



cooperative governance  
and traditional affairs

Department of Cooperative Governance  
and Traditional Affairs  
FREE STATE PROVINCE

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND  
TRADITIONAL AFFAIRS  
FREE STATE PROVINCE**

**VOTE 8**

**ANNUAL REPORT  
2016/2017 FINANCIAL YEAR**

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**31 August 2017**

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## PART A: GENERAL INFORMATION

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## 1. DEPARTMENT GENERAL INFORMATION

Name of the Department: Cooperative Governance and Traditional Affairs

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## 2. LIST OF ABBREVIATIONS/ACRONYMS

|                |   |
|----------------|---|
| <b>AG</b>      | Auditor-General   |
| <b>AGSA</b>    | Auditor General of South Africa   |
| <b>AO</b>      | Accounting Officer  |
| <b>B2B</b>     | Back-to-Basics Programme  |
| <b>BBBEE</b>   | Broad Based Black Economic Empowerment  |
| <b>CAPEX</b>   | Capital Expenditure   |
| <b>CWP</b>     | Community Works Programme   |
| <b>CDW</b>     | Community Development Worker  |
| <b>CFO</b>     | Chief Financial Officer   |
| <b>CMIP</b>    | Consolidated Municipal Infrastructure Programme                               |
| <b>COGTA</b>   | FS Department of Cooperative Governance and Traditional Affairs               |
| <b>DCOG</b>    | National Department of Cooperative Governance                                 |
| <b>DM</b>      | Disaster Management   |
| <b>DPSA</b>    | Department of Public Service and Administration                               |
| <b>EU</b>      | European Union  |
| <b>FSGDS</b>   | Free State Growth and Development Strategy                                    |
| <b>HOD</b>     | Head of Department  |
| <b>ICT</b>     | Information Communication Technology  |
| <b>IDP</b>     | Integrated Development Plan   |
| <b>IGR</b>     | Inter-Governmental Relations  |
| <b>KPI</b>     | Key Performance Indicator   |
| <b>LED</b>     | Local Economic Development  |
| <b>LGTAS</b>   | Local Government Turn-Around Strategy   |
| <b>MISA</b>    | Municipal Information Systems Association                                     |
| <b>M&amp;E</b> | Monitoring and Evaluation   |
| <b>MEC</b>     | Member of Executive Council   |
| <b>MECLOGA</b> | Members of the Executive Council responsible for Local Government Association |
| <b>MIG</b>     | Municipal Infrastructure Grant  |
| <b>MPAT</b>    | Management Performance Assessment Tool  |
| <b>MPRA</b>    | Municipal Property Rates Act  |
| <b>MTAS</b>    | Municipal Turn Around Strategies  |
| <b>MTEF</b>    | Medium Term Expenditure Framework   |
| <b>MTSF</b>    | Medium Terms Strategic Framework  |
| <b>NDP</b>     | National Development Plan   |
| <b>OPEX</b>    | Operational Expenditure   |
| <b>PDMC</b>    | Provincial Disaster Management Committee                                      |
| <b>PFMA</b>    | Public Finance Management Act   |
| <b>PILIR</b>   | Policy and Procedure on Incapacity Leave and Ill-health                       |
| <b>PMS</b>     | Performance Management System   |
| <b>PSC</b>     | Public Service Commission   |
| <b>SCM</b>     | Supply Chain Management   |
| <b>SDF</b>     | Spatial Development Framework   |
| <b>SDIP</b>    | Service Delivery Improvement Plan   |
| <b>SITA</b>    | State Information Technology Agency   |
| <b>SMME</b>    | Small Medium and Micro Enterprises  |
| <b>SPLUMA</b>  | Spatial and Land Use Management Act   |
| <b>TC</b>      | Traditional Council   |
| <b>TR</b>      | Treasury Regulations  |
| <b>WSP</b>     | Work Place Skills Plan  |

## 2. FOREWORD BY THE EXECUTIVE AUTHORITY

Local government is the sphere of government where all of government work converges; where our people are and where our services are needed most. Our responsibility is to ensure that this work is well coordinated for achievement of the desired impact. Due to a range of structural disadvantages created by apartheid, local government in South Africa is still in the process of transformation, and rural areas still require a high level of government intervention to promote development. If these interventions are to be successful and sustainable, they must be guided by a clear vision.

The outcome of our 4<sup>th</sup> democratic local government elections on the 3<sup>rd</sup> of August last year clearly showed that the majority of South African citizens still believe that South Africa is still a better place to be than it was before 1994, despite numerous challenges.

The following are some of our successes during the year under reporting:

- a) The Department developed an Integrated Planning and Accountability Model for the 4th Generation of IDPs for the 2017-2022 period, which aims to support municipalities on the development and assessment of their IDPs on a quarterly basis (and not only annually after IDPs have been adopted by the respective Councils). The objectives of this model, which will be implemented as a pilot over the next two years, are among others the following:
  - to enhance integration amongst all spheres of government insofar as planning is concerned,
  - to encourage maximum participation and accountability of all IDP stakeholders during IDP processes,
  - to strengthen the legality of IDPs,
  - to ensure the credibility of IDPs,
  - to encourage continuous engagement with municipalities (so as to ensure quarterly IDP assessments at district level), and
  - to improve the quality of the IDP document in its totality.
- b) New Municipal Councils were elected after the 2016 Local Government Elections; in providing support to municipalities, the Department promulgated the Provincial Standard Standing Rules and Orders aimed at providing for conduct of proceedings during Council meetings.
- c) The successful implementation of municipal by-laws remains a challenge; in assisting municipalities in this regard, the Department has approved the By-law Implementation Guide entailing by-law implementation strategies for municipalities.
- d) In strengthening the capacity of municipalities to successfully implement the Spatial Planning and Land Use Management Act (Act 16 of 2013), which serves to bridge the racial divide as well as provide measures to transform the settlement patterns of the country created by previous discriminatory legislation, the Department is currently undertaking public participation processes to allow stakeholders to provide comments on the draft Spatial Planning Bill, which was completed during 2015. The Bill provides for amongst others the following:

- Provincial, regional, and local municipal spatial development frameworks;
- The regulation of municipal land use schemes;
- Public participation process in a land use scheme process;
- Clarifying what is meant with provincial interest;
- Criteria for decision-making; and
- Provides for general and transitional matters.

It is the Department's intention to submit the Bill to the Free State Legislature for consideration after concluding the public participation process. Once promulgated, the new Act will result in the repeal of all legislation used prior to the enactment of the Bill to deal with matters of planning in the province.

- e) SPLUMA determines that all development applications must in future be submitted to a municipality as the authority of first instance. The Department, together with the Department of Rural Development and Land Reform, have assisted municipalities during the last few years to be in a position to perform this function. Approximately 90% of municipalities in the province are currently ready to process and decide on land development applications. The Department foresees that all municipalities will be ready to execute this function during the 2017/2018 financial year, and will therefore continue to train municipal officials, municipal planning tribunals as well as Councillors on all matters related to SPLUMA.
- f) The Provincial Performance Management Forum is fully functional, aiming to assist and support municipalities towards complying with legislation relating to the successful implementation of the municipal performance management system (i.e. in relation to the filling of section 56 posts and the conclusion of performance agreements and employment contracts).
- g) The Department launched the Back-to-Basics (B2B) Programme late in 2014, anchored on the following five pillars:
- Putting people first and engaging with communities.
  - Delivering basic services in a more efficient and effective manner.
  - Strengthening and improving on good governance and accountability.
  - Ensuring sound financial management, thereby improving on delivering on the mandate of municipalities.
  - Building capabilities by attracting a highly skilled and professional local government administration.

The B2B Programme already yielded positive results in that Fezile Dabi District Municipality achieved a clean audit outcome. All in all, 15 municipalities in the province achieved unqualified audit outcomes, which can be directly attributed to the B2B and other support programmes.

- h) The successful implementation of the Management Support Program and other initiatives with Provincial Treasury and other strategic partners yield significant positive results. During the year under reporting, the Department appropriated an amount of approximately forty three million rand (R43m) in deploying companies in terms of the Management Support Program to the Municipalities of Maluti a Phofung, Metsimaholo, Ngwathe, Matjhabeng, Moqhaka and Naledi. The majority of Municipalities demonstrated their ability to sustain good audit opinions from prior years, as a number of Municipalities improved their audit

outcomes. Progressive change of this nature demonstrates the value that is derived from support strategies and initiatives such as the Back-2-Basics Programme and the Municipal Support Programme.

- i) All municipalities in the Province are providing free basic services to qualifying households. The Department is continuously assisting municipalities to align their indigent policies to the national guidelines and monitoring on the extent to which municipalities update their indigent registers. A tool kit was developed in conjunction with the National Department of Cooperative Governance to assist municipalities towards aligning their indigent policies with the national guidelines. In the Free State the number of indigent households provided with free basic services is as follows:
- Free Basic Water : 189,225 households
  - Free Basic Electricity: 149,512 households
  - Free Basic Refuse removal: 127,482 households
  - Free Basic Sanitation: 127,484 households
- j) Enviro Mobi is a support initiative aimed at improving municipalities' provision of basic services to communities. It includes provision of support to municipalities and implementation of direct interventions relating to water leakages, waste removal and electricity through interactions with municipal customers on reported concerns. This support initiative resulted in the creation of a platform called Municipal Rapid Response Platform (MURAPA), which is a unique environmental innovation and service delivery management platform designed to improve service delivery by responding rapidly to challenges relating to municipal infrastructure.

The last two years were declared the driest year in South Africa in over a century. Due to the dry spell experienced in South Africa, many farmers have been negatively affected. In the Free State, farmers have not had enough rainfall over the past three years resulting in many of them in need of financial assistance to help in the recovery process of the damaging effects of the dry conditions. Despite the good rains we had since February this year, it could take years for farmers in the Free State to recover from the adverse effects of the drought. Farmers have indicated that it would take at least three to four years to break even and to fix the damages the drought has caused to the farms.

The Free State was one of the provinces that were adversely affected by drought, and more specifically in sectors such as water services (in terms of provision of water to communities), agriculture (animal feed and water for crops, human and animals) and land reforms (animal feed and water for crops, human and animals). This resulted in the Free State Executive Council declaring the entire Free State Province as a disaster area, further culminating in the National Disaster Management Centre visiting the Province during November to December 2016 to verify the extent of **the** damage. In suitably addressing the drought situation in the Province, the Premier initiated the establishment of the Provincial Drought Task Team, coordinated by the Free State Provincial Disaster Management Centre. This Task Team consists of all affected sector departments, organized agriculture, district municipalities, ESKOM and South African Weather Service. The purpose of the task team is to -

- a) assess drought situation in the province and advise the Provincial Executive Council accordingly;
- b) coordinate support to affected communities; and
- c) monitor the impact on communities and sector departments.

The Provincial Disaster Management Centre worked closely with NGO's and sector departments during the entire period to ensure the fair distribution of feed and fodder, the drilling of bore holes, erecting mini water reservoirs and the distribution of food parcels. In this regard, I would like to extend my sincere appreciation to the Gift of the Givers, Operation Hydrate, Alim Daad Foundation and Shoprite for their intervention in various communities - this did not go unnoticed.

I would like to thank the Premier and Members of the Executive Council for their continued support. I would also like to thank Members of the Portfolio Committees and the Free State Legislature, the House of Traditional Leaders and the entire Traditional Leadership, all municipalities, SALGA Free State and my organisation, the African National Congress, for their inexorable support and guidance.

Last but not least, I would like to express my sincere appreciation to the Head of Department, Senior Managers and all departmental employees for their hard work and commitment towards ensuring that the Department succeeded to fulfil its mandate during the year under review.

**Re a Hlasela – We have delivered!**



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**MS. S.H. NTOMBELA**  
**MEC: COOPERATIVE GOVERNANCE,**  
**TRADITIONAL AFFAIRS AND HUMAN**  
**SETTLEMENTS**

**31 August 2017**

#### 4. REPORT OF THE ACCOUNTING OFFICER

##### Pre-determined Objectives:

During the year under review, the Monitoring and Evaluation Unit, supported by the Internal Audit unit, interrogated evidence on the (non-financial) performance of the Department in terms of validity, accuracy and completeness, thereby ensuring that the performance recorded and reported is a true reflection of our actual performance. This process continued to result in an improvement in the performance of the Department as per our 2016/2017 Annual Performance Plan, i.e. whereas the Department managed to achieve **81%** of its planned performance targets during the 2015/2016 financial year, **83%** of planned targets were achieved during the year under review (2016/2017). This represents an improvement of **10%**. Progress against predetermined objectives and related targets was also monitored and reported on a quarterly basis, and scrutinized during Senior Management meetings, thereby ensuring that remedial actions are taken timeously to address areas of poor performance. Although the unavailability of stakeholders and role-players, coupled with budget constraints, resulted in approximately 17% of targets not being achieved during the year under review, the Department still managed to achieve 83% of its planned targets during the year under review.

##### Financial Management:

##### Departmental receipts:

| Departmental receipts                                | 2016/2017  |                         |                         | 2015/2016    |                         |                         |
|--|------------|-------------------------|-------------------------|--------------|-------------------------|-------------------------|
|  | Estimate   | Actual Amount Collected | (Over)/Under Collection | Estimate     | Actual Amount Collected | (Over)/Under Collection |
|  | R'000      | R'000                   | R'000                   | R'000        | R'000                   | R'000                   |
| Sale of goods and services other than capital assets | 120        | 132                     | (12)                    | 947          | 1 034                   | (87)                    |
| Interest, dividends and rent on land                 | 9          | 9                       | -                       | 7            | 2                       | 5                       |
| Sale of capital assets                               | -          | 1                       | (1)                     | 15           | 27                      | (12)                    |
| Financial transactions in assets and liabilities     | 71         | 367                     | (296)                   | 245          | 368                     | (123)                   |
| <b>Total</b>   | <b>200</b> | <b>509</b>              | <b>(309)</b>            | <b>1 214</b> | <b>1 431</b>            | <b>(217)</b>            |

The adjusted revenue budget allocated to the department for the 2016/2017 financial year amounted to R 200 thousand. An amount of R 509 thousand was collected resulting at an over collection of R309 thousand (or 154, 5%).

The revenue budget of the department had been reduced over the MTEF period due to the implementation of the Spatial Planning and Land Use Management Act (SPLUMA) (Act 16 of 2013) on the 1<sup>st</sup> of July 2015. SPLUMA resulted in all new land development applications being submitted to the municipalities, and not to the Department.

##### Tariff Policy:

The 2016/2017 tariffs levied by the department related to the sale of tender documents and applications for land use management. The tariffs are listed below:

| APPLICATION   | FEES                                    |
|---|---|
| Consolidation   | R 200                                   |
| Township Establishment  | R 5 000                                 |
| Amendment of the Town planning Scheme   | R 8 000                                 |
| Establishment of temporary township   | R 5 000                                 |
| Rezoning Fees   | R 8 000                                 |
| Subdivision of farmland   | R 200                                   |
| Subdivision of erven  | R 200                                   |
| Subdivision of farmland including town lands to be incorporated into a township | R 200                                   |
| Sale of cell phones   | 5 % of the original value of cell phone |

| TENDER DOCUMENTS |                             |            |
|------------------|-----------------------------|------------|
| CATEGORY         | VALUE OF CONTRACT           | FEE        |
| A                | R 300,000 – R 499,999       | R 100.00   |
| B                | R 500 000 – R 2 Million     | R 250.00   |
| C                | R 2 000 001 – R 5 Million   | R 320.00   |
| D                | R 5 000 001 – R 10 Million  | R 400.00   |
| E                | R 10 000 001 – R 15 Million | R 550.00   |
| F                | R 15 000 001 and Higher     | R 1 200.00 |

With the implementation of the Spatial Planning and Land Use Management Act (SPLUMA) (Act 16 of 2013) on the 1<sup>st</sup> of July 2015 all new land development applications are now submitted to the municipalities. The tariffs in terms of all items related to land development applications will **fade** out in the department once the current cases already received before the 1<sup>st</sup> of July 2015 had been finalized.

#### Programme Expenditure:

| Programme Name                       | 2016/2017           |                    |                           | 2015/2016           |                    |                          |
|--------------------------------------|---------------------|--------------------|---------------------------|---------------------|--------------------|--------------------------|
|                                      | Final Appropriation | Actual Expenditure | (Over)/ Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
|                                      | R'000               | R'000              | R'000                     | R'000               | R'000              | R'000                    |
| Administration                       | 129 459             | 128 619            | 840                       | 122 296             | 121 129            | 1 167                    |
| Local Governance                     | 167 381             | 166 848            | 833                       | 116 168             | 115 451            | 717                      |
| Development and Planning             | 100 036             | 99 561             | 475                       | 93 463              | 92 718             | 745                      |
| Traditional Institutional Management | 42 616              | 42 421             | 195                       | 38 122              | 38 121             | 1                        |
| House of Traditional Leaders         | 8 783               | 8 469              | 314                       | 10 266              | 10 190             | 76                       |
| <b>Total</b>                         | <b>448 275</b>      | <b>445 918</b>     | <b>2 357</b>              | <b>380 315</b>      | <b>377 609</b>     | <b>2 706</b>             |

The final departmental appropriation for the 2016/2017 financial year amounted to R 448,275 million (2015/2016: R 380,315 million). This represents an increase of approximately 17,87% over the previous financial period. Expenditure recorded against the final vote funds amounted to R 445,918 million (or 99,5%) for the 2016/2017 financial year versus R 377,609 million (or 99%) for the 2015/2016 financial year. The year on year increase in actual expenditure is approximately 18,09%.

Consequently, approximately R 2,357 million (or 0,5%) of the voted funds of R 448,275 million remained unspent (for surrendering to the Revenue Fund).

#### Virements/roll overs:

Post 2016/2017 Budget Adjustment, the Department underwent a process of re-prioritisation of its budget. The department therefore performed budget virements which were all within the prescribed 8% as per the PFMA and Treasury Regulations. The details of the virements are as follows:

| Programme R,000                             | Special Adjustment Appropriation 2016/2017 | Virement      | Shifting | Final Appropriation 2016/2017 |
|---|--|---------------|----------|-------------------------------|
|   | A  | B             | C        | E                             |
| <b>Administration Support Services</b>      | <b>130 249</b>                             | <b>-790</b>   | <b>-</b> | <b>129 459</b>                |
| MEC   | 12 503                                     | -223          | -1 164   | 11 116                        |
| Support Services                            | 73 769                                     | -466          | 2 443    | 75 746                        |
| Finance                                     | 43 977                                     | -101          | -1 279   | 42 597                        |
| <b>Local Governance</b>                     | <b>164 950</b>                             | <b>2 431</b>  | <b>-</b> | <b>167 381</b>                |
| Management Services                         | 11 166                                     |               | -200     | 10 966                        |
| Municipal Policy & Advice                   | 6 989                                      |               | -619     | 6 370                         |
| Municipal Performance Management            | 7 623                                      |               | -957     | 6 666                         |
| Municipal Intergovernmental Relations       | 17 079                                     |               | -1 183   | 15 896                        |
| Municipal Financial Performance             | 114 974                                    | 2 431         | 1 542    | 118 947                       |
| Capacity Development                        | 7 119                                      |               | 1 417    | 8 536                         |
| <b>Development and Planning</b>             | <b>99 885</b>                              | <b>151</b>    | <b>-</b> | <b>100 036</b>                |
| Disaster Management                         | 8 416                                      | -216          | -446     | 7 754                         |
| IDP & LED                                   | 5 810                                      | -206          | -482     | 5 122                         |
| Spatial Planning                            | 21 402                                     |               | -708     | 20 694                        |
| Free Basic Services                         | 29 122                                     | 573           | 3 306    | 33 001                        |
| Provincial MIG Management                   | 35 135                                     |               | -1 670   | 33 465                        |
| <b>Traditional Institutional Management</b> | <b>43 706</b>                              | <b>-1 090</b> |          | <b>42 616</b>                 |
| House of Traditional Leaders                | 9 485                                      | -702          |          | 8 783                         |
| <b>Total</b>                                | <b>448 275</b>                             | <b>-</b>      | <b>-</b> | <b>448 275</b>                |

Programme 1: Administration

(R 790,000)

An amount of R 1,409,000 as a possible saving on the economic classifications Compensation and Payment Capital Assets was affected as a virement to Programme 2, Sub-Programme Municipal Financial Performance Management as follows:

| <b>Programme 1</b>                        | <b>Economic Classification</b> |                         |                  |
|---|--------------------------------|-------------------------|------------------|
| <b>Sub Programme</b>                      | <b>Compensation</b>            | <b>Capital Payments</b> | <b>Total</b>     |
| <b>CORPORATE SERVICES</b>                 | <b>1 000 000</b>               | <b>409 000</b>          | <b>1 409 000</b> |
|   |                                |                         |                  |
| <b>Office of the MEC</b>                  |                                | <b>223 000</b>          | <b>223 000</b>   |
|   |                                |                         |                  |
| <b>SUPPORT SERVICES</b>                   | <b>900 000</b>                 | <b>65 000</b>           | <b>965 000</b>   |
| Anti-Corruption & Security Management     | 190 000                        |                         | 190 000          |
| Head of the Department                    | 60 000                         | 65 000                  | 125 000          |
| Internal Audit                            | 190 000                        |                         | 190 000          |
| Programme Management (CS)                 | 90 000                         |                         | 90 000           |
| Development Plan & Performance Monitoring | 150 000                        |                         | 150 000          |
| Human Resource Management and Org Dev     | 220 000                        |                         | 220 000          |
|   |                                |                         | -                |
| <b>BUDGET AND FINANCIAL MANAGEMENT</b>    | <b>100 000</b>                 | <b>121 000</b>          | <b>221 000</b>   |
| Budget & Financial Management             | 100 000                        | 121 000                 | 221 000          |

An amount of R 619,000 as a possible saving on various items was affected as a virement from Programme 4 to Programme 1 as follows:

| <u>Sub Programme</u>          | <u>Economic classification item</u> | <u>Amount</u>    |
|-------------------------------|-------------------------------------|------------------|
| Human Resource Management     | Adverts: Recruitment                | R 284,000        |
| Human Resource Management     | Training Officials                  | R 215,000        |
| Budget & Financial Management | Com: Telephone Accounts             | R 120,000        |
| Total                         |                                     | <u>R 619,000</u> |

Funds to the amount of R 2,443,000 were shifted between the different Sub-Programmes within the Programme and between various items within the economic classifications as follows:

| <u>Sub Programme</u>            | <u>Economic classification item</u> | <u>Amount</u> |
|---------------------------------|-------------------------------------|---------------|
| MEC                             | Various Goods & Services Items      | (R 1,164,000) |
| Support Services                | Training Officials                  | R 2,443,000)  |
| Budget and Financial Management | Various Goods & Services Items      | (R 1,279,000) |

Programme 2: Local Governance R 2,431,000

An amount of R 2,431,000 as a possible saving was affected as a virement from different Programmes and on various items under the economic classification as follows:

| <u>Sub Programme</u> | <u>Economic classification item</u> | <u>Amount</u>      |
|----------------------|-------------------------------------|--------------------|
| Programme 1          | Various Goods & Services Items      | R 1,409,000        |
| Programme 3          | Various Goods & Services Items      | R 622,000          |
| Programme 4          | Various Goods & Services Items      | R 400,000          |
| Total                |                                     | <u>R 2,431,000</u> |

Funds to the amount of R 1,569,000 were shifted between the different Sub-Programmes within the Programme and between various items within the economic classifications as follows:

| <b>PROGRAMME 2</b>                         | <b>Current Expenditure</b> | <b>Capital Payments</b> | <b>Total</b>     |
|--|----------------------------|-------------------------|------------------|
| <b>LOCAL GOVERNANCE</b>                    | <b>1,400,000</b>           | <b>169,000</b>          | <b>1,569,000</b> |
| Programme Management (LG)                  | 200,000                    |                         | 200,000          |
| Municipal Policy Development & Advice      | 220,000                    |                         | 220,000          |
| Municipal Performance Management           | 550,000                    | 96,000                  | 646,000          |
| Public Participation                       | 180,000                    | 73,000                  | 253,000          |
| Municipal Financial Performance Monitoring | 250,000                    |                         | 250,000          |
| Capacity Development (Rapid Response)      |                            |                         | -                |

Programme 3: Development and Planning R 151,000

An amount of R 622,000 as a possible saving was affected as a virement to Programme 2, Sub-Programme Municipal Financial Performance Management. The possible saving was identified on various items under the economic classification and was utilized as follows:

| <b>PROGRAMME 3</b>              | <b>Compensation</b> | <b>Capital Payments</b> | <b>Total</b>   |
|---------------------------------|---------------------|-------------------------|----------------|
| <b>DEVELOPMENT AND PLANNING</b> | <b>500,000</b>      | <b>122,000</b>          | <b>622,000</b> |
| Spatial Planning                |                     |                         | -              |
| IDP & LED                       | 140,000             | 66,000                  | 206,000        |
| Free Basic Services             | 200,000             |                         | 200,000        |
| ISRDP and Urban Renewal         |                     |                         | -              |
| Provincial MIG Management       |                     |                         | -              |
| Disaster Management             | 160,000             | 56,000                  | 216,000        |

An amount of R 773 was shifted as a virement to Programme 3 Development and Planning as savings identified within the following Programmes:

| <u>Programmes</u> | <u>Economic classification item</u> | <u>Amount</u>    |
|-------------------|-------------------------------------|------------------|
| Programme 4       | Various Goods & Services Items      | R 71,000         |
| Programme 5       | Various Goods & Services Items      | <u>R 702,000</u> |
| Total             |                                     | <u>R 773,000</u> |

Funds to the amount of R 3,306,000 were shifted between the different Sub-Programmes and between various items within the economic classifications as follows:

| <u>Sub Programme</u>            | <u>Economic classification item</u> | <u>Amount</u> |
|---------------------------------|-------------------------------------|---------------|
| Free Basic Services             | CNS: Bus & Adv Ser. Project Man     | R 3,306,000   |
| Municipal Infrastructure Manage | Various Goods & Services Items      | (R 1,670,000) |
| IDP & LED                       | Various Goods & Services Items      | (R 482,000)   |
| Disaster Management             | Various Goods & Services Items      | (R 446,000)   |
| Spatial Planning                | Various Goods & Services Items      | (R 708,000)   |

Programme 4: Traditional Institutional Development (R 1,090,000)

An amount of R 619,000 was affected as a virement from Programme 4, Traditional Institutional Development to make provision for a budget constraints on the following Programmes:

| <u>Sub Programme</u>          | <u>Economic classification item</u> | <u>Amount</u>      |
|-------------------------------|-------------------------------------|--------------------|
| Human Resource Management     | Adverts: Recruitment                | (R 284,000)        |
| Human Resource Management     | Training Officials                  | (R 215,000)        |
| Budget & Financial Management | Com: Telephone Accounts             | (R 120,000)        |
| Total                         |                                     | <u>(R 619,000)</u> |

| <u>Sub Programme</u>         | <u>Economic classification item</u> | <u>Amount</u> |
|------------------------------|-------------------------------------|---------------|
| Municipal Financial Perf Mon | Transfer Payments Municipalities    | (R 400,000)   |

| <u>Programmes</u>   | <u>Economic classification item</u>  | <u>Amount</u> |
|---------------------|--------------------------------------|---------------|
| Free Basic Services | CNS: Bus &Adv Ser. Project Man (FBS) | (R 71,000)    |

Programme 5: House of Traditional Leaders (R 702,000)

An amount of R 702,000 was affected as a virement from Programme 5, House of Traditional Leaders to make provision for budget constraints on Programme 3 as follows:

| <u>Sub-Programmes</u> | <u>Economic classification item</u> | <u>Amount</u> |
|-----------------------|-------------------------------------|---------------|
| Free Basic Services   | CNS: Bus &Adv Ser. Project Man      | (R 702,000)   |

**Fruitless and wasteful expenditure:**

In terms of the 2015/16 financial year an amount of R 105 097.11 was discovered to be fruitless and wasteful expenditure in terms of an interdepartmental claimed paid to the Department of the Premier where the respective department paid VAT as well as management fees in terms of the transversal contract on events management which was already included in the agreement. As this amount had still to be investigated by the Department of the Premier, it was the only outstanding case from the previous financial year.

During the 2016/2017 financial year, the department incurred R 293 982.87 of fruitless and wasteful expenditure. All of these cases were reported to Provincial Treasury and investigated by the department. The total amount was however, after investigation, found to be as a result of certain circumstances for which no officials could be found liable, and the Accounting Officer approved these cases. This amount was in terms of penalties paid on television licences, Telkom accounts, interest on cancellation of contracts and accommodation that had to be cancelled because of the cancellation of meetings.

**Public Private Partnerships:**

The Department did not pursue any public/private partnership during the financial year ended 31 March 2016.

**Discontinued activities:**

No activities were discontinued by the Department during the year under review.

**New or proposed activities:**

No new or proposed activities were acquired by the Department during the year under review.

**Supply chain management:**

There was no unsolicited bid proposals concluded for the year under review.

During the year under reporting, the Department adhered to supply chain management processes and successfully maintained systems put in place during the previous financial year to prevent irregular expenditure.

The Department still experienced challenges in relation to the payment of service providers within 30 days. This was further perpetuated by the limited payment runs allocated to the Departments per month by Provincial Treasury. In improving the timeous payment of service providers, the Department successfully implemented a single (consolidated) register to track all payments throughout the supply chain process, yielding a significant improvement.

Over recent years, the Department experienced numerous challenges with the management of departmental assets, as most of the work was done through manual transactions. The Department procured an asset management system called HARDCAT, resulting in a comprehensive asset verification process being conducted in various locations. The new system enabled the Department to submit a system-generated asset register for the 2016/2017 financial year.

**Policy and Procedure on Incapacity Leave and Ill-health Retirement (PILIR):**

The Department made use of the services of the Thandile Health Risk Manager. All cases pertaining to ill-health, incapacity and related cases were submitted in terms of the prescribed processes to Thandile for a recommendation to the Head of Department (as per legal requirement). The Department approved all recommendations made by Thandile and did not deviate from any recommendation submitted. Where cases were not validated by Thandile, the Department took the necessary actions to address such and, where applicable, funds were also recovered from the salaries of such officials. The Department is also a member of the Provincial Steering Committee of the Health Risk Manager where cases are discussed and best practices shared.

**Gifts and Donations received in kind from non-related parties:**

No gifts and donations in kind were received from non related parties.

**Exemptions and deviations received from the National Treasury:**

There were no exemptions nor deviations received from National Treasury during the year under review.

**Events after the reporting date:**

No significant events occurred after the reporting date and before the date of approval of these Annual Financial Statements that require adjustment of, or disclosure in the Financial Statements

**Related Party Transactions:**

The Department of Provincial Treasury paid for the use of **transversal** operating systems (BAS, PERSAL and LOGIS) on behalf of the Department Cooperative Governance and Traditional Affairs to SITA. No value for this service can be attributed to this transaction.

The Department of Public Works provided office accommodation to the Department of Cooperative Governance and Traditional Affairs in the OR Tambo Building. No value for this can be attributed to this transaction.

**Acknowledgement:**

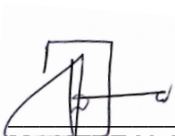
I would like to express my sincere appreciation to all employees and other stakeholders of the Department for their co-operation and hard work during the period under review. The successes achieved by the Department during the period under review would not have been possible without their dedication and commitment.

**Conclusion:**

In conclusion, much still has to be done towards creating viable and sustainable municipal service delivery in the Province. I am confident that this can be achieved if all stakeholders and role-players work together and towards increasing our efforts to create stable governance at local level.

**Approval and sign-off:**

I hereby submit the 2016/2017 Annual Report of the Department of Cooperative Governance and Traditional Affairs in terms of the Public Finance Management Act, 1999.



**MOKETE V. DUMA  
HEAD: COOPERATIVE GOVERNANCE  
AND TRADITIONAL AFFAIRS**


**31 AUGUST 2017**

## **5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT**

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

- a) All information and amounts disclosed throughout the annual report are consistent.
- b) The annual report is complete, accurate and is free from any omissions.
- c) The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- d) 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.

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 2016.



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**MOKETE V. DUMA**  
**HEAD: COOPERATIVE GOVERNANCE**  
**AND TRADITIONAL AFFAIRS**

**30 AUGUST 2017**

## 6. STRATEGIC OVERVIEW

**Vision:** Integrated, responsive and developmental local governance in the Free State Province

**Mission:** The Department strives to strengthen inter-sectoral cooperation and support municipalities and Traditional Leaders towards effective service delivery through:

- (i) Integrated and sustainable planning and development
- (ii) Partnerships
- (iii) Research
- (iv) Monitoring and evaluation
- (v) Accountability

**Values:** The Department's inherent values, as informed by Batho Pele principles, are:

- Results-driven
- Professionalism and Integrity
- Responsiveness
- Accountable and Transparent
- Value for money
- Collaborative Leadership

## 7. LEGISLATIVE AND OTHER MANDATES

### 7.1 Constitutional Mandate

The Constitution of the Republic of South Africa, 1996, redefined local government as a sphere of government that is distinctive from, yet interdependent and inter-related with provincial and national government. Importantly, the Constitution conferred developmental duties to local government.

### 7.2 Legislation

The following legislation applied to the Department during the year under review:

- a) Public Finance Management Act, 1999 (Act No. 1 of 1999) (as amended by the Public Finance Management Amendment Act No. 29 of 1999). This Act regulates financial management in the national and provincial governments; to ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively; to provide for the responsibility of persons entrusted with financial management in those governments; and provide for matters connected therewith.
- b) Division of Revenue Act, 2016 (Act No. 3 of 2016) This Act provides for the equitable division of revenue raised nationally among the national, provincial and local spheres of government for the 2016/2017 financial year; to provide for reporting requirements for allocations pursuant to such divisions; to provide for the withholding and the delaying of payments; to provide for liability for cost incurred in litigation in violation of the principles of co-operative governance and intergovernmental relations; and to provide for matters connected therewith.
- c) Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, 1998 (Act No. 19 of 1998): The Prevention of Illegal Eviction from and Unlawful Occupation of Land Act was promulgated in 1998. The Act repeals the Prevention of Illegal Squatting Act No. 52 of

1951 and makes provision for a fair and equitable process to be followed when evicting people who have unlawfully invaded land, from their homes. The Act also makes it an offence to evict legally without due process of law.

- d) Subdivision of Agricultural Land Act, 1970 (Act No. 70 of 1970): This Act is used for Town Planning advice to the Department of Land Affairs on the subdivision of agricultural land.
- e) Municipal Systems Act, 2000 (Act No. 32 of 2000): The Act introduces changes towards the manner in which municipalities are organized internally, the way they plan and utilize resources, monitor and measure their performance, delegate authority, render services and manage their finances and revenue. Critically, the MSA formalizes a range of alternative service delivery mechanisms that could be used to complement traditional service rendering mechanisms / arrangements used by municipalities. This Act also enables the Integrated Development Plans (IDP). The IDP is a single and inclusive strategic plan that must be compiled and adopted by the municipality. IDPs must include a financial plan, performance management plan, disaster plan and a spatial development framework within which all sector plans should be addressed.
- f) Municipal Demarcation Act, 1998 (Act No. 27 of 1998): The Municipal Demarcation Act of 1998 provided for the re-demarcation of municipal boundaries and this resulted in the rationalization of 843 municipal entities into 284 larger and possible economically viable entities.
- g) Municipal Structures Act, 1998 (Act No. 117 of 1998 as amended in 1999 and 2000): The Act defined new institutional arrangements and systems for local government. Importantly, the Act laid a foundation for local government performance management and ward committee systems.
- h) White Paper on Local Government of 1998: The White Paper on Local Government is a broad policy framework that proposes wholesale changes in the areas of political, administrative structures of local government, electoral systems, demarcations, finances, services, infrastructure development, planning and so forth. The White Paper maps out a vision of developmental local government that is committed to working actively with citizens to identify sustainable ways of meeting their social, economic and material needs and thereby improve their quality of life. Developmental local government envisages the transformation of municipal administrations into rationalized, representative, less bureaucratic, people-centred, efficient, transparent, accountable and responsive entities.
- i) The Fund Raising Act, 1978 (Act No. 107 of 1978): The Act provides for the declaration of a disaster by the President in order to provide relief to the Victims of disasters such as drought disaster.
- j) Disaster Management Act, 2002 (Act No. 57 of 2002): The Act streamlines and unifies disaster management and promotes a risk reduction approach particularly at provincial and local levels. It eliminates the confusion around disaster declaration and addresses current legislative gaps.
- k) National Veld and Forestry Act, 1998 (Act No. 101 of 1998): The Act emphasizes the formation of Fire Protection Associations for the purpose of predicting, preventing, managing and extinguishing veld fires.
- l) The National Environmental and Waste Management Act, 2008 (Act No. 59 of 2008): The Act provides for environmental management strategies so as to prevent and mitigate environmental disasters.

- m) Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2003): The Act provides for the recognition of traditional leaders, their roles and functions, recognition of traditional communities, establishment of traditional councils and for matters connected therewith.
- n) Public Audit Act, 2004 (Act No. 25 of 2004): This Act gives effect to the provisions of the Constitution establishing and assigning functions to an Auditor-General; to provide for the auditing of institutions in the public sector; to provide for accountability arrangements of the Auditor-General; to repeal certain obsolete legislation; and to provide for matters connected therewith.
- o) Municipal Finance Management Act, 2003 (Act No. 56 of 2003): This Act aims to modernise budget and financial management practices in municipalities so that financially sustainable municipalities are able to meet their service delivery obligations. The Act also provides a financial governance framework that clarifies the roles and responsibilities of officials, councillors, the Provincial Treasury and this department. The department is responsible for monitoring and supporting municipalities in its implementation, to share its monitoring results and provide warning of impending financial distress. Although the department is endowed with powers of intervention, the primary responsibility to manage finances, identify and avert financial distress rests with municipalities.
- p) Municipal Property Rates Act, 2004 (Act No. 6 of 2004): This Act regulates the powers entrusted to municipalities to impose rates on property, to exclude certain property categories from rating and to provide a transparent and fair system for rating of properties and granting rates rebates. The Act further provides for ratepayers to have access and recourse to a process of objection and appeal against rates imposed by municipalities. The mandate of the department is to monitor and support municipalities with MPRA implementation, and to ensure that objections and appeals against property values are resolved through a fair and transparent process of appeal/review.
- q) Spatial Planning and Land Use Management Act, 2013 (Act No. 16 of 2013): This Act provides a framework for the monitoring, coordination and review of the spatial planning and land use management system. It also provides for the establishment, functions and operation of Municipal Planning Tribunals.
- r) National Building Regulations and Building Standards Act, 1977 (Act No. 103 of 1977): This Act provides for the promotion of uniformity in the law relating to the erection of buildings in the areas of jurisdiction of local authorities for the prescribing of building standards; and for matters connected therewith.
- s) Safety and Sports and Recreational Events Act, 2010 (Act No. 2 of 2010): To provide for measures to safeguard the physical wellbeing and safety of persons and property at sports, recreational, religious, cultural, exhibition, organisational or similar events held at stadiums, venues or along a route; to provide for the accountability of event role players to provide for certain prohibition to provide risk categorisation of events: to provide for the establishment of measures to deal with safety and security at events; to provide for accreditation of role-players at events; to provide for events ticketing; to provide for the control access of spectators and vehicles at events; to provide for the issuing of safety certificates for planned or existing stadiums or venues; to provide for the contents of safety certificates and amendments to safety certificates; to provide for appointment of inspectors and their powers of entry and inspection; to provide for the development of security services; to provide for spectator exclusion notices; to provide for prohibition notices; to provide for the establishment of an Appeal Board and for appeals; to provide for public

liability insurance for events; to provide for payment of fees; to provide for offences and penalties; and to provide for matters connected therewith.

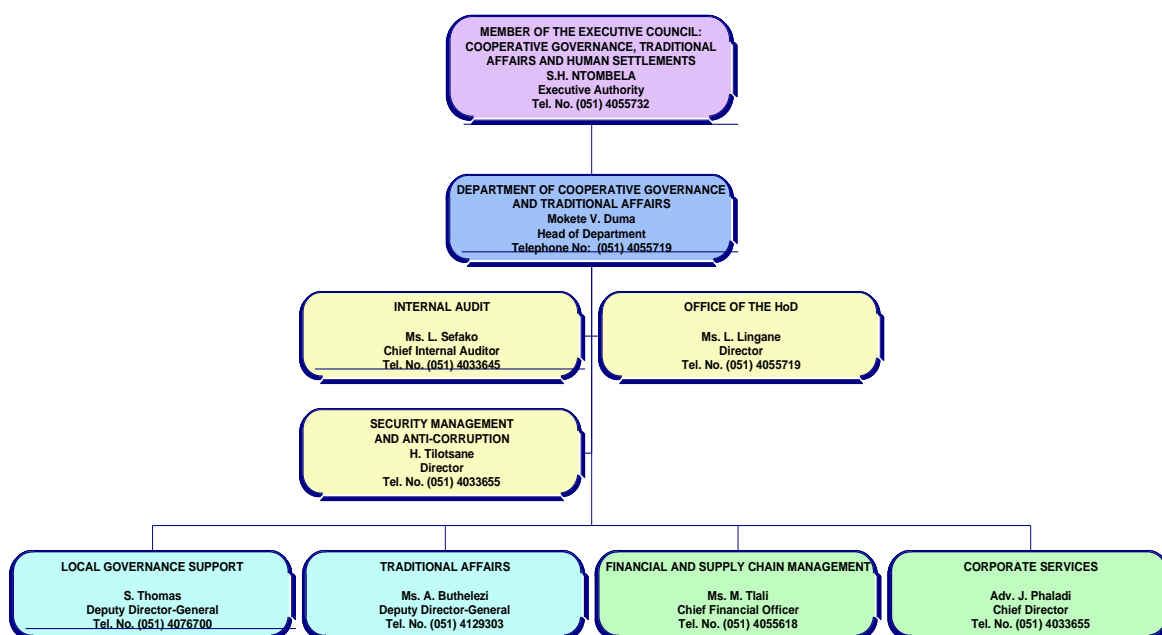
- t) Intergovernmental Relations Framework Act, 2005 (Act No. 13 of 2005): To establish a framework for the national government, provincial governments and local governments to promote and facilitate intergovernmental relations, and provide for mechanisms and procedures to facilitate the settlements of intergovernmental disputes.
- u) Local Government Laws Amendment Act, 1998: This Act amends various acts applicable to local governments such as the Structures Act (in relation to the payment of out of pocket expenses for ward committees and the alignment of the term of office of ward committee members with those of elected councillors.
- v) Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998).
- w) National House of Traditional Leaders Act, 2009 (Act No. 22 of 2009). This Act provides for the establishment of the national house of traditional leaders; to determine the powers, duties and responsibilities of the house; to provide for support to the house by government; to provide for the relationship between the house and the provincial houses; to provide for the accountability of the house; and to provide for matters connected therewith.
- x) Free State Traditional Leadership and Governance Act, No. 8 of 2005. This Act provides for the recognition of traditional communities, recognition and establishment of traditional councils, recognition of traditional leaders, their roles and functions, to provide for their removal from office; to provide for a provincial code of conduct; and for matters connected therewith.
- y) House of Traditional Leaders Act, No 6 of 1994. This Act provides for the establishment of a House of Traditional Leaders, and for matters connected herewith.

