774	-	-	115 774	115 774	-	-	115 774	-	-	-	115 992	115 992

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2019

EASTERN CAPE													
(EC 137) Engcobo	136 131	-	-	136 131	136 131	-	-	136 131	-	-	-	134 108	134 108
(EC 138) Sakhisizwe	61 718	-	-610	61 108	61 108	-	-	61 108	-	-	-	59 593	57 512
(EC 139) Enoch Mgijima	164 680	-	-	164 680	164 680	-	-	164 680	-	-	-	160 117	126 904
(DC 13) Chris Hanu District Municipality	524 527	-	-18 213	506 314	506 314	-	-	506 314	-	-	-	507 459	507 459
(EC 141) Elundini	138 382	-	-318	138 064	138 064	-	-	138 064	-	-	-	134 116	134 116
(EC 142) Senqu	136 434	-	-	136 434	136 434	-	-	136 434	-	-	-	132 828	132 828
(EC 145) Walter Sisulu	52 677	-	-7 356	45 321	45 321	-	-	45 321	-	-	-	49 030	46 508
(DC 14) Joe Gqabi District Municipality	258 283	-	-2 609	255 674	255 674	-	-	255 674	-	-	-	239 160	232 532
(EC 153) Ngquza Hill	227 562	-	-2 959	224 603	224 603	-	-	224 603	-	-	-	210 127	210 127
(EC 154) Port St Johns	135 729	-	-8 297	127 432	127 432	-	-	127 432	-	-	-	125 772	125 772
(EC 155) Nyandeni	234 532	-	-16 421	218 111	218 111	-	-	218 111	-	-	-	223 248	223 248
(EC 156) Mhlontlo	165 930	-	-	165 930	165 930	-	-	165 930	-	-	-	159 379	159 379
(EC 157) King Sabata Dalindyebo	292 112	-	-14 099	278 013	278 013	-	-	278 013	-	-	-	267 710	266 416
(DC 15) O.R. Tambo District Municipality	791 526	-	-	791 526	791 526	-	-	791 526	-	-	-	728 270	728 170
(EC 441) Matatiele	193 075	-	-	193 075	193 075	-	-	193 075	-	-	-	185 808	185 808
(EC 442) Umzimvubu	207 642	-	-	207 642	207 642	-	-	207 642	-	-	-	175 236	175 184
(EC 443) Mbizana	230 525	-	-	230 525	230 525	-	-	230 525	-	-	-	197 681	197 681
(EC 444) Ntabankulu	108 982	-	-	108 982	108 982	-	-	108 982	-	-	-	99 613	99 603
(DC 44) Alfred Nzo District Municipality	510 344	-	-	510 344	510 344	-	-	510 344	-	-	-	437 586	437 181

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2019

FREE STATE													
(MAN) Mangaung	683 500	-	-216 000	467 500	467 500	-	-	467 500	-	-	-	630 908	588 181
(FS 161) Letsemeng	58 082	-	-17 000	41 082	41 082	-	-	41 082	-	-	-	49 189	32 971
(FS 162) Kopanong	77 880	-	-10 599	67 281	67 281	-	-	67 281	-	-	-	67 330	60 264
(FS 163) Mohokare	61 723	-	-21 447	40 276	40 276	-	-	40 276	-	-	-	56 055	45 161
(DC 16) Xhariep District Municipality	40 544	-	-	40 544	40 544	-	-	40 544	-	-	-	33 307	33 307
(FS 181) Masilonyana	107 442	-	-16 723	90 719	90 719	-	-	90 719	-	-	-	89 814	81 932

FREE STATE													
(FS 182) Tokologo	49 390	-	-7 245	42 145	42 145	-	-	42 145	-	-	-	44 274	44 274
(FS 183) Tswelopele	67 019	-	-53	66 966	66 966	-	-	66 966	-	-	-	59 702	55 801
(FS 184) Matjhabeng	459 037	-	-23 305	435 732	435 732	-	-	435 732	-	-	-	393 631	393 631
(FS 185) Nala	111 110	-	-56	111 054	111 054	-	-	111 054	-	-	-	100 124	99 358
(DC 18) Lejweleputswa District Municipality	121 164	-	-	121 164	121 164	-	-	121 164	-	-	-	115 472	115 472
(FS 191) Setsoto	173 927	-	-	173 927	173 927	-	-	173 927	-	-	-	157 656	156 305
(FS 192) Dihlabeng	147 861	-	-	147 861	147 861	-	-	147 861	-	-	-	129 764	129 764
(FS 193) Nketoana	87 543	-	-	87 543	87 543	-	-	87 543	-	-	-	79 880	79 880
(FS 194) Maluti-a-Phofung	538 719	-	-47 200	491 519	491 519	-	-	491 519	-	-	-	493 768	490 853
(FS 195) Phumelela	68 083	-	-1 016	67 067	67 067	-	-	67 067	-	-	-	61 603	61 603
(FS 196) Mantsopa	74 811	-	-74	74 737	74 737	-	-	74 737	-	-	-	68 314	68 314
(DC 19) Thabo Mofutsanyana District Municipality	107 303	-	-26	107 277	107 277	-	-	107 277	-	-	-	101 909	101 909
(FS 201) Moqhaka	185 144	-	-	185 144	185 144	-	-	185 144	-	-	-	164 092	164 092

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FREE STATE													
(FS 203) Ngwathe	174 340	-	-12 718	161 622	161 622	-	-	161 622	-	-	-	160 606	160 570
(FS204) Metsimaholo	163 296	-	-3 458	159 838	159 838	-	-	159 838	-	-	-	142 709	141 267
(FS 205) Mafube	86 279	-	-574	85 705	85 705	-	-	85 705	-	-	-	78 462	73 355
(DC 20) Fezile Dabi District Municipality	149 188	-	-1 665	147 523	147 523	-	-	147 523	-	-	-	144 321	143 583

GAUTENG													
(EKU) City of Ekurhuleni	3 145 138	-	-	3 145 138	3 145 138	-	-	3 145 138	-	-	-	2 719 861	2 650 641
(JHB) City of Johannesburg	4 229 919	-	-56 415	4 173 504	4 173 504	-	-	4 173 504	-	-	-	3 666 637	3 320 019
(TSH) City of Tshwane	2 398 120	-	-151 272	2 246 848	2 246 848	-	-	2 246 848	-	-	-	2 132 788	2 070 360
GT 21 Emfuleni	707 724	-	-10 959	696 765	696 765	-	-	696 765	-	-	-	633 240	631 348
(GT 422) Midvaal	97 192	-	-	97 192	97 192	-	-	97 192	-	-	-	86 316	86 316
(GT 423) Lesedi	119 340	-	-9 241	110 099	110 099	-	-	110 099	-	-	-	104 923	104 923
(DC 42) Sedibeng District Municipality	258 891	-	-	258 891	258 891	-	-	258 891	-	-	-	254 779	254 371
(GT 481) Mogale City	369 809	-	-	369 809	369 809	-	-	369 809	-	-	-	323 938	323 938
(GT 484) Merafong City	185 872	-	-940	184 932	184 932	-	-	184 932	-	-	-	163 084	162 310
(GT 485) Rand West City Local Municipality	274 916	-	-	274 916	274 916	-	-	274 916	-	-	-	239 112	238 421
(DC 48) West Rand District Municipality	198 007	-	-28 390	169 617	169 617	-	-	169 617	-	-	-	193 187	193 187

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2019

KWAZULU NATAL													
(ETH) eThekweni	2 893 016	-	-341 361	2 551 655	2 551 655	-	-	2 551 655	-	-	-	2 582 776	2 548 341
(KZN 212) Umdoni	118 563	-	-1 292	117 271	117 271	-	-	117 271	-	-	-	113 579	113 104
(KZN 213) Umzumbe	120 566	-	-	120 566	120 566	-	-	120 566	-	-	-	119 070	115 121
(KZN 214) uMuziwabantu	82 521	-	-1 781	80 740	80 740	-	-	80 740	-	-	-	79 670	79 670
(KZN 216) Ray Nkonyeni	185 324	-	-	185 324	185 324	-	-	185 324	-	-	-	175 566	175 566
(DC 21) Ugu District Municipality	435 877	-	-	435 877	435 877	-	-	435 877	-	-	-	411 676	411 676
(KZN 221) uMshwathi	91 820	-	-	91 820	91 820	-	-	91 820	-	-	-	87 377	87 377
(KZN 222) uMngeni	60 165	-	-	60 165	60 165	-	-	60 165	-	-	-	54 448	54 448
(KZN 223) Mpofana	32 003	-	-475	31 528	31 528	-	-	31 528	-	-	-	29 225	29 225
(KZN 224) Impendle	32 649	-	-	32 649	32 649	-	-	32 649	-	-	-	31 475	31 475
(KZN 225) Msunduzi	505 853	-	-33 615	472 238	472 238	-	-	472 238	-	-	-	468 430	468 430
(KZN 226) Mkhambathini	55 546	-	-	55 546	55 546	-	-	55 546	-	-	-	51 173	51 127
(KZN227) Richmond	62 473	-	-	62 473	62 473	-	-	62 473	-	-	-	59 253	59 253
(DC 22) uMgungundlovu District Municipality	483 964	-	-7 496	476 468	476 468	-	-	476 468	-	-	-	457 680	420 729

KWAZULU NATAL													
(KZN 235) Okhahlamba	110 874	-	-	110 874	110 874	-	-	110 874	-	-	-	102 863	102 863
(KZN 237) iNkosi Langalibalele	155 907	-	-8 819	147 088	147 088	-	-	147 088	-	-	-	143 450	136 548
(KZN 238) Alfred Duma	206 663	-	-	206 663	206 663	-	-	206 663	-	-	-	190 231	189 993
(DC 23) Uthukela District Municipality	397 482	-	-61 148	336 334	336 334	-	-	336 334	-	-	-	361 568	309 253
(KZN 241) Endumeni	41 599	-	-98	41 501	41 501	-	-	41 501	-	-	-	37 228	37 228