### **7.3 Policy Mandates**

- (a) National Development Plan
- (b) 2015-2020 Medium Term Strategic Framework
- (c) Free State Growth and Development Strategy
- (d) State of the Nation Address
- (e) State of the Province Address
- (f) Budget Speech of the National Minister for Cooperative Governance and Traditional Affairs
- (g) MEC's Budget Vote Speech
- (h) President's Coordinating Council
- (i) Premier's Coordinating Forum
- (j) Local Government Turnaround Strategy
- (k) Government's Delivery Agreement on Outcome 9
- (l) Operation Clean Audit 2015
- (m) Operation Hlasela
- (n) Municipal Infrastructure Grant Policy
- (o) Municipal Service Partnerships White Paper of 2005
- (p) National Disaster Management Framework
- (q) Regional Industrial Development Strategy (RIDS)
- (r) National Local Economic Development Framework
- (s) Free Basic Sanitation Implementation Strategy
- (t) Municipal International Relations Policy Framework

- (u) White Paper on Local Government
- (v) National Spatial Development Perspective (NSDP)
- (w) White Paper on Traditional Leadership and Governance (July 2003)
- (x) Integrated Sustainable Rural Development Program
- (y) Private Public Partnerships Regulations of 2005
- (z) Free Basic Services Policy of 2000
- (aa) National guidelines on Indigent Policy and Registers Framework 2005
- (bb) White Paper on Fire Services
- (cc) Integrated Urban Development Framework

**8. ORGANISATIONAL STRUCTURE AS AT 31 MARCH 2017**



**9. ENTITIES REPORTING TO THE EXECUTIVE AUTHORITY**

| Name of Entity | Legislative Mandate | Financial Relationship | Nature of Operations |
|----------------|---------------------|------------------------|----------------------|
| None           |                     |                        |                      |

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## PART B: PERFORMANCE INFORMATION

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## AUDITOR GENERAL'S REPORT: PRE-DETERMINED OBJECTIVES

Refer to pages 125 to 126 of the Report of the Auditor-General.

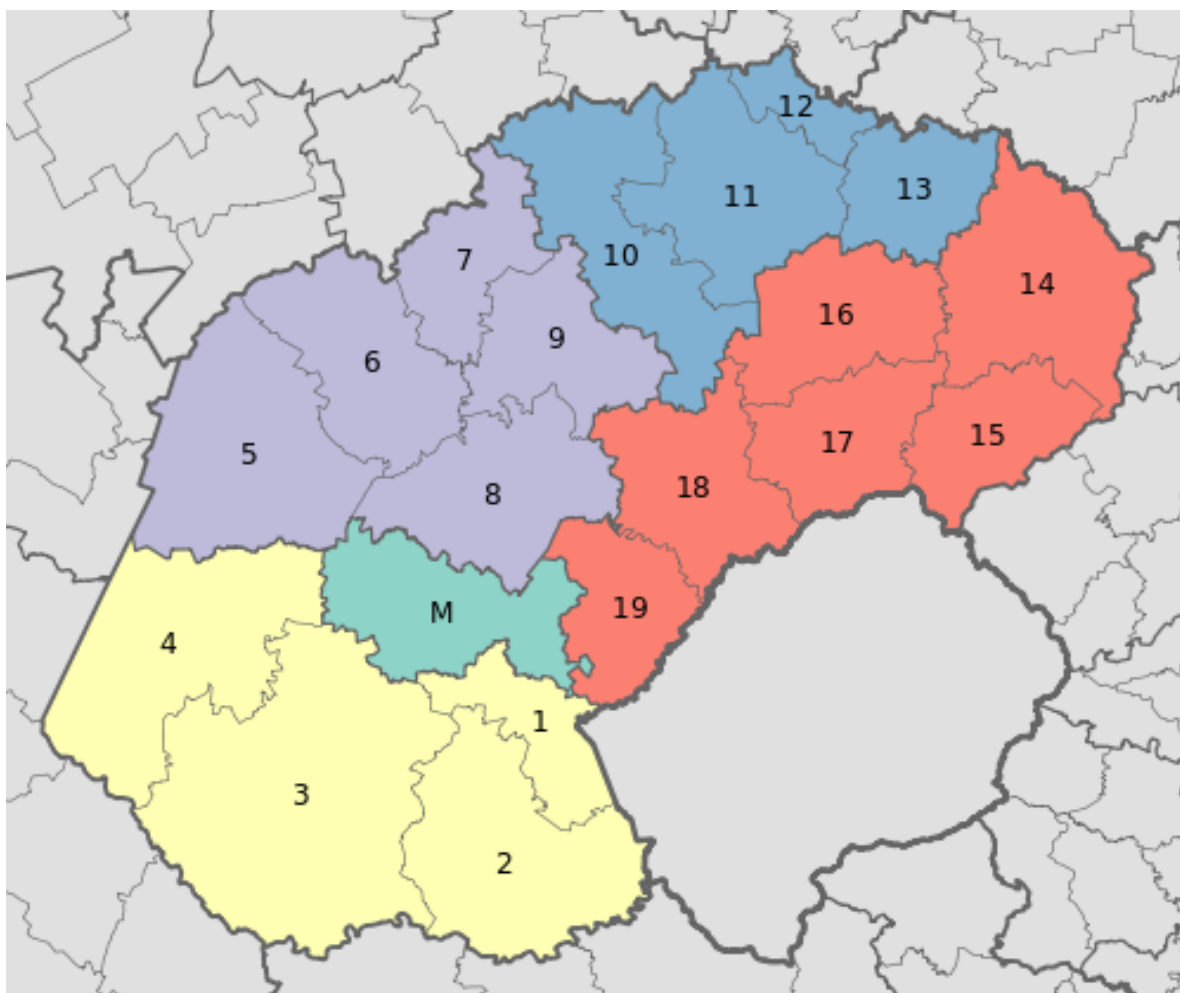
### 1. OVERVIEW OF DEPARTMENTAL PERFORMANCE

#### 1.1 Service Delivery Environment

##### Overview and profiles of Free State Municipalities:

The Free State province of South Africa is divided, for local government purposes, into one metropolitan municipality (Mangaung) and four district municipalities. The district municipalities are in turn divided into eighteen (18) local municipalities.

In the following map, Mangaung is shaded green and labeled "M", while the district municipalities are shaded differently. Local municipalities are numbered.



District Municipalities:

| Map key | Name  | Code | Seat                  | Area (km <sup>2</sup> ) | Population (2011) <sup>LI</sup> | Pop. density (per km <sup>2</sup> ) |
|---------|---|------|-----------------------|-------------------------|---------------------------------|-------------------------------------|
| 10–13   | <u>Fezile Dabi District Municipality</u>        | DC20 | <u>Sasolburg</u>      | 21,301                  | 488,036                         | 22.9                                |
| 5–9     | <u>Lejweleputswa District Municipality</u>      | DC18 | <u>Welkom</u>         | 31,930                  | 627,626                         | 19.7                                |
| M       | <u>Mangaung Metropolitan Municipality</u>       | MAN  | <u>Bloemfontein</u>   | 6,284                   | 747,431                         | 118.9                               |
| 14–19   | <u>Thabo Mofutsanyana District Municipality</u> | DC19 | <u>Phuthaditjhaba</u> | 32,637                  | 736,238                         | 22.6                                |
| 1–4     | <u>Xhariep District Municipality</u>            | DC16 | <u>Trompsburg</u>     | 37,674                  | 146,259                         | 3.9                                 |

Local - and Metropolitan Municipalities:

| Map key | Name                                       | Code  | District           | Seat                  | Area (km <sup>2</sup> ) | Population (2011) <sup>LI</sup> | Pop. density (per km <sup>2</sup> ) | No. of Households |
|---------|--|-------|--------------------|-----------------------|-------------------------|---------------------------------|-------------------------------------|-------------------|
| 17      | <u>Dihlabeng Local Municipality</u>        | FS192 | Thabo Mofutsanyana | <u>Bethlehem</u>      | 4,880                   | 128,704                         | 26.4                                | 38 593            |
| 3       | <u>Kopanong Local Municipality</u>         | FS162 | Xhariep            | <u>Trompsburg</u>     | 15,645                  | 49,171                          | 3.1                                 | 15 643            |
| 4       | <u>Letsemeng Local Municipality</u>        | FS161 | Xhariep            | <u>Koffiefontein</u>  | 9,829                   | 38,628                          | 3.9                                 | 11 242            |
| 13      | <u>Mafube Local Municipality</u>           | FS205 | Fezile Dabi        | <u>Frankfort</u>      | 3,971                   | 57,876                          | 14.6                                | 16 460            |
| 15      | <u>Maluti-a-Phofung Local Municipality</u> | FS194 | Thabo Mofutsanyana | <u>Phuthaditjhaba</u> | 4,338                   | 335,784                         | 77.4                                | 100 228           |
| M       | <u>Mangaung Metropolitan Municipality</u>  | MAN   |                    | <u>Bloemfontein</u>   | 6,284                   | 747,431                         | 118.9                               | 231 921           |
| 19      | <u>Mantsopa Local Municipality</u>         | FS196 | Thabo Mofutsanyana | <u>Ladybrand</u>      | 4,291                   | 51,056                          | 11.9                                | 15 170            |
| 8       | <u>Masilonyana Local Municipality</u>      | FS181 | Lejweleputswa      | <u>Theunissen</u>     | 6,796                   | 63,334                          | 9.3                                 | 17 575            |
| 9       | <u>Matjhabeng Local Municipality</u>       | FS184 | Lejweleputswa      | <u>Welkom</u>         | 5,155                   | 406,461                         | 78.8                                | 123 195           |
| 12      | <u>Metsimaholo Local Municipality</u>      | FS204 | Fezile Dabi        | <u>Sasolburg</u>      | 1,717                   | 149,108                         | 86.8                                | 45 757            |
| 2       | <u>Mohokare Local Municipality</u>         | FS163 | Xhariep            | <u>Zastron</u>        | 8,776                   | 34,146                          | 3.9                                 | 10 793            |
| 10      | <u>Moghaka Local Municipality</u>          | FS201 | Fezile Dabi        | <u>Kroonstad</u>      | 7,925                   | 160,532                         | 20.3                                | 45 661            |

| Map key | Name                                 | Code  | District           | Seat               | Area (km <sup>2</sup> ) | Population (2011) <sup>[1]</sup> | Pop. density (per km <sup>2</sup> ) | No. of Households |
|---------|--------------------------------------|-------|--------------------|--------------------|-------------------------|----------------------------------|-------------------------------------|-------------------|
| 7       | <u>Nala Local Municipality</u>       | FS185 | Lejweleputswa      | <u>Bothaville</u>  | 4,129                   | 81,220                           | 19.7                                | 21 703            |
| 1       | <u>Naledi Local Municipality</u>     | FS164 | Xhariep            | <u>Dewetsdorp</u>  | 3,424                   | 24,314                           | 7.1                                 | 7 690             |
| 11      | <u>Ngwathe Local Municipality</u>    | FS203 | Fezile Dabi        | <u>Parys</u>       | 7,055                   | 120,520                          | 17.1                                | 37 102            |
| 16      | <u>Nketoana Local Municipality</u>   | FS193 | Thabo Mofutsanyana | <u>Reitz</u>       | 5,611                   | 60,324                           | 10.8                                | 17 318            |
| 14      | <u>Phumelela Local Municipality</u>  | FS195 | Thabo Mofutsanyana | <u>Vrede</u>       | 8,183                   | 47,772                           | 5.8                                 | 12 888            |
| 18      | <u>Setsoto Local Municipality</u>    | FS191 | Thabo Mofutsanyana | <u>Ficksburg</u>   | 15,966                  | 112,597                          | 18.9                                | 33 687            |
| 5       | <u>Tokologo Local Municipality</u>   | FS182 | Lejweleputswa      | <u>Boshof</u>      | 9,326                   | 28,986                           | 3.1                                 | 8 698             |
| 6       | <u>Tswelopele Local Municipality</u> | FS183 | Lejweleputswa      | <u>Bultfontein</u> | 6,524                   | 47,625                           | 7.3                                 | 11 992            |

#### Municipal Performance Management:

Chapter 6 of the Municipal Systems Act, Act. No. 32 of 2000 (MSA) requires that each municipality must establish a performance management system that is both commensurate with its resources and best-suited to its circumstances.

Section 56 of the MSA further outlines the process to be followed before a person can be appointed as a manager directly accountable to the municipal manager. According to the organizational structures and post establishments of municipalities, there are 127 senior manager posts in municipalities. The number of Section 56 posts reduced since the previous year due to the disestablishment of the Naledi LM (following the 2015 local elections).

As at the end of March 2017, there were 127 senior managers' posts (as per the organizational structures of municipalities). The vacancy rate stood at 37 (29.13%). Of the 96 filled posts, 28 are filled by women (31.1%), of which four occupy posts of Municipal Manager and three occupy posts of Chief Financial Officer.

The following challenges hamper the filling of all Section 56 posts in municipalities:

- (a) Financial constraints.
- (b) Lack of suitable candidates
- (c) Secondment of senior managers

Section 57 of the MSA determines amongst others that a person to be appointed as the municipal manager of a municipality, and a person to be appointed as a manager directly accountable to the municipal manager, may be appointed to that position only -

- (a) in terms of a written employment contract with the municipality complying with the provisions of this section; and

- (b) subject to a separate performance agreement concluded annually as provided for in subsection (2) of Section 57.

The status of signed performance contracts and performance agreements for the 2016/2017 municipal year was as follows:

| <b>Post Designation</b> | <b>No. of Filled posts</b> | <b>No. of Employment Contracts signed</b> | <b>No. of Performance Agreements signed</b> | <b>Performance Assessments</b> | <b>Performance bonuses</b> |
|-------------------------|----------------------------|---|---|--------------------------------|----------------------------|
| Section 54A             | 21                         | 20  | 17  | 0                              | 0                          |
| Section 56              | 82                         | 78  | 68  | 0                              | 0                          |

According to Section 46(2) of the Municipal Systems Act, 32 of 2000, an annual performance report must form part of the municipality's annual report. Section 127(2) of the MFMA further states that the mayor of a municipality must, within seven months after the end of a financial year, table the annual report of the municipality and of any municipal entity under the municipality's sole or shared control to the Municipal Council. Section 127(5) further states that, immediately after an annual report is tabled in the council in terms of subsection (2), the accounting officer of the municipality must, in accordance with section 21A of the Municipal Systems Act –

- (a) make public the annual report;
- (b) invite the local community to submit representations in connection with the annual report; and
- (c) submit the annual report to the Auditor-General, the relevant provincial treasury and the provincial department responsible for local government in the province.

The extent to which municipalities tabled and published their Annual Reports for the 2014/2015 municipal financial year was as follows:

Table 1: Submission Rate of Section 46 Report (Annual Reports) 2014/2015

| DISTRICT           | MUNICIPALITY          | MUNICIPAL CODE | ANNUAL REPORT      |           |                        |           |   |           |                                 |           |
|--------------------|-----------------------|----------------|--------------------|-----------|------------------------|-----------|---|-----------|---------------------------------|-----------|
|                    |                       |                | TABLING IN COUNCIL | COMPLIANT | SUBMISSION DATE TO MEC | COMPLIANT | PUBLICATION MSA S21A  | COMPLIANT | PUBLICATION MSA S21B            | COMPLIANT |
| Metropolitan       | Mangaung Metro        | MAN            | 28/01/2016         | Yes       | 04/02/2016             | No        | 24/02/2016 Mangaung Issue   | No        | 03/02/2015 Municipal website    | No        |
| Xhariep            | Xhariep DM            | DC 16          | 28/01/2016         | Yes       | 04/02/2016             | No        | 04/02/2016 Notice boards in all local units   | No        | 04/02/2016 Provincial website.  | No        |
|                    | Letsemeng LM          | FS 161         | 28/01/2016         | Yes       | 28/01/2016             | Yes       | 01/02/2016 Xhariep news, libraries and municipal units  | No        | 01/02/2016 Provincial website.  | No        |
|                    | Kopanong LM           | FS 162         | 28/01/2016         | Yes       | 03/02/2016             | No        | 03/02/2016 All municipal units.   | No        | No                              | No        |
|                    | Mohokare LM           | FS 163         | 29/01/2016         | Yes       | 01/02/2016             | No        | 29/01//2016 Libraries   | Yes       | 29/01//2016 Provincial website. | Yes       |
|                    | Naledi LM             | FS 164         | 20/01/2016         | Yes       | 21/01/2016             | No        | 08/02/2016 Xhariep Independent  | No        | No                              | No        |
| Lejweleputswa      | Lejweleputswa DM      | DC 18          | 28/01/2016         | Yes       | 12/02/2016             | No        | No  | No        | No                              | No        |
|                    | Masilonyana LM        | FS 181         | 22/01/2016         | Yes       | 25/01/2016             | No        | 22/01/2016 Municipal offices  | Yes       | 22/01/2016 Municipal website    | Yes       |
|                    | Tokologo LM           | FS 182         | 25/01/2016         | Yes       | 04/02/2016             | No        | 02/02/2016 Municipal offices  | No        | 02/02/2016 Municipal website    | No        |
|                    | Tswelopele LM         | FS 183         | 29/01/2016         | Yes       | 04/02/2016             | No        | 03/02/2016 Municipal offices  | No        | 03/02/2016 Municipal website    | No        |
|                    | Matjhabeng LM         | FS 184         | 29/01/2016         | Yes       | 12/02/2016             | No        | 29/01/2016 Municipal offices  | Yes       | 29/01/2016 Municipal website    | Yes       |
|                    | Nala LM               | FS 185         | 29/01/2016         | Yes       | 23/05/2016             | No        | No  | No        | No                              | No        |
| Thabo Mofutsanyana | Thabo Mofutsanyana DM | DC 19          | 28/01/2016         | Yes       | 05/02/2016             | No        | 01-05/02/2016 Local municipal offices and all libraries   | No        | No                              | No        |
|                    | Setsoto LM            | FS 191         | 25/01/2016         | Yes       | 01/02/2016             | No        | 22/02/2016 Sowetan, municipal offices and libraries   | No        | No                              | No        |
|                    | Dihlabeng LM          | FS 192         | 27/01/2016         | Yes       | 05/02/2016             | No        | 03-08/02/2016: All municipal offices, notice boards and libraries, 27/02/2016 The Weekly, Maluti News | No        | No                              | No        |

| DISTRICT     | MUNICIPALITY        | MUNICIPAL CODE | ANNUAL REPORT                           |           |                        |           |  |           |                              |           |
|--------------|---------------------|----------------|---|-----------|------------------------|-----------|--|-----------|------------------------------|-----------|
|              |                     |                | TABLING IN COUNCIL                      | COMPLIANT | SUBMISSION DATE TO MEC | COMPLIANT | PUBLICATION MSA S21A   | COMPLIANT | PUBLICATION MSA S21B         | COMPLIANT |
|              | Nketoana LM         | FS 193         | 27/01/2016                              | Yes       | 01/02/2016             | No        | 17/02/2016 Maluti News, libraries and municipal offices                          | No        | No                           | No        |
|              | Maluti-a-Phofung LM | FS 194         | 21/01/2016                              | Yes       | 29/01/2016             | No        | 29/01/2016 All municipal notice boards, all MAP Water offices, and all libraries | No        | No                           | No        |
|              | Phumelela LM        | FS 195         | 29/01/2016 only parts of the report     | Yes       | 05/02/2016             | No        | No   | No        | No                           | No        |
|              | Mantsopa LM         | FS 196         | 26/01/2016                              | Yes       | 26/01/2016             | Yes       | 26/01/2016 Maluti News and municipal notice boards                               | Yes       | No                           | No        |
| Fezile Dabi  | Fezile Dabi DM      | DC 20          | 29/01/2016                              | Yes       | 29/01/2016             | Yes       | 02/02/2016 Sowetan   | Yes       | 01/02/2016 Municipal website | Yes       |
|              | Moqhaka LM          | FS 201         | 28/01/2016                              | Yes       | 29/01/2016             | No        | 12/02/2016 Dumelang News   | No        | 16/02/2016 Municipal website | No        |
|              | Ngwathe LM          | FS 203         | 29/04/2016 but referred back by Council | No        | No                     | No        | No   | No        | No                           | No        |
|              | Metsimaholo LM      | FS 204         | 27/01/2016                              | Yes       | 27/01/2016             | Yes       | 29/01/2016 Dumelang News & The Weekly  | Yes       | 03/02/2016 Municipal website | No        |
|              | Mafube LM           | FS 205         | 28/01/2016                              | Yes       | 28/01/2015             | Yes       | 28/01/2016 Municipal notice boards & libraries, 05/02/2016 Frankfort Herald      | Yes       | No                           | No        |
| <b>TOTAL</b> | <b>24</b>           |                | <b>24</b>                               | <b>23</b> | <b>23</b>              | <b>05</b> | <b>20</b>  | <b>07</b> | <b>12</b>                    | <b>04</b> |

As can be seen from the above, 24 municipalities tabled their annual performance reports for the financial year 2014/2015 as per Section 46 of the MSA; however 1 municipality, Phumelela LM, tabled only parts of the annual report with 2 chapters still outstanding. Ngwathe LM tabled their annual report after the legislated date and exemption was granted by the AG and was tabled on 29 April 2016, but was referred back by Council for corrections. 23 municipalities tabled within the legislated time frame and submitted their annual report, however only 05 were compliant in submitting their report as per legislation, immediately after tabling in council.

While 20 municipalities published their annual reports as per Section 21A of the MSA, Lejweleputswa, Nala, Phumelela and Ngwathe failed to do so. The following 12 municipalities publicized on their municipal or provincial website as per MSA section 21B; Mangaung Metro, Xhariep and Fezile Dabi DMs, and Letsemeng, Kopanong, Mohokare, Masilonyana, Tokologo, Tswelopele, Matjhabeng, Moqhaka and Metsimaholo LMs. The municipalities who failed to publicize as required by MFMA s21A and section 21B are Lejweleputswa DM, Nala, Phumelela and Ngwathe LMs. Of the 20 municipalities who publicized as per MSA section 21A only 07 municipalities were compliant, it is Fezile Dabi DM, and Mohokare, Masilonyana, Matjhabeng, Mantsopa, , Metsimaholo and Mafube LMs and only 04 who publicized as per MSA section 21B were compliant, Mohokare, Masilonyana, Matjhabeng LMs, and Fezile Dabi DM.

The extent to which municipalities adopted their 2014/2015 Annual Reports was as follows:

| DISTRICT           | MUNICIPALITY          | MUNICIPAL CODE | SUBMISSION DATE OF COUNCIL RESOLUTION TO MEC |
|--------------------|-----------------------|----------------|--|
| Metropolitan       | Mangaung Metro        | MAN            | 04/02/2016                                   |
| Xhariep            | Xhariep DM            | DC 16          | 09/02/2016                                   |
|                    | Letsemeng LM          | FS 161         | 09/02/2016                                   |
|                    | Kopanong LM           | FS 162         | 10/02/2016                                   |
|                    | Mohokare LM           | FS 163         | 08/02/2016                                   |
|                    | Naledi LM             | FS 164         | Not submitted                                |
| Lejweleputswa      | Lejweleputswa DM      | DC 18          | 12/02/2016                                   |
|                    | Masilonyana LM        | FS 181         | 17/03/2016                                   |
|                    | Tokologo LM           | FS 182         | Not submitted                                |
|                    | Tswelopele LM         | FS 183         | 04/02/2016                                   |
|                    | Matjhabeng LM         | FS 184         | 12/02/2016                                   |
|                    | Nala LM               | FS 185         | Not submitted                                |
| Thabo Mofutsanyana | Thabo Mofutsanyana DM | DC 19          | 03/03/2016                                   |
|                    | Setsoto LM            | FS 191         | 01/02/2016                                   |
|                    | Dihlabeng LM          | FS 192         | 25/02/2016                                   |
|                    | Nketoana LM           | FS 193         | 15/03/2016                                   |
|                    | Maluti-a-Phofung LM   | FS 194         | 25/02/2016                                   |
|                    | Phumelela LM          | FS 195         | 05/02/2016                                   |
|                    | Mantsopa LM           | FS 196         | 19/02/2016                                   |
| Fezile Dabi        | Fezile Dabi DM        | DC 20          | 11/02/2016                                   |
|                    | Moqhaka LM            | FS 201         | 10/03/2016                                   |
|                    | Ngwathe LM            | FS 203         | 06/05/2016                                   |
|                    | Metsimaholo LM        | FS 204         | 08/02/2016                                   |
|                    | Mafube LM             | FS 205         | 11/02/2016                                   |
| <b>TOTAL</b>       | <b>24</b>             |                | <b>21</b>                                    |

From the above tables, it is clear that although the tabling, submission and/or publication rates are satisfactory, municipalities still need to improve the extent to which they comply with legislation insofar as submission and publication dates are concerned. Municipalities also need to submit their Council Resolutions to the Department as proof that their Annual Reports served before Council.

The following serve as comparative analysis on the extent to which municipalities complied with the tabling of Annual Reports:

| COMPLIANCE CRITERIA          | 2012/2013   | 2013/2014                          | 2014/2015  |
|------------------------------|---|------------------------------------|--|
| Tabled in Council            | 22  | 24                                 | 23<br>Phumelela tabled parts of the report, Chapter 5 & 6 outstanding                |
| Number compliant             | 16  | 23                                 | 23   |
| Tabled after legislated date | 06<br>Mangaung, Mafube, Moqhaka, Ngwathe, Lejweleputswa, & Thabo Mofutsanyana | 01<br>Ngwathe                      | 01<br>Ngwathe (referred back by Council)   |
| Not tabled                   | 02<br>Nala & Masilonyana  | 0                                  | 0  |
| Submitted                    | 22  | 24                                 | 23<br>with the exception of Ngwathe  |
| Number compliant             | 01<br>Xhariep   | 09                                 | 05<br>Letsemeng, Mantsopa, Fezile Dabi, Metsimaholo & Mafube                         |
| Publication (MSA 21A or 21B) | 22  | 23<br>(with the exception of Nala) | 20<br>with the exception of Lejweleputswa, Nala, Phumelela & Ngwathe                 |
| Number compliant             | 02<br>Lejweleputswa & Mantsopa  | 02<br>Kopanong & Phumelela         | 07<br>Mohokare, Masilonyana, Matjhabeng, Mantsopa, Fezile Dabi, Metsimaholo & Mafube |

The comparative analysis of compliance shows a general decline in compliance for the 2014/2015 financial year as compared to 2013/2014; although 24 municipalities tabled their annual reports in Council as was the case in the previous year; 1 municipality tabled only parts of their report and 1 municipality tabled their annual report after the legislated date.

Of the 24 municipalities, 23 municipalities were compliant in tabling the annual reports (similar to the previous year) within the required legislated date; the Ngwathe Local Municipality tabled their annual report after the legislated date for the past 3 years. Only 20 municipalities publicized their most recent annual report, which is a significant decline from the 23 and 22 during the 2013/2014 and 2012/2013 financial year respectively; there was however an improvement in compliance with publication as 7 municipalities adhered to legislation as compared to 2 during both the 2013/2014 and 2012/2013 financial years.

#### Submission of Section 129 Reports 2014/2015

Section 129(1) of the Municipal Finance Management Act 56 of 2003 says that, the council of a municipality must adopt an oversight report containing the council's comments on the annual report not later than two months from the date on which the annual report was tabled in council in terms of section 127. Subsection 3 further states that the accounting officer must, in accordance with section 21A of the MSA, make public an oversight report referred to in subsection (1) within seven days of its adoption. Even though the Act is silent on the deadline for the submission to Oversight Reports to the Auditor-General, Provincial Treasury and the Department responsible for local government in a province, the Department's interpretation is that the submission of Oversight Reports should be within seven days after the adoption thereof, thereby coinciding with the publication of the Oversight Report.

The following table reflects the extent to which municipalities have submitted their 2014/2016 Section 129 Reports:

| DISTRICT           | MUNICIPALITY          | MUNICIPAL CODE | OVERSIGHT REPORT   |           |                        |           |   |           |                               |           |
|--------------------|-----------------------|----------------|--------------------|-----------|------------------------|-----------|---|-----------|-------------------------------|-----------|
|                    |                       |                | TABLING IN COUNCIL | COMPLIANT | SUBMISSION DATE TO MEC | COMPLIANT | PUBLICATION MSA S21A                                      | COMPLIANT | PUBLICATION MSA S21B          | COMPLIANT |
| Metropolitan       | Mangaung Metro        | MAN            | 31/03/2016         | No        | 26/04/2016             | No        | 22/04/2016 The Weekly                                     | No        | 20/04/2016 Municipal website  | No        |
| Xhariep            | Xhariep DM            | DC 16          | 29/03/2016         | No        | 04/04/2016             | No        | 07/04/2016 Municipal offices                              | No        | No                            | No        |
|                    | Letsemeng LM          | FS 161         | 31/03/2016         | No        | 08/04/2016             | No        | 01/04/2016 Xhariep News                                   | No        | No                            | No        |
|                    | Kopanong LM           | FS 162         | 30/03/2016         | No        | 06/04/2016             | No        | 06/04/2016 Municipal offices                              | No        | 06/04/2016 Provincial website | No        |
|                    | Mohokare LM           | FS 163         | 30/03/2016         | No        | 05/04/2016             | No        | 05/04/2016 Library and municipal offices                  | No        | 05/04/2016 Provincial website | No        |
|                    | Naledi LM             | FS 164         | 29/03/2016         | No        | 08/04/2016             | No        | No  | No        | No                            | No        |
| Lejweleputswa      | Lejweleputswa DM      | DC 18          | 31/03/2013         | No        | 20/04/2016             | No        | No  | No        | No                            | No        |
|                    | Masilonyana LM        | FS 181         | 31/03/2016         | No        | 07/04/2016             | No        | 01/04/2016 Municipal offices and 08/04/2016 Dumelang News | No        | 01/04/2016 Municipal website  | No        |
|                    | Tokologo LM           | FS 182         | 06/04/2016         | No        | 10/05/2016             | No        | 23/04/2016 Municipal offices                              | No        | No                            | No        |
|                    | Tswelopele LM         | FS 183         | 30/03/2016         | No        | 15/04/2016             | No        | 08/04/2016 Municipal offices                              | No        | 08/04/2016 Municipal website  | No        |
|                    | Matjhabeng LM         | FS 184         | 31/03/2016         | No        | 07/04/2016             | No        | 04/04/2016 Municipal offices                              | No        | 04/04/2016 Municipal website  | No        |
|                    | Nala LM               | FS 185         | Not submitted      | No        | Not submitted          | No        | Not submitted   | No        | Not submitted                 | No        |
| Thabo Mofutsanyana | Thabo Mofutsanyana DM | DC 19          | 31/03/2016         | No        | 05/04/2016             | No        | 04 & 06/04/2016 Municipal offices and libraries           | No        | No                            | No        |
|                    | Setsole LM            | FS 191         | 31/03/2016         | No        | 08/04/2016             | No        | 08/04/2016: Public Eye                                    | No        | No                            | No        |
|                    | Dihlabeng LM          | FS 192         | 30/03/2016         | No        | 31/03/2016             | No        | 06/04/2016: Municipal notice boards                       | No        | 06/04/2016 Municipal website  | No        |

| DISTRICT     | MUNICIPALITY        | MUNICIPAL CODE | OVERSIGHT REPORT                    |           |                        |           |  |           |                              |           |
|--------------|---------------------|----------------|-------------------------------------|-----------|------------------------|-----------|--|-----------|------------------------------|-----------|
|              |                     |                | TABLING IN COUNCIL                  | COMPLIANT | SUBMISSION DATE TO MEC | COMPLIANT | PUBLICATION MSA S21A   | COMPLIANT | PUBLICATION MSA S21B         | COMPLIANT |
|              | Nketoana LM         | FS 193         | 23/03/2016                          | No        | 24/03/2016             | No        | 30/03/2016 Maluti and Express newspapers                           | No        | No                           | No        |
|              | Maluti-a-Phofung LM | FS 194         | 31/03/2016                          | No        | 08/04/2016             | No        | 15/04/2016: Dumelang News, all municipal offices and all libraries | No        | No                           | No        |
|              | Phumelela LM        | FS 195         | Not yet tabled                      | No        | Not yet tabled         | No        | No   | No        | No                           | No        |
|              | Mantsopa LM         | FS 196         | 29/03/2016                          | No        | 01/04/2016             | No        | 01/04/2016 Libraries and municipal offices                         | No        | 01/04/2016 Municipal website | No        |
| Fezile Dabi  | Fezile Dabi DM      | DC 20          | 31/03/2016                          | No        | 07/04/2013             | No        | No   | No        | No                           | No        |
|              | Moqhaka LM          | FS 201         | 30/03/2016 referred back by Council | No        | No                     | No        | No   | No        | No                           | No        |
|              | Ngwathe LM          | FS 203         | Not yet tabled                      | No        | Not yet tabled         | No        | Not yet tabled   | No        | Not yet tabled               | No        |
|              | Metsimaholo LM      | FS 204         | 23/03/2016                          | Yes       | 30/03/2016             | Yes       | 30/03/2016 Municipal notice boards and 01/04/2016 Dumelang News    | Yes       | 30/03/2016 Municipal website | Yes       |
|              | Mafube LM           | FS 205         | 23/03/2016                          | Yes       | 30/03/2016             | Yes       | 23/03/2016 Municipal notice boards and 01/04/2016 Frankfort Herald | Yes       | No                           | No        |
| <b>TOTAL</b> | <b>24</b>           |                | <b>21</b>                           | <b>02</b> | <b>20</b>              | <b>02</b> | <b>17</b>  | <b>02</b> | <b>09</b>                    | <b>01</b> |

As can be seen from the above, only 2 municipalities tabled both their Annual Reports and their Oversight Reports in compliance with Section 129(1) of the MSA.

| DISTRICT           | MUNICIPALITY          | MUNICIPAL CODE | SUBMISSION DATE OF COUNCIL RESOLUTION TO MEC |
|--------------------|-----------------------|----------------|--|
| Metropolitan       | Mangaung Metro        | MAN            | 26/04/2016                                   |
| Xhariep            | Xhariep DM            | DC 16          | 04/04/2016                                   |
|                    | Letsemeng LM          | FS 161         | 08/04/2016                                   |
|                    | Kopanong LM           | FS 162         | 26/04/2016                                   |
|                    | Mohokare LM           | FS 163         | 05/04/2016                                   |
|                    | Naledi LM             | FS 164         | 08/04/2016                                   |
| Lejweleputswa      | Lejweleputswa DM      | DC 18          | 20/04/2016                                   |
|                    | Masilonyana LM        | FS 181         | 07/04/2016                                   |
|                    | Tokologo LM           | FS 182         | 10/05/2016                                   |
|                    | Tswelopele LM         | FS 183         | 15/04/2016                                   |
|                    | Matjhabeng LM         | FS 184         | 07/04/2016                                   |
|                    | Nala LM               | FS 185         | Not submitted                                |
| Thabo Mofutsanyana | Thabo Mofutsanyana DM | DC 19          | 05/04/2016                                   |
|                    | Setsoto LM            | FS 191         | 08/04/2016                                   |
|                    | Dihlabeng             | FS 192         | 31/03/2016                                   |
|                    | Nketoana LM           | FS 193         | 24/03/2016                                   |
|                    | Maluti-a-Phofung LM   | FS 194         | 08/04/2016                                   |
|                    | Phumelela LM          | FS 195         | Not yet tabled                               |
|                    | Mantsopa LM           | FS 196         | 01/04/2016                                   |
| Fezile Dabi        | Fezile Dabi DM        | DC 20          | 07/04/2016                                   |
|                    | Moqhaka LM            | FS 201         | 07/04/2016                                   |
|                    | Ngwathe LM            | FS 203         | Not yet tabled                               |
|                    | Metsimaholo LM        | FS 204         | 30/03/2016                                   |
|                    | Mafube LM             | FS 205         | 30/03/2016                                   |
| <b>TOTAL</b>       | <b>24</b>             |                |  |

Although all 21 municipalities (who tabled their annual reports) submitted their Council Resolutions, only Metsimaholo and Mafube submitted their Council Resolutions did so within the required 7 days following the tabling of the annual reports.

| COMPLIANCE CRITERIA          | 2012/2013   | 2013/2014  | 2014/2015   |
|------------------------------|---|--|---|
| Tabled in Council            | 19  | 23   | 21  |
| Number compliant             | 16  | 17   | 02<br>Metsimaholo & Mafube  |
| Tabled after legislated date | 03<br>Dihlabeng,<br>Setsoto, &<br>Mantsopa                      | 05<br>Mangaung, Setsoto,<br>Dihlabeng, Nketoana,<br>& Ngwathe. | 19<br>Mangaung, Xhariep, Letsemeng,<br>Kopanong, Mohokare, Naledi,<br>Lejweleputswa, Masilonyana, Tokologo,<br>Tswelopele, Matjhabeng, Thabo<br>Mofutsanyana, Setsoto, Dihlabeng,<br>Nketoana, Maluti-a-Phofung, Mantsopa,<br>Fezile Dabi & Moqhaka             |
| Not tabled                   | 05<br>Mafube,<br>Moqhaka,<br>Ngwathe,<br>Masilonyana, &<br>Nala | 01<br>Nala   | 03<br>Nala, Phumelela & Ngwathe   |
| Submitted                    | 18  | 23   | 20<br>Mangaung, Xhariep, Letsemeng,<br>Kopanong, Mohokare, Naledi,<br>Lejweleputswa, Masilonyana, Tokologo,<br>Tswelopele, Matjhabeng, Thabo<br>Mofutsanyana, Setsoto, Dihlabeng,<br>Nketoana, Maluti-a-Phofung, Mantsopa,<br>Fezile Dabi, Metsimaholo & Mafube |
| Number compliant             | 03  | 05   | 02  |

| COMPLIANCE CRITERIA          | 2012/2013 | 2013/2014 | 2014/2015   |
|------------------------------|-----------|-----------|---|
|                              |           |           | Metsimaholo & Mafube  |
| Publication (MSA 21A or 21B) | 14        | 18        | 17<br>Mangaung, Xhariep, Letsemeng, Kopanong, Mohokare, Masilonyana, Tokologo, Tswelopele, Matjhabeng, Thabo Mofutsanyana, Setsoto, Dihlabeng, Nketoana, Maluti-a-Phofung, Mantsopa, Metsimaholo & Mafube |
| <b>Number compliant</b>      | <b>05</b> | <b>08</b> | <b>02 (Metsimaholo &amp; Mafube)</b>  |

From the above analysis, it is clear that there is a decline in terms of the tabling of oversight reports, i.e. 21 municipalities versus 23 municipalities during 2013/2014.

#### Compliance with the Spatial Planning and Land Use Management Act (SPLUMA)

The majority of municipalities in the Free State Province meet with all the mandatory requirements of SPLUMA such as establishing and gazetting Municipal Planning Tribunals (MPT), tariff structures and Land Use Planning By-laws. The Maluti-a-Phofung, Nketoana, Ngwathe, Phumelela and Mafube municipalities however do not completely comply with all requirements. The Department is currently providing support to these municipalities towards ensuring that all SPLUMA requirements are met with.

In aligning all planning tools to the requirements of SPLUMA, the Department has engaged with several municipalities towards assisting them with the drafting the Land Use Schemes and Spatial Development Frameworks. It is envisaged that all municipalities would have SPLUMA complaint Land Use Schemes and Spatial Development Frameworks by 2020.