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KWAZULU NATAL													
(KZN 242) Nquthu	122 365	-	-2 869	119 496	119 496	-	-	119 496	-	-	-	115 616	115 484
(KZN 244) uMsinga	145 573	-	-	145 573	145 573	-	-	145 573	-	-	-	136 937	133 437
(KZN 245) Umvoti	112 887	-	-14	112 873	112 873	-	-	112 873	-	-	-	104 498	104 498
(DC 24) Umzinyathi District Municipality	325 057	-	-37 299	287 758	287 758	-	-	287 758	-	-	-	291 519	254 799
(KZN 252) Newcastle	341 408	-	-	341 408	341 408	-	-	341 408	-	-	-	318 176	317 467
(KZN 253) Emadlangeni	27 305	-	-	27 305	27 305	-	-	27 305	-	-	-	25 391	20 077
(KZN254) Dannhauser	82 343	-	-	82 343	82 343	-	-	82 343	-	-	-	78 831	78 831
(DC 25) Amajuba District Municipality	148 705	-	-	148 705	148 705	-	-	148 705	-	-	-	137 965	137 965
(KZN 261) eDumbe	66 301	-	-528	65 773	65 773	-	-	65 773	-	-	-	61 570	59 913
(KZN 262) uPhongolo	119 730	-	-	119 730	119 730	-	-	119 730	-	-	-	107 146	106 653
(KZN 263) Abaqulusi	130 276	-	-18 214	112 062	112 062	-	-	112 062	-	-	-	117 393	117 393
(KZN 265) Nongoma	136 733	-	-342	136 391	136 391	-	-	136 391	-	-	-	128 137	128 137
(KZN 266) Ulundi	143 729	-	-	143 729	143 729	-	-	143 729	-	-	-	132 566	132 566
(DC 26) Zululand District Municipality	424 766	-	-	424 766	424 766	-	-	424 766	-	-	-	382 571	382 571
(KZN 271) Umhlabuyalingana	145 676	-	-	145 676	145 676	-	-	145 676	-	-	-	133 848	133 848
(KZN 272) Jozini	159 965	-	-	159 965	159 965	-	-	159 965	-	-	-	146 284	136 865
(KZN 275) Mtubatuba	143 500	-	-294	143 206	143 206	-	-	143 206	-	-	-	132 131	132 131
(KZN 276) Big Five Hlabisa	94 296	-	-	94 296	94 296	-	-	94 296	-	-	-	84 732	84 554

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KWAZULU NATAL													
(DC 27) Umkhanyakude District Municipality	374 748	-	-1 165	373 583	373 583	-	-	373 583	-	-	-	330 020	314 610
(KZN 281) uMfolozi	115 041	-	-59	114 982	114 982	-	-	114 982	-	-	-	107 114	107 114
(KZN 282) uMhlathuze	326 255	-	-4 920	321 335	321 335	-	-	321 335	-	-	-	292 009	289 388
(KZN 284) uMlalazi	165 378	-	-	165 378	165 378	-	-	165 378	-	-	-	156 999	156 999
(KZN 285) Mthonjaneni	70 979	-	-	70 979	70 979	-	-	70 979	-	-	-	67 317	67 317
(KZN 286) Nkandla	86 797	-	-	86 797	86 797	-	-	86 797	-	-	-	82 435	82 435
(DC 28) King Cetshwayo District Municipality	476 842	-	-	476 842	476 842	-	-	476 842	-	-	-	453 730	453 730
(KZN 291) Mandeni	146 821	-	-8 848	137 973	137 973	-	-	137 973	-	-	-	134 192	129 361
(KZN 292) KwaDukuza	147 876	-	-	147 876	147 876	-	-	147 876	-	-	-	131 541	131 541
(KZN 293) Ndwedwe	129 855	-	-4 386	125 469	125 469	-	-	125 469	-	-	-	118 243	118 243
(KZN 294) Maphumulo	81 102	-	-	81 102	81 102	-	-	81 102	-	-	-	75 284	75 259
(DC 29) iLembe District Municipality	468 670	-	-	468 670	468 670	-	-	468 670	-	-	-	419 734	419 734
(KZN 433) Greater Kokstad	55 683	-	-	55 683	55 683	-	-	55 683	-	-	-	47 250	47 250
(KZN 434) Ubuhlebezwe	99 319	-	-	99 319	99 319	-	-	99 319	-	-	-	95 443	95 443
(KZN 435) Umzimkhulu	169 032	-	-	169 032	169 032	-	-	169 032	-	-	-	160 817	160 817
(KZN 436) Dr Nkosazana Dlamini Zuma	111 162	-	-1 140	110 022	110 022	-	-	110 022	-	-	-	101 241	99 017
(DC 43) Harry Gwala District Municipality	318 074	-	-49 266	268 808	268 808	-	-	268 808	-	-	-	285 028	242 825