The table below depicts the compliance per municipality:

| SPLUMA REQUIREMENTS       |                  |                      |  |
|---------------------------|------------------|----------------------|--|
| DISTRICT                  | MUNICIPALITY     | MPT                  | BYLAWS & TARIFFS                                 |
| <b>LEJWELEPUTSWA</b>      | Tokologo         | Yes                  | Yes  |
|                           | Tswelopele       | Yes                  | Yes  |
|                           | Nala             | Yes                  | Yes  |
|                           | Masilonyana      | Yes                  | Yes  |
|                           | Matjhabeng       | Yes                  | Yes  |
| <b>THABO MOFUTSANYANA</b> | Mantsopa         | Yes                  | Yes  |
|                           | Setsoto          | Yes                  | Yes  |
|                           | Dihlabeng        | Yes                  | Yes  |
|                           | Maluti-a-Phofung | No                   | Yes  |
|                           | Nketoana         | Process to be redone | Yes  |
|                           | Phumelela        | No                   | By-law approved by Council, still to be gazetted |
| <b>FEZILE DABI</b>        | Moqhaka          | Yes                  | Yes  |
|                           | Ngwathe          | No                   | By-law has not been approved by Council          |
|                           | Mafube           | No                   | By-law approved by Council, still to be gazetted |
|                           | Metsimaholo      | Yes                  | Yes  |
| <b>MANGAUNG</b>           | Mangaung Metro   | Yes                  | Yes  |
|                           | Kopanong         | Yes                  | Yes  |
|                           | Letsemeng        | Yes                  | Yes  |
|                           | Mohokare         | Yes                  | Yes  |

## Audit Outcomes

The following Audit outcomes from 2014/15 points out strong, medium and weak municipalities as far as financial administrative, management and compliance capabilities:

### FREE STATE 2015/16 MUNICIPAL AUDIT OUTCOMES

| District                           | No | Auditee                          | Audit Opinions |             |             | Movement    |
|------------------------------------|----|----------------------------------|----------------|-------------|-------------|-------------|
|                                    |    |                                  | 2013/14        | 2014/15     | 2015/16     |             |
| <b>Mangaung Metro</b>              | 1  | Mangaung                         | Unqualified    | Unqualified | Unqualified | Unchanged   |
| <b>Xhariep District</b>            | 1  | Xhariep                          | Qualified      | Qualified   | Unqualified | Improvement |
|                                    | 2  | Kopanong                         | Qualified      | Qualified   | Unqualified | Improvement |
|                                    | 3  | Letsemeng                        | Disclaimer     | Qualified   | Qualified   | Unchanged   |
|                                    | 4  | Mohokare                         | Qualified      | Unqualified | Unqualified | Unchanged   |
|                                    | 5  | Naledi                           | Qualified      | Qualified   |             |             |
| <b>Lejweleputswa District</b>      | 1  | Lejweleputswa                    | Unqualified    | Unqualified | Unqualified | Unchanged   |
|                                    | 2  | Masilonyana                      | Qualified      | Qualified   | Disclaimer  | Regression  |
|                                    | 3  | Matjhabeng                       | Disclaimer     | Disclaimer  | Unqualified | Improvement |
|                                    | 4  | Nala                             | Disclaimer     | Unqualified | Unqualified | Unchanged   |
|                                    | 5  | Tokologo                         | Unqualified    | Unqualified | Unqualified | Unchanged   |
|                                    | 6  | Tswelopele                       | Unqualified    | Unqualified | Unqualified | Unchanged   |
| <b>Thabo Mofutsanyana District</b> | 1  | Thabo Mofutsanyana               | Unqualified    | Clean       | Unqualified | Regression  |
|                                    | 2  | Dihlabeng                        | Unqualified    | Unqualified | Unqualified | Unchanged   |
|                                    | 3  | Maluti-A-Phofung                 | Disclaimer     | Disclaimer  |             |             |
|                                    | 4  | Nketoana                         | Unqualified    | Qualified   | Qualified   | Unchanged   |
|                                    | 5  | Phumelela                        | Disclaimer     | Unqualified | Unqualified | Unchanged   |
|                                    | 6  | Setsoto                          | Unqualified    | Unqualified | Unqualified | Unchanged   |
|                                    | 7  | Mantsopa                         | Disclaimer     | Qualified   | Qualified   | Unchanged   |
| <b>Fezile Dabi District</b>        | 1  | Fezile Dabi                      | Qualified      | Unqualified | Clean       | Improvement |
|                                    | 2  | Mafube                           | Disclaimer     | Disclaimer  | Disclaimer  | Unchanged   |
|                                    | 3  | Metsimaholo                      | Unqualified    | Unqualified | Unqualified | Unchanged   |
|                                    | 4  | Moqhaka                          | Disclaimer     | Qualified   | Unqualified | Improvement |
|                                    | 5  | Ngwathe                          | Disclaimer     | Unqualified | Unqualified | Unchanged   |
| <b>Municipal Entities</b>          | 1  | Centlec (Pty) Ltd                | Qualified      | Qualified   | Unqualified | Improvement |
|                                    | 2  | Lejweleputswa Dev. Agency        | Unqualified    | Unqualified | Unqualified | Unchanged   |
|                                    | 3  | Maluti-A-Phofung Water (Pty) Ltd | Unqualified    | Unqualified |             |             |

| Summary       | 2013/2014 | 2014/2015 | 2015/16   |
|---------------|-----------|-----------|-----------|
| Adverse       | 0         | 0         | 0         |
| Disclaimer    | 9         | 3         | 2         |
| Qualified     | 7         | 9         | 3         |
| Unqualified   | 11        | 14        | 18        |
| Clean         | 0         | 1         | 1         |
| Audit pending |           |           | 3         |
| <b>Total</b>  | <b>27</b> | <b>27</b> | <b>27</b> |

The main reasons for Qualified/Disclaimer Audit Opinions were the following:

- Going concern
- Unauthorised, Irregular and Fruitless and Wasteful expenditure
- Conditional Grants
- Expenditure
- Revenue
- Trade and other Receivables
- Investment Property
- Property, Plant and Equipment (both movable and infrastructure assets)

The main root causes for disclaimer and qualified opinions were the following:

- Leadership and Oversight inadequate
  - Ineffective leadership culture, with no consequences for actions
  - Leadership instability
- Financial and Performance Management
  - No proper Record Management
  - No monthly Asset count for movable Assets
  - Inadequate and lack of implementation plan for Infrastructure Assets
  - Quality of Annual Financial Statements
  - High reliance on Consultants
  - CFO's not performing their functions
  - Inadequate Procurement and Contract Management
- Governance
  - Lack of response to Risks identified and discussed with Management
  - Ineffective Governance Structure (only 21% have Internal Audit units and 5% have effective Internal Audit Committees)
- Procurement/ SCM
  - Leadership did not prevent, detect and monitor non-compliance with Laws and Regulations
  - Tender processes were sometimes not followed
  - Lack of supporting documentation
- Predetermined Objectives
  - Predetermined Objective in Municipalities are not well defined
  - Municipalities are not able to meet their Predetermined Objectives
  - Lack of supporting documentation
- HR Management
  - Poor Leadership
  - Low staff morale
  - High level of suspensions
  - Terminations not timely submitted to System Administrators
  - Overtime not approved in advance
- IT Management
  - Leadership did not implement and monitor IT Governance Framework and related IT controls
  - No IT Strategic Plans and Municipal wide IT planning is not in place
  - Lack of Security Management and User Access Controls
  - Lack of IT Service continuity and Programme Change Management

The following are remedial actions required from municipalities:

- Daily disciplines of reconciling cash receipts, deposits and payments
- Proper document management
- Monitoring of monthly reconciliations
- Confirmation of monthly Asset counts and Asset reconciliations, including progress on record keeping of Infrastructure Assets
- Monthly feedback to the Mayor on revenue and expenditure linked to Performance Management
- Monthly feedback to the Mayor on the Monitoring of Compliance with Laws and Regulations

Municipalities, where these factors combined resulted in Disclaimer Audit opinions, are the following;

- Matjhabeng Local Municipality
- Maluti a Phofung Local Municipality
- Mafube Local Municipality

#### Audit Committees and Internal Audit Units

The apparent weaknesses in Oversight and early warning structures further impedes the capabilities of municipalities to anticipate challenges and constraints, resolve these timely and also to strengthen oversight and internal control. The fact that prior year Audit findings are not timely resolved may also be attributed to these apparent capacity constraints.

| No                             | Auditee                                  | INTERNAL AUDIT UNITS |                 |                    | AUDIT COMMITTEES |                   |                      |
|--------------------------------|--|----------------------|-----------------|--------------------|------------------|-------------------|----------------------|
|                                |  | IA Unit              | Number of staff | Functional? Yes/No | AC               | Number of members | #Functional ? Yes/No |
| <b>District Municipalities</b> |  |                      |                 |                    |                  |                   |                      |
| 1                              | Fezile Dabi District Municipality        | Yes                  | 2               | Yes                | Yes              | 4                 | Yes                  |
| 2                              | Lejweleputswa District Municipality      | Yes                  | 1               | No                 | Yes              | 4                 | Yes                  |
| 3                              | Thabo Mofutsanyana District Municipality | Yes                  | 3               | No                 | Yes              | 3                 | Yes                  |
| 4                              | Xhariep District Municipality            | Yes                  | 2               | Yes                | Yes (shared)     | 4                 | Yes                  |
| <b>Local Municipalities</b>    |  |                      |                 |                    |                  |                   |                      |
| 5                              | Dihlabeng Local Municipality             | Yes                  | 3               | No                 | Yes              | 4                 | No                   |
| 6                              | Kopanong Local Municipality              | Yes                  | 3               | Yes                | Yes (shared)     | 4                 | No                   |
| 7                              | Letsemeng Local Municipality             | Yes                  | 2 and Co        | No                 | Yes (shared)     | 4                 | Yes                  |
| 8                              | Mafube Local Municipality                | Yes                  | 3               | Yes                | Yes              | 3                 | Yes                  |
| 9                              | Maluti - A - Phofung Local Municipality  | Yes                  | 5               | No                 | Yes              | 3                 | Yes                  |
| 10                             | Mantsopa Local Municipality              | Yes                  | 3               | Yes                | Yes              | 3                 | No                   |
| 11                             | Masilonyana Local Municipality           | Yes                  | 3               | No                 | Yes              | 4                 | No                   |
| 12                             | Matjhabeng Local Municipality            | Yes                  | 6               | Yes                | Yes              | 5                 | No                   |
| 13                             | Metsimaholo Local Municipality           | Yes                  | 4               | Yes                | Yes              | 4                 | Yes                  |
| 14                             | Mohokare Local Municipality              | Yes                  | 2               | N/a                | Yes (shared)     | 4                 | No                   |
| 15                             | Moqhaka Local Municipality               | Yes                  | 2               | No                 | Yes              | 5                 | Yes                  |
| 16                             | Nala Local Municipality                  | Yes                  | 1               | No                 | Yes              | 3                 | No                   |
| 17                             | Ngwathe Local Municipality               | Yes                  | 5               | No                 | Yes              | N/a               | No                   |
| 18                             | Nketoana Local Municipality              | Yes                  | 2               | No                 | Yes              | 3                 | Yes                  |
| 19                             | Phumelela Local Municipality             | Yes                  | 2               | No                 | Yes              | 3                 | No                   |
| 20                             | Setsoto Local Municipality               | Yes                  | 5               | Yes                | Yes              | 4                 | Yes                  |
| 21                             | Tokologo Local Municipality              | Yes                  | 2               | No                 | Yes              | 4                 | Yes                  |
| 22                             | Tswelopele Local Municipality            | Yes                  | 2               | Yes                | Yes              | 3                 | Yes                  |

# Information as per the 2014/2015 MFMA Audit conducted by the AGSA

## Debtors

The outstanding debtors of Free State municipalities have reached alarming proportions as illustrated in the table below. The absence of cost reflective and economic tariffs combined with poor revenue-raising mechanisms and weak implementation of debt collection policies further compounds the problem. Correct metering and accurate billing was found to be a serious challenge to most municipalities, which constrains credit control and revenue collection.

| DEBTORS INFORMATION AS AT 28 FEBRUARY 2017 |                      |                      |                      |                         |                         |
|--|----------------------|----------------------|----------------------|-------------------------|-------------------------|
| OUTSTANDING DEBTORS                        |                      |                      |                      |                         |                         |
| MUNICIPALITIES                             | CURRENT              | 30 + DAYS            | 60 + DAYS            | 120 + DAYS              | TOTAL                   |
| Xhariep DC                                 | R 0                  | R 0                  | R 0                  | R 0                     | R 0                     |
| Lejweleputswa DC                           | R 0                  | R 0                  | R 0                  | R 0                     | R 0                     |
| Thabo Mofutsanyana DC                      | R 0                  | R 0                  | R 0                  | R 0                     | R 0                     |
| Fezile Dabi DC                             | R 0                  | R 0                  | R 0                  | R 0                     | R 0                     |
| <b>Mangaung Metro</b>                      | R 409 257 701        | R 204 073 189        | R 138 035 063        | R 3 429 134 839         | R 4 180 500 792         |
| <b>Letsemeng</b>                           | R 4 812 897          | R 4 549 233          | R 4 105 561          | R 103 213 893           | <b>R 116 681 584</b>    |
| <b>Kopanong</b>                            | R 3 390 463          | R 1 624 607          | R 3 887 452          | R 178 833 855           | <b>R 187 736 377</b>    |
| <b>Mohokare</b>                            | R 3 676 710          | R 4 086 275          | R 3 383 303          | R 129 036 751           | <b>R 140 183 039</b>    |
| <b>Masilonyana</b>                         | R 9 335 909          | R 9 229 986          | R 9 603 615          | R 452 734 970           | <b>R 480 904 480</b>    |
| <b>Tokologo</b>                            | R 4 498 720          | R 3 495 363          | R 3 419 439          | R 96 398 054            | <b>R 107 811 576</b>    |
| <b>Tswelopele</b>                          | R 4 016 190          | R 1 731 226          | R 1 817 048          | R 45 312 310            | <b>R 52 876 774</b>     |
| <b>Matjhabeng</b>                          | R 150 088 973        | R 80 563 801         | R 78 817 499         | R 2 099 074 590         | <b>R 2 408 544 863</b>  |
| <b>Nala</b>                                | R 0                  | R 19 966 819         | R 13 375 921         | R 455 333 152           | <b>R 488 675 892</b>    |
| <b>Setsoto</b>                             | R 34 776 408         | R 13 940 055         | R 13 072 728         | R 277 097 314           | <b>R 338 886 505</b>    |
| <b>Dihlabeng</b>                           | R 34 072 110         | R 18 237 306         | R 15 276 999         | R 553 725 002           | <b>R 621 311 417</b>    |
| <b>Nketoana</b>                            | R 15 535 108         | R 10 796 242         | R 9 734 060          | R 326 243 180           | <b>R 362 308 590</b>    |
| <b>Maluti a Phofung</b>                    | R 33 911 470         | R 24 298 049         | R 23 372 637         | R 916 704 849           | <b>R 998 287 005</b>    |
| <b>Phumelela</b>                           | R 4 374 414          | R 3 038 512          | R 2 540 705          | R 181 531 878           | <b>R 191 485 509</b>    |
| <b>Mantsopa</b>                            | R 13 970 242         | R 11 869 291         | R 8 884 009          | R 279 443 658           | <b>R 314 167 200</b>    |
| <b>Moqhaka</b>                             | R 35 015 351         | R 13 156 350         | R 14 343 404         | R 402 263 725           | <b>R 464 778 830</b>    |
| <b>Ngwathe</b>                             | R 70 732 209         | R 21 177 404         | R 504 231 499        | R 0                     | <b>R 596 141 112</b>    |
| <b>Metsimaholo</b>                         | R 57 989 542         | R 42 644 443         | R 31 520 793         | R 899 520 793           | <b>R 1 031 675 571</b>  |
| <b>Mafube</b>                              | R 8 424 039          | R 8 296 576          | R 7 888 328          | R 303 307 794           | <b>R 327 916 737</b>    |
| <b>TOTAL</b>                               | <b>R 897 878 456</b> | <b>R 496 774 727</b> | <b>R 887 310 063</b> | <b>R 11 128 910 607</b> | <b>R 13 410 873 853</b> |

The following are main root causes for the deteriorating debt position of municipalities:

- Absence of, or restricted application of credit control
- Incorrect, incomplete, dormant information in consumer debtor data bases – Debtor data base verifications over due
- Incorrect, irregular meter readings and billing of consumers
- Failure by most Municipalities to apply the procedure determined for dealing with debtor legacy issues (MFMA Circular 16/2010)
- Poor Customer care and application of “amnesties” for default payers, which stimulates mal-payment rather than combat it over longer term

- Poor service delivery and unaccountable Municipal officials are catalysts for mal-payment and often stimulates the creation of ratepayer coalitions against the Municipality.

Creditors:

| CREDITORS PAYABLE ON FEBRUARY 2017 |                           |   |                                     |  |                              |                     |  |                                      |                        |
|------------------------------------|---------------------------|---|-------------------------------------|--|------------------------------|---------------------|--|--------------------------------------|------------------------|
| MUNICIPALITY                       | ESKOM<br>as at 12/03/2017 | OUTST. WATER<br>(BloemWater,<br>Sedibeng, DWA,<br>Rand Water)<br>as at 20/03/2017 | OUTST.<br>PENSION<br>(30 days Plus) | OUTST. OTHER<br>SALARY<br>(30 days Plus) | SARS<br>(PAYE, UIF &<br>VAT) | OUTST. AG<br>FEES   | OUTST. AG<br>FEES<br>(Municipal<br>Entities) | OTHER<br>CREDITORS<br>(30 days Plus) | TOTAL<br>CREDITORS     |
| Xhariep DC                         | R 0                       | R 0   | R 0                                 | R 0                                      | R 0                          | R 2 257 190         | R 0  | R 2 640 634                          | R 4 897 824            |
| Lejweleputswa DC                   | R 0                       | R 0   | R 0                                 | R 0                                      | R 0                          | R 19 462            | R 195 230                                    | R 5 164 703                          | R 5 379 395            |
| Thabo Mofutsanyana DC              | R 0                       | R 0   | R 0                                 | R 79 514                                 | R 945 034                    | R 2 683 891         | R 0  | R 8 740 818                          | R 12 449 257           |
| Fezile Dabi DC                     | R 0                       | R 0   | R 0                                 | R 0                                      | R 0                          | R 22 888            | R 0  | R 0                                  | R 22 888               |
| Mangaung Metro                     | R 0                       | R 319 944 863   | R 0                                 | R 0                                      | R 36 938 179                 | R 542 094           | R 2 400 031                                  | R 51 811 698                         | R 411 636 865          |
| Letsemeng                          | R 2 075 318               | R 0   | R 0                                 | R 0                                      | R 0                          | R 413 345           | R 0  | R 0                                  | R 2 488 663            |
| Kopanong                           | R 0                       | R 181 814 023   | R 26 961 296                        | R 1 286 655                              | R 1 068 356                  | R 4 949 583         | R 0  | R 10 443 462                         | R 226 523 375          |
| Mohokare                           | R 0                       | R 0   | R 0                                 | R 0                                      | R 0                          | R 5 441 195         | R 0  | R 16 216 255                         | R 21 657 450           |
| Masilonyana                        | R 0                       | R 8 097 705   | R 4 469 211                         | R 0                                      | R 6 025 178                  | R 3 496 997         | R 0  | R 50 088 683                         | R 72 177 774           |
| Tokologo                           | R 1 851 770               | R 0   | R 0                                 | R 0                                      | R 0                          | R 2 019 410         | R 0  | R 647 696                            | R 4 518 876            |
| Tswelopele                         | R 8 421 875               | R 0   | R 0                                 | R 0                                      | R 0                          | R 1 706 020         | R 0  | R 0                                  | R 10 127 895           |
| Mathlabeng                         | R 1 264 056 211           | R 1 706 308 735   | R 0                                 | R 0                                      | R 0                          | R 4 153 121         | R 0  | R 56 000 479                         | R 3 030 518 546        |
| Nala                               | R 167 262 377             | R 125 948 467   | R 49 463                            | R 189 133                                | R 0                          | R 1 966 556         | R 0  | R 30 827 138                         | R 326 243 134          |
| Setsoto                            | R 4 103 672               | R 0   | R 0                                 | R 0                                      | R 0                          | R 2 409 898         | R 0  | R 10 559 602                         | R 17 073 172           |
| Dihlabeng                          | R 12 804 512              | R 0   | R 0                                 | R 0                                      | R 0                          | R 3 634 220         | R 0  | R 4 159 202                          | R 20 597 934           |
| Nketoana                           | R 64 894 692              | R 332 259   | R 0                                 | R 0                                      | R 0                          | R 6 521 254         | R 0  | R 23 248 186                         | R 94 996 391           |
| Maluti a Phofung                   | R 1 861 396 122           | R 0   | R 3 888 902                         | R 0                                      | R 0                          | R 3 813 894         | R 3 371 906                                  | R 118 479 230                        | R 1 990 950 054        |
| Phumelela                          | R 64 894 692              | R 42 815 749  | R 0                                 | R 0                                      | R 0                          | R 7 691 798         | R 0  | R 10 439 275                         | R 125 841 514          |
| Mantsopa                           | R 3 777 644               | R 332 338   | R 641 961                           | R 0                                      | R 683 559                    | R 2 680 651         | R 0  | R 7 018 077                          | R 15 134 230           |
| Moghaka                            | R 0                       | R 0   | R 0                                 | R 0                                      | R 0                          | R 3 779 448         | R 0  | R 35 974 298                         | R 39 753 746           |
| Ngwathe                            | R 670 976 585             | R 6 475 538   | R 2 180 657                         | R 0                                      | R 9 138 709                  | R 3 202 057         | R 0  | R 16 369 556                         | R 708 343 102          |
| Metsimaholo                        | R 0                       | R 3 500 000   | R 0                                 | R 0                                      | R 0                          | R 3 750 248         | R 0  | R 82 300 000                         | R 89 550 248           |
| Mafube                             | R 54 656 568              | R 87 078 893  | R 34 325 269                        | R 2 304 676                              | R 6 536 689                  | R 11 537 405        | R 0  | R 40 205 545                         | R 236 645 045          |
| <b>TOTAL</b>                       | <b>R 4 181 172 038</b>    | <b>R 2 482 648 570</b>  | <b>R 72 516 759</b>                 | <b>R 3 859 978</b>                       | <b>R 61 335 704</b>          | <b>R 78 692 625</b> | <b>R 5 967 167</b>                           | <b>R 581 334 537</b>                 | <b>R 7 467 527 378</b> |

The main root causes for the escalation of creditors in municipalities are the following:

- The absence of creditor management plans
- The absence of cash flow forecasting and cash flow management
- Poor fiscal discipline and expenditure management

*Reduced municipal overspending on OPEX and under-spending on CAPEX:*

The state of affairs with regard to municipal spending as per their Operational Expenditure Budgets was as follows as at the 31<sup>st</sup> of March 2016:

| <b>OPERATING EXPENDITURE AS AT 28 FEBRUARY 2017</b> |                                      |                                      |                                  |          |
|---|--------------------------------------|--------------------------------------|----------------------------------|----------|
| <b>MUNICIPALITIES</b>                               | <b>ORIGINAL<br/>BUDGET<br/>R'000</b> | <b>ADJUSTED<br/>BUDGET<br/>R'000</b> | <b>ACTUALS<br/>YTD<br/>R'000</b> | <b>%</b> |
| Xhariep   | R 54 418                             | R 54 418                             | R 30 896                         | 57%      |
| Lejweleputswa                                       | R 117 700                            | R 117 700                            | R 68 332                         | 58%      |
| Thabo Mofutsanyana                                  | R 104 704                            | R 104 704                            | R 70 250                         | 67%      |
| Fezile Dabi   | R 151 616                            | R 165 165                            | R 100 994                        | 61%      |
| Mangaung  | R 6 598 468                          | R 6 598 468                          | R 3 830 269                      | 58%      |
| Letsemeng   | R 147 888                            | R 147 888                            | R 61 259                         | 41%      |
| Kopanong  | R 307 530                            | R 307 530                            | R 106 928                        | 35%      |
| Mohokare  | R 167 232                            | R 173 615                            | R 52 790                         | 30%      |
| Masilonyana   | R 228 103                            | R 261 205                            | R 93 458                         | 36%      |
| Tokologo  | R 83 102                             | R 98 250                             | R 59 200                         | 60%      |
| Tswelopele  | R 158 209                            | R 158 209                            | R 71 003                         | 45%      |
| Matjhabeng  | R 2 036 735                          | R 2 036 735                          | R 957 837                        | 47%      |
| Nala  | R 388 422                            | R 388 422                            | R 234 613                        | 60%      |
| Setsoto   | R 440 992                            | R 440 992                            | R 345 626                        | 78%      |
| Dihlabeng   | R 698 505                            | R 698 505                            | R 405 550                        | 58%      |
| Nketoana  | R 307 425                            | R 307 425                            | R 321 138                        | 104%     |
| Maluti a Phofung                                    | R 1 555 465                          | R 1 535 506                          | R 610 313                        | 40%      |
| Phumelela   | R 125 635                            | R 129 675                            | R 87 276                         | 67%      |
| Mantsopa  | R 206 240                            | R 206 240                            | R 132 990                        | 64%      |
| Moqhaka   | R 720 108                            | R 714 889                            | R 297 816                        | 42%      |
| Ngwathe   | R 738 411                            | R 738 411                            | R 410 537                        | 56%      |
| Metsimaholo   | R 998 836                            | R 1 002 736                          | R 552 563                        | 55%      |
| Mafube  | R 186 259                            | R 186 259                            | R 98 095                         | 53%      |

| <b>CAPITAL EXPENDITURE AS AT 28 FEBRUARY 2017</b> |                                  |                                  |                              |          |
|---|----------------------------------|----------------------------------|------------------------------|----------|
| <b>MUNICIPALITIES</b>                             | <b>ORIGINAL BUDGET<br/>R'000</b> | <b>ADJUSTED BUDGET<br/>R'000</b> | <b>ACTUALS YTD<br/>R'000</b> | <b>%</b> |
| Xhariep   | R 0                              | R 61                             | R 0                          | 0%       |
| Lejweleputswa                                     | R 700                            | R 700                            | R 250                        | 36%      |
| Thabo Mofutsanyana                                | R 2 412                          | R 2 412                          | R 1 410                      | 58%      |
| Fezile Dabi                                       | R 3 330                          | R 3 702                          | R 965                        | 26%      |
| Mangaung  | R 1 806 094                      | R 1 806 094                      | R 784 553                    | 43%      |
| Letsemeng   | R 71 635                         | R 71 635                         | R 34 480                     | 48%      |
| Kopanong  | R 66 379                         | R 66 379                         | R 12 109                     | 18%      |
| Mohokare  | R 95 105                         | R 93 721                         | R 20 501                     | 22%      |
| Masilonyana                                       | R 22 500                         | R 22 500                         | R 12 046                     | 54%      |
| Tokologo  | R 75 608                         | R 75 608                         | R 67 235                     | 89%      |
| Tswelopele  | R 44 906                         | R 44 906                         | R 7 144                      | 16%      |
| Matjhabeng  | R 133 363                        | R 153 363                        | R 93 169                     | 61%      |
| Nala  | R 34 300                         | R 34 300                         | R 18 869                     | 55%      |
| Setsoto   | R 89 052                         | R 88 983                         | R 55 054                     | 62%      |
| Dihlabeng   | R 79 889                         | R 79 889                         | R 43 662                     | 55%      |
| Nketoana  | R 64 218                         | R 64 218                         | R 16 349                     | 25%      |
| Maluti a Phofung                                  | R 257 920                        | R 266 520                        | R 112 513                    | 42%      |
| Phumelela   | R 47 530                         | R 47 530                         | R 22 906                     | 48%      |
| Mantsopa  | R 58 418                         | R 58 418                         | R 10 897                     | 19%      |
| Moqhaka   | R 102 688                        | R 72 094                         | R 39 217                     | 54%      |
| Ngwathe   | R 64 920                         | R 64 920                         | R 42 245                     | 65%      |
| Metsimaholo                                       | R 113 245                        | R 126 440                        | R 50 203                     | 40%      |
| Mafube  | R 41 932                         | R 41 932                         | R 5 778                      | 14%      |

#### Municipal Integrated Development:

According to Section 154(i) of the Constitution, national and provincial government, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions.

MSA Section 31 of 2000 requires the MEC for local government to provide comments on the respective municipal integrated development plans in the province.

In response to the legislative requirement and to support and assist the MEC commenting process, The Department of Cooperative Governance and Traditional affairs coordinated, conducted and facilitated IDP draft assessment session that was held from the 18-22 April 2016 in Mangaung Metro Bloemfontein. The session brought together national and provincial sector departments officials; State owned entities and Agencies, Academic institutions and other organisations to engage with municipal IDPs with a view of providing comments that are aimed at improving the credibility and quality of IDPs.

The overall objectives of the annual IDP assessment sessions are to:

- Improve the delivery of Services;

- Support and improve the content of the MEC commenting process so as to ensure we move towards a sustainable environment, the local economy is stimulated, there is social cohesion and inclusion (including the building of Non-Racism, Non-Sexism and Democracy), and the creation of sustainable human settlements;
- Improve the quality of the Municipal Integrated Development Plans (IDP);
- Influence a dialectical relationship between municipal and sector planning with a view to making IDPs 'A Plan for All Government'; and
- Influence good governance and the municipal planning processes so that communities are at the centre of municipal planning.

The general observations and assessment from the respective Key performance Area's commissions is that there's steady incremental improvement in terms of the alignment of IDPs with NDP, FSGDS and MTSF, Packaging of IDP as per the revised IDP framework and improvement on situational analysis within the IDPs. Over and above that though the municipalities are still faced with the following challenges amongst others:

- Late participation of sector departments.
- Unavailability of sector plans which seeks to reflect integrated planning.
- Inadequate support from sector departments in terms technical support capacity.
- Inadequate support from section 56 managers to share information with IDP Officials.
- Insufficient time to conduct and facilitate IDPs assessments (one week).

As matter of remedial action to the above mentioned challenges encountered by the respective municipalities, The Department of Cooperative Governance and Traditional Affairs, then proposed the planning and accountability model for the 4<sup>th</sup> IDP generation that seeks to change the traditional planning and assessment of the IDP in Free State by having quarterly assessment sessions which will be segmented into various Key Performance Indicators and activities. The proposed planning and accountability model was subsequently endorsed and approved by the Free State Forum of Heads of Department under the guidance and leadership of the Director General. The assessment will determine whether the ladder of IDP's legality and credibility has leaned against the correct wall.

The Rational For the Proposed Planning and Accountability Model:

- To enhance integration amongst all spheres of government
- To encourage maximum participation and accountability of the IDP stakeholders during IDP processes
- To strengthen legality of the IDP and to ensure the credibility of the IDP (Internal auditor and municipal manager)
- To encourage continuous engagement with municipalities (quarterly IDP assessments at district level)
- To improve the quality of the IDP document.
- This model is envisaged to be piloted over a period of two years.

### Local Economic Development

In assisting and supporting municipalities on the establishment of Business Forums (towards creating a platform for stakeholders to engage on LED issues), the following Business Forums were established and are operational within the Province:

- Nketoana

- Xhariep
- Fezile Dabi
- Lejweleputswa
- Masilonyana
- Setsoto
- Matjhabeng
- Mangaung
- Tswelopele
- Nala
- Phumelela
- Tokologo
- Mohokare

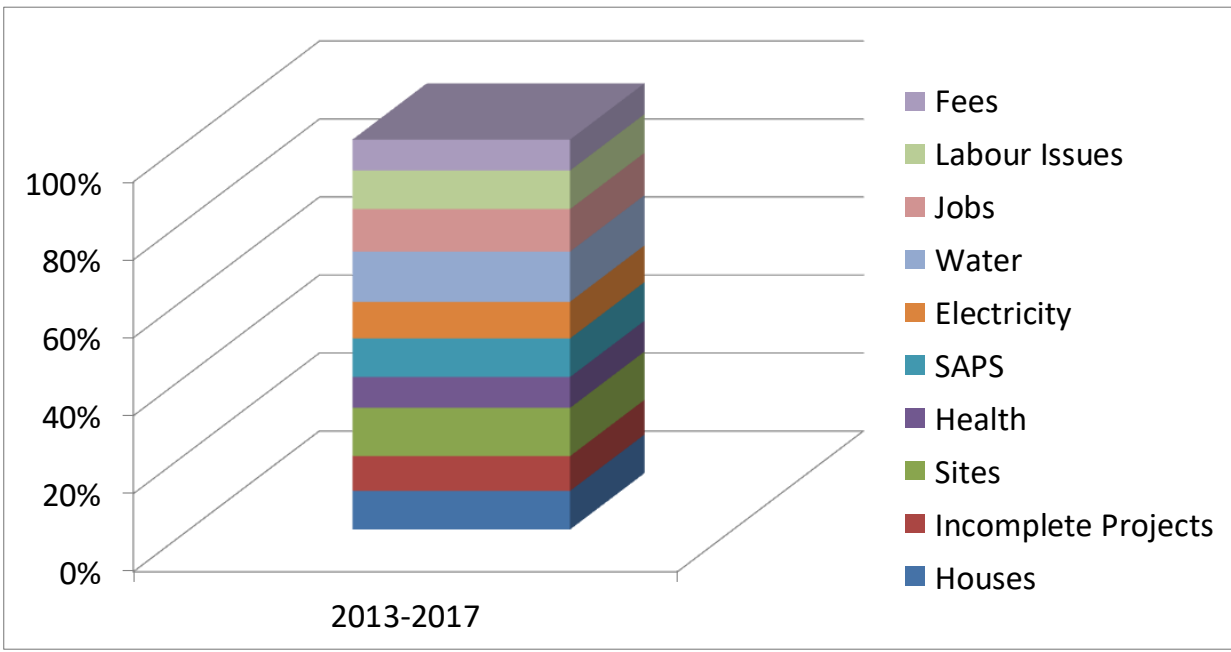
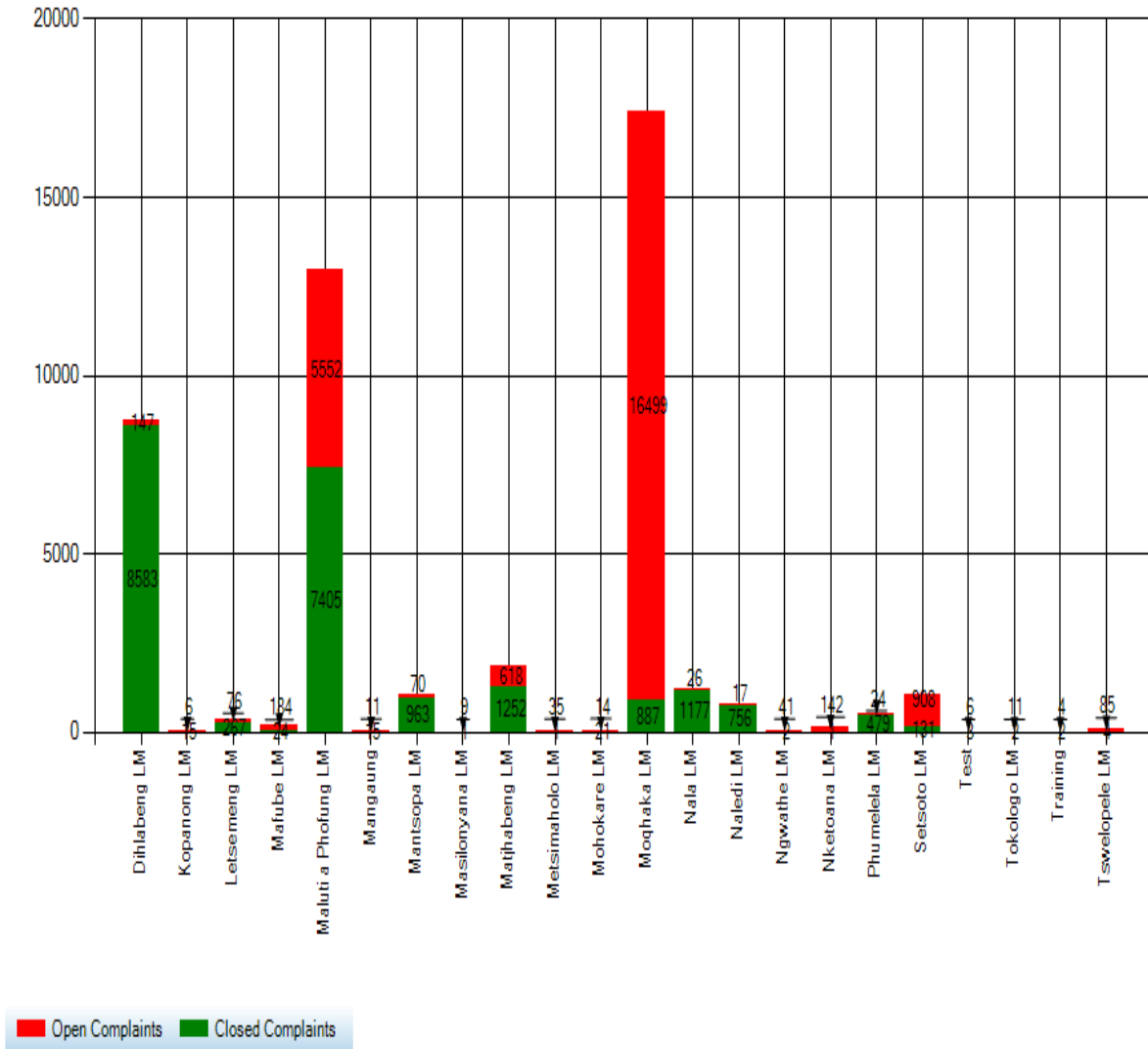
The following municipalities updated their LED strategies during the 2016/2017 financial year:

- Xhariep
- Kopanong
- Ngwathe
- Mohokare
- Masilonyana
- Thabo Mofutsanyana
- Setsoto
- Metsimaholo
- Maluti a Phofung
- Mantsopa
- Mafube
- Tokologo

#### Complaints and Compliments Management System

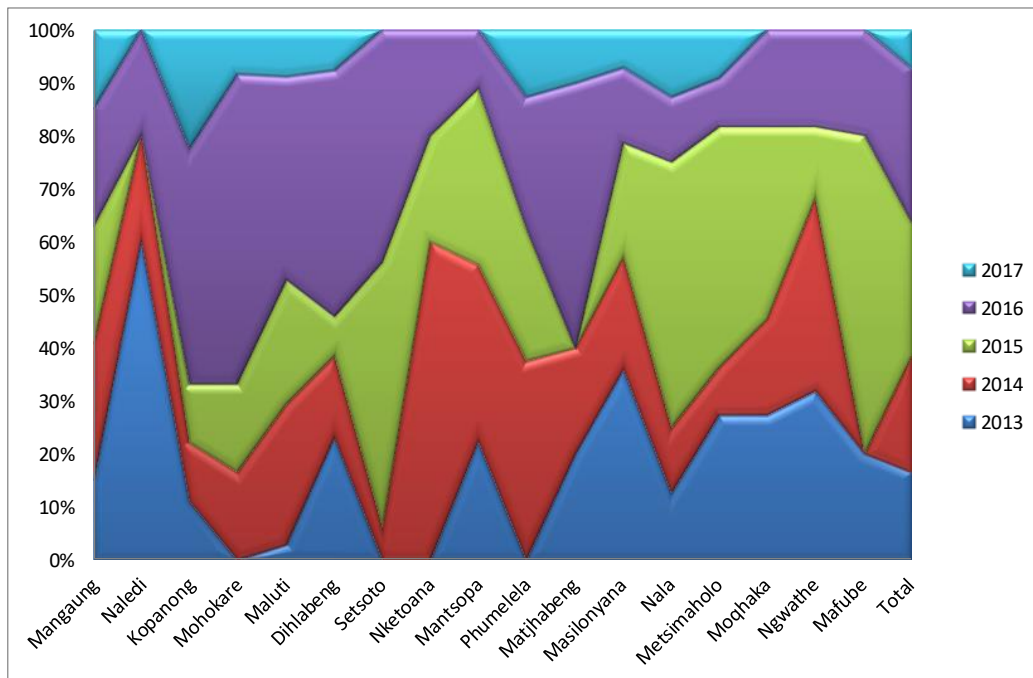
During the year under review, the Department continued to support municipalities on the development / maintenance and/or use of the Complaints and Compliments Management System. The system is also being used to strengthen public participation towards communicating some of government programmes to the community, especially for the convening of Izimbizo. The graphs below reflect the level of usage of the system by municipalities and number of protest actions that took place during the period under review. The general trends with regard to the responsiveness of our municipality shows highest level and downward trend with regards to petitions not responded to. It must be noted that the upward swing of the number of petitions has to do more with the elections season, and not the actual lack of delivery of services. Therefore, our complaints management systems are beginning to bear positive fruit.

### Complaints per municipality

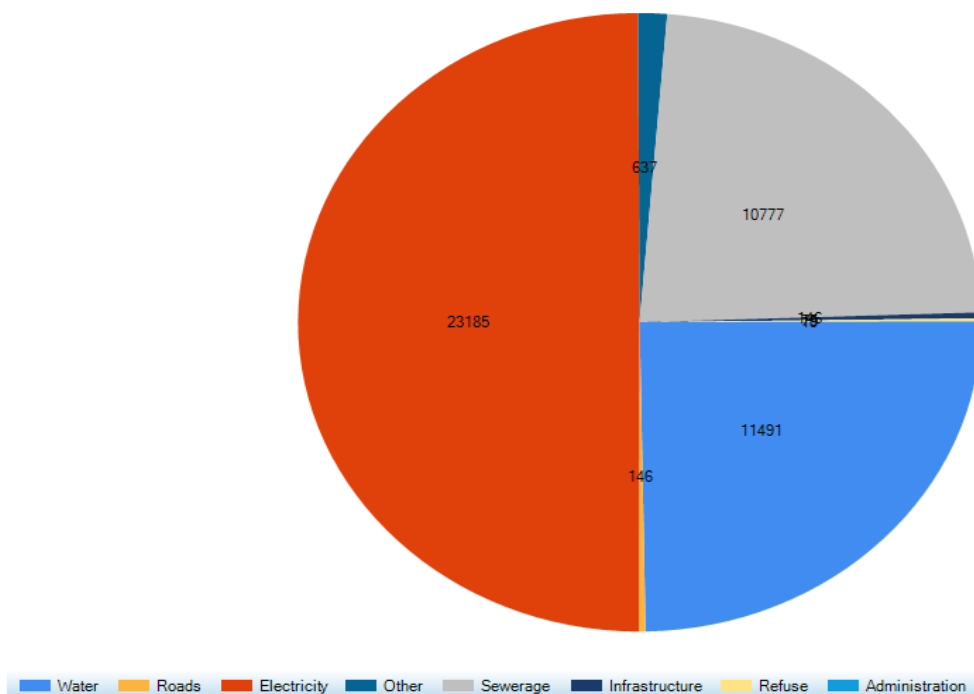


The remainder of municipalities does not currently use the system at all, despite repeated requests / encouragements issued by the Department in this regard.

The graphs below show the correlation between issues raised through the system and petitions received and processed by the Department in collaboration with municipalities.



Complaints per province



## Batho Pele

The Department prioritized this matter towards speeding up the successful roll-out of the Batho Pele Service Standards Framework in municipalities. Majority of municipalities have since developed draft Service charters. All the municipalities, except Moqhaka, Metsimaholo and Tswelopele, were trained on accredited Batho Pele Train-the-Trainer programme.

## Inter-Governmental Relations:

The Department continuously supports all District IGR Forums to hold meetings, especially District Technical IGR Support Forums whose main mandate is to technically support the District Mayors in the coordination and strengthening of the service delivery machinery of government through the IGR system. The main challenge experienced is the lack of following up on the implementation of resolutions taken during IGR Forum meetings and attendance of meetings by primary members.

## Ward Committees:

Prior to the 2016 Local Government Elections, all 317 ward committees were established with varied levels of functionality (including development of ward operational plans, schedule of feedback meetings). Furthermore prior to the 2016 elections, the Department reviewed the Guidelines for the Establishment and Operations of Ward Committees to guide the establishment of new ward committees for adoption by municipalities. This resulted in all 19 municipalities adopting their guidelines as rules regulating the elections of their ward committees. The Department further developed a generic Public Participation Policy for municipalities to customise and adopt. To date, all municipalities except Maluti-A-Phofung, Masilonyana and Mohokare have adopted their Public Participation Policies. The Department also developed a Provincial Framework for the Payment of out-of-pocket expenses for members of ward committees; all municipalities except Matjhabeng and Kopanong have adopted their Frameworks in this regard.

The following 294 new ward committees were established by 31 March 2017 (after the 2016 Local Government Elections):

| <b>Municipality</b> | <b>No of Wards per municipality</b> | <b>No of Ward Committees elected</b> |
|---------------------|-------------------------------------|--------------------------------------|
| Metsimaholo         | 21                                  | 21                                   |
| Mafube              | 9                                   | 9                                    |
| Moqhaka             | 23                                  | 23                                   |
| Ngwathe             | 18                                  | 18                                   |
| Matjhabeng          | 36                                  | 36                                   |
| Tswelopele          | 8                                   | 8                                    |
| Masilonyana         | 10                                  | 10                                   |
| Nala                | 12                                  | 12                                   |
| Tokologo            | 4                                   | 4                                    |
| Maluti A Phofung    | 35                                  | 34                                   |
| Dihlabeng           | 20                                  | 20                                   |

| Municipality          | No of Wards per municipality | No of Ward Committees elected |
|-----------------------|------------------------------|-------------------------------|
| Setsoto               | 17                           | 17                            |
| Nketoana              | 9                            | 9                             |
| Phumelela             | 8                            | 8                             |
| Mantsopa              | 9                            | 7                             |
| Kopanong              | 8                            | 8                             |
| Mohokare              | 6                            | 5                             |
| Letsemeng             | 6                            | 6                             |
| <b>Mangaung Metro</b> | 50                           | 37                            |
| <b>Total</b>          | <b>309</b>                   | <b>294</b>                    |

The Department assisted all municipalities with the induction of the newly elected ward committees except in Mangaung where the establishment of the outstanding wards are awaited. Furthermore the Department assisted 8 (Mafube, Metsimaholo, Nketoana, Setsoto, Tswelopele, Mohokare, Tokologo, Matjhabeng) municipalities with the development of ward operational plans, while others will be targeted during the 2017/18 financial year.

#### Municipal Infrastructure:

The Department of Cooperative Governance and Traditional Affairs (COGTA) successfully monitored, supported and intervened with the implementation of the Municipal Infrastructure Grant (MIG) projects in the 19 Local Municipalities. A total of R675,584,060.18 (94%) out of an allocation of R717,2 million was spent as at the end of the 2015/2016 MIG financial year (July 2015 – June 2016).

With regard to the 2016/2017 MIG financial year a total of R427,090,920.08 (60%) out of a revised allocation of R727,755,000.00 was spent as at the end of March 2017 being the third quarter (July 2016-March 2017) of the 2016/2017 MIG financial year.

One (1) municipality, i.e. Moqhaka (93% expenditure) reached the March 2017 Provincial expenditure target of 72% for the 2016/2017 financial year.

The remaining 17 Municipalities did not reach the MIG expenditure target for March 2017 due to the following reasons and will be closely monitored and, if necessary, supported towards ensuring that MIG funds are spent as planned:

| Municipality | % Expenditure | Reasons for under expenditure  |
|--------------|---------------|--|
| Kopanong     | 63%           | Due to a financial system challenge within the Municipality no payments could be done for March 2017   |
| Matjhabeng   | 64%           | Late implementation of projects resulted in the lower than expected expenditure  |
| Dihlabeng    | 65%           | Late appointment of service providers by the Municipality  |
| Nketoana     | 68%           | Due to R2.5m additional funds that was allocated to the Municipality during March 2017. The Municipality would have been on target if no additional funds were allocated |
| Metsimaholo  | 63%           | Due to R15m additional funds that was allocated to the Municipality during March 2017. The Municipality would have been on target if no additional funds were allocated  |
| Masilonyana  | 51%           | Cash flow challenges resulted in the low expenditure. R11,746,000.00 was stopped of the 2016/2017 MIG allocation reducing the MIG allocation to R10,754,000.00.          |

| Municipality     | % Expenditure | Reasons for under expenditure   |
|------------------|---------------|---|
|                  |               |   |
| Municipality     | % Expenditure | Reasons for under expenditure   |
| Tokologo         | 55%           | Due to the sports allocation to the Municipality and the slow facilitation of the process by the National Sports and Recreational Department. The 2 sport projects only started during February 2017  |
| Tswelopele       | 59%           | The Municipality is experiencing cash flow challenges   |
| Nala             | 51%           | Due to R10m additional funds that was allocated to the Municipality during March 2017   |
| Setsoto          | 50%           | Due to R4m additional funds that was allocated to the Municipality during March 2017  |
| Maluti a Phofung | 55%           | The Municipality experiencing cash flow challenges  |
| Phumelela        | 58%           | Late implementation of projects and rain delays resulted in the lower than expected expenditure.  |
| Mantsopa         | 51%           | Late appointments of service providers and rain delays resulted in the low expenditure.   |
| Ngwathe          | 54%           | Due to R12m additional funds that was allocated to the Municipality during March 2017   |
| Letsemeng        | 47%           | Due to R4m additional funds that was allocated to the Municipality during March 2017  |
| Mohokare         | 38%           | Due to the sports allocation to the Municipality and the slow facilitation of the process by the National Sports and Recreational Department  |
| Mafube           | 0%            | National Treasury stopped the full MIG allocation for 2016/2017 due to the Municipality not able to proof that funds transferred to them will be secured. However, Fezile Dabi District Municipality received a National Treasury Roll over approval for R4.1m which will be paid to some service providers in terms of a 2015/2016 Service Level agreement. It was agreed Fezile Dabi District Municipality will administer the MIG funds for 2017/2018 on behalf of Mafube Local Municipality in terms of a memorandum of understanding |

MIG expenditure was as follows per municipality as at the end of March 2017:

| March 2017                       | Expenditure Target: 72%       |                         |                    |                |     |                |                            |
|----------------------------------|-------------------------------|-------------------------|--------------------|----------------|-----|----------------|----------------------------|
| Municipality                     | Expenditure vs MIG Allocation |                         |                    |                |     |                | Roll Over (Approved)       |
|                                  | Allocation                    | Adjustment (March 2017) | Revised Allocation | Expenditure    | %   | Balance        | 2015/2016 Roll over amount |
| Letsemeng (FS161)                | 16 635 000.00                 | 4 000 000.00            | 20 635 000.00      | 9 686 268.39   | 47% | 6 948 731.61   | -                          |
| Kopanong (FS162)                 | 19 977 000.00                 |                         | 19 977 000.00      | 12 578 673.31  | 63% | 7 398 326.69   | 912 000.00                 |
| Mohokare (FS163)                 | 28 429 000.00                 |                         | 28 429 000.00      | 10 872 346.46  | 38% | 17 556 653.54  |                            |
| <b>Xhariep (DC16)</b>            | -                             |                         |                    |                |     | -              |                            |
| Masilonyana (FS181)              | 22 500 000.00                 | -11 746 000.00          | 10 754 000.00      | 5 475 528.55   | 51% | 17 024 471.45  |                            |
| Tokologo (FS182)                 | 25 798 000.00                 |                         | 25 798 000.00      | 14 257 404.42  | 55% | 11 540 595.58  |                            |
| Tswelopele (FS183)               | 15 736 000.00                 |                         | 15 736 000.00      | 9 232 513.56   | 59% | 6 503 486.44   |                            |
| Matjhabeng (FS184)               | 113 363 000.00                |                         | 113 363 000.00     | 72 999 440.82  | 64% | 40 363 559.18  |                            |
| Nala (FS185)                     | 28 299 000.00                 | 10 000 000.00           | 38 299 000.00      | 19 387 587.41  | 51% | 8 911 412.59   |                            |
| <b>Lejweleputswa (DC18)</b>      | -                             |                         |                    |                |     | -              |                            |
| Setsoto (FS191)                  | 45 091 000.00                 | 4 000 000.00            | 49 091 000.00      | 24 510 832.74  | 50% | 20 580 167.26  |                            |
| Dihlabeng (FS192)                | 36 892 000.00                 |                         | 36 892 000.00      | 23 980 828.95  | 65% | 12 911 171.05  |                            |
| Nketoana (FS193)                 | 24 218 000.00                 | 2 500 000.00            | 26 718 000.00      | 18 050 391.50  | 68% | 6 167 608.50   |                            |
| Maluti-a-Phofung (FS194)         | 154 870 000.00                |                         | 154 870 000.00     | 84 904 349.30  | 55% | 69 965 650.70  |                            |
| Phumelela (FS195)                | 20 090 000.00                 |                         | 20 090 000.00      | 11 664 847.57  | 58% | 8 425 152.43   |                            |
| Mantsopa (FS173)                 | 19 061 000.00                 |                         | 19 061 000.00      | 9 716 536.78   | 51% | 9 344 463.22   |                            |
| <b>Thabo Mofutsanyana (DC19)</b> |                               |                         |                    |                |     |                |                            |
| Moqhaka (FS201)                  | 38 349 000.00                 |                         | 38 349 000.00      | 35 559 964.61  | 93% | 2 789 035.39   |                            |
| Ngwathe (FS203)                  | 40 070 000.00                 | 12 000 000.00           | 52 070 000.00      | 27 892 150.77  | 54% | 12 177 849.23  |                            |
| Metsimaholo (FS204)              | 42 623 000.00                 | 15 000 000.00           | 57 623 000.00      | 36 321 254.94  | 63% | 6 301 745.06   |                            |
| Mafube (FS205)                   | 21 422 000.00                 | -21 422 000.00          | -                  | -              | 0%  | 21 422 000.00  |                            |
| <b>Fezile Dabi (DC20)</b>        | -                             |                         |                    |                |     |                | 4 108 882.41               |
| Provincial Total                 | 713 423 000.00                | 14 332 000.00           | 727 755 000.00     | 427 090 920.08 | 60% | 286 332 079.92 | 5 020 882.41               |

(Temporary) job creation through MIG was as follows at the end of the third quarter (July 2016-March 2017) of the 2016/2017 MIG financial year:

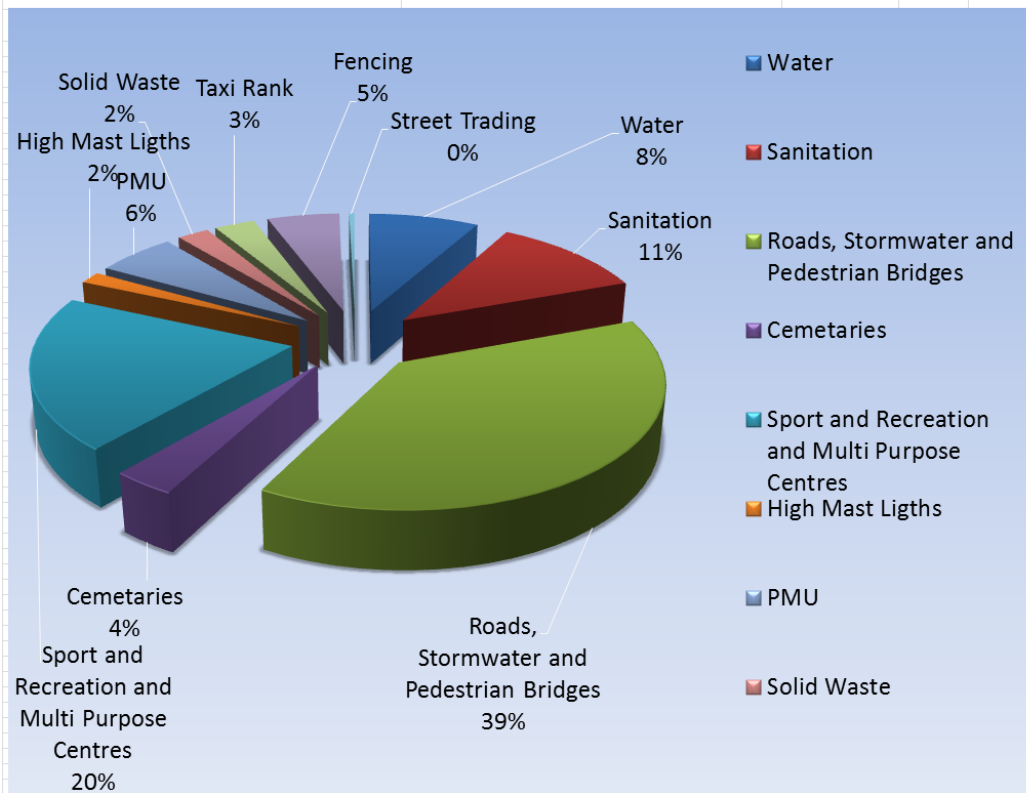
- Total number of jobs created: 2,599 (65% of the planned target of 4000)
- Total number of jobs created for women: 636 (24%)

The following table illustrates job creation through MIG per municipality:

| Municipality       | Adult Men  | Adult Women | Young Men    | Young Women | PWD Men  | PWD Women | Total        |
|--------------------|------------|-------------|--------------|-------------|----------|-----------|--------------|
| XHARIEP            | 127        | 22          | 180          | 47          | 2        | 1         | 379          |
| LETSEMENG          | 33         | 7           | 57           | 26          | 1        | 0         | 124          |
| KOPANONG           | 69         | 11          | 100          | 15          | 0        | 0         | 195          |
| MOHOKARE           | 25         | 4           | 23           | 6           | 1        | 1         | 60           |
| LEJWELEPUTSWA      | 212        | 38          | 317          | 111         | 1        | 0         | 679          |
| MASILONYANA        | 16         | 1           | 12           | 2           | 0        | 0         | 31           |
| TOKOLOGO           | 8          | 4           | 25           | 16          | 0        | 0         | 53           |
| TSWELOPELE         | 58         | 0           | 10           | 20          | 0        | 0         | 88           |
| MATJHABENG         | 116        | 27          | 230          | 60          | 1        | 0         | 434          |
| NALA               | 14         | 6           | 40           | 13          | 0        | 0         | 73           |
| THABO MOFUTSANYANA | 331        | 104         | 478          | 162         | 5        | 0         | 1080         |
| SETSOTO            | 11         | 3           | 13           | 3           | 0        | 0         | 30           |
| DIHLABENG          | 72         | 16          | 74           | 15          | 1        | 0         | 178          |
| NKETOANA           | 12         | 8           | 32           | 15          | 0        | 0         | 67           |
| MALUTI A PHOFUNG   | 200        | 67          | 308          | 110         | 3        | 0         | 688          |
| PHUMELELA          | 19         | 6           | 25           | 10          | 1        | 0         | 61           |
| MANTSOPA           | 17         | 4           | 26           | 9           | 0        | 0         | 56           |
| FEZILE DABI        | 126        | 55          | 184          | 95          | 0        | 1         | 461          |
| MOQHAKA            | 29         | 15          | 48           | 27          | 0        | 1         | 120          |
| NGWATHE            | 25         | 8           | 59           | 21          | 0        | 0         | 113          |
| METSIMAHOLO        | 56         | 28          | 55           | 41          | 0        | 0         | 180          |
| MAFUBE             | 16         | 4           | 22           | 6           | 0        | 0         | 48           |
|                    |            |             |              |             |          |           |              |
| <b>TOTAL</b>       | <b>796</b> | <b>219</b>  | <b>1 159</b> | <b>415</b>  | <b>8</b> | <b>2</b>  | <b>2 599</b> |

**PROVINCIAL MIG EXPENDITURE CATEGORIES AND HOUSEHOLDS COMPLETED: MARCH 2017**

| Expenditure 2016/2017                          |          |                       |             | Households/<br>KM<br>completed |
|--|----------|-----------------------|-------------|--------------------------------|
| Water  | R        | 34 620 531.17         | 8%          | 6 780                          |
| Sanitation                                     | R        | 48 221 576.22         | 11%         | 18 131                         |
| Roads, Stormwater and Pedestrian Bridges       | R        | 164 216 852.70        | 38%         | <b>27km</b>                    |
| Cemetaries                                     | R        | 14 595 544.80         | 3%          | -                              |
| Sport and Recreation and Multi Purpose Centres | R        | 86 894 731.28         | 20%         | 56 507                         |
| High Mast Lighths                              | R        | 6 756 016.62          | 2%          | 7 160                          |
| PMU  | R        | 24 780 447.49         | 6%          | -                              |
| Solid Waste                                    | R        | 9 896 826.30          | 2%          | -                              |
| Taxi Rank                                      | R        | 12 713 555.17         | 3%          | -                              |
| Fencing  | R        | 22 677 109.88         | 5%          | 50 090                         |
| Street Trading                                 | R        | 1 717 728.45          | 0%          | 26 245                         |
| <b>Subtotal</b>                                | <b>R</b> | <b>427 090 920.08</b> | <b>100%</b> | <b>164 913</b>                 |



Due to limited human resources capacity, the Department is currently supporting two of the four District Municipalities on the operation and maintenance, namely Xhariesep and Lejweleputswa, and more specifically through the Basic Services Coordinating Forum that meets on a quarterly

basis (in partnership with other sector departments). The overall conclusion derived from meetings held so far is that there are significant gaps in terms of qualified staff in relation to the planning of operation and maintenance, maintenance equipment and machinery and the resultant poor state of infrastructure (potholed roads, unreliable provision of basic services, overloaded treatment plants, sewage spillages, etc.). The inadequate lack of revenue collection within municipalities further exacerbate the situation.

#### Provision of Free Basic Services by municipalities

All municipalities in the province are providing Free Basic Services to qualifying households. The Department is currently assisting municipalities to align their Indigent policies to the National guidelines. The department is also monitoring municipalities on how indigent registers are updated. A tool kit was developed in conjunction with the National Department of Cooperative governance to assist municipalities to align their Indigent policies to the National guidelines.

The challenges facing municipalities generally are:

- Households that do not indicate when no longer indigent to the municipality,
- The registration of indigent households throughout the year.
- The process of obtaining letters of authority for child headed households to ensure access to Free Basic Services
- The process of registering indigents in some cases is long.
- The indigent policies are not in line with the National guidelines.

#### Disaster Management:

The following is an overview of the state of disaster management in the Province:

- The Operational Centre of the Provincial Disaster Management Centre still has to be established according to legislative requirements.
- Disaster Management Committees and related structures were established and are fully functional.
- The Provincial Disaster Management Advisory Forum is fully functional and properly constituted in accordance with the Disaster Management Act, 2002.
- The Provincial Fire Services Advisory Committee was established to coordinate matters related to disaster management infrastructure and veldfires in the Province.
- Provincial Fire Services:
  - Five Category of Authorized Persons (CAP) (1 x CAP A of province and 4 x CAP B of municipalities) have been appointed by the MEC;
  - The Free State Executive Council granted fire brigade status to Sasolburg

The state of disaster management in municipalities is as follows:

| Municipality       | Disaster Management Advisory forum | Disaster Management Centres | Disaster Management Plan | Disaster Management Focal Person | DM Framework                                   | Fire Brigade Services |
|--------------------|------------------------------------|-----------------------------|--------------------------|----------------------------------|--|-----------------------|
| Mangaung           | No                                 | Yes                         | Yes                      | Yes                              | Yes  | Yes                   |
| Thabo Mofutsanyana | Yes                                | Yes                         | No                       | Yes                              | Yes (Draft)                                    | No                    |
| Maluti-a-Phofung   | No – participate in district forum | No                          | No                       | No                               | Yes (developed in collaboration with district) | Yes                   |
| Setsoto            | No – participate in district forum | No                          | Yes                      | Yes                              | Yes (developed in collaboration with district) | No                    |
| Mantsopa           | No – participate in district forum | No                          | Yes                      | Yes                              | Yes (developed in                              | No                    |

| Municipality  | Disaster Management Advisory forum | Disaster Management Centres | Disaster Management Plan | Disaster Management Focal Person | DM Framework                                   | Fire Brigade Services              |
|---------------|------------------------------------|-----------------------------|--------------------------|----------------------------------|--|------------------------------------|
|               |                                    |                             |                          |                                  | collaboration with district)                   |                                    |
| Nketoana      | No – participate in district forum | No                          | No                       | No                               | Yes (developed in collaboration with district) | No                                 |
| Phumelela     | No – participate in district forum | No                          | No                       | No                               | Yes (developed in collaboration with district) | No                                 |
| Dihlabeng     | No – participate in district forum | No                          | Yes                      | Yes                              | Yes (developed in collaboration with district) | Yes                                |
| Fezile Dabi   | Yes                                | Yes                         | Yes (Draft)              | Yes                              | Yes  | Yes (provide service to Mafube LM) |
| Metsimaholo   | Yes                                | Yes                         | Yes (Draft)              | Yes                              | Yes (developed in collaboration with district) | Yes                                |
| Moqhaka       | Yes                                | Yes                         | Yes (Draft)              | No                               | Yes (developed in collaboration with district) | Yes                                |
| Mafube        | No                                 | No                          | No                       | No                               | Yes (developed in collaboration with district) | Yes                                |
| Ngwathe       | No                                 | No                          | No                       | No                               | Yes (developed in collaboration with district) | Yes                                |
| Xhariep       | Yes                                | No                          | Yes                      | Yes                              | Yes  | No                                 |
| Kopanong      | No – participate in district forum | No                          | Yes                      | Yes                              | Yes (developed in collaboration with district) | No                                 |
| Letsemeng     | No – participate in district forum | No                          | Yes                      | No                               | Yes (developed in collaboration with district) | No                                 |
| Mohokare      | No – participate in district forum | No                          | Yes                      | Yes                              | Yes (developed in collaboration with district) | No                                 |
| Lejweleputswa | Yes                                | Yes                         | Yes                      | Yes                              | Yes  | No                                 |
| Matjhabeng    | No – participate in district forum | No                          | No                       | Yes                              | Yes (developed in collaboration with district) | Yes                                |
| Masilonyana   | No – participate in district forum | No                          | No                       | Yes                              | Yes (developed in collaboration with district) | No                                 |
| Tswelopele    | Yes                                | No                          | Yes                      | Yes                              | Yes (developed in collaboration with district) | No                                 |
| Tokologo      | No – participate in district forum | No                          | Yes                      | Yes                              | Yes (developed in collaboration with district) | No                                 |
| Nala          | No – participate in district forum | No                          | No                       | No                               | Yes (developed in collaboration with district) | No                                 |

## Traditional Affairs

Recognised traditional leadership in the Free State province is situated in three Municipal areas, namely Maluti A Phofung Local municipality, Phumelela Local Municipality and Mangaung Metropolitan Municipality.

The traditional leadership is as follows: Bakoena kingdom, which comprises of seven traditional communities, Batlokoa ba Mokotleng kingdom, which comprises of three traditional communities and Kholokoe traditional community, they are all residing within Maluti A Phofung Local municipality. Batlokoa ba Mokgalong traditional community resides in Phumelela Local Municipality and Barolong boo-Seleka traditional community resides in the Mangaung Metropolitan Municipality.

Prior to 1994, traditional leadership in the province was administered by the QwaQwa Administration of Authorities Act, Act No. 6 of 1983, Bophuthatswana Traditional Authorities Act, Act No. 23 of 1978, and the Black Administration Act, Act No. 38 of 1927.

The provincial government enacted the Free State Traditional Leadership and Governance Act, Act No. 8 of 2005, which repealed a part of the Black Administration Act and the whole of other mentioned pieces of legislation. The provincial government also enacted the Free State House of Traditional Leaders Act, Act No. 6 of 1994, which establishes the Free State House of Traditional Leaders. The development of the new legislation led to the establishment of transformed structures such as the Free State House of Traditional Leaders and traditional councils.

Before the process of the reconstitution of Traditional Councils in 2007, there were 105 recognized traditional leadership positions. After the reconstitution process, the total number of traditional leaders is 135, e.g.

- 1 Kings/Queens
- 1 Principal Traditional Leader
- 13 Senior Traditional Leaders
- 120 Headmen

The formula for the determination of the Kings' Council is still to be published by the Minister, which will inform the establishment of the Kings' Councils. Local Houses in Thabo Mofutsanyana and Mangaung have also not been established as the Free State Legislature has not yet passed the Bill on the Provincial and Local Houses. All staff members of Traditional Councils were absorbed into suitable posts on the structure of the department to improve the efficiency of Councils. Support staff was also appointed for the Kings, the Chairperson and the Deputy Chairperson of the House. Free State House of Traditional Leaders Executive Committee Members were also appointed on a full-time basis.

Tools of trade were provided to the Kings, Senior Traditional Leaders and Members of the House, e.g. vehicles, cell phones, 3G Internet access and laptops. New members were inaugurated and sworn in, functional committees of the House were established and the opening of the House took place successfully. The reconstitution of traditional council's process was finalised except Barolong boo Seleka Traditional Council due to conflict on who is the rightful successor to the late kgosi Gaopalelwe Moroka. This conflict was investigated by the Commission on Traditional Leadership Disputes and Claims and its findings were submitted to the office Premier of the Free State but the pronouncement on that report has yet to be done by the Premier. In the interim an acting senior traditional leader has been appointed for Barolong boo Seleka Traditional Council to assist the community with service delivery. Members of the reconstituted traditional councils have been formally appointed on the 1 February 2016 and they

are given an allowance of R400.00 per person per month until the end of August 2017 when traditional councils will be reconstituted.

Only one vacant position of a senior traditional leader to replace the newly appointed principal traditional leader and the seven (7) headmen vacant positions due to the passed on of traditional leaders.

Traditional affairs within the Free State Province face the following challenges:

- a) Insufficient staff and/or budget that affects the efficacy of the House.
- b) The manner in which Initiation Schools are managed within the province remains one of the biggest challenges in that the Free State Initiation Schools Health Act provides a very limited role for traditional leaders, even though they are the custodian of traditional culture. The House is often not consulted until such time when specific challenges are experienced within initiation schools. The House is in negotiation with the Department of Health (who is the custodian of the Initiation Schools Health Act) towards amending or repealing relevant legislation towards allocating more powers to traditional leaders and to include offences for any wrong-doing.
- c) Insufficient budget to implement all tools of trades for Traditional Leadership.
- d) Dilapidated infrastructure at the majority of TCs
- e) Lack of proper security
- f) Limited elementary skills amongst some officials and traditional leaders
- g) Language barriers and preference of traditional leaders
- h) Future role of traditional leaderships in the democratic state.
- i) Unclear roles and responsibilities between traditional leaders and councillors and ward committees.
- j) Development of ways of working with the Traditional Health Practitioners, the Department of health and Tourism and environmental affairs.
- k) The building of palaces for Morena e Moholo Mopeli and Principal Traditional Leader Mota.
- l) The delay in the promulgation of traditional leadership legislation.

## 1.2 Service Delivery Improvement Plan

| SERVICE IDENTIFIED FOR IMPROVEMENT  | SERVICE BENEFICIARY | Batho Pele Principle | CURRENT STANDARD (2016/2017)  | DESIRED STANDARD FOR 2017/2018   | PROGRESS AS AT 31 DECEMBER 2016  |
|---|---------------------|----------------------|---|--|--|
| Improved coordination and implementation of support interventions (programmes or projects) aimed at improving the service delivery capacity of municipalities | Municipalities      | Quantity:            | 50% of Municipal support initiatives aimed to improve the service delivery capacity of municipalities incorporated in / consolidated with the B2B Programme | 100% of Municipal support initiatives aimed to improve the service delivery capacity of municipalities incorporated in / consolidated with the B2B Programme | During the 2016/2017 financial year, the Department focused primarily on an assessment of the state of affairs in all B2B municipalities (i.e. on the extent to which B2B municipalities have developed and implemented B2B Action Plans, informed by the outcome of the diagnostic phase of the B2B). The impact of the B2B on the functioning of municipalities are determined by analysing the progress |
|   |                     | Quality:             | Plan of Action dealing with the way forward towards assessing the impact of MSIs on the service   | Phased-in implementation of the approved Plan of Action to assess the impact of MSIs on the service delivery   |  |

| SERVICE IDENTIFIED FOR IMPROVEMENT | SERVICE BENEFICIARY | Batho Pele Principle | CURRENT STANDARD (2016/2017)   | DESIRED STANDARD FOR 2017/2018   | PROGRESS AS AT 31 DECEMBER 2016   |
|------------------------------------|---------------------|----------------------|--|--|---|
|                                    |                     |                      | delivery capacity of municipalities developed and approved   | capacity of municipalities   | reports municipalities are required to submit (in relation to the implementation of the B2B Programme).<br><br>The extent to which municipalities have complied with B2B reporting requirements as at the end of the year under review is currently being assessed and will be reported in the 2016/2017 Annual Report. |
|                                    |                     | Consultation:        | Bi-Annual meetings to be held with municipalities on the extent to which the Plan of Action towards addressing service delivery gaps in municipalities are implemented (e.g. progress and challenges). All relevant (identified) stakeholders to participate in such meetings. | Quarterly meetings to be held with municipalities on the extent to which the Plan of Action towards addressing service delivery gaps in municipalities are implemented (e.g. progress and challenges). All relevant (identified) stakeholders to participate in such meetings. | Achieved; all B2B Municipalities are involved in the implementation of the B2B Programme. Regular meetings are held with B2B municipalities to discuss specific issues relating to the B2B Programme, especially towards ensuring the development and successful implementation of B2B Action Plans.                    |
|                                    |                     | Access:              | <ul style="list-style-type: none"> <li>• Written communication (e.g. letters, memoranda, etc.)</li> <li>• Electronic communication (e-mail / fax)</li> <li>• Meetings</li> <li>• Workshops</li> </ul>  | <ul style="list-style-type: none"> <li>• Written communication (e.g. letters, memoranda, etc.)</li> <li>• Electronic communication (e-mail / fax)</li> <li>• Meetings</li> <li>• Workshops</li> </ul>  | <ul style="list-style-type: none"> <li>• Written communication (e.g. letters, memoranda, etc.)</li> <li>• Electronic communication (e-mail / fax)</li> <li>• Meetings</li> <li>• Workshops</li> </ul>   |
|                                    |                     | Courtesy:            | <p>Telephonic enquiries will be responded to immediately</p> <p>Written enquiries will be responded to within 7 working days</p>   | <p>Telephonic enquiries will be responded to immediately</p> <p>Written enquiries will be responded to within 5 working days</p>   | <p>Achieved</p> <p>Achieved</p>   |

| SERVICE IDENTIFIED FOR IMPROVEMENT | SERVICE BENEFICIARY | Batho Pele Principle     | CURRENT STANDARD (2016/2017) | DESIRED STANDARD FOR 2017/2018 | PROGRESS AS AT 31 DECEMBER 2016  |
|------------------------------------|---------------------|--------------------------|------------------------------|--------------------------------|--|
|                                    |                     | Openness & Transparency: | Standard to be maintained    | Standard to be maintained      | <p>Achieved. During the year under review, the Department intensified the implementation of the Back to Basics programme to ensure local government structures serve our communities better, focussing on the following pillars:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Putting people first and engaging with communities.</li> <li><input type="checkbox"/> Delivering basic services in a more efficient and effective manner.</li> <li><input type="checkbox"/> Strengthening and improving on good governance and accountability.</li> <li><input type="checkbox"/> Ensuring sound financial management, thereby improving on delivering on the mandate of municipalities.</li> <li><input type="checkbox"/> Building capabilities by attracting a highly skilled and professional local government administration.</li> </ul> |
|                                    |                     | Information:             | Standard to be maintained    | Standard to be maintained      | <p>The Department's 2015/2018 Service Delivery Charter, inclusive of service standards, were approved, published on the Department's Website and populated in all buildings occupied by the Department.</p> <p>The 2015/2018 SDIP of the Department was approved and published on the Department's Website.</p> <p>The Department has submitted its 2015/2016 Annual Report to the FS</p>  |

| SERVICE IDENTIFIED FOR IMPROVEMENT | SERVICE BENEFICIARY | Batho Pele Principle | CURRENT STANDARD (2016/2017)  | DESIRED STANDARD FOR 2017/2018  | PROGRESS AS AT 31 DECEMBER 2016  |
|------------------------------------|---------------------|----------------------|---|---|--|
|                                    |                     |                      |   |   | Legislature on the 30 <sup>th</sup> of August 2016 (as per legal requirement), reflecting amongst others the extent to which the Department has complied with its service delivery standards and succeeded to implement its SDIP   |
|                                    |                     | Redress:             | Written enquiries and/or complaints from affected municipalities regarding MSIs will be formally responded to within 10 working days                          | Written enquiries and/or complaints from affected municipalities regarding MSIs will be formally responded to within 5 working days                           | Enquiries from municipalities regarding the B2B Programme are dealt with on an ongoing basis. No written complaints were received. Municipalities are also assisted with the implementation of the B2B Programme if and when they request such assistance and/or support.  |
|                                    |                     | Time:                | The planned service delivery improvements specified above will be achieved throughout the 2016/2017 financial year in accordance with the standards indicated | The planned service delivery improvements specified above will be achieved throughout the 2017/2018 financial year in accordance with the standards indicated | The B2B Programme is currently coordinated by the Director responsible for Municipal Performance Monitoring. The intention is however that the B2B Programme be coordinated by the unit responsible for Specialized Support and Interventions during the 2017/2018 financial year, supported by the respective Crack Team Leaders. |
|                                    |                     | Cost:                | R6,780,000 (as budgeted) and any other additional funding made available during the financial year for specific municipal support initiatives                 | R 7,119,000 (as budgeted) and any other additional funding made available during the financial year for specific municipal support initiatives                | No additional cost were incurred due to the Director responsible for Municipal Performance Monitoring continuing with the management and coordination of the B2B Programme (and not the unit responsible for MSIs)   |
|                                    |                     | Human Resources      | (i) 5 Project Directors with suitable skills and expertise in the following   | (ii) 5 Project Directors with suitable skills and expertise in the following  | During the year under review, the B2B Programme was coordinated by the Director responsible for  |

| SERVICE IDENTIFIED FOR IMPROVEMENT | SERVICE BENEFICIARY | Batho Pele Principle | CURRENT STANDARD (2016/2017)  | DESIRED STANDARD FOR 2017/2018  | PROGRESS AS AT 31 DECEMBER 2016  |
|------------------------------------|---------------------|----------------------|---|---|--|
|                                    |                     |                      | areas:<br>- All legislation applicable to municipalities<br>- Project Planning and Management<br>- Conflict Management<br>- Budget Management<br>- People Management<br>•3 Project Support Officer<br>•2 Administrative Officer | areas:<br>- All legislation applicable to municipalities<br>- Project Planning and Management<br>- Conflict Management<br>- Budget Management<br>- People Management<br>•3 Project Support Officer<br>•2 Administrative Officer | Municipal Performance Monitoring, supported by the relevant Crack Team Leaders. All officials within the Specialized Support and Intervention unit were also involved, as well as various middle managers within the Department (depending on the issue dealt with at the time). |

### 1.3 Organisational environment

The provincial sector departments responsible for local government and the Offices of the Premiers are the oversight, support and lead governance entities in provinces. In an earlier assessment done by the National Department of Cooperative Governance and Traditional Affairs, both Provincial Sector Departments and Departments of the Premiers have been found to be under-resourced and inadequately capacitated.

The lack of a common vision and a coordinated approach between national and provincial departments regarding supervision of the municipal system with no clear approach to support and intervention is also considered as one of the critical factors in the state of distress in municipalities.

Local municipalities are very vulnerable both from a revenue generation and from institutional development perspectives; they are located in economically depressed areas and have difficulty in attracting and retaining skilled managers, professionals, and technicians. It follows that some municipalities are thus seriously challenged to fulfil their obligations: they may be financially non-viable, articulate distress via heightened levels of community protests and be particularly vulnerable to political control and poor institutional management and compliance. Following the assessment referred to above, many of these challenges relate to the external environment, e.g.

- (a) National policies that impact on local government
- (b) The intergovernmental fiscal system for local government
- (c) The legislative and governance framework for local government
- (d) Monitoring and oversight of local government
- (e) Capacity building policies
- (f) Spatial legacies

Internal factors referred to that impact on municipal poor-performance are the following:

- (a) Political leadership
- (b) Organizational capacity
- (c) Good governance practices
- (d) Relevant policies and programmes to be implemented
- (e) Staffing and systems
- (f) Plans and budgets

As at the end of March 2017, the Department had 398 filled and funded vacant posts, of which 352 (88.44%) represent filled posts, and 46 (11.56%) represent funded vacant posts. This can be illustrated as follows per salary level:

| Salary level | No. of approved (filled and funded vacant) posts | No. of approved posts filled | No. of Funded approved Vacancies (variance) |
|--------------|--|------------------------------|---|
| 1            | 0  | 0                            | 0   |
| 2            | 17   | 15                           | 2   |
| 3            | 36   | 32                           | 4   |
| 4            | 6  | 5                            | 1   |
| 5            | 30   | 27                           | 3   |
| 6            | 17   | 15                           | 2   |
| 7            | 105  | 94                           | 11  |
| 8            | 39   | 36                           | 3   |
| 9            | 48   | 41                           | 7   |
| 10           | 6  | 5                            | 1   |
| 11           | 32   | 27                           | 5   |
| 12           | 29   | 27                           | 2   |
| 13           | 24   | 19                           | 5   |
| 14           | 4  | 4                            | 0   |
| 15           | 3  | 3                            | 0   |
| 16           | 1  | 1                            | 0   |
| MEC          | 1  | 1                            | 0   |
| <b>TOTAL</b> | <b>398</b>                                       | <b>352</b>                   | <b>46</b>                                   |

As can be seen from the above, 250 (71%) of the 352 filled posts are production posts, e.g. posts from level 1 to level 8. The majority of these posts are however posts attached to the Traditional Councils, e.g. Programmes 4 and 5. 69 (20%) of the 352 filled posts are on middle management level and 32 (9%) of the 352 filled posts are on senior management level (including the Head of Department but excluding the MEC).

Considering the mandate of the Department, e.g. to monitor, support, assist and advise municipalities on matters related to municipal service delivery, it is clear that the Department has limited capacity to provide hands-on support and assistance to municipalities in all areas of municipal services on a continuous basis. Taking into account serious budget constraints within the Free State Province, the Department will review its organizational structure and post establishment during a 2-day workshop towards ensuring that all human resources of the Department are utilized maximally towards achieving the strategic objectives and related targets of the Department.