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LIMPOPO													
(LIM 331) Greater Giyani	253 351	-	-	253 351	253 351	-	-	253 351	-	-	-	234 578	234 578
(LIM 332) Greater Letaba	244 692	-	-1 778	242 914	242 914	-	-	242 914	-	-	-	222 508	219 714
(LIM 333) Greater Tzaneen	338 344	-	-2 725	335 619	335 619	-	-	335 619	-	-	-	311 977	303 777
(LIM 334) Ba-Phalaborwa	132 485	-	-	132 485	132 485	-	-	132 485	-	-	-	120 392	120 388
(LIM 335) Maruleng	109 416	-	-290	109 126	109 126	-	-	109 126	-	-	-	99 298	99 298
(DC 33) Mopani District Municipality	840 762	-	-43 778	796 984	796 984	-	-	796 984	-	-	-	759 547	757 360
(LIM 341) Musina	124 015	-	-7 057	116 958	116 958	-	-	116 958	-	-	-	104 327	102 827
(LIM 343) Thulamela	391 032	-	-	391 032	391 032	-	-	391 032	-	-	-	361 798	361 798
(LIM 344) Makhado	316 259	-	-500	315 759	315 759	-	-	315 759	-	-	-	294 079	292 068
(LIM 345) Collins Chabane Local Municipality	327 068	-	-28 859	298 209	298 209	-	-	298 209	-	-	-	304 695	304 695
(DC 34) Vhembe District Municipality	910 477	-	-49 175	861 302	861 302	-	-	861 302	-	-	-	824 760	795 867
(LIM 351) Blouberg	167 730	-	-	167 730	167 730	-	-	167 730	-	-	-	161 111	154 912
(LIM 353) Molemole	128 184	-	-4 057	124 127	124 127	-	-	124 127	-	-	-	122 614	119 644
(LIM 354) Polokwane	831 436	-	-57 271	774 165	774 165	-	-	774 165	-	-	-	752 064	752 057
(LIM 355) Lepelle-Nkumpi	222 970	-	-7 080	215 890	215 890	-	-	215 890	-	-	-	212 142	211 739
(DC 35) Capricorn District Municipality	547 862	-	-372	547 490	547 490	-	-	547 490	-	-	-	522 352	520 983
(LIM 361) Thabazimbi	86 028	-	-187	85 841	85 841	-	-	85 841	-	-	-	68 976	68 976
(LIM 362) Lephalale	130 526	-	-	130 526	130 526	-	-	130 526	-	-	-	109 248	89 393
(LIM 366) Bela Bela	81 986	-	-1 002	80 984	80 984	-	-	80 984	-	-	-	74 939	49 436
(LIM 367) Mogalakwena	395 279	-	-15 634	379 645	379 645	-	-	379 645	-	-	-	369 653	363 207

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LIMPOPO													
(LIM 368) LIM 368	100 804	-	-10 000	90 804	90 804	-	-	90 804	-	-	-	93 384	77 694
(DC 36) Waterberg District Municipality	122 853	-	-1 579	121 274	121 274	-	-	121 274	-	-	-	117 373	113 830
(LIM 471) Ephraim Mogale	129 676	-	-	129 676	129 676	-	-	129 676	-	-	-	123 766	123 766
(LIM 472) Elias Motsoaledi	237 506	-	4 012	241 518	241 518	-	-	241 518	-	-	-	223 019	223 019
(LIM 473) Makhuduthamaga	241 518	-	-4 012	237 506	237 506	-	-	237 506	-	-	-	233 368	233 266
(LIM 476) LIM 476	361 513	-	-	361 513	361 513	-	-	361 513	-	-	-	333 002	320 827
(DC 47) Sekhukhune District Municipality	711 481	-	-5 536	705 945	705 945	-	-	705 945	-	-	-	658 580	624 555

MPUMALANGA													
(MP 301) Chief Albert Luthuli	278 934	-	-	278 934	278 934	-	-	278 934	-	-	-	254 241	254 241
(MP 302) Msukaligwa	154 338	-	-952	153 386	153 386	-	-	153 386	-	-	-	134 855	133 918
(MP 303) Mkhondo	209 667	-	-219	209 448	209 448	-	-	209 448	-	-	-	186 451	182 451
(MP 304) Dr Pixley Ka Isaka Seme	107 567	-	-179	107 388	107 388	-	-	107 388	-	-	-	96 312	96 162
(MP 305) Lekwa	107 256	-	-230	107 026	107 026	-	-	107 026	-	-	-	93 948	93 948
(MP 306) Dipaleseng	64 569	-	-6 007	58 562	58 562	-	-	58 562	-	-	-	58 388	58 388
(MP 307) Govan Mbeki	257 245	-	-15 687	241 558	241 558	-	-	241 558	-	-	-	218 181	217 238

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MPUMALANGA													
(MP 301) Chief Albert Luthuli	278 934	-	-	278 934	278 934	-	-	278 934	-	-	-	254 241	254 241
(MP 302) Msukaligwa	154 338	-	-952	153 386	153 386	-	-	153 386	-	-	-	134 855	133 918
(MP 303) Mkhondo	209 667	-	-219	209 448	209 448	-	-	209 448	-	-	-	186 451	182 451
(MP 304) Dr Pixley Ka Isaka Seme	107 567	-	-179	107 388	107 388	-	-	107 388	-	-	-	96 312	96 162
(MP 305) Lekwa	107 256	-	-230	107 026	107 026	-	-	107 026	-	-	-	93 948	93 948
(MP 306) Dipaleseng	64 569	-	-6 007	58 562	58 562	-	-	58 562	-	-	-	58 388	58 388
(MP 307) Govan Mbeki	257 245	-	-15 687	241 558	241 558	-	-	241 558	-	-	-	218 181	217 238
(DC 30) Gert Sibande District Municipality	282 406	-	-	282 406	282 406	-	-	282 406	-	-	-	278 576	278 576
(MP 311) Victor Khanye	87 187	-	-	87 187	87 187	-	-	87 187	-	-	-	79 745	76 676
(MP 312) Emalahleni	325 738	-	-52	325 686	325 686	-	-	325 686	-	-	-	288 802	288 802
(MP 313) Steve Tshwete	179 370	-	-	179 370	179 370	-	-	179 370	-	-	-	156 759	156 759
(MP 314) Emakhazeni	58 495	-	-	58 495	58 495	-	-	58 495	-	-	-	55 222	55 222
(MP 315) Thembisile Hani	364 153	-	-	364 153	364 153	-	-	364 153	-	-	-	338 477	338 477
(MP 316) Dr JS Moroka	345 667	-	-815	344 852	344 852	-	-	344 852	-	-	-	328 528	328 528
(DC 31) Nkangala District Municipality	343 962	-	-	343 962	343 962	-	-	343 962	-	-	-	339 056	339 056
(MP 321) Thaba Chweu	132 627	-	-6	132 621	132 621	-	-	132 621	-	-	-	124 393	124 393
(MP 324) Nkomazi	516 133	-	-13 532	502 601	502 601	-	-	502 601	-	-	-	483 144	468 940
(MP 325) Bushbuckridge	720 236	-	-331	719 905	719 905	-	-	719 905	-	-	-	683 632	669 806