## 1.4 Key policy developments and legislative changes

### 1.4.1 Revisions to the Legislative and Other Mandates

- a) The Spatial Planning and Land Use Management Act, Act 16 of 2013 (SPLUMA) commenced on 1<sup>st</sup> July 2015. In terms of the SPLUMA, all land development applications must be submitted to a municipality as the authority of first instance. This implies that the Department of Cooperative Governance and Traditional Affairs will no longer receive land development applications. In ensuring uninterrupted service delivery, the operation of the Land Use Advisory Board has been extended to 30 June 2017. A new Provincial Planning Bill, once promulgated, will stipulate transitional measures regarding outstanding development applications lodged pre-SPLUMA in terms of the defunct legislation. The draft Bill as well as consultation with relevant stakeholders has been completed. The Bill is in the process of being referred to the Free State Legislature for promulgation.
- b) The Traditional Affairs Bill will, once enacted, effect the following changes:
  - i. The development of provincial legislation towards ensuring alignment to national legislation;
  - ii. Increased cost implications
  - iii. Tools of trade for newly recognized traditional communities and leaders.
- c) The Free State Traditional Leadership Governance Amendment Bill, 2016 will affect the following changes:
  - i. The recognition of Principal Traditional Leadership and establishment of Traditional Council
  - ii. Increased cost implications

## 2. STRATEGIC OUTCOME-ORIENTED GOALS

The strategic goals of the Department identified during the development of the 2015/2020 Strategic Plan of the Department were as follows:

### 2.1 Goal 1: Creation of a department geared towards service excellence

This goal strives to ensure that leadership and support are provided to the Department in accordance with all applicable Acts and policies, thereby enhancing the effective and efficient functioning of the Department. The Department's performance against this goal, and more specifically in relation to the strategic objective indicators and related targets, was as follows at the 31<sup>st</sup> of March 2017:

|    | Strategic Objective Indicators and Targets for 2016/2017   | Planned Target 2016/2017 | Actual Achievement | Remarks  |
|----|--|--------------------------|--------------------|--|
| 1. | Increased compliance with Level 3 of the Management Performance Assessment Tool (MPAT) standards for each cycle                | 80%                      | 74%                | Although the Department improved in many areas (compared to the MPAT 2015 results), the Department in general regressed in the Human Resources Management KPA.   |
| 2. | No. of departmental employees targeted through information sessions towards improving the functioning of the Department as per | 50%                      | 55%                | The information sessions dealt with matters related to planning, monitoring and evaluation, performance management, human resources management, employee relations, employee health and wellness, record management, |

| Strategic Objective Indicators and Targets for 2016/2017 |   | Planned Target 2016/2017                                   | Actual Achievement                                     | Remarks   |
|--|---|--|--|---|
|  | MPAT standards  |  |  | information technology, Batho Pele, financial administration and supply chain management practices and processes.   |
| 3.   | National Operations Management Framework and Methodology Framework successfully implemented towards improving identified operations of the Department | 1  | 1  | Standard Operating Procedures were developed for (a) the management of leave, both annual leave and sick leave, and (b) Filling of Vacant posts, either through the advertisement and filling of a post or through lateral transfers.   |
| 4.   | All critical funded posts filled  | 100% (23 remaining and all other posts that become vacant) | 8 (80%) (from 10 advertised posts)                     | The 2 posts that were advertised but not filled is the post of Director: Human Resources Management and the Director: Supply Chain Management. Steps have however been taken to fill these posts early in the 2017/2018 financial year. |
| 5.   | Reasonable functional accommodation secured that facilitates the attainment of the Department's service delivery objectives                           | 1  | 1  | -   |
| 6.   | Unqualified Audit Report with no matter of emphasis   | 1  | 1 (Unqualified Audit Report with 1 matter of emphasis) | -   |
| 7.   | Increased compliance with KCM standards   | 88%  | 100%   | Department has fully complied with the standards of KCM.  |

## 2.2 Goal 2: Strengthening of cooperative governance

Through the achievement of this goal, the Department strove to facilitate the creation of accountable and sustainable local governance through effective collaboration with all stakeholders. The Department's performance against this goal, and more specifically in relation to the strategic objective indicators and related targets, was as follows as at the 31<sup>st</sup> of March 2017:

| Strategic Objective Indicators and Targets for 2016/2017 |   | Planned Target 2016/2017 | Actual Achievement 2016/2017   | Remarks   |
|--|---|--------------------------|--|---|
| 1.   | No. of municipalities that have adopted standardized or customized municipal by-laws                | 22                       | 19   | It is foreseen that all municipalities will adopt customized by-laws during the 2017/2018 financial year.   |
| 2.   | No. of municipalities complying with MSA Regulations in relation to the filing of their top 4 posts | 13                       | 4 <ul style="list-style-type: none"> <li>• Mangaung</li> <li>• Dihlabeng</li> <li>• Moqhaka</li> <li>• Ngwathe</li> </ul>  | As employment contracts are coming to an end due to the beginning of a new council term (as per prevailing legislation), the Department will continue to monitor the extent to which all municipalities comply with MSA Regulations when filling their top 4 posts (following the advertisement process). |
| 3.   | No. of municipalities who have filled their top 4 posts   | 13                       | 12 <ul style="list-style-type: none"> <li>• Mangaung</li> <li>• Mantsopa</li> <li>• Thabo Mofutsanyana</li> <li>• Setsoto</li> <li>• Tswelopele</li> <li>• Fezile Dabi</li> <li>• Mafube</li> <li>• Metsimaholo</li> </ul> | Employment Contracts coming to an end due to beginning of a new council term as per legislation.  |

| Strategic Objective Indicators and Targets for 2016/2017 |   | Planned Target 2016/2017 | Actual Achievement 2016/2017   | Remarks   |
|--|---|--------------------------|--|---|
|  |   |                          | <ul style="list-style-type: none"> <li>• Matjhabeng</li> <li>• Lejweleputswa</li> <li>• Moqhaka</li> <li>• Ngwathe</li> </ul>  |   |
| 4.   | No. of municipalities with functional Performance Management Systems  | 10                       | 15: <ul style="list-style-type: none"> <li>• Xhariep</li> <li>• Mohokare</li> <li>• Kopanong</li> <li>• Masilonyana</li> <li>• Tswelopele</li> <li>• Lejweleputswa</li> <li>• Fezile Dabi</li> <li>• Mafube</li> <li>• Moqhaka</li> <li>• Metsimaholo</li> <li>• Thabo Mofutsanyana</li> <li>• Setsoto</li> <li>• Dihlabeng</li> <li>• Mantsopa</li> <li>• Nketoana</li> </ul> | The evolving high vacancy rate amongst senior management positions in municipalities (i.e. a number of employment contracts are coming to an end), negatively impacted on the extent to which municipalities have functional Performance Management Systems.  |
| 5.   | No of municipalities who submit their annual performance reports as per section 46 of Municipal Systems Act   | 22                       | 21   | The Section 46 Report of the Maluti-a-Phofung LM was outstanding due to the audit outcome for 2015/2016 still being outstanding at the time   |
| 6.   | No. of municipalities who submitted Section 57 Managers' signed employment contracts within due dates   | 16                       | 23   | -   |
| 7.   | Improved average monthly collection rate on billings within municipalities  | 80%                      | 3%   | Except for monitoring trends and rendering advice the Department has no direct control or influence over credit control and debt collection in Municipalities. The Debtor data bases of many Municipalities are outdated and with inadequate or incorrect billing information, which seriously constrains credit control and debt collection. Aging infrastructure and capacity constraints further hamper efforts at suspending services to defaulters as a means of credit control. |
| 8.   | % Reduction of debt owed to municipalities  | 20%                      | 0%   |   |
| 9.   | No. of municipalities with debtors more than 50% of own revenue   | 18                       | 18   | Issues such as obsolete debtor databases, incorrect billing, aging infrastructure and internal capacity constraints contributes to outstanding debtors.   |
| 10.  | No. of municipalities with unqualified audits: <ul style="list-style-type: none"> <li>• District Municipalities</li> <li>• Local Municipalities</li> </ul>                                | 2<br>10                  | 3<br>11  | There was a major improvement in the audit opinions of municipalities (compared to the previous year's audit findings).   |
| 11.  | No. of municipalities with expenditure management systems: <ul style="list-style-type: none"> <li>• District Municipalities</li> <li>• Local Municipalities</li> </ul>                    | 4<br>18                  | 4<br>18  | Municipalities will be obliged to comply in terms of MSCOA. Provincial Treasury rendering support in this regard.   |
| 12.  | No. of municipalities with credible and standardized cash management systems: <ul style="list-style-type: none"> <li>• District Municipalities</li> <li>• Local Municipalities</li> </ul> | 4<br>18                  | 4<br>18  | Municipalities will be obliged to comply in terms of MSCOA. Provincial Treasury rendering support in this regard.   |
| 13.  | No. of municipalities with functional audit committees: <ul style="list-style-type: none"> <li>• District Municipalities</li> <li>• Local Municipalities</li> </ul>                       | 4<br>18                  | 4<br>18  | The Department monitors and exercises oversight and provides advice. Municipal Audit Committees are in the most instances constrained by the available capacity in Internal Audit Units.  |
| 14.  | No of municipalities with Audit Action Plans that have been assessed to adequately address AG's findings  | 22                       | 18   | Though Municipalities do submit Audit Remedial Action Plans as a compliance matter, the actual implementation of remedial actions is constrained by internal capacity deficiencies as well as the extent and scope of some audit findings. However, Free State  |

| Strategic Objective Indicators and Targets for 2016/2017 |  | Planned Target 2016/2017   | Actual Achievement 2016/2017  | Remarks  |
|--|--|--|---|--|
|  |  |  |   | Municipalities made major progress in addressing audit findings and improving Audit Outcomes   |
| 15.  | No. of functional Ward Committees with ward operational plans  | All Ward Committees in the following 10 municipalities: <ul style="list-style-type: none"> <li>• Mafube</li> <li>• Metsimaholo</li> <li>• Moqhaka</li> <li>• Phumelela</li> <li>• Nketoana</li> <li>• Setsoto</li> <li>• Nala</li> <li>• Tswelopele</li> <li>• Mohokare</li> <li>• Tokologo</li> </ul> | 167 Ward Committees in the following 9 municipalities: <ul style="list-style-type: none"> <li>• Mafube</li> <li>• Metsimaholo'</li> <li>• Moqhaka</li> <li>• Nketoana</li> <li>• Setsoto</li> <li>• Tswelopele</li> <li>• Mohokare</li> <li>• Tokologo</li> <li>• Matjhabeng</li> </ul> | The Ward Committees in two of the initial targeted municipalities could not be assisted to develop their ward operational plans because of internal challenges, which led to members of ward committees not pitching up for the workshop. The Department however succeeded to support the Ward Committees of the Matjhabeng Municipality with their ward operational plans |
| 16.  | No. of municipalities with ward level database reflecting community concerns and remedial actions produced | 10   | 9 <ul style="list-style-type: none"> <li>• Mafube</li> <li>• Metsimaholo</li> <li>• Moqhaka</li> <li>• Nketoana</li> <li>• Setsoto</li> <li>• Tswelopele</li> <li>• Mohokare</li> <li>• Tokologo</li> <li>• Matjhabeng</li> </ul>   | Two of the initial targeted municipalities could not be assisted to develop their ward operational plans because of internal challenges, which led to members of ward committees not pitching up at the workshop. However, Matjhabeng was therefore instead assisted with the development of their plans   |
| 17.  | No. of community report-back meetings convened by Councillors in each ward                                 | 4  | 4   | -  |
| 18.  | No. of municipalities with mechanisms and forums to include vulnerable groups in core municipal processes  | 18   | 18  | -  |
| 19.  | Community participation in ward committee election processes   | 100%   | 100%  | -  |
| 20.  | No. of municipalities implementing Back to Basics Support Plans  | 9  | 6: <ul style="list-style-type: none"> <li>• Mafube</li> <li>• Ngwathe</li> <li>• Letsemeng</li> <li>• Phumelela</li> <li>• Moqhaka</li> <li>• Masilonyana</li> </ul>  | The high vacancy rate of senior management positions (as a result of numerous employment contracts of existing senior managers coming to an end) disrupted the implementation of the programme.  |
| 21.  | No. of municipalities implementing the gender policy framework   | 6  | 0   | The Department is working closely with municipalities in this area of work towards ensuring that the gender policy framework is rolled-out to identified municipalities during the 2017/2018 financial year.   |

### 2.3 Goal 3: Integrated development and planning

This goal aims to promote and facilitate integrated development and planning on local government level. The Department's performance against this goal, and more specifically in relation to the strategic objective indicators and related targets, was as follows at the 31<sup>st</sup> of March 2017:

| Strategic Objective Indicators and Targets for 2016/2017 |  | Planned Target 2016/2017 | Actual Achievement 2016/2017   | Remarks |
|--|--|--------------------------|--|---------|
| 1.   | No. of municipalities with functional Geographical Information Systems | 8                        | 8: <ul style="list-style-type: none"> <li>• Moqhaka</li> <li>• Masilonyana</li> <li>• Setsoto</li> <li>• Mohokare</li> <li>• Maluti-a-Phofung</li> <li>• Matjhabeng</li> <li>• Tokologo</li> </ul> | -       |

| Strategic Objective Indicators and Targets for 2016/2017 |  | Planned Target 2016/2017 | Actual Achievement 2016/2017  | Remarks  |
|--|--|--------------------------|---|--|
|  |  |                          | <ul style="list-style-type: none"> <li>• Tswelopele</li> </ul>  |  |
| 2.   | No. of municipalities with updated SDFs                        | 8                        | 5: <ul style="list-style-type: none"> <li>• Ngwathe</li> <li>• Metsimaholo</li> <li>• Mohokare</li> <li>• Mafube</li> <li>• Phumelela</li> </ul>  | The Spatial Development Frameworks of Tokologo, Maluti-a-Phofung and Nketoana are still in the process of being drafted.   |
| 3.   | No. of local municipalities with LUMSs                         | 4                        | -   | The Land Use Management Schemes of Tokologo, Maluti-a-Phofung and Nketoana are still in the process of being drafted.  |
| 4.   | Fully functional Provincial Planning Forum                     | 1                        | 1   | -  |
| 5.   | No. of municipalities with updated LED strategies              | 23                       | 13 <ul style="list-style-type: none"> <li>• Xhariep</li> <li>• Mohokare</li> <li>• Lejweleputswa</li> <li>• Masilonyana</li> <li>• Setsoto</li> <li>• Nketoana</li> <li>• Mantsopa</li> <li>• Fezile Dabi</li> <li>• Ngwathe</li> <li>• Metsimaholo</li> <li>• Mafube</li> <li>• Tswelopele</li> <li>• Moqhaka</li> </ul>   | The Department is continuously supporting municipalities towards ensuring that their LED strategies are updated.   |
| 6.   | No. of municipalities with functional LED units                | 23                       | 21  | The Phumelela and Moqhaka municipalities do not have functional LED units. Moqhaka however advertised their LED position towards ensuring that their LED unit becomes operational. |
| 7.   | No. of municipalities implementing the CWP in at least 2 wards | 18                       | 18 <ul style="list-style-type: none"> <li>• Letsemeng</li> <li>• Mantsopa</li> <li>• Mohokare</li> <li>• Naledi</li> <li>• Mangaung</li> <li>• Metsimaholo</li> <li>• Ngwathe</li> <li>• Moqhaka</li> <li>• Dihlabeng</li> <li>• Maluti a Phofung</li> <li>• Nketoana</li> <li>• Phumelela</li> <li>• Setsoto</li> <li>• Tokologo</li> <li>• Nala</li> <li>• Matjhabeng</li> <li>• Masilonyana</li> <li>• Tswelopele</li> </ul> | -  |
| 8.   | No. of municipalities with business development forums         | 23                       | 12 <ul style="list-style-type: none"> <li>• Xhariep,</li> <li>• Mohokare,</li> <li>• Mangaung,</li> <li>• Lejweleputswa,</li> <li>• Tokologo,</li> <li>• Tswelopele,</li> <li>• Nala,</li> <li>• Thabo Mofutsanyana,</li> <li>• Masilonyana,</li> <li>• Setsoto,</li> <li>• Fezile Dabi,</li> </ul>   | The Department is continuously supporting municipalities towards ensuring that they have established business development forums.  |

| Strategic Objective Indicators and Targets for 2016/2017 |   | Planned Target 2016/2017     | Actual Achievement 2016/2017   | Remarks  |
|--|---|------------------------------|--|--|
|  |   |                              | <ul style="list-style-type: none"> <li>Nketoana</li> </ul>   |  |
| 9.   | No. of (temporary) jobs created through MIG projects  | 4000                         | 2599   | The Department has achieved 2599 of the targeted 4000 Jobs were achieved at the end of March 2017 in the 2016/2017 MIG financial year (July 2016 –June 2017)   |
| 10.  | No. of work opportunities created through the CWP in municipalities   | 15,000                       | 21,459   | The Free State Province was allocated an additional 1600 work opportunities to provide for the 2016/17 financial year, which would ensure a participation rate of 23 000 by the 31 March 2017. Department tracked the 21,459 work opportunities created through municipalities of the province.  |
| 11.  | No. of indigent households with access to free basic services: <ul style="list-style-type: none"> <li>Water</li> <li>Refuse Removal</li> <li>Electricity</li> <li>Sanitation</li> </ul> | 100%<br>100%<br>100%<br>100% | 189,225 (101%)<br>127,482 (77%)<br>#149,512 (90%)<br>127,482 (76%)   | The Department has identified the following: <ul style="list-style-type: none"> <li>For water in most municipalities is provided on a brought basis due to lack of matter in some areas.</li> <li>The ingenious household for electricity was not reached due to non-collection of electric tokens;</li> <li>Sanitation in some areas the indigents are still using bucket system.</li> <li>Refuse removal at some areas municipality does not collect. e.g. informal settlements</li> </ul> |
| 12.  | No. of municipalities that have updated indigent Registers for the provision of free basic services   | 19                           | 19<br>(all local municipalities and the Mangaung Metro)  | -  |
| 13.  | No. of (pre-2004) households with access to basic water supply  | 611,461                      | 610,054  | The biggest challenge remain to be Qwaqwa insofar as water provision for toilets are concerned, primarily due to incomplete RBIG projects and the effect of the recent drought.  |
| 14.  | No. of households with access to electricity supply   | 915,606                      | 904,166  | The total number of collection will be only determined at the end of June 2017 due to municipal projects starting on their financial year.   |
| 15.  | No. of (pre-2004) households with access to basic level of sanitation services  | 615,909                      | 615,909  | -  |
| 16.  | No. of (pre-2004) households with access to basic refuse removal services   | 615,909                      | 615,909  | -  |
| 17.  | No. of functional Municipal Disaster Management Centres: <ul style="list-style-type: none"> <li>Metro</li> <li>District</li> </ul>  | 1<br>4                       | 1<br>4   | -  |
| 18.  | Functional: <ul style="list-style-type: none"> <li>Provincial DM Centre</li> <li>Provincial DM Advisory Forum</li> </ul>  | 1<br>1                       | 1<br>1   | -  |
| 19.  | No. of municipalities with updated Disaster Management Plans  | 12                           | 13 <ul style="list-style-type: none"> <li>Kopanong</li> <li>Mohokare</li> <li>Moqhaka</li> <li>Mantsopa</li> <li>Tokologo</li> <li>Nala</li> <li>Matjhabeng</li> <li>Lejweleputswa,</li> <li>Khariet</li> <li>Thabo Mofutsanyana</li> <li>Mangaung</li> <li>Tswelopele</li> <li>Fezile Dabi</li> </ul> | The Department has received a request of assistance to update their plan from Fezile Dabi municipality.  |
| 20.  | Updated and integrated Provincial Disaster  | 1                            | 1  | -  |

| Strategic Objective Indicators and Targets for 2016/2017 |   | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Remarks |
|--|---|--------------------------|------------------------------|---------|
|  | Management Plan   |                          |                              |         |
| 21.  | No. of municipalities with legally compliant IDPs:<br>• Metro<br>• District<br>• Local                              | 1<br>4<br>18             | 1<br>4<br>18                 | -       |
| 22.  | No. of municipalities that have adopted their IDPs:<br>• Metro<br>• District<br>• Local                             | 1<br>4<br>18             | 1<br>4<br>18                 | -       |
| 23.  | No. of institutions participating in the IDP processes:<br>• Metro<br>• District<br>• Local<br>• Sector Departments | 1<br>4<br>18<br>11       | 1<br>4<br>18<br>11           | -       |

## 2.4 Goal 4: Viable and sustainable Traditional Institutions and Goal 5: Functioning of the FS House of Traditional Leaders

The above two goals strive to promote, facilitate and maintain viable and sustainable Traditional Institutions and Development within the Free State Province and to promote and enhance the effective and efficient functioning of the FS House of Traditional Leaders and Traditional Councils. The Department's performance against this goal, and more specifically in relation to the strategic objective indicators and related targets, was as follows at the 31<sup>st</sup> of March 2017:

| Strategic Objective Indicators and Targets for 2016/2017 |  | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Remarks   |
|--|--|--------------------------|------------------------------|---|
| 1.   | % Reduction of audit findings iro Traditional Councils   | 7 (100%)                 | Unknown                      | No request for a follow-up audit towards determining the extent to which audit findings emanating from the previous year's audits were implemented was submitted to the Internal Audit, hence the actual achievement cannot be determined |
| 2.   | No. of meetings held by fully functional Committees of the House of Traditional Leaders        | 80                       | 13                           | The target was not fully achieved due to the Annual Plan reflecting meeting dates only being approved during the 3 <sup>rd</sup> quarter of the year under review.  |
| 3.   | No. of sittings held by the Executive Committee to review progress on decisions taken          | 24                       | 5                            |   |
| 4.   | No. of sittings held by the House of Traditional Leaders to review progress of the institution | 4                        | 10                           | The House held several special full sittings as per the directive of the Executive Committee.   |

## 3. PERFORMANCE INFORMATION BY PROGRAMME

### 3.1 Programme 1: Administration

#### a) Purpose of the Programme:

This programme aims to provide strategic direction, leadership and support to the Ministry and the Department

**b) Brief description of the Programme:**

This Programme consists of the following Sub-Programmes:

- i. Office of the MEC
- ii. Corporate Services

**c) Core services rendered by the Programme:**

- i. Human Resources Management, including Personnel Provisioning, Personnel Utilization and Employee Relations
- ii. Human Resources Planning and Information
- iii. Employee Health and Wellness
- iv. Special Programmes related to gender equality, people with disabilities, youth and women empowerment.
- v. Human Resources Skills Development
- vi. Employee Performance Management
- vii. Structural Designing, including job evaluation, change management / transformation and the rendering of technical support on job descriptions
- viii. Service Delivery Planning and Improvement
- ix. Strategic Planning, Monitoring and Evaluation
- x. Risk Management
- xi. Corporate Communication
- xii. Information Technology
- xiii. Auxiliary Services, including occupational health and safety, record management, executive committee support services, etc.
- xiv. Support to the HoD (Office of the HoD)
- xv. Support to the MEC (Office of the MEC)
- xvi. Internal Audit
- xvii. Security Management and Anti-Corruption
- xviii. Budget Management
- xix. Financial Management
- xx. Supply Chain Management, including asset management

**d) Strategic Objectives, Programmes and Sub-Programme Plans:**

| Programme Performance Indicator   | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation | Comment on deviation  |
|---|------------------------------|--------------------------|------------------------------|-----------|---|
| <b>Sub-Programme: Corporate Services</b>  |                              |                          |                              |           |   |
| 1. Monitor the extent to which the Department complies with legal and other requirements as per the Management Performance Assessment Tool (MPAT)                         | 4                            | 2                        | 2                            | -         | -   |
| 2. No. of information / training / induction sessions held within the Department towards improving the knowledge and understanding of employees on departmental policies: |                              |                          |                              |           |   |
| • Skills Development  | 4                            | 4                        | 4                            | -         | -   |
| • Employee Health and Wellness  | 4                            | 4                        | 3                            | -1        | Due to the local elections held in 2016 and considering the mandate of the Department, most (line-function) departmental employees were engaged in municipal activities during the 3rd quarter, and therefore not available to attend departmental information sessions; hence the annual planned target could not be fully achieved. |

| Programme Performance Indicator   | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation | Comment on deviation  |
|---|------------------------------|--------------------------|------------------------------|-----------|---|
| • Employee Relations  | 4                            | 4                        | 4                            | -         | -   |
| • Discipline  | 4                            | 4                        | 3                            | -1        | Due to the local elections held in 2016 and considering the mandate of the Department, most (line-function) departmental employees were engaged in municipal activities during the 3rd quarter, and therefore not available to attend departmental information sessions; hence the annual planned target could not be fully achieved. |
| • Planning, Monitoring and Evaluation                                     | 4                            | 4                        | 4                            | -         | -   |
| • Employee Performance Management   | 4                            | 4                        | 4                            | -         | -   |
| • Job Profiling   | 4                            | 4                        | 4                            | -         | -   |
| • Batho Pele  | 4                            | 4                        | 4                            | -         | -   |
| • Information Technology  | 4                            | 4                        | 3                            | -1        | Due to the local elections held in 2016 and considering the mandate of the Department, most (line-function) departmental employees were engaged in municipal activities during the 3rd quarter, and therefore not available to attend departmental information sessions; hence the annual planned target could not be fully achieved. |
| • Risk Management   | 4                            | 4                        | 3                            | -1        | Due to the local elections held in 2016 and considering the mandate of the Department, most (line-function) departmental employees were engaged in municipal activities during the 3rd quarter, and therefore not available to attend departmental information sessions; hence the annual planned target could not be fully achieved. |
| • Internal Audit  | 4                            | 4                        | 4                            | -         | -   |
| • Security Management and Anti-Corruption                                 | 4                            | 4                        | 4                            | -         | -   |
| • Record Management   | 4                            | 4                        | 3                            | -1        | Due to the local elections held in 2016 and considering the mandate of the Department, most (line-function) departmental employees were engaged in municipal activities during the 3rd quarter, and therefore not available to attend departmental information sessions; hence the annual planned target could not be fully achieved. |
| 3. • Budget - and Financial Management                                    | 4                            | 4                        | 4                            | -         | -   |
| • Supply Chain Management   | 4                            | 4                        | 3                            | -1        | Due to the local elections held in 2016 and considering the mandate of the Department, most (line-function) departmental employees were engaged in municipal activities during the 3rd quarter, and therefore not available to attend departmental information sessions; hence the annual planned target could not be fully achieved. |
| 4. No. of identified operations improved through business process mapping | 4                            | 7                        | 7                            | -         | -   |

| Programme Performance Indicator |   | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation | Comment on deviation |
|---------------------------------|---|------------------------------|--------------------------|------------------------------|-----------|----------------------|
|                                 | <ul style="list-style-type: none"> <li>• Rendering of support and assistance to municipalities on matters relating to service delivery</li> <li>• Management of leave</li> <li>• Procurement of goods and services</li> <li>• Filling of vacant posts</li> <li>• Appointment and transfer processes</li> <li>* Pay sheet certification</li> <li>* Management of complaints received via the Presidential Hotline</li> </ul> |                              |                          |                              |           |                      |
| 5.                              | Monitor the non-financial performance of the Department as per the Annual Performance Plan  | 4                            | 4                        | 4                            | -         | -                    |
| 6.                              | Monitor the extent to which critical vacancies are filled   | 4                            | 4                        | 4                            | -         | -                    |
|                                 | Monitor the extent to which employees are accommodated in reasonable functional accommodation   | 2                            | 2                        | 2                            | -         | -                    |
| 7.                              | Monitor the extent to which departmental records are kept and maintained in accordance with the Department's updated Record Management System   | 2                            | 2                        | 2                            | -         | -                    |
| 8.                              | Monitor the extent to which Audit Action Plans are implemented successfully   | 4                            | 4                        | 4                            | -         | -                    |
| 9.                              | Monitor the extent to which the Department complies with KCM standards  | 4                            | 4                        | 4                            | -         | -                    |
|                                 | Monitor budget spending vs cash flow projections  | 12                           | 12                       | 12                           | -         | -                    |
| 10.                             | Monitor irregular, unauthorized, wasteful expenditure   | 12                           | 12                       | 12                           | -         | -                    |
| 11.                             | Monitor the extent to which invoices are paid within 30 days  | 12                           | 12                       | 12                           | -         | -                    |

**e) Strategy to overcome areas of under-performance**

The targets not achieved relates to the provision of information sessions to departmental employees on matters related to corporate services. As this indicator has been included in the Annual Performance Plans of the Department during the past 5 years, the Department achieved its primary goal, hence the indicator was removed from the 2017/2018 Annual Performance Plan and replaced with more strategic indicators.

**f) Linking performance with budgets**

Expenditure recorded under this programme amounted to R 128,619 million (or 99,4 %) against the allocated budget of R 129,459 million, which resulted in an under-spending of R 840 thousand (or 0,6 %). The underspending can primarily be attributed to the successful implementation of cost containment measures and non-filling of critical vacant posts.

**g) Sub-programme expenditure**

| Sub- Programme Name | 2016/2017           |                    |                          | 2015/2016           |                    |                          |
|---------------------|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
|                     | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
|                     | R'000               | R'000              | R'000                    | R'000               | R'000              | R'000                    |
| Office of the MEC   | 11 116              | 11 039             | 77                       | 15 399              | 15 313             | 86                       |
| Corporate Services  | 118 343             | 117 580            | 763                      | 106 897             | 105 816            | 1 081                    |
| <b>Total</b>        | <b>129 459</b>      | <b>128 619</b>     | <b>840</b>               | <b>122 296</b>      | <b>121 129</b>     | <b>1 167</b>             |

### 3.2 Programme 2: Local Governance

#### a) Purpose of the Programme:

This programme aims at establishing, monitoring, regulating, strengthening, supporting and capacitating municipalities in terms of the Constitution of 1996

#### b) Brief description of the Programme:

This Programme consists of the following Sub-Programmes:

- i. Municipal Administration
- ii. Municipal Finance
- iii. Public Participation
- iv. Capacity Development
- v. Municipal Performance Monitoring, Reporting and Evaluation

#### c) Core services rendered by the Programme:

The services rendered by the Department in terms of this programme include:

- i. Ensuring compliance by and the effective functioning of municipalities within the approved regulatory framework
- ii. Monitoring and supporting municipalities towards ensuring financial viability
- iii. Promoting good governance service delivery and enhance community participation and strengthening IGR
- iv. Providing support and assistance towards accelerating municipal transformation and organizational development
- v. Monitoring, evaluating and reporting on municipal performance

The Department exercises its mandate in respect of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003), in partnership with the Free State Provincial Treasury. The Act entrusts Provincial Treasury and the Department with specific roles and responsibilities that are discharged independently, but in consultation with one another. The Act also provides that the Provincial Treasury and the Department exercise certain responsibilities jointly. A Memorandum of Understanding to this effect had been entered in to between the parties. The Provincial Treasury and the Department jointly convenes the MFMA Chief Financial Officer forum on a quarterly basis, where areas of mutual interest are discussed and best practices shared.

#### d) Strategic Objectives, Programmes and Sub-Programme Plans:

| Programme Performance Indicator                |  | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation | Comment on deviation   |
|--|--|------------------------------|--------------------------|------------------------------|-----------|--|
| <b>Sub-Programme: Municipal Administration</b> |  |                              |                          |                              |           |  |
| 1.   | No. of municipalities assisted and supported towards customizing and/or adopting municipal by-laws | 21                           | 22                       | 20                           | -2        | The following municipalities were assisted during the year: Xhariep, Kopanong, Tokologo, Letsemeng, Masilonyana, Thabo Mofutsanyana, Phumelela, Nketoana, MAP, Dihlabeng, Setsoto, Ngwathe, Matjhabeng, Nala, Tswelopele, Mantsopa, Metsimaholo, Mafube, Mohokare and Fezile Dabi. Due to newly-appointed Councils following the local elections, municipalities were engaged in various Councillor Training Programmes, resulting in them not being able to attend to engagements relating to the promulgation of municipal by-laws. This resulted in only 4 of the targeted 6 municipalities being supported on the customization, adoption and/or |

| Programme Performance Indicator         |   | Actual Achievement 2015/2016 | Planned Target 2016/2017   | Actual Achievement 2016/2017 | Deviation | Comment on deviation   |
|---|---|------------------------------|--|------------------------------|-----------|--|
|   |   |                              |  |                              |           | implementation of municipal by-laws during the 3rd quarter.  |
| 2.                                      | No. of municipalities supported on the implementation of municipal by-laws  | 21                           | 22   | 20                           | -2        | The following municipalities were supported:<br>Xhariep, Kopanong, Tokologo, Letsemeng, Masilonyana, Thabo Mofutsanyana, Phumelela, Nketoana, MAP, Dihlabeng, Setsoto, Ngwathe, Matjhabeng, Nala, Tswelopele, Mantsopa, Metsimaholo, Mafube, Mohokare and Fezile Dabi  |
| 3.                                      | Monitor the extent to which municipalities successfully implement remedial actions towards addressing forensic investigation findings | -                            | 1  | 1                            | -         | -  |
| 4.                                      | Report produced with suitable proposals towards assisting identified weaker local municipalities towards improved service delivery    | -                            | 1  | 1                            | -         | -  |
| <b>Sub-Programme: Municipal Finance</b> |   |                              |  |                              |           |  |
| 5.                                      | No. of municipalities guided to comply with MPRA by target date   | 17                           | 8:<br>• Mangaung<br>• Tswelopele<br>• Metsimaholo<br>• Nketoana<br>• Dihlabeng<br>• Letsemeng<br>• Moqhaka<br>• Mantsopa | 14                           | +6        | The following municipalities were guided to comply with the MPRA during the year under review: Kopanong, Mangaung, Moqhaka, Masilonyana, Nala, Ngwathe, Nketoana, Setsoto, Tokologo, Tswelopele, Metsimaholo, Dihlabeng, Letsemeng and Mantsopa. The Department overperformed against the annual target due to municipalities requesting the Department for specific assistance.   |
| 6.                                      | No. of municipalities supported to improve revenue management and debt collection   | 16                           | 4  | 8                            | +4        | The target was overachieved due to the National Department of Cooperative Governance appointing service providers under the MSIG Program to implement the Simplified Revenue Plan Program at the following Municipalities: Dihlabeng, MAP, Masilonyana, Nala, Ngwathe, Nketoana, Mafube and Phumelela. The Department forms part of the Steering Committee to implement the above Plan.  |
| 7.                                      | No. of municipalities with functional audit committees  | -                            | -  | -                            | -         | This (standardized) programme performance indicator is not relevant to the mandate of the Department (i.e. the Department has no control over municipalities to enforce the functionality of Audit Committees), hence the Department did not plan any target. The indicator must however be included in the APP to comply with legal requirements insofar as standardized (gazetted) programme performance indicators are concerned).          |
| 8.                                      | No. of municipalities monitored on implementation of Audit Response Plan based on the previous year's (2014/2015) audit outcomes      | 23                           | 22   | 22                           | -         | The status of the 2014/2015 Audit Response Plans (i.e. whether it was implemented in municipalities) was monitored in all municipalities. The 2014/2015 Audit Response Plan of Naledi could not be assessed due to the AG report still having to be tabled in Council), and Nala's 2014/2015 Audit Response Plan was incomplete. Based on AG findings, only the Fezile Dabi Municipality fully implemented their 2014/2015 Audit Response Plan |
| 9.                                      | Report on functional provincial Anti-Corruption technical working groups developed  | -                            | -  | -                            | -         | As the National Department of COGTA has at the time of developing the Department's 2016/2017 Annual Performance Plan, not concluded a National Framework in this regard (that will inform the process in provinces), the Department was not able to plan for any target in this area of work. For compliance   |

| Programme Performance Indicator            |   | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017     | Deviation | Comment on deviation   |
|--|---|------------------------------|--------------------------|----------------------------------|-----------|--|
|  |   |                              |                          |                                  |           | purposes, the indicator, which is a standardized (gazetted) indicator, must however be included in the Department's Annual Performance Plan.   |
| 10.  | No. of reports on fraud, corruption and maladministration cases reported and investigated                                       | 2                            | -                        | -                                | -         | As the Department did not have the required capacity to implement this standardized programme performance indicators, the Department did not plan any targets for these indicators. The indicator was however included in the Annual Performance Plan to comply with legal requirements insofar as standardized (gazetted) programme performance indicators are concerned.   |
| 11.  | Monitor the functionality of audit committees in municipalities   | 4                            | 2                        | 2                                | -         | -  |
| 12.  | Monitor compliance with the MPRA within municipalities  | -                            | 2                        | 2                                | -         | -  |
| 13.  | Monitor revenue management and debt collection within municipalities  | -                            | 2                        | 2                                | -         | -  |
| 14.  | No. of municipalities supported towards GRAP 17 compliance (asset registers)  | 14                           | 2                        | 4                                | +2        | Setsoto, Mantsopa, MAP and Matjhabeng were supported during the year under review. The Department over-performed against this planned target due to Setsoto and Mantsopa being included in the Municipal Support Programme during quarter 3.   |
| 15.  | No. of municipalities supported to implement financial turn-around plans  | -                            | 3                        | 3                                | -         | Although the Municipal Support Programme was terminated during Q1, the Department succeeded to support MAP, Metsimaholo and Ngwathe during the 1st, 2nd and 3rd quarter of the year under review.  |
| <b>Sub-Programme: Public Participation</b> |   |                              |                          |                                  |           |  |
| 16.  | No. of ward committees supported on implementation of ward operational plans  | 185                          | 10                       | 8 (targeting 95 ward committees) | -2        | The following municipalities were supported on the ward operational plans: Mafube, Metsimaholo, Nketoana, Setsoto, Matjhabeng, Tswelopele, Mohokare and Tokologo. Although meetings were arranged in Nala, the Ward Committee Members refused to attend the session due to them demanding a stipend of R1000.00 per month. With regard to Phumelela, all the necessary logistical arrangements were made with the municipality, however, on the eve of the event the Speaker requested that the date be postponed due to the municipality being involved with various IDP processes. |
| 17.  | No. of municipalities supported on the development of ward level database with community concerns and remedial actions produced | 21                           | 10                       | 8 (targeting 95 ward committees) | -2        | The following municipalities were supported on the ward operational plans: Mafube, Metsimaholo, Nketoana, Setsoto, Matjhabeng, Tswelopele, Mohokare and Tokologo. Although meetings were arranged in Nala, the Ward Committee Members refused to attend the session due to them demanding a stipend of R1000.00 per month. With regard to Phumelela, all the necessary logistical arrangements were made with the municipality, however, on the eve of the event the Speaker requested that the date be postponed due to the municipality being involved with various IDP processes. |
| 18.  | Report on the number of community report back meetings convened by Councillors in each ward                                     | 4                            | 1                        | 1                                | -         | -  |
| 19.  | Monitor the functionality of Ward Committees.   | 4                            | 1                        | 1                                | -         | -  |

| Programme Performance Indicator            |   | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation | Comment on deviation  |
|--|---|------------------------------|--------------------------|------------------------------|-----------|---|
| 20.  | Monitor the impact of the Complaints and Compliments Management System within municipalities  | 4                            | 4                        | 4                            | -         | -   |
| 21.  | Monitor the functionality of District IGR structures  | 4                            | 4                        | 4                            | -         | -   |
| 22.  | Monitor the extent to which municipalities have mechanisms to include vulnerable groups in core municipal processes   | 4                            | 4                        | 4                            | -         | -   |
| 23.  | Monitor community participation in ward committee election processes  | 4                            | 1                        | 1                            | -         | The Department monitored community participation in ward committee election processes on a quarterly basis during the year under review.  |
| 24.  | Monitor social cohesion initiatives in municipalities   | 4                            | 4                        | 4                            | -         | -   |
| 25.  | No. of capacity building sessions held towards assisting and supporting municipalities on the successful implementation of the Batho Pele Service Standards Framework for Local Government            | -                            | 2                        | 4                            | +2        | The Department prioritized this matter towards speeding up the successful roll-out of the Batho Pele Service Standards Framework in municipalities, hence more capacity building workshops than originally planned were held during the year under review.  |
| 26.  | Monitor the extent to which municipalities successfully implement the Batho Pele Service Standards Framework for Local Government   | -                            | 4                        | 4                            | -         | -   |
| 27.  | No. of capacity building workshops held towards supporting municipalities to:<br>• Develop ward-based service delivery dashboards<br>• Implement ward improvement plans that addresses basic services | -                            | 1<br>1                   | -<br>1                       | -1<br>-   | Development of Ward-Based Service Delivery Dashboards: The (national) Department of COGTA has indicated during 2015/2016 (when developing the 2016/2017 APP) that they will train provincial departments in this area of work towards enabling the latter to support municipalities on the development of ward-based service delivery dashboards. As National DCOG however did not provide any training in this regard nor provided any direction on the roll-out of the programme, the Department was unable to support municipalities; hence the quarterly (and annual) target was not achieved. This indicator was subsequently also removed from the 2017/2018 Annual Performance Plan of the Department.<br>Implementation of ward improvement plans: The Department supported 8 municipalities in this area of work, i.e. Mafube, Metsimaholo, Nketoana, Setsoto, Matjhabeng, Tswelopele, Mohokare and Tokologo |
| <b>Sub-Programme: Capacity Development</b> |   |                              |                          |                              |           |   |
| 28.  | No. of capacity building interventions conducted in identified municipalities   | 1                            | -                        | -                            | -         | -   |
| 29.  | Report on implementation of Back to Basics support plans by municipalities  | -                            | 1                        | 3                            | +2        | Additional reports were prepared and submitted if and when such reports were requested by structures as the Free State Executive Council, MINMEC, etc., hence the over-performance.   |
| 30.  | No. of municipalities supported to roll-out the gender policy framework   | -                            | 6                        | -                            | -6        | The roll-out of this programme will only be attended to during the 2017/2018 financial year due to the Department not having the required capacity in this regard during the year under review (as reported during  |

| Programme Performance Indicator                        |  | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation | Comment on deviation   |
|--|--|------------------------------|--------------------------|------------------------------|-----------|--|
|  |  |                              |                          |                              |           | previous quarters). In building the required capacity in the Department, two meetings were held with SALGA to prepare for the roll-out of the programme and to forge a working relationship with SALGA towards assisting the Department in this area of work. Six (6) municipalities were identified to mainstream transversal issues relating to HIV & AIDS, Gender Equality, Disability, Youth Empowerment and the protection of the elderly and children. A workshop that was convened by SALGA to induct municipalities in this regard were also attended by the Department. The unit responsible for this programme also attended a stakeholder's forum meeting arranged by the Department of the Premier, as well as the re-launch of the Lejweleputswa District AIDS Council. |
| 31.  | Report on the extent to which CDW, CWP participants and Ward Committee Members are involved with the implementation of the B2B Programme | 4                            | 1                        | 1                            | -         | -  |
| <b>Sub-Programme: Municipal Performance Monitoring</b> |  |                              |                          |                              |           |  |
| 32.  | No. of municipalities supported to comply with MSA Regulations (in relation to the filing of their top 4 posts)                          | 23                           | 13                       | 23                           | +10       | Due to the Department prioritizing this matter (following the August 2016 local elections resulting in the appointment of new Councillors), the Department over-performed against the target.  |
| 33.  | No. of municipalities supported to institutionalize the Performance Management System (PMS)  | 24                           | 16                       | 23                           | +7        | Due to the Department prioritizing this matter (following the August 2016 local elections resulting in the appointment of new Councillors), the Department over-performed against the target.  |
| 34.  | No. of municipal performance reports compiled as per the requirements of Section 47 of the MSA   | 1                            | 1                        | 1                            | -         | -  |
| 35.  | Monitor the extent to which the top 4 posts are filled within municipalities   | 4                            | 4                        | 4                            | -         | -  |
| 36.  | Monitor the institutionalization of the Performance Management System within municipalities  | 4                            | 4                        | 4                            | -         | -  |
| 37.  | Monitor the extent to which Section 57 managers have signed employment contracts and performance agreements within due dates             | 4                            | 4                        | 4                            | -         | -  |
| 38.  | No. of municipalities supported towards developing their annual performance reports in terms of Section 46 of the MSA                    | 23                           | 16                       | 23                           | +7        | The Department overperformed against the planned target due to the matter being prioritized by the Department as a result of the Draft Staff Regulations and guidelines being promulgated by the Minister for public comment on 23 September 2016, requiring from the Department to ensure that all municipalities are au fait with such regulations and its implications.   |
| 39.  | No. of workshops held towards supporting municipalities on the development and signing of employment contracts                           | -                            | 1                        | 9                            | +8        | The Department overperformed against the planned target due to the Department receiving additional requests for support.   |

| Programme Performance Indicator |   | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation | Comment on deviation |
|---------------------------------|---|------------------------------|--------------------------|------------------------------|-----------|----------------------|
|                                 | and performance agreements of Section 57 Managers   |                              |                          |                              |           |                      |
| 40.                             | Guidelines issued to municipalities to clarify contract positions versus permanent positions on senior management level | -                            | 1                        | 1                            | -         | -                    |

**e) Strategy to overcome areas of under-performance**

During the 2017/18 financial year, 100 ward committees will be supported with the development of ward operational plans and 18 municipalities will be supported with the development of a ward level database with community concerns and remedial actions produced. Insofar as the roll-out of the gender policy framework to municipalities are concerned, the Department is already working in partnership with SALGA towards assisting municipalities in this regard during the 2017/2018 financial year.

**f) Linking performance with budgets**

R 166,848 million (or 99,7 %) of expenditure was incurred under Programme 2 versus the allocated budget of R 167,381 million. The under spending realised amounts to R 533 thousand (or 0,3 %) and was as a result of the effective implementation of cost containment measures.

**g) Sub-programme expenditure**

| Sub-Programme Name   | 2016/2017           |                    |                          | 2015/2016           |                    |                          |
|--|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
|  | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
|  | R'000               | R'000              | R'000                    | R'000               | R'000              | R'000                    |
| Municipal Administration                                   | 17 336              | 17 123             | 213                      | 13 751              | 13 569             | 182                      |
| Municipal Finance  | 118 947             | 118 806            | 141                      | 78 909              | 78 682             | 227                      |
| Public Participation                                       | 15 896              | 15 825             | 71                       | 9 765               | 9 606              | 159                      |
| Capacity Development                                       | 8 536               | 8 504              | 32                       | 7 045               | 7 005              | 40                       |
| Municipal Performance Monitoring, Reporting and Evaluation | 6 666               | 6 590              | 76                       | 6 698               | 6 589              | 109                      |
| <b>Total</b>   | <b>167 381</b>      | <b>166 848</b>     | <b>533</b>               | <b>116 168</b>      | <b>115 451</b>     | <b>717</b>               |

**3.3 Programme 3: Development and Planning**

**a) Purpose of the Programme:**

This programme aims to facilitate and render support towards integrated planning and development on local government level

**b) Brief description of the Programme:**

This Programme consists of the following Sub-Programmes:

- i. Spatial Planning / Land Use Management
- ii. Local Economic Development (LED)
- iii. Municipal Infrastructure
- iv. Disaster Management
- v. IDP Coordination

**c) Core services rendered by the Programme:**

This Programme provides the following services within the Department:

- i. Promoting integrated and sustainable planning and development at local government sphere and the successful review and implementation of integrated SDFs
- ii. Supporting municipalities on matters related to sustainable spatial planning in terms of Spatial Planning and Land Use Management Act, Act 16 of 2013 (SPLUMA)
- iii. Ensuring the effective land use management in the Free State Province
- iv. Assisting and/or supporting municipalities on the promotion of local economic development
- v. Promoting, monitoring and supporting the successful implementation of the Municipal Infrastructure Programme within all municipalities
- vi. Assisting, supporting and monitoring municipalities towards providing free basic services to indigent people within the Free State Province
- vii. Managing, coordinating and supporting disaster prevention, -mitigation, -response and -recovery
- viii. Supporting municipalities with the development and implementation of credible municipal Integrated Development Plans (IDPs) towards integrated service delivery
- ix. Preventing, mitigating the impact of disasters and developing programmes aimed at disaster response and recovery.

Other stakeholders involved in the above services include:

- i. Sector Departments such as Health, Water Affairs, Mineral and Energy Affairs and Agriculture, National Human Settlements
- ii. Service Providers such as Water Boards and others
- iii. Parastatals such as ESKOM, TELKOM
- iv. SALGA
- v. Non Governmental Organisations of similar interests.

**d) Strategic Objectives, Programmes and Sub-Programme Plans:**

| Programme Performance Indicator        |  | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation | Comment on deviation   |
|--|--|------------------------------|--------------------------|------------------------------|-----------|--|
| <b>Sub-Programme: Spatial Planning</b> |  |                              |                          |                              |           |  |
| 1.                                     | No. of municipalities supported on the implementation of SPLUMA      | 24                           | 18                       | 19                           | +1        | The following 19 municipalities were supported during the year under review: Dihlabeng, Matjhabeng, Nala, Mohokare, Mangaung, Letsemeng, Ngwathe, Mantsopa, Setsoto, MAP, Metsimaholo, Mafube, Phumelela, Nketoana, Kopanong, Masilonyana, Moqhaka, Tswelopele and Tokologo. The Department over-performed due to the Mangaung Metro requesting support from the Department (i.e. they were not included during the initial planning process). |
| 2.                                     | No. of municipalities supported on the development of a Geographical | 8                            | 4                        | 4                            | -         | The Department supported Maluti-a-Phofung, Matjhabeng, Tokologo, Tswelopele municipalities during the period under review.   |

| Programme Performance Indicator                       |  | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation | Comment on deviation   |
|---|--|------------------------------|--------------------------|------------------------------|-----------|--|
|   | Information Systems (GIS)  |                              |                          |                              |           |  |
| 3.  | No. of municipalities supported with the updating of Spatial Development Frameworks in line with SPLUMA                | 4                            | 4                        | 10                           | +6        | The following ten (10) municipalities were supported during the year under review: Letsemeng, Mangaung, Tokologo, Tswelopele, Phumelela, Nketoana, Masilonyana, MAP, Setsoto and Mafube. The Department over-performed against the annual target due to additional requests for support being received from municipalities, thereby ensuring the successful implementation of SPLUMA.  |
| 4.  | No. of local municipalities supported on the compilation of Land Use Schemes in line with SPLUMA                       | 7                            | 4                        | 8                            | +4        | The following eight (8) municipalities were supported during the year under review: Letsemeng, Tokologo, Tswelopele, Masilonyana, MAP, Moqhaka, Mafube and Ngwathe. The Department over-performed against the annual target due to additional requests for support being received from municipalities, thereby ensuring the successful implementation of SPLUMA.   |
| 5.  | No. of meetings held by the Provincial Planning Forum  | 2                            | 2                        | 2                            | -         | -  |
| <b>Sub-Programme: Local Economic Development</b>      |  |                              |                          |                              |           |  |
| 6.  | No. of municipalities supported to implement Local Economic Development projects in line with municipal LED strategies | 24                           | 12                       | 20                           | +8        | The following 20 municipalities were supported during the year under review: Masilonyana, Kopanong, Mantsopa, Metsimaholo, Letsemeng, Mangaung, Ngwathe, Setsoto, Tswelopele, Xhariep, Nala, Dihlabeng, Mohokare, Lejweleputswa, Nketoana, Fezile Dabi, Matjhabeng, MAP, Mafube and Phumelela. The Department over-performed against this target due to specific requests for supporting being received from municipalities. |
| 7.  | No. of municipalities monitored to reduce cost of doing business through Red Tape Intervention                         | -                            | -                        | -                            | -         | As the (national) Department could not clarify the intention with this (standardized) programme performance indicator, the Department did not plan any target against this indicator. The indicator must however be included in the APP to comply with legal requirements.   |
| 8.  | No. of work opportunities created through the CWP in municipalities  | -                            | -                        | -                            | -         | As the Department has no control in terms of its constitutional mandate to enforce municipalities to report on these matters to the Department, the Department did not plan any target for this indicator. The indicator must however be included in the APP   |
| 9.  | No. of municipalities supported on the development of LED Strategies   | 24                           | 23                       | 23                           | -         | The Department supported all municipalities on the development and/or review of their LED strategies.  |
| 10.   | No. of municipalities supported on functional LED Units  | 24                           | 23                       | 23                           | -         | The Department supported all municipalities on the functionality of their LED units.   |
| 11.   | No. of municipalities supported on the establishment of business development forums                                    | 24                           | 14                       | 23                           | +9        | Although the Department planned to support only 14 municipalities, the Department used the opportunity created during LED Forum meetings to target more municipalities, hence the Department over-performed against the annual target by supporting all municipalities in this area of work.   |
| 12.   | No. of reports submitted on temporary jobs created through MIG   | 4                            | 4                        | 4                            | -         | -  |
| <b>Sub-Programme: Integrated Development Planning</b> |  |                              |                          |                              |           |  |
| 13.   | No. of municipalities supported with development of legally-   | 24                           | 23                       | 24                           | -         | The Mangaung Municipality, which was not originally included for support during the planning process, was also   |

| Programme Performance Indicator                |  | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation   | Comment on deviation  |
|--|--|------------------------------|--------------------------|------------------------------|-------------|---|
|  | compliant IDPs   |                              |                          |                              |             | supported (due them requesting support of this nature from the Department).   |
| 14.  | No. of municipalities monitored on the adoption of their IDPs:<br>• Metro<br>• District<br>• Local   | 1<br>4<br>19                 | 1<br>4<br>18             | 1<br>4<br>18                 | -<br>-<br>- | -   |
| 15.  | No. of support initiatives implemented and sustained towards improving municipal IDPs:<br>• Provincial IDP Managers Forum<br>• Provincial IDP Assessment Session | 2<br>1                       | 2<br>1                   | 2<br>1                       | -<br>-      | -   |
| <b>Sub-Programme: Municipal Infrastructure</b> |  |                              |                          |                              |             |   |
| 16.  | No. of functional coordinating structures for infrastructure development and service delivery<br>• MIG Coordinating Forum<br>• Basic Services Coordinating Forum | 16<br>2                      | 16<br>8                  | 16<br>8                      | -<br>-      | Quarterly MIG Forum meetings were held with all 18 Municipalities in the four Districts to address MIG expenditure, reporting, project implementation, challenges and remedial measures.  |
| 17.  | No. of municipalities assessed against (refuse removal) service delivery benchmarks:   | 3                            | -                        | -                            | -           | As the (national) Department of COGTA was not able to clarify what the intention of this (standardized) programme performance indicator is, the Department did not plan for any target during the planning process. The indicator was however included in the 2016/2017 Annual Performance Plan due to it being gazetted by National Treasury as a standardized programme performance indicator (i.e. for legal compliance).  |
| 18.  | No. of municipalities supported with service delivery programmes<br>• District Municipality<br>• Local Municipality  | -<br>4                       | 1<br>3                   | 4<br>6                       | +3<br>+3    | Over and above supporting the Xhariep DM and its local municipalities (i.e. Mohokare, Kopanong and Letsemeng), the Department supported all District Municipalities as well as the Nala, Tokologo, Masilonyana, Matjhabeng and Tswelopele Local Municipalities during the year under review due to them requesting such support.  |
| 19.  | No. of municipalities supported to implement indigent policies   | 20                           | 19                       | 18                           | -1          | The Department supported Moqhaka, Nala, Tswelopele, Tokologo, Mohokare, Ngwathe, MAP, Phumelela, Metsimaholo, Nketoana, Mantsopa, Masilonyana, Letsemeng, Kopanong, Mafube, Setsoto, Mangaung and Matjhabeng during the year under review. Although the Department initially (during the development of the APP) planned to support Dihlabeng, said municipality did not need any support from the Department as they succeeded to implement their indigent policy; the Department instead supported the Letsemeng local municipality, who required extended support from the Department, on two occasions towards enabling them to successfully implement their indigent policy. |
| 20.  | Monitor the extent to which qualifying households have access to basic services  | 4                            | 4                        | 4                            | -           | Water: 610,054 (99%) of the 615,909 target) Households were serviced;60 of the planned 5,915 connections were completed by the end of February 2017 in the 2016/2017 MIG financial year; however beneficiaries will only access water upon project completion. Contractor busy with the bulk water line therefore no progress on connections. It is envisaged that the remaining 5855 households will be eradicated in the 2017/2018 and 2018/2019 MIG financial years<br><br>Sanitation: The total target of 615,909   |

| Programme Performance Indicator           |   | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation | Comment on deviation  |
|---|---|------------------------------|--------------------------|------------------------------|-----------|---|
|   |   |                              |                          |                              |           | households were serviced in the 2015/2016 MIG financial year, thereby eradicating all backlogs pre 2004 in the Free State. The biggest challenge in Qwaqwa is the water resource (water for toilets), due to incomplete RBIG projects and the drought.  |
| 21.                                       | Monitor MIG Expenditure within municipalities   | 12                           | 12                       | 12                           | -         | <p>A total of R372,346,584.96 (52%) out of an allocation of R713,423 million was spent as at the end of February 2017 in the 2016/2017 MIG financial year ending June 2017 (Prov target (62%). All 18 Municipalities were supported in accelerating MIG expenditure through the following interventions:</p> <ul style="list-style-type: none"> <li>• 4 Quarterly Forum meetings held with all 18 Municipalities in the four Districts to address MIG expenditure, reporting, project implementation, challenges and remedial measures.</li> <li>• 2 MIG intervention meetings conducted in Maluti a Phofung and Matjhabeng to discuss project planning and remedial measures.</li> <li>• 6 Municipalities namely Kopanong, Phumelela, Ngwathe, Matjhabeng, Maluti a Phofung and Tokologo were supported through one to one sessions on MIG implementation plans, MIG reporting and Reconciliation and Project registration</li> <li>• 11 Site visits conducted in Masilonyana (2), Mohokare (1), Maluti a Phofung (2), Matjhabeng (4), Nala (1) and Setsoto (1) to monitor progress and quality of MIG projects. Remedial measures were reported to the respected Municipal Managers.</li> </ul> <p>Implementation sessions were also held with all 18 Local Municipalities to determine their readiness for the implementation of the 2017/2018 MIG projects.</p> |
| 22.                                       | Monitor the operation and maintenance of infrastructure within municipalities   | 4                            | 4                        | 4                            | -         | -   |
| 23.                                       | Monitor the extent to which municipalities have developed and implemented FBS policies  | 4                            | 4                        | 4                            | -         | -   |
| 24.                                       | Monitor the number of qualifying households having access to FBS  | 4                            | 4                        | 4                            | -         | -   |
| 25.                                       | Monitor the extent to which technical posts in municipalities are filled with competent persons towards improving infrastructure delivery and operation | -                            | 1                        | 1                            | -         | -   |
| <b>Sub-Programme: Disaster Management</b> |   |                              |                          |                              |           |   |
| 26.                                       | No. of functional Municipal Disaster Management Centres   | -                            | -                        | -                            | -         | As this (standardized) programme performance indicator is not relevant to the mandate of the Department (i.e. the Department has not control over the extent to which municipal DM Centres are function), the Department did not plan for any targets. The indicator is however included in the APP due to it being a legal requirement.  |
| 27.                                       | Provincial Fire Brigade services established by target date   | -                            | 1                        | -                            | -1        | Proposals submitted for the establishment of a Provincial Fire Brigade Service are still under consideration.   |

| Programme Performance Indicator |   | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation             | Comment on deviation   |
|---------------------------------|---|------------------------------|--------------------------|------------------------------|-----------------------|--|
| 28.                             | No. of District Municipalities supported on Disaster management advisory forums   | 4                            | 4                        | 3                            | -1                    | Fezile Dabi, Lejweleputswa and Thabo Mofutsanyana were supported during the year under review. The Xhariep District Municipality could however not be supported due to the responsible Mayor deciding that no meetings of this nature are to be held due to serious financial constraints. |
| 29.                             | No. of District Municipalities supported on Disaster Risk Management Plans  | 4                            | 4                        | 4                            | -                     | All District Municipalities were supported during the year under review.   |
| 30.                             | No. of reports produced on:<br><ul style="list-style-type: none"> <li>• The state of disaster management in the Province</li> <li>• The state of fire services in the Province</li> <li>• The functionality of the Provincial DM Centre</li> <li>• The functionality of the Provincial DM Advisory Forum</li> <li>• The functionality of the Provincial Fire Services Advisory Committee</li> </ul> | 4<br>2<br>4<br>4<br>4        | 2<br>1<br>2<br>2<br>2    | 2<br>1<br>2<br>2<br>2        | -<br>-<br>-<br>-<br>- | Due to the drought experienced in the Free State Province during the year under review, the Department monitored and reported more regularly against the planned targets than originally anticipated, hence the over-performance against the annual planned targets.                       |
| 31.                             | No. of reports produced on the functionality of Municipal Disaster Management Centres   | 4                            | 4                        | 4                            | -                     | Four (4) quarterly reports were produced on the functionality of Municipal Disaster Management Plans.  |

#### e) Strategy to overcome areas of under-performance

In ensuring that the Programme achieves its 2016/2017 targets, Annual Operational Plans will be developed in full aligned with the 2016/2017 Annual Performance Plan. The activities in the Operational Plan, which serve to operationalise the Annual Performance Plan, will be cascaded down to the Performance Agreements of managers and officials, and progress against the Operational Plans will be monitored and reported on quarterly during Programme Management Meetings.

#### f) Linking performance with budgets

Programme 3 incurred expenditure of R 99,561 million (or 99,5 %) against the allocated budget of R 100,036 million, resulting at a under spending of R 475 thousand (or 0,5 %). This was as a result of the effective implementation of cost containment measures.

#### g) Sub-programme expenditure

| Sub- Programme Name                              | 2016/2017           |                    |                          | 2015/2016           |                    |                          |
|--|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
|  | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
|  | R'000               | R'000              | R'000                    | R'000               | R'000              | R'000                    |
| Spatial Planning                                 | 20 694              | 20 568             | 126                      | 21 452              | 21 333             | 119                      |
| Local Economic Planning/Development and Planning | 5 122               | 5 062              | 60                       | 4 946               | 4 783              | 163                      |
| Municipal Infrastructure                         | 66 466              | 66 233             | 233                      | 60 084              | 59 823             | 261                      |
| Disaster Management                              | 7 754               | 7 698              | 56                       | 6 981               | 6 779              | 202                      |
| <b>Total</b>                                     | <b>100 036</b>      | <b>99 561</b>      | <b>475</b>               | <b>93 463</b>       | <b>92 718</b>      | <b>745</b>               |

### 3.4 Programme 4: Traditional Institutional Management

#### (a) Purpose of the Programme:

This programme aims to provide assistance and support to the Institution of Traditional Leadership in the FS Province in order to realize its constitutional mandate, which is to be custodian of communities that observe customary law. The program also aims to support, capacitate and develop institutions in the areas of traditional leadership in line with the white paper on traditional leadership and governance (2003).

#### (b) Brief description of the Programme:

This Programme consists of the following Sub-Programmes:

- (i) Traditional Institutional Administration

#### (c) Core services rendered by the Programme:

The following services are rendered through this Programme:

1. Provide support to Traditional Institutions.
2. Monitor, report and advise on the financial capacity and –performance of Traditional Institutions.
3. Facilitate disputes and claims.
4. Administer the establishment and recognition of traditional institutions.
5. Conduct anthropological – and genealogical research and advice thereon.
6. Keep and maintain a database on matters related to traditional leadership in the Free State Province.
7. Forge and maintain partnerships with all relevant stakeholders towards improved service delivery.
8. Facilitate and ensure the successful implementation of a comprehensive Skills Development Framework and –Strategy for Traditional Institutions.
9. Monitor and advice Traditional Institutions on its individual and collective performance.
10. Co-ordinate and advice on the allocation of functions by government departments to Traditional Institutions.

#### (d) Strategic Objectives, Programmes and Sub-Programme Plans:

| Programme Performance Indicator                                |   | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation | Comment on deviation                                     |
|--|---|------------------------------|--------------------------|------------------------------|-----------|--|
| <b>Sub-Programme: Traditional Institutional Administration</b> |   |                              |                          |                              |           |  |
| 1.   | No. of Traditional Councils audited                                   | 5                            | 2                        | 2                            | -         | The Kholokoe and Vrede Traditional Councils were audited |
| 2.   | No. of Traditional Councils supported towards reducing audit findings | 12                           | 13                       | 13                           | -         | -  |
| 3.   | Monitor the status of the B2B project in Traditional Councils         | 2                            | 2                        | 2                            | -         | -  |
| 4.   | No. of partnerships facilitated for traditional councils              | 1                            | 2                        | -                            | -2        | Two partnerships have been facilitated and               |

| Programme Performance Indicator |  | Actual Achievement 2015/2016 | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation | Comment on deviation |
|---------------------------------|--|------------------------------|--------------------------|------------------------------|-----------|----------------------|
| 5.                              | Monitor the performance of Traditional Council | 2                            | 2                        | 2                            | -         | -                    |

**(e) Strategy to overcome areas of under-performance**

Only one of the planned targets were not fully achieved; as steps are already in place to ensure the conclusion (signing) of two partnerships for traditional councils, there is no need to develop a strategy towards addressing this matter.

**(f) Linking performance with budget**

Expenditure incurred under Programme 4 amounted to R 42,421 million (or 99,5%) against the allocated budget of R 42,616 million. Under spending realised amounted to R 195 thousand.

**(g) Sub-programme expenditure**

| Sub- Programme Name                      | 2016/2017           |                    |                          | 2015/2016           |                    |                          |
|--|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
|  | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
|  | R'000               | R'000              | R'000                    | R'000               | R'000              | R'000                    |
| Traditional Institutional Administration | 42 616              | 42 421             | 195                      | 38 122              | 38 121             | 1                        |
| Total                                    | 42 616              | 42 421             | 195                      | 38 122              | 38 121             | 1                        |

**3.5 Programme 5: House of Traditional Leaders**

**a) Purpose of the Programme**

This Programme aims to promote and enhance the effective and efficient functioning of the Free State House of Traditional Leaders as well as Local Houses

**b) Brief description of the Programme**

This Programme consists of the following Sub-Programmes:

- (i) Administration of House of Traditional Leaders

**c) Core services rendered by the Programme**

The following services are rendered through this Programme:

- (i) Provide procedural and parliamentary services and render assistance and support on the performance of the House of Traditional Leaders
- (ii) Render effective and efficient support and advisory services to the respective Committees of the House of Traditional Leaders
- (iii) Facilitate research and assist and support the House on the development and implementation of policies related to indigenous law, traditions, customs and culture
- (iv) Administer the finances of and render administrative support to the House of Traditional Leaders.

In realizing the goal and ensuring the achievement of the respective objectives of this Programme, the following stakeholders are involved:

- (i) All Sector Departments within the Free State Province
- (ii) Municipal Councillor
- (iii) Traditional / Rural Communities.

**d) Strategic Objectives, Programmes and Sub-Programme Plans:**

| Programme Performance Indicator  | Actual Achievement 2015/2016  | Planned Target 2016/2017 | Actual Achievement 2016/2017 | Deviation | Comment on deviation |   |
|--|---|--------------------------|------------------------------|-----------|----------------------|---|
| <b>Sub-Programme: Administration of the House of Traditional Leaders</b> |   |                          |                              |           |                      |   |
| 1.   | No. of MOUs signed and/or maintained with stakeholders or partners to enable the House to perform oversight functions towards monitoring, reviewing and evaluating the implementation of government programmes in traditional communities | 0                        | 1                            | 0         | -1                   | Due to the House of Traditional Leaders not being able to formalize the partnership with stakeholders or partners (i.e. the National Youth Development Agency), the project will only be concluded during the 2017/2018 financial year.   |
| 2.   | No. of outreach and development programmes coordinated and participated in with regards to community development and empowerment  | 7                        | 4                            | 3         | -1                   | Although an outreach program was held by RAF in partnership with the House (at the Barolong Traditional Council on 23 Nov 2016), this could not be validated through the required supporting document, hence the performance cannot be recognized either.   |
| 3.   | No. of capacity building programmes implemented towards capacitating members of the House   | 2                        | 1                            | 1         | -                    | -   |
| 4.   | No. of constituency and progress meetings held with traditional councils towards ensuring the implementation of decisions of the House of Traditional Leaders   | 14                       | 10                           | 7         | -3                   | The scheduled meeting with Barolong boo Seleka was cancelled by the Council due to other work commitments, while the Batlokoa ba Mokhalong Traditional Council refused to meet with the Department due to them claiming that matters related to land not being resolved. This resulted in only 3 of the 5 planned constituency and progress meetings being held during the quarter under review, thereby ensuring the implementation of decisions of the House of Traditional Leaders |
| 5.   | No. of cultural heritage celebrations hosted towards promoting tradition, culture, heritage and social cohesion   | 1                        | 1                            | 1         | -                    | -   |

#### e) Strategy to overcome areas of under-performance

This Programme under-performed against the majority of planned targets due to conflicting work priorities coupled with budget - and human resources constraints. The Program will improve the planning and coordination of activities by developing and implementing an Operational Plan that will be costed in accordance with allocated funds and human resources capacity. Progress against said Operational Plan will be monitored and reported on monthly during Programme Management meetings. The implementation capacity of the Programme was also taken into account during the development of the 2017/2018 Annual Performance Plan of the Department.

#### f) Linking performance with budgets

Expenditure recorded under this programme amounted to R 8,469 million (or 96,4 %) against the allocated budget of R 8,783 million, which resulted in a under spending of R 314 thousand (or 3,6 %). This was as a result of the effective implementation of cost containment measures.

#### g) Sub-programme expenditure

| Sub- Programme Name                            | 2016/2017           |                    |                          | 2015/2016           |                    |                          |
|--|---------------------|--------------------|--------------------------|---------------------|--------------------|--------------------------|
|  | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure | Final Appropriation | Actual Expenditure | (Over)/Under Expenditure |
|  | R'000               | R'000              | R'000                    | R'000               | R'000              | R'000                    |
| Administration of House of Traditional Leaders | 8 783               | 8 469              | 314                      | 10 266              | 10 190             | 76                       |
| Total  | 8 783               | 8 469              | 314                      | 10 266              | 10 190             | 76                       |

## 4. TRANSFER PAYMENTS

### 4.1 Transfer payments to public entities

| Name of Public Entity | Services rendered by the public entity | Amount transferred to the public entity R'000 | Amount spent by the public entity R'000 | Achievements of the public entity             |
|-----------------------|--|---|---|---|
| SABC                  | Television Licences                    | 3   | 3                                       | Department paid for their television licences |

### 4.2 Transfer payments to all organisations other than public entities

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

| Name of transferee  | Type of organisation  | Purpose for which the funds were used | Did the dept. comply with s 38 (1) (j) of the PFMA | Amount transferred (R'000) | Amount spent by the entity | Reasons for the funds unspent by the entity |
|---------------------|-----------------------|---------------------------------------|--|----------------------------|----------------------------|---|
| Mangaung Metro      | Metro Municipality    | Financial Support                     | Yes  | 5 784                      | 5 784                      | -   |
| Xhariep DM          | District Municipality | Financial Support                     | Yes  | 17 000                     | 17 000                     | -   |
| Masilonyana LM      | Local Municipality    | Financial Support                     | Yes  | 12 576                     | 12 576                     | -   |
| Matjhabeng LM       | Local Municipality    | Financial Support                     | Yes  | 2 000                      | 2 000                      | -   |
| Nala LM             | Local Municipality    | Financial Support                     | Yes  | 5 514                      | 5 514                      | -   |
| Setsoto LM          | Local Municipality    | Financial Support                     | Yes  | 5 000                      | 5 000                      | -   |
| Dihlabeng LM        | Local Municipality    | Financial Support                     | Yes  | 1 352                      | 1 352                      | -   |
| Maluti-a-Phofung LM | Local Municipality    | Financial Support                     | Yes  | 2 000                      | 2 000                      | -   |
| Ngwathe LM          | Local Municipality    | Financial Support                     | Yes  | 3 000                      | 3 000                      | -   |

|                                      |                       |                              |     |        |        |   |
|--------------------------------------|-----------------------|------------------------------|-----|--------|--------|---|
| Metsimaholo LM                       | Local Municipality    | Financial Support            | Yes | 2 000  | 2 000  | - |
| Mafube LM                            | Local Municipality    | Financial Support            | Yes | 10 700 | 10 700 | - |
| Traditional Institutional Management | Traditional Councils  | Support                      | Yes | 422    | 422    | - |
| Employee Social Benefits             | Officials             | Injury on duty               | Yes | 1      | 1      | - |
| Employee Social Benefits             | Officials             | Retirement Benefits          | Yes | 551    | 551    | - |
| Employee Social Benefits             | Officials             | Leave Gratuity               | Yes | 574    | 574    | - |
| Claims against the State             | Supplier              | Settlement amount on Website | Yes | 4 000  | 4 000  | - |
| Donations                            | Various Organisations | Donations                    | Yes | 190    | 190    | - |

The following table indicate transfer payments budgeted for in the period 1 April 2016 to 31 March 2017:

| Name of transferee | Purpose for which the funds were to be used | Amount budgeted for (R'000) | Amount transferred (R'000) | Reasons why funds were not transferred |
|--------------------|---|-----------------------------|----------------------------|--|
| None               |   |                             |                            |  |

## 5. CONDITIONAL GRANTS

### 5.1 Conditional grants and earmarked funds paid

The Department did not have any conditional grants for the 2016/17 financial year

### 5.2 Conditional Grants and earmarked funds received

The Department did not have any conditional grants for the 2016/17 financial year

## 6. DONOR FUNDS

### 6.1 Donor Funds Received

No donor funds were received during the reporting period.

## 7. CAPITAL INVESTMENT

### 7.1 Capital investment, maintenance and asset management plan

The Department has spent 11 206 435.01 on the IT server room of which there was lack of capacity from SITA to host the Department.

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## PART C: GOVERNANCE

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## 1. INTRODUCTION

The following governance structures were operational within the Department during the year under review towards ensuring that the Department maintains the highest standards of governance, thereby effectively, efficiently and economically utilizing the Department's resources:

| NAME OF COMMITTEE                           | PURPOSE / OBJECTIVE OF COMMITTEE  |
|---|---|
| Executive Management Committee              | <ul style="list-style-type: none"> <li>a) To coordinate and integrate transverse matters impacting on the functioning of the Department</li> <li>b) To agree on ways of working towards improving the effective and efficient functioning of the Department</li> <li>c) To review and discuss the financial and/or non-financial performance of the Department</li> <li>d) To monitor the extent to which the Department succeed to identify and/or mitigate risks impacting negatively on the effective and efficient functioning of the Department</li> <li>e) To review, consider and take decisions towards improving the effective and efficient functioning of the Department, especially matters of a transverse nature</li> <li>f) To discuss IGR / Inter-departmental Reports and Resolutions emanating from MINMEC, Technical MINMEC and FoHoD</li> </ul> |
| Senior Management Committee                 | <ul style="list-style-type: none"> <li>a) To consider and/or propose transverse policies and/or strategies affecting the functioning of the Department</li> <li>b) To share information and/or decisions related to the work of the Department</li> <li>c) To coordinate and integrate matters impacting on the functioning of the Department</li> <li>d) To agree on ways of working towards improving the effective and efficient functioning of the Department</li> <li>e) To report on and/or monitor the financial and/or non-financial performance of the Department</li> <li>f) To identify and mitigate risks impacting negatively on the effective and efficient functioning of the Department</li> <li>g) To make proposals to and/or render advice on matters related to the effective and efficient functioning of the Department</li> </ul>            |
| PDMS Moderating Committee: Levels 1 - 12    | <ul style="list-style-type: none"> <li>a) To assess the collective outcome of performance assessment results of departmental employees.</li> <li>b) To make recommendations to the relevant approval authority (Executive Authority / Head of Department) on the granting of performance awards and pay progression, taking into account the availability of funds</li> <li>c) To make recommendations on disciplinary actions to be taken against supervisors who do not take responsibility for the correct implementation of the PDM system in their units (to the Head of Department).</li> </ul>   |
| PDMS Moderating Committees: Senior Managers | <ul style="list-style-type: none"> <li>a) To assess the outcome of performance assessment results of senior managers.</li> <li>b) To make recommendations to the relevant approval authority (Executive Authority / Head of Department) on the granting of performance awards and pay progression, taking into account the availability of funds</li> </ul>   |
| PDMS Quality Assurance Committees           | <ul style="list-style-type: none"> <li>a) To evaluate the overall outcome of performance reviews of components in line with the normal distribution curve.</li> <li>b) To evaluate the standards and norms for similar jobs, thereby ensuring consistency across similar occupational jobs within the Department.</li> <li>c) To refer assessments back to supervisors where motivations do not substantiate points allocated.</li> <li>d) To make recommendations to the Departmental Moderating Committee on the granting of performance awards and pay progression, taking into account the availability of funds</li> <li>e) To make recommendations on financial implications and any other matters toward improving the successful implementation of the PDMS.</li> </ul>   |
| Job Evaluation Quality Assurance Committee  | <ul style="list-style-type: none"> <li>a) To quality assure job evaluations conducted within the Department</li> <li>b) To ensure that all dynamics related to a specific job within the Department was taken into consideration during the job evaluation process.</li> <li>c) To oversee and enhance job evaluation processes within the Department</li> </ul>  |

| NAME OF COMMITTEE                                    | PURPOSE / OBJECTIVE OF COMMITTEE   |
|--|--|
|  | d) To enhance the application and understanding of the job evaluation system within the Department   |
| IT Steering Committee                                | a) To review, monitor, prioritize and make recommendations to the HODs on major IT projects, investments.<br>b) To ensure alignment with governance compliance, risk management and support to the strategic and operational objectives of both departments.   |
| Departmental Information Technology Committee (DITC) | a) To provide guidelines to all DITC members and their alternative representatives in the application and management of committee procedures, when requests for procurement of IT equipment are received and presented to the committee.<br>b) To promote departmental efficiency and effectiveness through the application of information technology towards improved service delivery.   |
| Employee Health and Wellness Committee               | a) To review the effectiveness of health and safety measures<br>b) To identify potential hazards<br>c) To examine and investigate complaints by employees relating to health and safety<br>d) To report on general matters affecting the health and safety of employees<br>e) To discuss proposed action and policies<br>f) To advise the Department on matters related to employee health and wellness<br>g) To identify demarcated smoking areas   |
| Skills Development Committee                         | a) To provide guidelines with regard to the training, education and development of all departmental employees<br>b) To provide a clear vision and framework to guide skills development within the Department.<br>c) To link human resource development initiatives to broader processes of organizational development in the Department.<br>d) To promote access by all employees to meaningful training and education opportunities.<br>e) To promote the empowerment of previously disadvantaged groups.<br>f) To facilitate the development of effective career paths for all employees in the Department.<br>g) To promote life-long learning in the Department.<br>h) To ensure that training and development in the Department is need- and competency-based.<br>i) To transform the department into a learning organization.<br>j) To advise the HOD on the implementation of training, education and development programmes and the implementation of the Human Resources Development Policy.<br>k) To oversee the development and implementation of the WSP<br>l) To monitor and evaluate skills development in the Department<br>m) To handle all matters related to bursaries within the Department<br>n) To make recommendations on the implementation of internships and learnerships in the Department. |
| Audit committee                                      | a) To approve the Internal Audit risk based strategic and operational plans, charter and review the performance relative to the plan.<br>b) To review the impact of the organizations Risk Management Framework on the control environment.<br>c) To review the external auditors' proposed audit scope and approach including coordination of audit effort with the Internal Audit Activity.<br>d) To consider the effectiveness of the organisation's system of internal control, including information technology security and control.<br>e) Review the Annual Financial Statements and consider whether they are fairly presented, complete and reflect appropriate accounting principles.<br>f) Review the Annual Report (including non-financial performance information) to verify accuracy and completeness of information.<br>g) Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance;<br>h) Regularly report to the Accounting Officer and Executing Authority about committee activities, issues and related recommendations;   |
| Risk Management Committee                            | a) Review the risk management implementation plan, policy, strategy and recommend for approval by the Accounting Officer;<br>b) Review the risk appetite and tolerance developed by management and recommend for approval by the Accounting Officer;<br>c) Develop the Charter for the Committee for approval by the Accounting  |

| NAME OF COMMITTEE | PURPOSE / OBJECTIVE OF COMMITTEE   |
|-------------------|--|
|                   | <p>Officer and oversee the performance of the risk management function;</p> <p>d) Review the Department's risk identification and assessment methodologies to obtain reasonable assurance of the completeness and accuracy of the risk register;</p> <p>e) Evaluate the effectiveness of mitigating strategies to address the material risks of the Department;</p> <p>f) Report to the Accounting Officer any material changes to the risk profile of the Department;</p> <p>g) Review the fraud prevention policy and recommend for approval by the Accounting Officer;</p> <p>h) Evaluate the effectiveness of the implementation of the fraud prevention policy;</p> <p>i) Review any material findings and recommendations by assurance providers on the system of risk management and monitor that audit action plans is implemented to address the identified weaknesses;</p> <p>j) Develop key performance indicators to measure the effectiveness of the risk management performance.</p> <p>k) Interact with the Audit Committee to share information relating to material risks of the institution.</p> <p>l) Provide timely and useful reports to the Accounting Officer on the state of Risk management.</p> <p>m) Dictate the need for the Risk Management Committee to work through sub-committees.</p> |

## 2. RISK MANAGEMENT

The Department has an approved Risk Management Strategy, Risk Management Policy and Risk Implementation Plan for 2016/2017. The Department has an approved the Risk Management Committee Charter for 2016/2017 which states the Terms of Reference as well as the roles and responsibilities of Members of the Risk Management Committee. The committee is a representative mixture of Executive Managers, Senior Managers, and Risk Champions (i.e. identified officials on salary levels 1 – 12 within the Department).

The Department had previously conducted strategic risk assessments during October 2014 to outline the top risks and have since updated the register in January 2017 with a view that the risks identified needed to be aligned to the dynamic nature of the Departments business and to also accommodate the strategic direction the Department is headed in. The Risk Management Unit continues to monitor the updated risk management register and action plan processes to identify new and emerging risks per quarter and make recommendations presented in management meetings and the Risk Management Committee.

The Risk Management Committee, chaired by an external stakeholder, convened quarterly meetings with the exception of quarter 2, which had to be cancelled due to a quorum not being available. During these meetings, the Committee monitored the extent to which the recommendations made by the Committee were implemented by Management and the impact thereof towards reducing and/or mitigation such risks.

The Committee submitted risk reports to the Audit Committee which, after considering the said reports, rendered advice to the Department on a number of issues towards mitigating such risks.

Progress was made in the management of risks after adopting the risk register that complied with the minimum requirements of National Treasury; this transmission has transmitted into the proper evaluation of residual risks of the Department in the risk register and an improvement in the Department's performance. This further resulted in the

Department maturing to level 3 in terms of the Financial Management Compatibility Model. Ongoing work is done within the Department towards enhancing the risk awareness maturity of the Department through inclusive processes of collating, measuring and prioritising risks and monitoring of risk action plans that comply with the SMART principles and risk owner information. Budget constraints hampered the appointment of additional risk management personnel during the year under review.

### **3. FRAUD AND CORRUPTION**

The Fraud Prevention Plan of the Department (FPP:FSCOGTA) was approved by the Accounting Officer during March 2014, following a consultation process inclusive of a risk assessment and consultation with the Audit Committee. The FPP was communicated to management and all officials within the department. During 2016/2017, an awareness programme, of which the development is in an advanced stage, will be implemented in the Department, targeting all departmental employees and coordinated by the Anti-Corruption and Fraud Prevention Steering Committee, which will be established by the latest September 2015.

The Department is well on its way to implement the Public Service Anti-Corruption Strategy and to develop a fraud prevention capacity that complies with and exceeds the Minimum Anti-Corruption Capacity (MACC) guidelines.

The following are some of our successes to date:

- a) Continuously focused on and analyzed corruption risks as per PFMA's risk assessment guidelines.
- b) Implemented fraud plans that address corruption risk, as required by the PFMA.
- c) Verified the previous employment, qualifications, citizenship and criminal record of all persons before they were employed in the Department.
- d) Established an information system that records all allegations and provides minimum information to designated national departments. The system however needs to be reviewed during the 2016/2017 financial year.
- e) Ensured that the employees responsible for the minimum functions have positive security clearances and disclose financial interests annually. All officials that had been identified by SSA had been issued with Z 204 forms for completion and subsequent vetting.

The departmental "whistle-blowing" policy is in an advanced stage. The practical hindrance to the finalization, approval and implementation of this policy is the lack of assurance that can be given to the identity of "whistle-blower" if an protected disclosure are to be made. The Departmental Registry and IT systems are not secured to an acceptable level and the associated risk is therefore very high. While the departmental whistle-blowing policy is not in place, disclosures will be handled in line with Protected Disclosures Act (PDA) (No 26 of 2000).

The Department has a case management system in place, resulting in all cases being monitored and reported to the Shared Audit Committee. Once investigation reports were approved by the Accounting Officer, the cases were forwarded to the relevant authority or closed, dependant on the final decision.