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MPUMALANGA													
(MP 326) City of Mbombela	661 329	-	-90 553	570 776	570 776	-	-	570 776	-	-	-	608 678	568 099
(DC 32) Ehlanzeni District Municipality	239 132	-	-	239 132	239 132	-	-	239 132	-	-	-	229 690	229 690
(NC 061) Richtersveld	15 473	-	-	15 473	15 473	-	-	15 473	-	-	-	14 115	14 115
(NC062) Nama Khoi	43 917	-	-	43 917	43 917	-	-	43 917	-	-	-	40 403	40 403
(NC 064) Kamiesberg	20 768	-	-	20 768	20 768	-	-	20 768	-	-	-	19 362	18 124
(NC 065) Hantam	22 818	-	-	22 818	22 818	-	-	22 818	-	-	-	21 047	21 021
(NC 066) Karoo Hoogland	20 251	-	-192	20 059	20 059	-	-	20 059	-	-	-	18 198	18 198
(NC 067) Khai-Ma	17 420	-	-2 398	15 022	15 022	-	-	15 022	-	-	-	16 391	14 081
(DC 6) Namakwa District Municipality	47 152	-	-129	47 023	47 023	-	-	47 023	-	-	-	38 744	38 586
(NC 071) Ubuntu	31 165	-	-	31 165	31 165	-	-	31 165	-	-	-	28 192	22 030
(NC 072) Umsobomvu	44 259	-	-295	43 964	43 964	-	-	43 964	-	-	-	39 760	36 565
(NC 073) Emthanjeni	40 793	-	-	40 793	40 793	-	-	40 793	-	-	-	37 094	36 704
(NC 074) Kareeberg	22 024	-	-	22 024	22 024	-	-	22 024	-	-	-	20 397	8 755
(NC 075) Renosterberg	22 237	-	-84	22 153	22 153	-	-	22 153	-	-	-	20 182	17 939
(NC 076) Thembelihle	22 988	-	-	22 988	22 988	-	-	22 988	-	-	-	20 915	20 907
(NC 077) Siyathemba	29 848	-	-400	29 448	29 448	-	-	29 448	-	-	-	27 526	27 526
(NC 078) Siyancuma	45 402	-	-3 259	42 143	42 143	-	-	42 143	-	-	-	41 384	40 157
(DC 7) Pixley Ka Seme District Municipality	47 820	-	-202	47 618	47 618	-	-	47 618	-	-	-	39 862	39 435
(NC 082) !Kai! Garib	77 186	-	-5 000	72 186	72 186	-	-	72 186	-	-	-	63 164	63 164

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MPUMALANGA													
(NC 084) !Kheis	23 163	-	-3 928	19 235	19 235	-	-	19 235	-	-	-	21 454	21 454
(NC 085) Tsantsabane	35 385	-	-3 935	31 450	31 450	-	-	31 450	-	-	-	32 206	32 206
(NC 086) Kgatelopele	20 469	-	-55	20 414	20 414	-	-	20 414	-	-	-	18 974	18 974
(NC 087) Dawid Kruiper	77 934	-	-499	77 435	77 435	-	-	77 435	-	-	-	70 769	70 769
(DC 8) Z.F. Mgcawu Distirct Municipality	66 094	-	-	66 094	66 094	-	-	66 094	-	-	-	55 770	53 570
(NC 091) Sol Plaatjie	172 437	-	-	172 437	172 437	-	-	172 437	-	-	-	150 982	148 844
(NC 092) Dikgatlong	76 057	-	-	76 057	76 057	-	-	76 057	-	-	-	66 982	66 971
(NC 093) Magareng	41 743	-	-2 415	39 328	39 328	-	-	39 328	-	-	-	37 698	37 698
(NC 094) Phokwane	94 534	-	-19 730	74 804	74 804	-	-	74 804	-	-	-	85 242	79 948
(DC 9) Frances Baard District Municipality	116 209	-	-	116 209	116 209	-	-	116 209	-	-	-	112 317	112 298
(NC 451) Joe Morolong	128 635	-	-6 143	122 492	122 492	-	-	122 492	-	-	-	121 603	116 210
(NC 452) Ga-Segonyana	141 895	-	-4 367	137 528	137 528	-	-	137 528	-	-	-	129 580	121 074
(NC 453) Gamagara	33 008	-	-6 763	26 245	26 245	-	-	26 245	-	-	-	28 558	11 900
(DC 45) John Taolo Gaetsewe District Municipality	85 253	-	-94	85 159	85 159	-	-	85 159	-	-	-	71 799	70 758

NORTH WEST													
(NW 371) Moretele	306 721	-	-17 617	289 104	289 104	-	-	289 104	-	-	-	284 500	256 033
(NW 372) Madibeng	624 943	-	-	624 943	624 943	-	-	624 943	-	-	-	567 442	567 442
(NW 373) Rustenburg	605 006	-	-10 299	594 707	594 707	-	-	594 707	-	-	-	526 072	526 072