#### **4. MINIMIZING CONFLICT OF INTEREST**

As prescribed by Chapter 3 of the Public Service Act, 1994 (Act No. 103 of 1994), read with related regulations regarding financial disclosures, the Department reported a 100% compliance rate of all Senior Management Members (SMS) that declared their financial interests by completing and submitting electronic disclosure forms in this regard. These forms were subsequently signed-off by the Executive Authority, and forwarded to the Office of the Public Service Commission as required by the Public Service Act.

#### **5. CODE OF CONDUCT**

The primary purpose of the Code of Conduct is to give practical effect to the relevant constitutional provisions relating to the public service, all employees are expected to comply with the Code of Conduct provided for in Chapter two (2) of the Public Service Regulations.

The Code serves as a guideline to employees as to what is expected of them from an ethical point of view, both in their individual conduct and in their relationship with others. Compliance with the Code can be expected to enhance professionalism and help to ensure confidence in the public service.

The code seek to provide direction to employees with regard to their relationship with the legislature, political and executive office-bearers, other employees and the public and to indicate the spirit in which employees should perform their duties, what should be done to avoid conflicts of interests and what is expected of them in terms of their personal conduct in public and private life.

Although the Code of Conduct was drafted to be as comprehensive as possible, it is not an exhaustive set of rules regulating standards of conduct in the Department. However, the Accounting Officer, by virtue of his responsibility in terms of section 7(3)(b) of the Public Service Act which deals with efficient management and administration and the maintenance of discipline, is, *inter alia*, under a duty to ensure that the conduct of all employees conform to the basic values and principles governing public administration and the norms and standards prescribed by the Act.

The Accounting Officer also has a duty to ensure that all employees are acquainted with these measures, and that they accept and abide by them. In order to achieve this, our Human Resources Management and Development Directorate provided information sessions to existing and newly-appointed departmental employees during the year under review. New employees in the Department are provided with copies of the presentation outlining the Code of Conduct during the orientation arranged by Human Resources Management and Development Directorate

The primary purpose of the Code is a positive one, *viz.* to promote exemplary conduct. Notwithstanding this, an employee shall be guilty of misconduct, and may be dealt with in accordance with the relevant collective agreement if she or he contravenes any provision of the Code of Conduct or fails to comply with any provision thereof.

## 6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Employee Health and Wellness Programme of the Department seeks to promote and maintain the highest degree of physical, mental, spiritual and social well-being of employees in all occupations; prevention of illness caused by working conditions; protection of employees in their employment from risks resulting from factors adverse to health; placement and maintenance of employees in an occupational environment adapted to optimal physiological and psychological capabilities; and, the adaptation to their work.

In addressing the four functional pillars as prescribed by the National Employee Health and Wellness Strategic Framework, the Department targeted the majority of employees within the Department through workshops and information towards improving their understanding of the Employee Health and Wellness Programme.

In promoting awareness on chronic illnesses and awareness on other health issues like Sexually Transmitted Infections and Condom Usage in the department, the Department researched and compiled information pamphlets on Sexually Transmitted Infections and the importance of using condoms. This information was circulated to all employees during the STI/Condom Week. The primary objective of the STI/Condom Week was to create awareness on sexually transmitted infections and to encourage the correct and consistent use of condoms to all sexually active people; it therefore was an initiative to create awareness on the dangers of unprotected sex.

Other awareness programmes implemented within the Department were the following:

- World Diabetes Day, researched and prepared by the official and circulated to all employees of the department.
- World Cancer Day, a pamphlet about the different kinds of cancers was circulated to employees.
- International Epilepsy Day, a pamphlet on how people with epilepsy can lead as normal a life as possible was circulated to employees.

The Department also achieved the following during the year under review:

- a) Conducted quarterly on-site OHS inspections in District and Tribal Council Offices towards contributing to a decent working environment for employees, and to ensure that the Department is committed to the provision and promotion of a healthy and safe work environment for its employees and for clients utilizing the department's infrastructure. Findings on OHS inspection reports were attended to and others elevated to the department of Public Works for further action.
- b) Facilitated and coordinated physical and sporting activities for departmental employees towards promoting healthy lifestyles and social cohesion. The Department, as a member of the National Public Servants Sports and Culture Event (NPSSCE), hosted the annual national sports tournament in October 2016. The event attracted up to 3000 sports participants to the Province, comprising of 7 provinces and 4 national departments.
- c) Developed and successfully implemented a Sports and Recreational Policy to ensure the smooth and coordinated operation of sports and recreation in the Department. Eight sporting codes were established running concurrently at head of office and Tribal Council offices in Thaba'Nchu, Vrede and Qwaqwa. Weekly sporting games were played throughout the year under review.

- d) Continued to successfully implement the Employee Assistance Programme towards assisting departmental employees and their family members with personal and work related challenges, primarily through investigative interventions and referrals to professional bodies (towards ensuring a healthy and productive workforce). A total of 18 cases were dealt with during the year under review.
- e) Successfully implemented the Department's Bereavement Policy by overseeing funerals of employees and their next of kin and providing debriefing services to all affected by these funerals. A total of 16 funeral were handled during the year under review.

## 7. PORTFOLIO COMMITTEES

The Governance and Administration Portfolio Committee of the FS Legislature met with the Executive Authority, Accounting Officer and identified senior officials within the Department during the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> quarter of the year under review to scrutinize the performance of the Department in relation to its 2016/2017 Annual Performance Plan, and more specifically with regard on the extent to which the Department performed against its planned targets. The Committee raised some concerns to the effect that even though the Department in general achieves its planned targets, municipalities still do not perform in accordance with desired results. Following a discussion on the constitutional mandate of the Department, the Portfolio Committee noted the limitation of the Department in enforcing compliance with legislation within municipalities, the Department was encouraged to liaise with municipalities prior to departmental strategic planning workshops towards ensuring that the Department assists and supports municipalities in areas where such support is most needed.

## 8. PROPAC RESOLUTIONS

| RESOLUTION          |      |  | PROGRESS WITH IMPLEMENTATION  |              |
|---------------------|------|--|---|--------------|
| RESOLUTION NUMBER   | PAR. | DESCRIPTION (RESOLUTION ONLY)  | STATUS: 31 MARCH 2017   | RESOLVED     |
| 1/2016<br>(9/214)   | 2(a) | <p><b>Information Technology controls:</b><br/>The Portfolio Committee resolved that the Accounting Officer should:</p> <p>a) Document a formal user access management policy and procedure manual which should at least include the following:</p> <ul style="list-style-type: none"> <li>- User access granting</li> <li>- Modification of user access levels/ type/ groups</li> <li>- Password change procedures</li> <li>- Termination of access/ inactive accounts</li> <li>- Monitoring of super-user/ administrator type accounts</li> <li>- Review of password logon violations</li> <li>- Periodic review of access privileges on the department's networks, files and workgroups.</li> </ul> | <p>The Department embarked on a process of upgrading the server room so as to create in-house hosting capabilities for all IT systems. This project was initiated following both the resolution of PROPAC and the AGSA findings on IT systems. The upgrade of the server room into an internal hosting facility has been finalised, effectively giving way to the subsequent phase to follow. The roll out of the solution stack which is the next phase to follow has already kicked off. Technologies such as Active Directory (AD), Exchange, Sequential Query Language (SQL), System Centre Configuration Manager (SCCM), System Centre Operations Manager (SCOM) and VEEAM have been implemented. Testing and stabilizing of the technologies is busy unfolding. Share point technology is still to be implemented in not so distant future. The migration of users at different departmental locations has also commenced. The completion of this work will result in PROPAC and AGSA's findings being addressed.</p> | No, only 75% |
| 1/2016<br>(10/2015) | 1    | <p><b>Human Resource Management:</b><br/>The Portfolio Committee resolves that the Executive Authority must prioritise the filling of funded vacancies in key positions of the finance section such as SCM and Asset Management Director, within the Public Service Regulations timeframes.</p>  | <p>The department is working towards filling the critical vacant post in key positions like SCM and HR. Shortlist still to be discussed with HOD and MEC. After financial year end the department will also re-evaluate its COE budget and re-prioritise critical vacancies within the available budget.</p>  | No, only 50% |

| RESOLUTION        |      |  | PROGRESS WITH IMPLEMENTATION  |              |
|-------------------|------|--|---|--------------|
| RESOLUTION NUMBER | PAR. | DESCRIPTION (RESOLUTION ONLY)  | STATUS: 31 MARCH 2017   | RESOLVED     |
|                   | 2(a) | <b>Information Technology controls:</b><br>The portfolio Committee resolved that the Accounting Officer must ensure the establishment of the ICT operational committee   | The process of developing the operational committee is progressing and more attention will be given to this process to ensure that it is completed. Activities such as identification of committee members have been addressed and proposal for their appointment is being drafted for the HOD's attention.   | No, only 50% |
|                   | 2(b) | <b>Information Technology controls:</b><br>The portfolio Committee resolved that the Accounting Officer must Ensure the establishment of the IT policy that covers the<br>- Back-up policy/strategy/procedure<br>- Business continuity plan  | The IT strategy has been developed and approved by the HOD At 100%. The Business Impact Analysis leading to Disaster Recovery Plan which is a sub set to Business Continuity Planning has been developed and will be reviewed to align to the current developments on the infrastructure. Back up procedures are being developed in accordance with the newly implemented VEEAM technology.   | No, only 50% |
| 8/2016            | 1(a) | <b>Acting period exceeding 3 months:</b><br>The Portfolio Committee resolved that the department must put measures in place to ensure that the officials do not act for periods exceeding the requirements of the Public Service Regulations   | The department is in process to identify critical vacancies and the cost implication involved. This will ensure that posts will be advertised and minimize the number of acting persons as well as the acting periods involved. The problem relating to shortage of accommodation also contributed to the filling of posts.   | No, only 50% |
|                   | 1(b) | <b>Investigations on fraud and corruption charges:</b><br>The Portfolio Committee resolved that the department should put stringent measures in place to ensure that:<br>- officials are vetted before employment<br>- action is taken against officials that transgressed                             | All appointments are vetted. HR refer the cases to the SMAC unit for further handling by means of a letter. If any areas of concern are identified during the vetting process the case is referred to LR for further handling.<br>All cases where officials transgress are referred to Labour Relations who is investigating each case and submit reports with recommendations to the Head of the Department.   | Yes          |
|                   | 2(a) | <b>Irregular and Fruitless &amp; Wasteful Expenditure - Contract Management:</b><br>The Portfolio Committee resolved that the Accounting Officer must put measures and controls in place to ensure compliance with the relevant prescripts relating to contract management                             | The Contract register is updated on a monthly basis. The Contract Management Unit has started monitoring contracts on a quarterly basis. The Unit has also started site visits on a quarterly basis. The Provincial Treasury has also started an electronic contract management system which will assist with contract management in Departments.   | Yes          |
|                   | 2(b) | <b>Irregular and Fruitless &amp; Wasteful Expenditure - Transversal Contracts:</b><br>The Accounting Officer must implement internal controls to ensure that interdepartmental claims received are properly verified for accuracy and completeness before payments are made to the claiming department | The development of a new checklist has been completed. The checklist was implemented on all interdepartmental claims received since 31 December 2016. All claims are also evaluated in terms of Treasury Instruction Note and are submitted to the Departmental Supply Chain Management Unit to ensure all SCM processes were followed. Only when SCM and the applicable Unit responsible for the expenditure had signed off on the claim, is the claim processed for payment.  | Yes          |
|                   | 3    | <b>Internal Control:</b><br>The Committee resolved that the department should outline measures to comply with all requirements of the Internal Control Framework as issued by National Treasury in terms of Governance, Facilitation: Assurance Services, System Control and Fraud & Losses Management | Internal Audit have a scheduled audit for Finance and Budget Management, as well as IT in the fourth quarter. Part of the audit scope will be to determine the extent of implementation of the Internal Control Framework. An audit on Governance, which amongst others have assessed process on fraud and governance, is at a reporting stage and the outcome will outline for management where processes need to be improved in order to ensure full compliance with the Internal Control Framework. An engagement meeting between the IA Unit and Finance had already taken place. All the initiatives that the IT unit has embarked on are in line with the implementation of the ICT governance framework from DPSA. Refer to attachment for detailed responses. | No, only 50% |

| Legend |                                  |
|--------|----------------------------------|
| %      | Current status on Implementation |
| 0%     | No Progress                      |
| 20%    | Task started                     |
| 40%    | Task partially completed         |
| 75%    | Task progress well               |
| 90%    | Task virtually complete          |
| 100%   | Task complete                    |

## **9. PRIOR MODIFICATIONS TO AUDIT REPORTS**

The Department utilized the audit action plan as a management tool to monitor progress on the implementation of corrective measures, to remedy issues identified by the Auditor-General South Africa (AGSA). The Internal Audit Activity has supported the Department by populating the Audit Action Plan Template with the findings and root causes as contained in the AGSA Management Letter and Final Audit Report. Thereafter management was responsible for formulating and implementing corrective actions.

The Action Plans were evaluated monthly (Audit Report issues) and quarterly (Management Letter issues) by Internal Audit and subsequently reported to Provincial Treasury. The Dashboard Report has also been updated in line with the progress on the action plan as discussed with management and AGSA.

Progress on implementation status of the Action Plans has been a standing item for presentation in the agenda of the Executive and Senior Management Meetings. As well as the Shared Audit Committee during their scheduled meetings.

## **10. INTERNAL CONTROL UNIT**

The Internal (Financial) Control Unit of the Department is established in the Chief Directorate: Financial and Supply Chain Management (in accordance with the Internal Control Framework (Framework) issued by National Treasury), tasked with the following responsibilities:

- Checking and verifying documents related to all payments (BAS, LOGIS and Subsistence and Transport) and journals
- Safeguarding of all system documents
- Evaluating payments to update and maintain registers for irregular, fruitless and wasteful expenditure.

The functions as outlined in the Framework were carried out as follows:

### **Governance:**

The Department's financial delegations as approved by the Head of Department was updated and fully implemented. The governance structures in the Department are outlined from pages 56 to 59 of the report.

### **Loss Control:**

In compliance with Framework, the Supply Chain Management Unit is charged with the responsibility of handling all the Departmental Financial losses. The Loss Control Committee is in existence and functioning as intended.

### **Fraud Prevention:**

The Department has adopted the Provincial Fraud Prevention Plan. The Risk Management Strategy also addresses fraud prevention. The Fraud Prevention Plan outlines the significance of Internal Control as key measure to prevent and detect fraudulent activities. Paragraph three (3) above also outlines further information with regards to this function.

## **System Control:**

The Department has appointed system controllers to perform monitoring of the three departmental financial systems (BAS, PERSAL and LOGIS).

## **Facilitation and Assurance:**

Verification of documents is applied at three different levels to ensure that internal control is also applied at transaction level. This allows for testing of validity, accuracy and completeness of payments before being processed.

## **11. INTERNAL AUDIT AND AUDIT COMMITTEE**

The Internal Audit Activity has been established in the Department of Cooperative Governance and Traditional Affairs in terms of section 38(1)(a)(ii) of the Public Finance Management Act (Act 1 of 1999) as amended and paragraph 3.2 of Treasury Regulations

The mandate of the Internal Audit Activity is encapsulated in the *definition of Internal Auditing* which is to provide an independent, objective assurance and consulting service designed to add value and improve the Departments' operations. It assists the Department to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance.

The Internal Audit Activity evaluates and contributes to the improvement of risk management, control and governance processes. Internal Audit Activity adopts a risk-based audit approach and it subscribes to the Code of Ethics and attempts to conduct the reviews with the guidance of the *International Professional Practice Framework; and best practices in the Internal Audit profession as well as Public Finance Management Act read with related Treasury Regulations.*

The Internal Audit Activity has adopted its formal terms of reference, namely the Internal Audit Charter as per the requirement of *Standard 1000*, of the *International Standards for the Professional Practice of Internal Auditing*. The Internal Audit Charter (Charter) is a formal document that defines the Internal Audit Activity's purpose, authority and responsibility and is approved by the Shared Audit Committee. The Charter establishes the Internal Audit Activity's position within the Department which authorizes access to record, personnel and physical properties relevant to the performance of engagement and also defines the scope of Internal Audit Activities.

In terms of the scope of work of this Activity, a duly appointed Shared Audit Committee approved the Annual and Three Year Risk Based Internal Audit Coverage Plan. The plan was based on the outcome of a, duly conducted, risk assessment, including statutory audits, audits related to EXCO Resolutions, Audit Reports and Management Letter received from Auditor-General South Africa for 2015/16 financial year, latest MPAT results, Ad-hoc Assignments and follow-up audits.

The Activity reported progress against the approved Plan to the Shared Audit Committee, during scheduled meetings.

The Shared Audit Committee was established and functioned in terms of Treasury Regulations, 2005(TR) 3.1.1 to 3.1.16 which came into effect as a result of section 76 as well as section 77 of the Public Finance Management Act, 1999 (Act No. 1 of 1999).

The Shared Audit Committee members were appointed by the Member of Executive Council: Free State Provincial Treasury in consultation with Member of Executive Council: Department of Cooperative Governance, Traditional Affairs and Human Settlements with effect from 01 September 2014 to 31 August 2017 for a period of three years.

During the period under review, the Shared Audit Committee fulfilled its mandate, roles and responsibility as elaborated under paragraph 12 below.

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 | NO. OF MEETINGS ATTENDED |
|--------------------------------|---|----------------------|---|-------------------|---------------|--------------------------|
| Mr David Lekoto ( chairperson) | B.Com<br>B.Com (Hons-Part 1)<br>Post Graduate Diploma in Certified Fraud Examiners<br>Certified Public Accountant (SA)<br>General Internal Auditor (GIA)      | External             | N.A.                                    | 01 September 2014 | N.A.          | 5                        |
| Mr Radimponeng Mokoena         | Diploma Industrial Engineering<br>Project Management<br>Management Advancement Programme<br>Six Sigma – Black Belt<br>MBA                                     | External             | N.A.                                    | 01 September 2014 | N.A.          | 5                        |
| Dr Kobus Laubscher             | B. Com<br>B. Com (Hons)<br>Masters of Science<br>Ph. D Agricultural Economics   | External             | N.A.                                    | 01 September 2014 | N.A.          | 5                        |
| Dr Basie Olivier               | N. Dip in Public Administration<br>B. Jurix Public Service<br>Masters in Public Administration<br>Ph. D in Public Management                                  | External             | N.A.                                    | 01 September 2014 | N.A.          | 6                        |
| Adv. Derick Block              | Baccalaureus Legum<br>Baccalaureus Lurisprudentiae<br>Diploma in Tax Law<br>Certificate Public Finance<br>Management<br>Certificate Procurement<br>Management | External             | N.A.                                    | 01 September 2014 | N.A.          | 6                        |

## 12. AUDIT COMMITTEE REPORT

The Shared Audit Committee of the Department of Cooperative Governance & Traditional Affairs is pleased to present its report for the financial year ended **31 March 2017**.

### Background Information

The Shared Audit Committee has non-executive status in an advisory capacity to the Accounting Officer, to assist the Accounting Officer in fulfilling its oversight responsibility relating to:

- (i) The integrity of the Department's financial statements and financial reporting process;
- (ii) System of internal control;
- (iii) The audit process; and
- (iv) The Department's process for monitoring compliance with laws, regulations and the code of conduct.

In discharging its responsibilities, the Shared Audit Committee is not itself responsible for the planning or conducting of audits or for any determination that the financial statements of the

Department are complete and accurate or in accordance with generally recognised accounting procedures. This is the responsibility of management and the independent auditors. The Committee's role is that of an independent monitoring and evaluation of activities within the Department.

The Shared Audit Committee members were appointed by the Member of Executive Council: Free State Provincial Treasury in consultation with Member of Executive Council: Department of Cooperative Governance, Traditional Affairs and Human Settlements with effect from 01 September 2014 to 31 August 2017 for a period of three years.

#### Shared Audit Committee Members and Attendance

The Shared Audit Committee consists of the members listed hereunder and should meet at least four (4) times per annum as per its approved Shared Audit Committee Charter.

During the year under review meetings were held as reflected in the table below:

| Name           | Capacity of Membership | Normal Meeting 25 April 2016 | Special Meeting 26 May 2016 | Special Meeting 27 July 2016 | Normal Meeting 29 August 2016 | Normal Meeting 29 November 2016 | Normal Meeting 02 March 2017 |
|----------------|------------------------|------------------------------|-----------------------------|------------------------------|-------------------------------|---------------------------------|------------------------------|
| D Lekoto       | Chairperson            | ✓                            | ✓                           | ✓                            | ✓                             | ✓                               | ✓                            |
| R I Mokoena    | Member                 | ✓                            | ✓                           | ✗                            | ✓                             | ✓                               | ✓                            |
| Dr C D Olivier | Member                 | ✓                            | ✗                           | ✓                            | ✓                             | ✓                               | ✓                            |
| Adv. D Block   | Member                 | ✓                            | ✓                           | ✓                            | ✓                             | ✓                               | ✓                            |
| Dr K Laubscher | Member                 | ✓                            | ✓                           | ✓                            | ✓                             | ✓                               | ✓                            |

-Legend:      ✓ -      *Attended the meeting*  
                   ✗ -      *Apology tendered*

#### Shared Audit Committee Responsibilities

The Shared Audit Committee reports that it has complied with its roles and responsibilities arising from Section 38(1)(a) of the Public Finance Management Act and Treasury Regulation 3.1.1 to 3.1.16 with regards to its establishment and Terms of Reference.

|                         |  |
|-------------------------|--|
| S38(1)(a)<br><br>(PFMA) | S38(1)(a)(ii) of the PFMA state the following:<br><br>(1) "The accounting officer for a department,<br><br>(a) Must ensure that department,.... has and maintains-<br><br>(ii) a system of internal audit under the control and direction of an Shared Audit Committee complying with and operating in accordance with regulations and instructions prescribed in terms of sections 76 and 77" |
|-------------------------|--|

The Shared Audit Committee also reports that during the financial year under review it has adopted the following in accordance with its formal Terms of Reference, and has regulated its affairs in compliance with the Charter and discharged of all its responsibilities as contained therein:

- The Revised Shared Audit Committee Charter,
- The Revised Internal Audit Charter,
- The Revised Internal Audit Coverage Plan for the period,
- The Revised Internal Audit Methodology,
- A quarterly Internal Audit Activity Report, including achievements against the approved Internal Audit Annual Operational Plan,
- A report on the progress of the implementation of recommendations by both the Auditor-General South Africa and Internal Audit,
- Key Control Matrix and Dash Board Reports and
- Risk Management and Risk Management Committee Reports.

#### The effectiveness of internal control

The Department has put much emphasis on improving risk management, internal controls and adherence to policies and procedures. The Shared Audit Committee is as thus content to report that management's efforts in this regard have led to an increased level of compliance to internal controls, policies and procedures, with emphasis to risk mitigation. Not taking away that there are still areas of concern where management processes and status of internal controls can be enhanced.

The Internal Audit Directorate presented Activity Reports during the above-mentioned sittings of the Shared Audit Committee. The reports outlined the activities of the Internal Audit Directorate as well as performance against the approved Internal Audit coverage plan, including:

- Internal Audit's allocated budget and expenditure reports;
- Personnel needs and appointments;
- Any and other matters that related to the administration of the Directorate, in line with paragraph 3. 1.11 of the Treasury Regulations.

The Shared Audit Committee is pleased to report that, whilst the objectives of the Internal Audit Directorate and the Auditor-General South Africa may vary, the Auditor-General South Africa (AGSA) will use all Internal Audit work and reports, for purposes of the as indicated below.

| Internal Audit Report used  | Planned use by the Auditor General   |
|---|--|
| <i>Human Resource Management and Employee Wellness</i>                            | <i>To assess the impact of the reported findings on the current years audit. (Risk identification)</i> |
| <i>Assets management</i>  | <i>To assess the impact of the reported findings on the current years audit. (Risk identification)</i> |
| <i>Traditional Affairs – Free State House of Traditional Leaders</i>              | <i>To assess the impact of the reported findings on the current years audit. (Risk identification)</i> |
| <i>Review of Interim Financial Statements</i>                                     | <i>To assess the impact of the reported findings on the current years audit. (Risk identification)</i> |
| <i>Management of Ethics, Policies and Governance Processes</i>                    | <i>To assess the impact of the reported findings on the current years audit. (Risk identification)</i> |
| <i>Departmental Planning and Performance Management – Performance Information</i> | <i>To assess the impact of the reported findings on the current years audit. (Risk identification)</i> |
| <i>Provincial Disaster Management Centre</i>                                      | <i>To assess the impact of the reported findings on the current years audit. (Risk identification)</i> |

The determination by the AGSA to use Internal Audit work and reports is largely based on their assessment of the scope of specific work performed; the objectivity and technical competence of the internal auditors.

This reliance on the work performed by Internal Audit will also reduce the sample selection by the AGSA, in their audit of the Annual Financial Statements. Further, AGSA has committed to implementing the Combined Assurance concept.

It should also be noted that it remains the ultimate goal of the Shared Audit Committee to see a shift in the reduction of external audit hours/fees as a result of the synergy between the External Audit and Internal Audit Strategies, as more reliance is placed on Internal Audit work.

As a result of the new AGSA methodology, direct assistance will be required from Internal Audit, in the execution of Employee Verification and Physical Asset Counts.

### **The quality of in year management and monthly/quarterly reports submitted in terms of the PFMA and the Division of Revenue Act.**

The Shared Audit Committee noted all in-year management monitoring and quarterly reports submitted in terms of the PFMA and the Division of Revenue Act to Provincial Treasury, in line with paragraph 3.1.11 of the Treasury Regulations.

#### Predetermined Objectives

The Shared Audit Committee noted the presentations done on Predetermined Objectives and the progress on the achievement thereof by the Departmental Planning and Performance Monitoring Directorate during the course of the financial year.

The Department is therefore advised to ensure that the 2017/2020 APP is fully aligned with the sector requirements and that the necessary amendments be made (if and where identified) for possible re-tabling in the Legislature during the budget adjustment process. This process should be concluded in consultation with the AGSA.

#### Review and Evaluation of Interim Financial Statements

The Shared Audit Committee noted the reports of the quarterly reviews performed by the Internal Audit Directorate as well as Provincial Treasury on the Interim Financial Statements. These reports were included in the Internal Audit Activity Reports which were presented at each sitting of the Shared Audit Committee.

#### Review and Evaluation of Annual Financial Statements

The Shared Audit Committee has:

- Reviewed and discussed the unaudited annual financial statements to be included in the annual report with the Accounting Officer's Report,
- Reviewed progress on Auditor-General South Africa's management report and management responses thereto for the 2016/2017 financial year and the effect of which to the current audit,

- Reviewed changes in accounting policies and practices,
- Reviewed the department's compliance with legal and regulatory provisions,
- Reviewed the information on predetermined objectives to be included in the annual report,
- Reviewed significant adjustments resulting from the audit,
- Reviewed quarterly interim financial statements submitted for oversight purposes, in line with paragraph 3.1.11 of Treasury Regulations.

The Shared Audit Committee is of the opinion that the audited annual financial statements be accepted, subject to the following comments:

- Contracts entered to on behalf of third parties, which management does have control over, need to be avoided as it puts undue pressure on the Departmental budget and creates unnecessary audit queries.
- The financial viability of the Department can be enhanced by implementing more stringent controls against unduly imposed expenditure.
- Decisive leadership is required in the Department, as outlined in the Dashboard report of the AGSA.

#### Internal Audit Directorate

The Shared Audit Committee is satisfied that the Internal Audit Directorate is operating effectively and that in all the reports perused and approved it has addressed the risks pertinent to the department in its audits.

The Shared Audit Committee expressed its appreciation on the compilation of the three year and annual internal audit coverage plans because it is based on the outcome of the risk assessment thus making it a risk based Internal Audit Coverage Plan which is in compliance with the Standards of Professional Practice of Internal Auditing.

The Shared Audit Committee is also pleased that the Auditor-General South Africa will use some of the work performed by the Internal Audit in expressing an audit opinion thereby complementing the work.

The Shared Audit Committee concerns were reported and escalated to the Executive Authority and Accounting Officer in their reports during the financial year.

The Shared Audit Committee notes the progress made in addressing the recommendations emanating from the External Quality Assurance Review (QAR) conducted in March 2015 by the Institute of Internal Auditors.

#### Risk Management

The Shared Audit Committee is pleased that their concerns regarding the non-completion/finalization of the risk assessment process within the department has been addressed.

The Risk Management Sub-Directorate, conducted a proper risk assessment process and compiled a duly completed Risk Register. The Risk Register was submitted to the Internal Audit Activity, for the compilation of a risk based Internal Audit coverage plan.

The Committee is pleased that the Department has finalized its risk appetite and tolerance statements, which have been long outstanding.

### Combined Assurance

The Shared Audit Committee is satisfied that the Department has reviewed and approved a Combined Assurance Framework and Plan to ensure a co-ordinated approach to all assurance activities. The Shared Audit Committee has applied itself in reviewing and recommending the model adopted by the Department in order to ensure that the combined assurance provided is appropriate to address all the significant risks facing the Department.

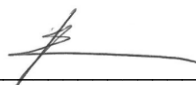
Internal Audit Activity has collaborated with the Risk Management unit in ensuring the proper and timely implementation of the Combined Assurance Implementation Strategy as issued by the Provincial Treasury.

The relationship between the external assurance providers and the Department will be monitored by the Shared Audit Committee. It is therefore important to note that the model developed provides a basis for the Shared Audit Committee to have a co-ordinated approach that ensures that all assurance activities provided by management, internal assurance providers and external assurance providers adequately address significant risks facing the Department and that adequate controls exist to mitigate these risks.

### The Auditor-General South Africa

The Shared Audit Committee is satisfied that there is a cordial relationship between the Auditor-General South Africa and the Department due to the following:

- The Shared Audit Committee met with the Auditor-General South Africa to ensure that there are no unresolved issues,
- The Auditor-General South Africa met periodically with management to discuss the progress on the implementation of the recommendations in the management reports,
- The Auditor-General South Africa attendance of the Shared Audit Committee meetings as well as their participation in the shared Audit Committee meetings during the audit of the annual financial statements,
- The Internal Audit Directorate's Three Year and Annual Internal Audit Coverage Plan, Performance against the approved Plan as well as all audit reports which are issued and distributed to the Auditor-General South Africa.



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**Chairperson: Shared Audit Committee**

**Date: 29/08/2017**

## PART D: HUMAN RESOURCE MANAGEMENT

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## 1. INTRODUCTION

The Department's Human Resources Management unit delivers service in the field of human resources provisioning, human resources utilization as well as policy development.

The main focus from a human resources perspective is the filling of critical vacancies with skilled individuals that will be in a position to enhance the capacity of the Department towards improved service delivery.

Workforce planning is a systematic process for identifying the human resources required to meet Departmental goals and developing the strategies to meet these requirements. Workforce planning is a systematic process for identifying the human resources required to meet Departmental goals and developing the strategies to meet these requirements. The department has a Scarce Skills policy to try and attract scarce skills in the Department and retain it.

In promoting fairness and consistency, the Free State Executive Council has approved a Provincial Performance and Development Management System for Officials on Levels 1 - 12, applicable to all provincial departments within the Free State Province. The performance of senior managers is dealt with in terms of Chapter 4 of the SMS Handbook issued in terms of a directive by the Minister for Public Service and Administration.

In promoting the wellbeing of all employees in the Department, departments have Employee Health and Wellness practices that adheres to regulatory requirements in Part VI of the Public Service Regulations as amended, and are in line with the Employee Health and Wellness Strategic Framework for the Public Service.

The fundamental objective of the Strategic Framework is to facilitate the development of strategies, mechanisms and interventions by government departments and provincial administrations for the implementation of the following four functional pillars:

- HIV& AIDS, TB AND STI management;
- Health and Productivity management;
- Safety, health, environment, risk and quality (SHERQ) management; and
- Wellness (EAP) management

As the Human Resources Plan aims to give effect to the people aspect of the strategy, the Plan is informed by the strategic objectives of the Department. The White Paper on Human Resources Management in the Public Service (Section 4.2) notes that "Human Resources planning is essential in order to ensure that an organisation's human resources are capable of meeting its operational objectives."

The development of human capital also stands in direct relationship with economic growth and development in the country. A clear acknowledgement within the Free State Growth and Development Strategy is the importance of the management and development of human capital. In this regard a Provincial Human Resource Management and Development Strategy were approved by the Executive Council that will enable the Province to ensure that its human capital is aligned so as to realise its economic growth and development expectations.

### 1.1 Personnel Related Expenditure

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

**Table 1.1.1: Amount spent on personnel:**

| PROGRAMME                               | PERSONNEL EXPENDITURE (R'000) |
|---|-------------------------------|
| 1. ADMINISTRATION                       | 72 506                        |
| 2. LOCAL GOVERNANCE                     | 43 829                        |
| 3. DEVELOPMENT AND PLANNING             | 37 559                        |
| 4. TRADITIONAL INSTITUTIONAL MANAGEMENT | 35 765                        |
| 5. HOUSE OF TRADITIONAL LEADERS         | 5 990                         |
| <b>TOTAL</b>                            | <b>195 649</b>                |

The spending of the Department on personnel represented 43.88% of the compensation budget. This includes the monthly allowances as well as sitting allowances of Traditional Leaders.

**Table 1.1.2: Amount spent on salaries, overtime, homeowner's allowances and medical aid.**

| PROGRAMME  | SALARIES       |                                   | OVERTIME       |                                   | HOMEOWNERS ALLOWANCE (HOA) |                              | MEDICAL ASSISTANCE |                                 |
|--|----------------|-----------------------------------|----------------|-----------------------------------|----------------------------|------------------------------|--------------------|---------------------------------|
|  | AMOUNT (R'000) | SALARIES AS A % OF PERSONNEL COST | AMOUNT (R'000) | OVERTIME AS A % OF PERSONNEL COST | AMOUNT (R'000)             | HOA AS A % OF PERSONNEL COST | AMOUNT (R'000)     | MED ASST AS % OF PERSONNEL COST |
| 1.ADMINISTRATION PROGRAMME 1                       | 42 831         | 59.07%                            | 25             | 0.03%                             | 1 526                      | 2.10%                        | 2 229              | 3.07%                           |
| 2.LOCAL GOVERNANCE PROGRAMME 2                     | 27 944         | 63.76%                            | 9              | 0.02%                             | 642                        | 1.46%                        | 1 005              | 2.29%                           |
| 3.DEVELOPMENT AND PLANNING PROGRAMME 3             | 26 156         | 69.64%                            | 0              | 0%                                | 544                        | 1.45%                        | 1 163              | 3.10%                           |
| 4.TRADITIONAL INSTITUTIONAL MANAGEMENT PROGRAMME 4 | 18 185         | 50.85%                            | 0              | 0%                                | 1 086                      | 3.04%                        | 1 411              | 3.95%                           |
| 5.HOUSE OF TRADITIONAL LEADERS PROGRAMME 5         | 4 976          | 83.07%                            | 0              | 0%                                | 89                         | 49%                          | 158                | 2.64%                           |
| <b>TOTAL</b>                                       | <b>120 092</b> | <b>61.38%</b>                     | <b>34</b>      | <b>0.02%</b>                      | <b>3 887</b>               | <b>1.99%</b>                 | <b>5 966</b>       | <b>3.05%</b>                    |

The spending in terms of salaries, overtime, homeowner's allowances and medical assistance represented 66.43% of the compensation budget. The remaining 33.57% mainly relates to other non-pensionable allowances that includes the monthly allowances of Traditional Leaders.

## 1.2. Employment and Vacancies

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

**Table 1.2.1: Employment and vacancies by programme**

| PROGRAMME  | NUMBER OF POSTS | NUMBER OF POSTS FILLED | VACANCY RATE  | NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT |
|--|-----------------|------------------------|---------------|--|
| 1. ADMINISTRATION PROGRAMME 1                        | 151             | 135                    | 10.60%        | 1  |
| 2. LOCAL GOVERNMENT PROGRAMME 2                      | 69              | 60                     | 13.04%        | 7  |
| 3. DEVELOPMENT AND PLANNING PROGRAMME 3              | 74              | 66                     | 10.81%        | 5  |
| 4. TRADITIONAL INSTITUTIONAL DEVELOPMENT PROGRAMME 4 | 90              | 81                     | 10%           | 21   |
| 5. HOUSE TRADITIONAL LEADERS PROGRAMME 5             | 14              | 10                     | 28.57%        | 8  |
| <b>TOTAL</b>   | <b>3981</b>     | <b>352</b>             | <b>11.56%</b> | <b>42</b>  |

**Table 1.2.2: Employment and vacancies by salary band**

| SALARY BAND                          | NUMBER OF POSTS | NUMBER OF POSTS FILLED | VACANCY RATE | NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT |
|--------------------------------------|-----------------|------------------------|--------------|--|
| LOWER SKILLED LEVELS 1-2             | 17              | 15                     | 11.76%       | 4  |
| SKILLED LEVELS 3-5                   | 72              | 64                     | 11.11%       | 4  |
| HIGHLY SKILLED PRODUCTION LEVELS 6-8 | 161             | 145                    | 9.94%        | 17   |
| HIGHLY SKILLED SUPERVISION LEVELS    | 115             | 100                    | 13.04%       | 10   |

| SALARY BAND      | NUMBER OF POSTS | NUMBER OF POSTS FILLED | VACANCY RATE  | NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT |
|------------------|-----------------|------------------------|---------------|--|
| 9-12             |                 |                        |               |  |
| SMS LEVELS 13-16 | 32              | 27                     | 15.63%        | 7  |
| MEC              | 1               | 1                      | 0%            | 0  |
| <b>TOTAL</b>     | <b>398</b>      | <b>352</b>             | <b>11.56%</b> | <b>42</b>  |

**Table 1.2.3: Employment and vacancies by critical occupations**

| CRITICAL OCCUPATIONS      | NUMBER OF POSTS | NUMBER OF POSTS FILLED | VACANCY RATE  | NUMBER OF POSTS FILLED ADDITIONAL TO THE ESTABLISHMENT |
|---------------------------|-----------------|------------------------|---------------|--|
| OSD – ENGINEERING RELATED | 14              | 12                     | 14.28%        | 3  |
| OSD – LEGAL PROFESSIONS   | 4               | 2                      | 50%           | 0  |
| <b>TOTAL</b>              | <b>18</b>       | <b>14</b>              | <b>22.22%</b> | <b>3</b>   |

### 1.3. Job Evaluation

The following table summarized the number of jobs that were evaluated during the year under review. The table also provides statistics on the number of posts that were upgraded or downgraded.

**Table 1.3.1: Job Evaluation by salary band**

| SALARY BAND                                    | NUMBER OF POSTS | NUMBER OF JOBS EVALUATED 1.4.2016 - 31.3.2017 | % OF POSTS EVALUATED 1.4.2016 - 31.3.2017 | POST UPGRADED 1.4.2016 - 31.3.2017 |                      | POSTS DOWNGRADED 1.4.2016 - 31.3.2017 |                      |
|--|-----------------|---|---|------------------------------------|----------------------|---------------------------------------|----------------------|
|  |                 |   |   | NUMBER                             | % OF POSTS EVALUATED | NUMBER                                | % OF POSTS EVALUATED |
| LOWER SKILLED LEVELS 1-2                       | 17              | 0   | 0%  | 0                                  | 0%                   | 0                                     | 0%                   |
| SKILLED LEVELS 3-5                             | 72              | 0   | 0%  | 0                                  | 0%                   | 0                                     | 0%                   |
| HIGHLY SKILLED PRODUCTION LEVELS 6-8           | 161             | 0   | 0%  | 0                                  | 0%                   | 0                                     | 0%                   |
| HIGHLY SKILLED SUPERVISION LEVELS 9-12         | 115             | 2   | 1.73%                                     | 0                                  | 0%                   | 0                                     | 0%                   |
| SMS LEVELS 13-16<br>BAND A<br>BAND B<br>BAND D | 32              | 0   | 0%  | 0                                  | 0%                   | 0                                     | 0%                   |
| MEC  | 1               | 0   | 0%  | 0                                  | 0%                   | 0                                     | 0%                   |
| <b>TOTAL</b>                                   | <b>398</b>      | <b>2</b>                                      | <b>0.50%</b>                              | <b>0</b>                           | <b>0%</b>            | <b>0</b>                              | <b>0%</b>            |

The following table provides a summary of the number of employees whose positions were upgraded due to their posts being upgraded.

**Table 1.3.2: Profile of employees whose positions were upgraded due to their posts being upgraded**

| BENEFICIARIES               | AFRICAN  | ASIAN    | COLOURED | WHITE    | TOTAL    |
|-----------------------------|----------|----------|----------|----------|----------|
| FEMALE                      | 0        | 0        | 0        | 0        | 0        |
| MALE                        | 0        | 0        | 0        | 0        | 0        |
| <b>TOTAL</b>                | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |
| EMPLOYEES WITH A DISABILITY | 0        | 0        | 0        | 0        | 0        |

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

**Table 1.3.3: Employees with salary levels higher than those determined by job evaluation by occupation**

|   |   |
|---|---|
| Total number of employees whose salaries exceeded the level determined by job evaluation in 2016/2017 | 8 |
|---|---|

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

**Table 1.3.4: Profile of employees who have salary levels higher than those determined by job evaluation**

| BENEFICIARIES               | AFRICAN | ASIAN | COLOURED | WHITE | TOTAL |
|-----------------------------|---------|-------|----------|-------|-------|
| FEMALE                      | 1       | 0     | 0        | 1     | 2     |
| MALE                        | 5       | 0     | 0        | 1     | 6     |
| TOTAL                       | 6       | 0     | 0        | 2     | 8     |
| EMPLOYEES WITH A DISABILITY | 0       | 0     | 0        | 0     | 0     |

#### 1.4. Employment Changes

The following tables provide a summary of turnover rates by salary band and critical occupations.