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NORTH WEST													
(NW 374) Kgetlengrivier	81 506	-	-11 639	69 867	69 867	-	-	69 867	-	-	-	70 879	70 566
(NW 375) Moses Kotane	386 730	-	-10 130	376 600	376 600	-	-	376 600	-	-	-	357 438	345 524
(DC 37) Bojanala Platinum District Municipality	322 202	-	-	322 202	322 202	-	-	322 202	-	-	-	313 057	312 626
(NW 381) Ratlou	111 525	-	-4 420	107 105	107 105	-	-	107 105	-	-	-	102 876	102 876
(NW 382) Tswaing	102 431	-	-4 899	97 532	97 532	-	-	97 532	-	-	-	92 403	88 403
(NW 383) Mafikeng	226 626	-	-6 305	220 321	220 321	-	-	220 321	-	-	-	198 796	181 422
(NW 384) Ditsobotla	112 413	-	-	112 413	112 413	-	-	112 413	-	-	-	98 339	96 101
(NW 385) Ramotshere Moiloa	153 173	-	-	153 173	153 173	-	-	153 173	-	-	-	137 639	137 071
(DC 38) Ngaka Modiri Molema District Municipality	696 369	-	-539	695 830	695 830	-	-	695 830	-	-	-	616 267	582 529
(NW 392) Naledi	47 260	-	-1 644	45 616	45 616	-	-	45 616	-	-	-	43 507	37 135
(NW 393) Mamusa	50 209	-	-	50 209	50 209	-	-	50 209	-	-	-	47 502	47 502
(NW 394) Greater Taung	175 974	-	-5 162	170 812	170 812	-	-	170 812	-	-	-	170 353	165 723
(NW 396) Lekwa-Teemane	44 723	-	-1 797	42 926	42 926	-	-	42 926	-	-	-	41 695	39 726
(NW 397) Kagisano-Molopo	109 062	-	-	109 062	109 062	-	-	109 062	-	-	-	103 799	103 799
(DC 39) Dr Ruth Segomotsi Mompati District Municipality	337 205	-	-37 500	299 705	299 705	-	-	299 705	-	-	-	308 448	308 412
(NW 403) City of Matlosana	392 856	-	-366	392 490	392 490	-	-	392 490	-	-	-	354 377	353 136

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NORTH WEST													
(NW 404) Maquassi Hills	115 571	-	-4 511	111 060	111 060	-	-	111 060	-	-	-	102 111	93 451
(NW 405) JB Marks Local Municipality	233 655	-	-9 501	224 154	224 154	-	-	224 154	-	-	-	209 740	209 740
(DC 40) Dr Kenneth Kaunda District Municipality	180 033	-	-	180 033	180 033	-	-	180 033	-	-	-	173 676	172 740

WESTERN CAPE													
(CPT) City of Cape Town	2 574 650	-	-	2 574 650	2 574 650	-	-	2 574 650	-	-	-	2 292 908	2 292 908
(WC 011) Matzikama	52 340	-	-	52 340	52 340	-	-	52 340	-	-	-	47 561	47 561
(WC 012) Cederberg	45 080	-	-2 286	42 794	42 794	-	-	42 794	-	-	-	40 873	28 395
(WC 013) Bergrivier	41 390	-	-	41 390	41 390	-	-	41 390	-	-	-	37 144	37 144
(WC 014) Saldanha Bay	80 432	-	-	80 432	80 432	-	-	80 432	-	-	-	71 511	71 511
(WC 015) Swartland	82 048	-	-	82 048	82 048	-	-	82 048	-	-	-	70 560	70 560
(DC 1) West Coast District Municipality	88 405	-	-	88 405	88 405	-	-	88 405	-	-	-	84 972	84 972
(WC 022) Witzenberg	84 602	-	-18	84 584	84 584	-	-	84 584	-	-	-	70 412	70 412
(WC 023) Drakenstein	137 518	-	-	137 518	137 518	-	-	137 518	-	-	-	120 821	120 503
(WC 024) Stellenbosch	124 176	-	-	124 176	124 176	-	-	124 176	-	-	-	110 631	110 631
(WC 025) Breede Valley	108 977	-	-	108 977	108 977	-	-	108 977	-	-	-	98 097	98 097
(WC 026) Langeberg	73 093	-	-	73 093	73 093	-	-	73 093	-	-	-	65 384	65 384

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2019

WESTERN CAPE													
(DC 2) Cape Winelands District Municipality	225 214	-	-	225 214	225 214	-	-	225 214	-	-	-	222 739	222 739
(WC 031) Theewaterskloof	87 385	-	-910	86 475	-	-	-	-	-	-	-	-	77 483
(WC 032) Overstrand	96 068	-	-	96 068	96 068	-	-	96 068	-	-	-	84 223	84 223
(WC 033) Cape Agulhas	27 606	-	-	27 606	27 606	-	-	27 606	-	-	-	25 190	25 190
(WC 034) Swellendam	29 001	-	-	29 001	29 001	-	-	29 001	-	-	-	26 201	26 201
(DC 3) Overberg District Municipality	67 902	-	-	67 902	67 902	-	-	67 902	-	-	-	57 286	57 286
(WC 041) Kannaland	25 957	-	-2 795	23 162	23 162	-	-	23 162	-	-	-	24 023	22 771
(WC 042) Hessequa	40 885	-	-	40 885	40 885	-	-	40 885	-	-	-	37 497	37 497
(WC 043) Mossel Bay	85 858	-	-	85 858	85 858	-	-	85 858	-	-	-	78 472	78 472
(WC 044) George	137 401	-	-	137 401	137 401	-	-	137 401	-	-	-	122 613	122 613
(WC 045) Oudtshoorn	67 861	-	-	67 861	67 861	-	-	67 861	-	-	-	62 683	62 683
(WC 047) Bitou	83 028	-	-	83 028	83 028	-	-	83 028	-	-	-	74 039	74 039
(WC 048) Knysna	78 375	-	-37	78 338	78 338	-	-	78 338	-	-	-	70 833	70 505
(DC 4) Eden District Municipality	151 237	-	-4 987	146 250	146 250	-	-	146 250	-	-	-	146 055	146 055
(WC 051) Laingsburg	15 000	-	-	15 000	15 000	-	-	15 000	-	-	-	13 576	13 576
(WC 052) Prince Albert	19 317	-	-	19 317	19 317	-	-	19 317	-	-	-	17 652	17 652
(WC 053) Beaufort West	56 655	-	-112	56 543	56 543	-	-	56 543	-	-	-	51 060	39 225
(DC 5) Central Karoo District Municipality	28 502	-	-	28 502	28 502	-	-	28 502	-	-	-	22 595	22 595
Total LGES	62 731 845	-	-1 973 957	60 757 888	60 757 888	-	-	60 757 888	-	-	-	57 012 141	55 613 725

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2019

Vehicle Licences	-	-	-	-	-	-	-	-	-	-	-	-	-
City of Tshwane	26	-	-	26	26	-	-	26	-	-	-	28	28
Total for Vehicle Licences	26	-	-	26	26	-	-	26	-	-	-	28	28

Disaster Recovery Grant													
Nelson Mandela Bay	233 400	-	-	233 400	233 400	-	-	233 400	-	-	-	-	-
Mangaung	239 034	-	-	239 034	239 034	-	-	239 034	-	-	-	-	-
Disaster Recovery Grant													
Merafong City	21 317	-	-	21 317	21 317	-	-	21 317	-	-	-	-	-
Ethekwini	79 763	-	-	79 763	79 763	-	-	79 763	-	-	-	-	-
Ugu District Municipality	20 237	-	-	20 237	20 237	-	-	20 237	-	-	-	-	-
City Of Cape Town	553 050	-	-	553 050	553 050	-	-	553 050	-	-	-	-	-
Bitou	4 587	-	-	4 587	4 587	-	-	4 587	-	-	-	-	-
Total Disaster Recovery Grant	1 151 388	-	-	1 151 388	1 151 388	-	-	1 151 388	-	-	-	-	-

Municipal Systems Improvement Grant													
EC101 DR Beyers Naude Local Mun	1 055	-	-	1 055	1 055	-	-	1 055	-	-	-	-	-
EC129 Raymond Mhlaba	1 055	-	-	1 055	1 055	-	-	1 055	-	-	-	-	-
EC139 Enoch Mgijima Local Municipality	1 055	-	-	1 055	1 055	-	-	1 055	-	-	-	-	-
MAN Mangaung	1 055	-	-	1 055	1 055	-	-	1 055	-	-	-	-	-
KZN212 Umdoni Local Municipality	1 055	-	-	1 055	1 055	-	-	1 055	-	-	-	-	-
KZN216 Ray Nkonyeni	1 055	-	-	1 055	1 055	-	-	1 055	-	-	-	-	-
KZN237 Inkosi Ilangalibalele	1 055	-	-	1 055	1 055	-	-	1 055	-	-	-	-	-
KZN238 Alfred Duma	1 055	-	-	1 055	1 055	-	-	1 055	-	-	-	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2019

Municipal Systems Improvement Grant													
KZN281 Mfolozi	I 055	-	-	I 055	I 055	-	-	I 055	-	-	-	-	-
KZN282 Umhlathuze Local Mun	I 055	-	-	I 055	I 055	-	-	I 055	-	-	-	-	-
LIM476 Greater Tubatse/Fetakgomo	I 055	-	-	I 055	I 055	-	-	I 055	-	-	-	-	-
LIM341 Musina Local Municipality	I 055	-	-	I 055	I 055	-	-	I 055	-	-	-	-	-

Municipal Systems Improvement Grant													
LIM343 Thulamela Local Municipality	I 055	-	-	I 055	I 055	-	-	I 055	-	-	-	-	-
LIM344 Makhado	I 055	-	-	I 055	I 055	-	-	I 055	-	-	-	-	-
LIM345 New Local Municipality	I 061	-	-	I 061	I 061	-	-	I 061	-	-	-	-	-
LIM351 Blouberg Local Municipality	I 055	-	-	I 055	I 055	-	-	I 055	-	-	-	-	-
LIM353 Molemole Local Municipality	I 055	-	-	I 055	I 055	-	-	I 055	-	-	-	-	-
LIM354 Polokwane Local Municipality	I 055	-	-	I 055	I 055	-	-	I 055	-	-	-	-	-
LIM368 Modimolle/Mookgo pong Local Municipality	I 055	-	-	I 055	I 055	-	-	I 055	-	-	-	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT for the year ended 31 March 2019

Municipal Systems Improvement Grant													
MP326 Mbombela/Umjindi Local Municipality	1 055	-	-	1 055	1 055	-	-	1 055	-	-	-	-	-
NC087 Dawid Kruiper	1 055	-	-	1 055	1 055	-	-	1 055	-	-	-	-	-
NW405 Ventersdorp/Tlokwe Local Municipality	1 055	-	-	1 055	1 055	-	-	1 055	-	-	-	-	-
Total MSIG	23 216	-	-	23 216	23 216	-	-	23 216	-	-	-	-	-
TOTAL	79 194 160	-	(1 973 957)	77 220 203	77 220 203	(510 668)	510 668	77 220 203	-	-	-	72 903 421	71 505 005

The Department confirms as required by DoRA that all transfers were deposited into the primary bank account of the Province and /Municipality.

**ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2017/18
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Municipal Demarcation Board	55 568	-	-	55 568	55 568	100%	57 631
Municipal Infrastructure Support Agent	342 456	-	-	342 456	342 456	100%	381 483
South African Local Government Association	33 100	-	-	33 100	33 100	100%	31 300
Department of Traditional Affairs	163 306	-	-	163 306	163 306	100%	152 506
TOTAL	594 430	-	-	594 430	594 430		622 920

**ANNEXURE IE
STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS**

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2017/18
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Common Wealth Local Govt Forum	289	-	-	289	289	100%	513
				-			
	289	-	-	289	289	-	513
Subsidies							
	-	-	-	-	-	-	-
TOTAL	289	-	-	289	289	-	513

**ANNEXURE 1F
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2017/18
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
South African Cities Network	9 353	-	-	9 353	9 353	100%	6 950
United Cities & Local Gov Of Africa	5 800	-	-	5 800	5 800	100%	11 600
Disaster Management Institute of South Africa	99	-	-	99	99	100%	99
	15 252	-	-	15 252	15 252		18 649
Subsidies							
	-	-	-	-	-		-
TOTAL	15 252	-	-	15 252	15 252		18 649

**ANNEXURE 1G
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2017/18
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Post Retirement Benefits	1 191	-	-	1 191	1 191	100%	44
Leave Gratuity	792	-	-	792	792	100%	235
Act of Grace	390	-	-	390	390	100%	10 581
Non-Employee Bursaries	-	-	-	-	-	-	202
	2 373	-	-	2 373	2 373	-	11 062
Subsidies							
	-	-	-	-	-		-
TOTAL	2 373	-	-	2 373	2 373		11 062

**ANNEXURE 1L
STATEMENT OF INDIRECT GRANTS BETWEEN NATIONAL DEPARTMENTS AND
MUNICIPALITIES**

NAME OF GRANT	GRANT ALLOCATION				SPENT
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Amount
		R'000	R'000	R'000	R'000
Municipal Systems Improvement Grant	115 116	--	-	115 116	115 216
TOTAL	115 116	-	-	115 116	115 216

**ANNEXURE 4
CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2018/19*	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Departments								
Department of Traditional Affairs	2 612	-	-	4 004	2 612	4 004	-	-
Limpopo COGTA	-	-	-	88	-	88	-	-
Kwazulu Natal Premier	16	-	-	15	16	15	-	-
Department of Correctional Services	-	-	-	5	-	5	-	-
Eastern Cape Provincial Government	-	-	-	5	-	5	-	-
Limpopo Social Development	-	-	-	38	-	38	-	-
Department of Tourism	-	-	-	25	-	25	-	-
Northwest Premier	-	-	-	-	-	-	-	-
Department of Justice and Constitutional Development	-	-	-	24	-	24	-	-
Department of Rural Development and Land Reform	-	-	-	7	-	7	-	-
	2 628	-	-	4 211	2 628	4 211	-	-
Other Government Entities								
Municipal Infrastructure Support Agent	290	-	-	3 758	290	3 758	-	-
Merafong Local Municipality	-	-	-	73	-	73	-	-
Randfontein Local Municipality	-	-	-	69	-	69	-	-
Municipal Demarcation Board	-	-	-	209	-	209	-	-
	290	-	-	4 109	290	4 109	-	-
TOTAL	2 918	-	-	8 320	2 918	8 320	-	-

**ANNEXURE 5
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2018/19*	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018	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								
Department of Justice and Constitutional Development	-	-	3	-	3	-	-	-
Eastern Cape Department of Cooperative Governance and Traditional Affairs	-	-	48	-	48	-	-	-
Government Communication Information Systems	2	-	-	-	2	-	-	-
Department of Justice and Constitutional Development	-	-	3	-	3	-	-	-
Subtotal	2	-	51	-	53	-	-	-
Non-current								
Subtotal	-	-	-	-	-	-	-	-
TOTAL	2	-	51	-	53	-	-	-
OTHER GOVERNMENT ENTITY								
Current								
Subtotal								
Non-current								
Subtotal								
TOTAL INTERGOVERNMENTAL	2	-	51	-	53	-	-	-

ANNEXURE 6A INTER-ENTITY ADVANCES PAID (note 14)

	Confirmed balance		Unconfirmed balance outstanding		TOTAL	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Department of International Relations and Cooperation	-	-	85	78	85	78
Government Communication and Information System	-	-	-	6 450	-	6 450
	-	-	-	-	-	-
Subtotal	-	-	85	6 528	85	6 528
PROVINCIAL DEPARTMENTS	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
PUBLIC ENTITIES						
South African National Roads Agency Limited	-	-	128	154	128	154
Development Bank of Southern Africa	-	-	5 798	-	5 798	-
Subtotal	-	-	5 926	154	5 926	154
OTHER ENTITIES						
	-	-	-	-	-	-
	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
TOTAL	-	-	6 011	6 682	6 011	6 682



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