**1.4.1: Annual turnover rates by salary band**

| SALARY BAND                            | NUMBER OF EMPLOYEES PER BAND AS ON 1 APRIL 2016 | APPOINTMENTS AND TRANSFERS INTO THE DEPT | TERMINATIONS AND TRANSFERS OUT OF DEPT | TURNOVER RATE |
|--|---|--|--|---------------|
| LOWER SKILLED LEVELS 1-2               | 17  | 0  | 2                                      | 11.76%        |
| SKILLED LEVELS 3-5                     | 65  | 5  | 5                                      | 15.38%        |
| HIGHLY SKILLED PRODUCTION LEVELS 6-8   | 148   | 8  | 10                                     | 12.16%        |
| HIGHLY SKILLED SUPERVISION LEVELS 9-12 | 103   | 4  | 8                                      | 11.65%        |
| SMS LEVELS 13-16                       | 26  | 1  | 1                                      | 7.7%          |
| MEC                                    | 1   | 1  | 1                                      | 100%          |
| TOTAL                                  | 260   | 19                                       | 27                                     | 17.69%        |

**Table 1.4.2: Annual turnover rates by critical occupation**

| CRITICAL OCCUPATION       | NUMBER OF EMPLOYEES AS ON 1 APRIL 2016 | APPOINTMENTS AND TRANSFERS INTO THE DEPT | TERMINATIONS AND TRANSFERS OUT OF DEPT | TURNOVER RATE |
|---------------------------|--|--|--|---------------|
| OSD – ENGINEERING RELATED | 17                                     | 0  | 1                                      | 5.88%         |
| OSD – LEGAL PROFESSIONS   | 2                                      | 0  | 0                                      | 0%            |
| TOTAL                     | 19                                     | 0  | 1                                      | 5.26%         |

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

**Table 1.4.3: Reasons why staff left the Department**

| TERMINATION TYPE   | NUMBER | % OF TOTAL*352 |
|--|--------|----------------|
| DEATH  | 3      | 0.9%           |
| RESIGNATION  | 4      | 1.4%           |
| EXPIRY OF CONTRACT   | 6      | 1.7%           |
| DISMISSAL/OPERATIONAL CHANGES                                      | 0      | 0%             |
| DISMISSAL/MISCONDUCT   | 1      | 0.3%           |
| DISMISSAL/INEFFICIENCY   | 0      | 0%             |
| DISCHARGE DUE TO ILL-HEALTH  | 0      | 0%             |
| RETIREMENT   | 7      | 2%             |
| TRANSFERS TO OTHER PUBLIC SERVICE DEPTS                            | 4      | 1.4%           |
| OTHER  | 0      | 0%             |
| TOTAL  | 25     | 7.1%           |
| TOTAL NUMBER OF EMPLOYEES WHO LEFT AS A % OF THE TOTAL EMPLOYMENT* |        | 7.1%           |

**Table 1.4.4: Promotions by critical occupation**

| OCCUPATION                | NUMBER OF EMPLOYEES AT BEGINNING OF THE PERIOD 1 APRIL 2016 | PROMOTIONS TO ANOTHER SALARY LEVEL | SALARY LEVEL PROMOTIONS AS A % OF EMPLOYEES BY OCCUPATION | PROGRESSION TO ANOTHER NOTCH WITHIN A SALARY LEVEL | NOTCH PROGRESSIONS AS A % OF EMPLOYEES BY OCCUPATION |
|---------------------------|---|------------------------------------|---|--|--|
| OSD – ENGINEERING RELATED | 17  | 0                                  | 0%  | 17   | 100%   |
| OSD – LEGAL PROFESSIONS   | 2   | 1                                  | 50%   | 1  | 50%  |

| OCCUPATION | NUMBER OF EMPLOYEES AT BEGINNING OF THE PERIOD 1 APRIL 2016 | PROMOTIONS TO ANOTHER SALARY LEVEL | SALARY LEVEL PROMOTIONS AS A % OF EMPLOYEES BY OCCUPATION | PROGRESSION TO ANOTHER NOTCH WITHIN A SALARY LEVEL | NOTCH PROGRESSIONS AS A % OF EMPLOYEES BY OCCUPATION |
|------------|---|------------------------------------|---|--|--|
| TOTAL      | 19  | 1                                  | 5.3%  | 18   | 94.73%   |

**Table 1.4.5: Promotions by salary band**

| SALARY BAND                            | NUMBER OF EMPLOYEES AS ON 1 APRIL 2016* | PROMOTIONS TO ANOTHER SALARY LEVEL | SALARY LEVEL PROMOTIONS AS A % OF EMPLOYEES BY SALARY BAND | PROGRESSION TO ANOTHER NOTCH WITHIN A SALARY LEVEL* | NOTCH PROGRESSIONS AS A % OF EMPLOYEES BY SALARY BAND |
|--|---|------------------------------------|--|---|---|
| LOWER SKILLED LEVELS 1-2               | 17                                      | 0                                  | 0  | 17  | 100%  |
| SKILLED LEVELS 3-5                     | 65                                      | 0                                  | 0  | 61  | 93.8%   |
| HIGHLY SKILLED PRODUCTION LEVELS 6-8   | 148                                     | 3                                  | 2.3%   | 122   | 82.4%   |
| HIGHLY SKILLED SUPERVISION LEVELS 9-12 | 103                                     | 2                                  | 1.9%   | 89  | 86.4%   |
| SMS LEVELS 13-16                       | 26                                      | 0                                  | 0%   | 24  | 92.3%   |
| MEC                                    | 1                                       | 0                                  | %  | 0   | 0%  |
| TOTAL                                  | 360                                     | 5                                  | 1.9%   | 313   | 86.9%   |

## 1.5. Employment Equity

The following tables provide a summary of turnover rates by salary band and critical occupations.

**Table 1.5.1: Total number of employees, including employees with disabilities, in each of the following occupational categories as at 31 March 2017**

| OCCUPATIONAL CATEGORIES (SASCO)  | MALE    |          |        |       | FEMALE  |          |        |       | TOTAL   |
|--|---------|----------|--------|-------|---------|----------|--------|-------|---------|
|  | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE |         |
| MEC  | 0       | 0        | 0      | 0     | 1       | 0        | 0      | 0     | 1       |
| LEGISLATORS, SENIOR OFFICIALS AND MANAGERS, PROFESSIONALS PERMANENT (9 – 16) | 59(10)  | 2        | 0      | 10    | 41(5)   | 1        | 1      | 13    | 127(15) |
| OFFICERS PERMANENT (6 – 8)   | 45(11)  | 2        | 0      | 6     | 74(6)   | 2        | 0      | 16    | 145(17) |
| CLERKS, PERMANENT (3 – 5)  | 41(3)   | 1        | 0      | 0     | 21(1)   | 0        | 1      | 0     | 64(4)   |
| CRAFT AND RELATED TRADEWORKERS PERMANENT                                     | 0       | 0        | 0      | 0     | 0       | 0        | 0      | 0     | 0       |
| ELEMENTARY OCCUPATIONS PERMANENT (1 – 2)                                     | 2(1)    | 0        | 0      | 0     | 13(3)   | 0        | 0      | 0     | 15(4)   |
| TOTAL  | 147(25) | 5        | 0      | 16    | 150(15) | 3        | 2      | 29    | 352(40) |

Note: The totals in ( ) is additional appointments to the establishment

**Table 1.5.2: Total number of employees (including employees with disabilities) in each of the following occupations bands as at 31 March 2017**

| OCCUPATIONAL BANDS   | MALE    |          |        |       | FEMALE  |          |        |       | TOTAL   |
|--|---------|----------|--------|-------|---------|----------|--------|-------|---------|
|  | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE |         |
| MEC  | 0       | 0        | 0      | 0     | 1       | 0        | 0      | 0     | 1       |
| TOP MANAGEMENT (14 – 16)   | 5(4)    | 0        | 0      | 0     | 3       | 0        | 0      | 0     | 8(4)    |
| SENIOR MANAGEMENT (13)   | 8       | 1        | 0      | 3     | 6(1)    | 0        | 0      | 1     | 19(1)   |
| PROFESSIONALLY QUALIFIED AND EXPERIENCED SPECIALISTS AND MID – MANAGEMENT (9 – 12) | 46(6)   | 1        | 0      | 7     | 32(4)   | 1        | 1      | 12    | 100(10) |
| SKILLED TECHNICAL AND ACADEMICALLY QUALIFIED WORKERS, JUNIOR                       | 45(11)  | 2        | 0      | 6     | 74(6)   | 2        | 0      | 16    | 145(17) |

| OCCUPATIONAL BANDS   | MALE    |          |        |       | FEMALE  |          |        |       | TOTAL   |
|--|---------|----------|--------|-------|---------|----------|--------|-------|---------|
|  | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE |         |
| MANAGEMENT, SUPERVISORS, FOREMAN AND SUPERINTENDENTS (6 – 8) |         |          |        |       |         |          |        |       |         |
| SEMI SKILLED AND DISCRETIONARY DECISION MAKING (3 – 5)       | 41(3)   | 1        | 0      | 0     | 21(1)   | 0        | 1      | 0     | 64(4)   |
| UN SKILLED AND DEFINED DECISION MAKING (1 – 2)               | 2(1)    | 0        | 0      | 0     | 13(3)   | 0        | 0      | 0     | 15(4)   |
| TOTAL  | 147(25) | 5        | 0      | 16    | 150(15) | 3        | 2      | 29    | 352(40) |

Note: The totals in ( ) is additional appointments to the establishment

**Table 1.5.3: Recruitment**

| OCCUPATIONAL BANDS  | MALE    |          |        |       | FEMALE  |          |        |       | TOTAL |
|---|---------|----------|--------|-------|---------|----------|--------|-------|-------|
|   | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE |       |
| TOP MANAGEMENT (14 – 16)  | (2)     | 0        | 0      | 0     | 0       | 0        | 0      | 0     | (2)   |
| SENIOR MANAGEMENT (13)  | 0       | 0        | 0      | 0     | 1       | 0        | 0      | 0     | 1     |
| PROFESSIONALLY QUALIFIED AND EXPERIENCED SPECIALISTS AND MID – MANAGEMENT (9-12)  | (1)     | 0        | 0      | 0     | 2       | 0        | 0      | 0     | 2(1)  |
| SKILLED TECHNICAL AND ACADEMICALLY QUALIFIED WORKERS, JUNIOR MANAGEMENT, SUPERVISORS, FOREMAN AND SUPERINTENDENTS (6 – 8) | 4       | 0        | 0      | 0     | 1(1)    | 0        | 0      | 0     | 5(1)  |
| SEMI SKILLED AND DISCRETIONARY DECISION MAKING (3-5)  | 3       | 0        | 0      | 0     | 1(1)    | 0        | 0      | 0     | 4(1)  |
| UN SKILLED AND DEFINED DECISION MAKING (1 – 2)  | (1)     | 0        | 0      | 0     | 0       | 0        | 0      | 0     | (1)   |
| EMPLOYEES WITH DISABILITIES   | 1       | 0        | 0      | 1     | 1       | 0        | 0      | 0     | 3     |
| TOTAL   | 8(4)    | 0        | 0      | 1     | 6(2)    | 0        | 0      | 0     | 15(6) |

Note: The totals in ( ) is additional appointments to the establishment

**Table 1.5.4: Promotions**

| OCCUPATIONAL BANDS  | MALE    |          |        |       | FEMALE  |          |        |       | TOTAL |
|---|---------|----------|--------|-------|---------|----------|--------|-------|-------|
|   | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE |       |
| TOP MANAGEMENT (14 – 16)  | 0       | 0        | 0      | 0     | 0       | 0        | 0      | 0     | 0     |
| SENIOR MANAGEMENT (13)  | 0       | 0        | 0      | 0     | 0       | 0        | 0      | 0     | 0     |
| PROFESSIONALLY QUALIFIED AND EXPERIENCED SPECIALISTS AND MID – MANAGEMENT (9 – 12)  | 0       | 0        | 0      | 0     | 2       | 0        | 0      | 0     | 2     |
| SKILLED TECHNICAL AND ACADEMICALLY QUALIFIED WORKERS, JUNIOR MANAGEMENT, SUPERVISORS, FOREMAN AND SUPERINTENDENTS (6 – 8) | 1       | 0        | 0      | 0     | 2       | 0        | 0      | 0     | 3     |
| SEMI SKILLED AND DISCRETIONARY DECISION MAKING (3 – 5)  | 0       | 0        | 0      | 0     | 0       | 0        | 0      | 0     | 0     |
| UN SKILLED AND DEFINED DECISION MAKING (1 – 2)  | 0       | 0        | 0      | 0     | 0       | 0        | 0      | 0     | 0     |
| EMPLOYEES WITH DISABILITIES   | 0       | 0        | 0      | 0     | 0       | 0        | 0      | 0     | 0     |
| TOTAL   | 1       | 0        | 0      | 0     | 4       | 0        | 0      | 0     | 5     |

**Table 1.5.5: Terminations**

| OCCUPATIONAL BANDS  | MALE         |          |          |          | FEMALE    |          |          |          | TOTAL        |
|---|--------------|----------|----------|----------|-----------|----------|----------|----------|--------------|
|   | AFRICAN      | COLOURED | INDIAN   | WHITE    | AFRICAN   | COLOURED | INDIAN   | WHITE    |              |
| TOP MANAGEMENT (14 – 16)  | 0            | 0        | 0        | 0        | 1         | 0        | 0        | 0        | 1            |
| SENIOR MANAGEMENT (13)  | 1            | 0        | 0        | 0        | 0         | 0        | 0        | 0        | 1            |
| PROFESSIONALLY QUALIFIED AND EXPERIENCED SPECIALISTS AND MID – MANAGEMENT (9 – 12)  | 7            | 0        | 0        | 0        | 1         | 0        | 0        | 0        | 8            |
| SKILLED TECHNICAL AND ACADEMICALLY QUALIFIED WORKERS, JUNIOR MANAGEMENT, SUPERVISORS, FOREMAN AND SUPERINTENDENTS (6 – 8) | 1(2)         | 0        | 0        | 0        | 7         | 0        | 0        | 0        | 8(2)         |
| SEMI SKILLED AND DISCRETIONARY DECISION MAKING (3 – 5)  | 4            | 0        | 0        | 0        | 1         | 0        | 0        | 0        | 5            |
| UN SKILLED AND DEFINED DECISION MAKING (1 – 2)  | 0            | 0        | 0        | 0        | 2         | 0        | 0        | 0        | 2            |
| EMPLOYEES WITH DISABILITIES   | 0            | 0        | 0        |          | 0         | 0        | 0        | 0        | 0            |
| <b>TOTAL</b>  | <b>13(2)</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>12</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>25(2)</b> |

Note: The totals in ( ) is additional appointments to the establishment

**Table 1.5.6: Disciplinary action**

| OCCUPATIONAL BANDS                      | MALE     |          |          |          | FEMALE   |          |          |          | TOTAL    |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|
|   | AFRICAN  | COLOURED | INDIAN   | WHITE    | AFRICAN  | COLOURED | INDIAN   | WHITE    |          |
| DISCIPLINARY ACTION                     | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| DEMOTION COUPLED WITH FWW               | 1        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 1        |
| FINAL WRITTEN WARNING                   | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| WRITTEN WARNING                         | 2        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 2        |
| DISMISSAL                               | 1        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 1        |
| SUSPENSION WITHOUT PAY COUPLED WITH FWW | 1        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 1        |
| <b>TOTAL</b>                            | <b>5</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>5</b> |

**Table 1.5.7: Skills Development**

| OCCUPATIONAL CATEGORIES                    | MALE    |          |        |       | FEMALE  |          |        |       | TOTAL |
|--|---------|----------|--------|-------|---------|----------|--------|-------|-------|
|  | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE |       |
| LEGISLATORS, SENIOR OFFICIALS AND MANAGERS | 20      | 0        | 0      | 0     | 20      | 0        | 0      | 2     | 42    |
| PROFESSIONALS                              | 23      | 0        | 0      | 1     | 22      | 0        | 0      | 0     | 46    |
| TECHNICIANS AND ASSOCIATE PROFESSIONALS    | 1       | 0        | 0      | 0     | 9       | 0        | 0      | 0     | 10    |
| CLERKS                                     | 2       | 0        | 0      | 0     | 2       | 0        | 0      | 0     | 4     |
| SERVICES 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 TRADE WORKERS            | 0       | 0        | 0      | 0     | 0       | 0        | 0      | 0     | 0     |
| PLANT AND MACHINE                          | 1       | 0        | 0      | 0     | 0       | 0        | 0      | 0     | 1     |

| OCCUPATIONAL CATEGORIES     | MALE    |          |        |       | FEMALE  |          |        |       | TOTAL<br>0 |
|-----------------------------|---------|----------|--------|-------|---------|----------|--------|-------|------------|
|                             | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE |            |
| OPERATORS AND ASSEMBLERS    |         |          |        |       |         |          |        |       |            |
| ELEMENTARY OCCUPATIONS      | 0       | 0        | 0      | 0     | 0       | 0        | 0      | 0     | 0          |
| TOTAL                       | 47      | 0        | 0      | 1     | 53      | 0        | 0      | 2     | 103        |
| EMPLOYEES WITH DISABILITIES | 0       | 0        | 0      | 0     | 0       | 0        | 0      | 0     | 0          |

\*Employees with disabilities are included in the above occupations.

## 1.6. 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 and disability, salary bands and critical occupations.

**Table 1.6.1: Performance rewards by race, gender and disability (including SMS)**

| BENEFICIARY PROFILE                        |                         |                                    |                         | COST         |                                      |
|--|-------------------------|------------------------------------|-------------------------|--------------|--------------------------------------|
| RACE AND GENDER                            | NUMBER OF BENEFICIARIES | TOTAL NUMBER OF EMPLOYEES IN GROUP | % OF TOTAL WITHIN GROUP | COST (R'000) | AVERAGE COST PER EMPLOYEE BENEFITTED |
| AFRICAN                                    |                         |                                    |                         |              |                                      |
| MALE                                       | 65                      | 168                                | 38.69%                  | 1,536.21     | 23,633.93                            |
| FEMALE                                     | 69                      | 167                                | 41.32%                  | 1,264.25     | 18,322.50                            |
| ASIAN                                      |                         |                                    |                         |              |                                      |
| MALE                                       | 0                       | 0                                  | 0                       | 0            | 0                                    |
| FEMALE                                     | 2                       | 2                                  | 100%                    | 22.23        | 11,113.73                            |
| COLOURED                                   |                         |                                    |                         |              |                                      |
| MALE                                       | 2                       | 5                                  | 40%                     | 45.31        | 22,653.60                            |
| FEMALE                                     | 0                       | 0                                  | 0                       | 0            | 0                                    |
| WHITE                                      |                         |                                    |                         |              |                                      |
| MALE                                       | 10                      | 15                                 | 66.67%                  | 453.33       | 45,333.15                            |
| FEMALE                                     | 19                      | 28                                 | 67.86%                  | 498.56       | 26,24.14                             |
| EMPLOYEES WITH DISABILITY (included above) | 0                       | 0                                  | 0                       | 0            | 0                                    |
| TOTAL                                      | 167                     | 392                                | 42.60%                  | 3,819.89     | 22,873.57                            |

**Table 1.6.2: Performance rewards (1-12)**

| SALARY BANDS                        | BENEFICIARY PROFILE     |                      |                                | TOTAL COST (R'000) | AVERAGE COST PER EMPLOYEE (beneficiary) |
|-------------------------------------|-------------------------|----------------------|--------------------------------|--------------------|---|
|                                     | NUMBER OF BENEFICIARIES | NUMBER OF EMPLOYEES* | % OF TOTAL WITHIN SALARY BANDS |                    |   |
| LOWER SKILLED LEVELS 1-2            | 1                       | 19                   | 5.26%                          | 4.03               | 4,026.00                                |
| SKILLED LEVELS 3-5                  | 22                      | 68                   | 32.35%                         | 149.63             | 6,895.92                                |
| HIGHLY SKILLED PRODUCTION LEVEL 6-8 | 71                      | 164                  | 43.29%                         | 814.77             | 11,981.94                               |
| HIGHLY SKILLED SUPERVISION 9-12     | 55                      | 104                  | 52.88%                         | 1,267.43           | 24,373.62                               |
| TOTAL                               | 149                     | 355                  | 41.97%                         | 2,390              | 16,045.42                               |

**Table 1.6.3: Performance rewards by critical occupation**

| CRITICAL OCCUPATION       | BENEFICIARY PROFILE                        |                     |                              | COST             |   |
|---------------------------|--|---------------------|------------------------------|------------------|---|
|                           | NUMBER OF BENEFICIARIES AS ON 1 APRIL 2016 | NUMBER OF EMPLOYEES | % OF TOTAL WITHIN OCCUPATION | TOTAL COST R'000 | AVERAGE COST PER EMPLOYEE (BENEFICIARY) |
| OSD - ENGINEERING RELATED | 9  | 14                  | 64.3%                        | 283 984          | 31 554                                  |
| OSD - LEGAL PROFESSIONS   | 1  | 4                   | 25%                          | 11 836           | 11 836                                  |
| TOTAL                     | 10   | 18                  | 55.6%                        | 295 820          | 29 582                                  |

**Table 1.6.4: Performance related rewards (cash bonus) by salary band for Senior Management**

| SALARY BANDS | BENEFICIARY PROFILE     |                     |                                | TOTAL COST (R'000) | AVERAGE COST PER EMPLOYEE (R000) | TOTAL COST AS A % OF THE TOTAL PERSONNEL EXPENDITURE |
|--------------|-------------------------|---------------------|--------------------------------|--------------------|----------------------------------|--|
|              | NUMBER OF BENEFICIARIES | NUMBER OF EMPLOYEES | % OF TOTAL WITHIN SALARY BANDS |                    |                                  |  |

| SALARY BANDS | BENEFICIARY PROFILE     |                     |                                | TOTAL COST(R'000) | AVERAGE COST PER EMPLOYEE (R000) | TOTAL COST AS A % OF THE TOTAL PERSONNEL EXPENDITURE |
|--------------|-------------------------|---------------------|--------------------------------|-------------------|----------------------------------|--|
|              | NUMBER OF BENEFICIARIES | NUMBER OF EMPLOYEES | % OF TOTAL WITHIN SALARY BANDS |                   |                                  |  |
| Band A to D  | 18                      | 370                 | 48.65%                         | 1,429.12          | 79,395.49                        | 41,902.64  |
| <b>TOTAL</b> | 18                      | 370                 | 48.65%                         | 1,429.12          | 79,395.49                        | 41,902.64  |

### 1.7. Foreign Workers

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

**Table 1.7.1: Foreign workers by salary band**

| OCCUPATIONAL BANDS  | MALE    |          |        |       | FEMALE  |          |        |       | TOTAL |
|---|---------|----------|--------|-------|---------|----------|--------|-------|-------|
|   | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE |       |
| TOP MANAGEMENT (14 – 16)  | 0       | 0        | 0      | 0     | 0       | 0        | 0      | 0     | 0     |
| SENIOR MANAGEMENT (13)  | 0       | 0        | 0      | 0     | 0       | 0        | 0      | 0     | 0     |
| PROFESSIONALLY QUALIFIED AND EXPERIENCED SPECIALISTS AND MID – MANAGEMENT (9-12)  | 0       | 0        | 0      | 0     | 0       | 0        | 0      | 0     | 0     |
| SKILLED TECHNICAL AND ACADEMICALLY QUALIFIED WORKERS, JUNIOR MANAGEMENT, SUPERVISORS, FOREMAN AND SUPERINTENDENTS (6 – 8) | 0       | 0        | 0      | 0     | 0       | 0        | 0      | 0     | 0     |
| SEMI SKILLED AND DISCRETIONARY DECISION MAKING (3-5)  | 0       | 0        | 0      | 0     | 0       | 0        | 1      | 0     | 01    |
| UN SKILLED AND DEFINED DECISION MAKING (1 – 2)  | 0       | 0        | 0      | 0     | 0       | 0        | 0      | 0     | 0     |
| EMPLOYEES WITH DISABILITIES   | 0       | 0        | 0      | 0     | 0       | 0        | 0      | 0     | 0     |
| <b>TOTAL</b>  | 0       | 0        | 0      | 0     | 0       | 0        | 1      | 0     | 1     |

**Table 1.7.2: Foreign workers by major occupation**

| OCCUPATIONAL BANDS  | MALE    |          |        |       | FEMALE  |          |        |       | TOTAL |
|---|---------|----------|--------|-------|---------|----------|--------|-------|-------|
|   | AFRICAN | COLOURED | INDIAN | WHITE | AFRICAN | COLOURED | INDIAN | WHITE |       |
| TOP MANAGEMENT (14 – 16)  | 0       | 0        | 0      | 0     | 0       | 0        | 0      | 0     | 0     |
| SENIOR MANAGEMENT (13)  | 0       | 0        | 0      | 0     | 0       | 0        | 0      | 0     | 0     |
| PROFESSIONALLY QUALIFIED AND EXPERIENCED SPECIALISTS AND MID – MANAGEMENT (9-12)  | 0       | 0        | 0      | 0     | 0       | 0        | 0      | 0     | 0     |
| SKILLED TECHNICAL AND ACADEMICALLY QUALIFIED WORKERS, JUNIOR MANAGEMENT, SUPERVISORS, FOREMAN AND SUPERINTENDENTS (6 – 8) | 0       | 0        | 0      | 0     | 0       | 0        | 0      | 0     | 0     |
| SEMI SKILLED AND DISCRETIONARY DECISION MAKING (3-5)  | 0       | 0        | 0      | 0     | 0       | 0        | 1      | 0     | 1     |
| UN SKILLED AND DEFINED DECISION MAKING (1 – 2)  | 0       | 0        | 0      | 0     | 0       | 0        | 0      | 0     | 0     |
| EMPLOYEES WITH DISABILITIES   | 0       | 0        | 0      | 0     | 0       | 0        | 0      | 0     | 0     |
| <b>TOTAL</b>  | 0       | 0        | 0      | 0     | 0       | 0        | 1      | 0     | 1     |

### 1.8. Leave utilization

The following tables provide an indication of the use of sick leave and disability leave, inclusive of the cost of the leave

**Table 1.8.1: Sick leave**

| SALARY BAND                            | TOTAL DAYS | % DAYS WITH MEDICAL CERTIFICATE | NUMBER OF EMPLOYEES USING SICK LEAVE | % OF TOTAL EMPLOYEES USING SICK LEAVE | AVERAGE DAYS PER EMPLOYEE | ESTIMATED COST (R '000) |
|--|------------|---------------------------------|--------------------------------------|---------------------------------------|---------------------------|-------------------------|
| LOWER SKILLED LEVELS 1-2               | 9          | 44.44%                          | 3                                    | 1.11%                                 | 3                         | 4                       |
| SKILLED LEVELS 3-5                     | 358        | 67.13%                          | 38                                   | 14.02%                                | 9.41                      | 263                     |
| HIGHLY SKILLED PRODUCTION LEVELS 6-8   | 1090       | 56.06%                          | 122                                  | 45.02%                                | 8.93                      | 1339                    |
| HIGHLY SKILLED SUPERVISION LEVELS 9-12 | 752        | 54.12%                          | 80                                   | 29.52%                                | 9.4                       | 1651                    |
| SENIOR MANAGEMENT LEVELS 13-16         | 160        | 71.88%                          | 18                                   | 6.64%                                 | 8.89                      | 603                     |
| CONTRACT LEVELS 1-2                    | 0          | 0%                              | 0                                    | 0%                                    | 0                         | 0                       |
| CONTRACT LEVELS 3-5                    | 4          | 50%                             | 2                                    | 0.74%                                 | 2                         | 3                       |
| CONTRACT LEVELS 6-8                    | 18         | 94.44%                          | 3                                    | 1.11%                                 | 6                         | 22                      |
| CONTRACT LEVELS 9-12                   | 33         | 45.45%                          | 5                                    | 1.85%                                 | 6.6                       | 78                      |
| CONTRACT LEVELS 13-16                  | 0          | 0%                              | 0                                    | 0%                                    | 0                         | 0                       |
| TOTAL                                  | 2424       | 58.22%                          | 271                                  | 100%                                  | 8.94                      | 3962                    |

**Table 1.8.2: Disability leave (temporary and permanent)**

| SALARY BAND                            | TOTAL DAYS | % DAYS WITH MEDICAL CERTIFICATE | NUMBER OF EMPLOYEES USING DISABILITY LEAVE | % OF TOTAL EMPLOYEES USING DISABILITY LEAVE | AVERAGE DAYS PER EMPLOYEE | ESTIMATED COST (R '000) |
|--|------------|---------------------------------|--|---|---------------------------|-------------------------|
| LOWER SKILLED LEVELS 1-2               | 0          | 0                               | 0  | 0   | 0                         | 0                       |
| SKILLED LEVELS 3-5                     | 0          | 0                               | 0  | 0   | 0                         | 0                       |
| HIGHLY SKILLED PRODUCTION LEVELS 6-8   | 0          | 0                               | 0  | 0   | 0                         | 0                       |
| HIGHLY SKILLED SUPERVISION LEVELS 9-12 | 0          | 0                               | 0  | 0   | 0                         | 0                       |
| SENIOR MANAGEMENT LEVELS 13-16         | 0          | 0                               | 0  | 0   | 0                         | 0                       |
| TOTAL                                  | 0          | 0                               | 0  | 0   | 0                         | 0                       |

**Table 1.8.3: Annual leave (including contract workers)**

| SALARY BAND                            | TOTAL DAYS TAKEN | AVERAGE DAYS PER EMPLOYEE | NUMBER OF EMPLOYEES WHO TOOK LEAVE |
|--|------------------|---------------------------|------------------------------------|
| LOWER SKILLED LEVELS 1-2               | 3456             | 172.5                     | 20                                 |
| SKILLED LEVELS 3-5                     | 1282             | 18.85                     | 68                                 |
| HIGHLY SKILLED PRODUCTION LEVELS 6-8   | 3286             | 20.54                     | 160                                |
| HIGHLY SKILLED SUPERVISION LEVELS 9-12 | 2268             | 22.02                     | 103                                |
| SENIOR MANAGEMENT LEVELS 13-16         | 645              | 22.24                     | 29                                 |
| CONTRACT LEVELS 1-2                    | 40               | 20                        | 2                                  |
| CONTRACT LEVELS 3-5                    | 89               | 12.71                     | 7                                  |
| CONTRACT LEVELS 6-8                    | 169              | 18.78                     | 9                                  |
| CONTRACT LEVELS 9-12                   | 94               | 15.67                     | 6                                  |
| CONTRACT LEVELS 13-16                  | 0                | 0                         | 0                                  |
| TOTAL                                  | 11329            | 20.32                     | 404                                |

**Table 1.8.4: Capped leave**

| SALARY BAND                            | TOTAL DAYS OF CAPPED LEAVE TAKEN | AVERAGE NUMBER OF DAYS TAKEN PER EMPLOYEE | AVERAGE CAPPED LEAVE PER EMPLOYEE AS AT 31/12/2016 |
|--|----------------------------------|---|--|
| SKILLED LEVELS 3-5                     | 0                                | 0   | 50.08  |
| HIGHLY SKILLED PRODUCTION LEVELS 6-8   | 4                                | 1.33                                      | 38.64  |
| HIGHLY SKILLED SUPERVISION LEVELS 9-12 | 0                                | 0   | 20.12  |
| SENIOR MANAGEMENT LEVELS 13 - 16       | 14                               | 14  | 18.12  |
| TOTAL                                  | 18                               | 4.5                                       | 29.11  |

**Table 1.8.5: Leave pay-outs**

| REASON  | TOTAL AMOUNT (R'000) | NUMBER OF EMPLOYEES | AVERAGE PAYMENT PER EMPLOYEE |
|---|----------------------|---------------------|------------------------------|
| Leave payout for 2016 due to non-utilization of | 0                    | 0                   | 0                            |

| REASON  | TOTAL AMOUNT (R'000) | NUMBER OF EMPLOYEES | AVERAGE PAYMENT PER EMPLOYEE |
|---|----------------------|---------------------|------------------------------|
| leave for the previous cycle                            |                      |                     |                              |
| Capped leave payouts on termination of service for 2016 | 0                    | 0                   | 0                            |
| Current leave payout on termination of service for 2016 | 0                    | 0                   | 0                            |
| TOTAL   | 0                    | 0                   | 0                            |

## 1.9. HIV/AIDS and Health Promotion Programmes

**Table 1.9.1: Steps taken to reduce the risk of occupational exposure**

| UNITS/CATEGORIES OF EMPLOYEES IDENTIFIED TO BE AT HIGH RISK OF CONTRACTING HIV AND RELATED DISEASES (IF ANY)                        | KEY STEPS TAKEN TO REDUCE THE RISK.  |
|---|--|
| No particular occupational class or categories of employees are by nature of their work dangerously exposed to contracting HIV/AIDS | This department has no occupational categories whose work exposes its employees to the risks associated with HIV/AIDS. |

**Table 1.9.2: Details of Health Promotion and HIV/AIDS Programmes (tick the appropriate 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 D VI OF CHAPTER 1 OF THE PSR, 2001? IF SO, PROVIDE HER/HIS NAME AND POSITION  |     | X  | The department has not formally appointed a designated member SMS to be responsible for Health Promotion and HIV/AIDS programmes. This function has been carried out by the Acting Director: Human Resources and Development.   |
| 2. DOES THE DEPARTMENT HAVE A DESIGNATED 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 | X   |    | Currently 5 employees in the Unit of which 2 of them are temporarily assisting.<br><br>The Unit operates with a budget of R320 000  |
| 3. HAS THE DEPARTMENT INTRODUCED AN EMPLOYEE ASSISTANCE OR HEALTH PROMOTION PROGRAMME FOR YOUR EMPLOYEES? IF SO, INDICATE THE KEY ELEMENTS/SERVICES OF THIS PROGRAMME  | X   |    | The Employee Health and Wellness Sub-directorate has 4 functional pillars, they are structured as follows:<br><b>1. HIV&amp; AIDS AND TB MANAGEMENT PILLAR</b><br>To mitigate the impact of HIV& AIDS and TB epidemic and improvement of the department's service delivery to reduce the number of infections and impact on individual employees.<br><b>Key Performance areas.</b><br>To implement programmes on:<br>-Prevention;<br>-Treatment, care and support;<br>-Human rights and access to justice;<br>-Research, monitoring and evaluation.<br><b>2. HEALTH AND PRODUCTIVITY MANAGEMENT PILLAR</b><br>To manage communicable and non-communicable diseases, mental health/ psychosomatic illnesses, injury on duty and incapacity due to ill-health and occupational health education in order to enhance productivity<br><b>Key performance areas.</b><br>To implement programmes on:<br>-Disease management and chronic illnesses;<br>-Mental health/psychological illness<br>-Injury on duty and incapacity due to ill-health<br>-Occupational health and education promotion<br><b>3. SAFETY, HEALTH, ENVIRONMENT,RISK AND QUALITY (SHERQ) MANAGEMENT PILLAR</b><br>To anticipate, evaluate, educate and control health hazards in the departments to protect employee's health and wellbeing as well as to safeguard the community at large.(clients)<br><b>Key performance areas.</b><br>Implement programmes on:<br>-Occupational health and safety;<br>-Environmental management;<br>-Risk and quality management.<br><b>4. WELLNESS MANAGEMENT PILLAR</b><br>To provide individual wellness and organisational wellness to improve work-life balance |

| QUESTION  | YES                                     | NO                     | DETAILS IF YES   |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
|---|---|------------------------|--|------|------|-------|----------------|---------|-----------------------|---------------|-------------------------|------------------------|-----------------|---------|------------------------|----------------|--------------------|------------------------|------|------|-------|----------------|---------------------------------------|-----------------------|--------------|------------------|-----------------------|----------------|------------------|-----------------------|----------------|------------------|-----------------------|----------------|------------------|-----------------------|------|------|-------|--------------|----------------------------------|-----------------------|---------------|----------------------------------|-----------------------|------|------|-------|--------------|---|-----------------------|------|------|-------|----------------|---------------------|--------------|------|------------|-------|--------------|---------------------|--------------|------|------|---------------|------------------------------|-----------------|-------------------------------|---------------|----------------------------|---------------|------------------------------|----------------|------------------------------|------------------|----------------------------|--------------|--------------------------------|---------------|------------------------------|-----------------|---------------------------------|--------------|-------------------------------|----------------|---------------------------|--------------|---------------------------------|-----------------|------------------------------|---------------|-------------------------------|
|   |   |                        | <p><b>Key performance areas.</b><br/> Implement programmes on:<br/> -Individual wellness (physical)<br/> -Individual wellness (Psychosocial wellness) counselling and referrals<br/> -Organisational wellness<br/> -Work-life balance</p>  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| 4. HAS THE DEPARTMENT ESTABLISHED COMMITTEES AS CONTEMPLATED IN PART VI E.5 (E) OF CHAPTER 1 OF THE PSR 2001? IF SO, PLEASE PROVIDE THE NAMES OF THE MEMBERS OF THE COMMITTEES AND THE STAKEHOLDER/S THAT THEY REPRESENT            | X                                       |                        | <p><b>COMMITTEE REPRESENTATIVE DATABASE PER COGTA BUILDING</b></p> <p><b>O.R Tambo House (former Lebohang building)</b></p> <table border="1"> <thead> <tr> <th>NAME</th> <th>UNIT</th> <th>FLOOR</th> </tr> </thead> <tbody> <tr> <td>Ms M. Ramosidi</td> <td>Finance</td> <td>7<sup>th</sup> floor</td> </tr> <tr> <td>Mr. S. Mosese</td> <td>Supply Chain Management</td> <td>10<sup>th</sup> floor</td> </tr> <tr> <td>Mr. V Maxatshwa</td> <td>IT Unit</td> <td>11<sup>th</sup> floor</td> </tr> <tr> <td>Mr. M. Mokhele</td> <td>Skills Development</td> <td>12<sup>th</sup> floor</td> </tr> </tbody> </table> <p><b>CoGTA in the L.T Trust building (Charlotte Maxeke Street)</b></p> <table border="1"> <thead> <tr> <th>Name</th> <th>Unit</th> <th>Floor</th> </tr> </thead> <tbody> <tr> <td>Ms Z. Magagula</td> <td>Municipal Intergovernmental Relations</td> <td>1<sup>st</sup> floor</td> </tr> <tr> <td>Ms L. Jonker</td> <td>Spatial Planning</td> <td>2<sup>nd</sup> floor</td> </tr> <tr> <td>Ms C. Prinsloo</td> <td>Spatial Planning</td> <td>3<sup>rd</sup> floor</td> </tr> <tr> <td>Ms M. Mabalane</td> <td>Spatial Planning</td> <td>4<sup>th</sup> floor</td> </tr> <tr> <td>Mr M Radiopane</td> <td>Spatial Planning</td> <td>5<sup>th</sup> floor</td> </tr> </tbody> </table> <p><b>CoGTA in the L.M Trust building (Elizabeth Street)</b></p> <table border="1"> <thead> <tr> <th>Name</th> <th>Unit</th> <th>Floor</th> </tr> </thead> <tbody> <tr> <td>Ms R. Mkaudi</td> <td>Municipal Planning &amp; Development</td> <td>5<sup>th</sup> floor</td> </tr> <tr> <td>Ms M. Liphoko</td> <td>Municipal Performance Monitoring</td> <td>3<sup>rd</sup> floor</td> </tr> </tbody> </table> <p><b>Representative for CoGTA in the Old SANLAM building</b></p> <table border="1"> <thead> <tr> <th>Name</th> <th>Unit</th> <th>Floor</th> </tr> </thead> <tbody> <tr> <td>Mr. M. Sello</td> <td>Free State House of Traditional Leaders</td> <td>3<sup>rd</sup> floor</td> </tr> </tbody> </table> <p><b>Representative for CoGTA in the Thaba Nchu office</b></p> <table border="1"> <thead> <tr> <th>Name</th> <th>Unit</th> <th>Floor</th> </tr> </thead> <tbody> <tr> <td>Mr. K.G Lepogo</td> <td>Traditional Affairs</td> <td>Ground floor</td> </tr> </tbody> </table> <p><b>Representatives for CoGTA in the Disaster Management Directorate</b></p> <table border="1"> <thead> <tr> <th>Name</th> <th>Department</th> <th>Floor</th> </tr> </thead> <tbody> <tr> <td>Ms L. 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Madikoe</td> <td>Morena E Moholo – Bakoena</td> </tr> <tr> <td>Me N. Mohale</td> <td>Thaba Tsoeu Traditional Council</td> </tr> <tr> <td>Mr. S. Molapisi</td> <td>Matsieng Traditional Council</td> </tr> <tr> <td>Mr. M.S. Moji</td> <td>Phomolong Traditional Council</td> </tr> </tbody> </table> | NAME | UNIT | FLOOR | Ms M. Ramosidi | Finance | 7 <sup>th</sup> floor | Mr. S. Mosese | Supply Chain Management | 10 <sup>th</sup> floor | Mr. V Maxatshwa | IT Unit | 11 <sup>th</sup> floor | Mr. M. Mokhele | Skills Development | 12 <sup>th</sup> floor | Name | Unit | Floor | Ms Z. Magagula | Municipal Intergovernmental Relations | 1 <sup>st</sup> floor | Ms L. Jonker | Spatial Planning | 2 <sup>nd</sup> floor | Ms C. Prinsloo | Spatial Planning | 3 <sup>rd</sup> floor | Ms M. Mabalane | Spatial Planning | 4 <sup>th</sup> floor | Mr M Radiopane | Spatial Planning | 5 <sup>th</sup> floor | Name | Unit | Floor | Ms R. Mkaudi | Municipal Planning & Development | 5 <sup>th</sup> floor | Ms M. Liphoko | Municipal Performance Monitoring | 3 <sup>rd</sup> floor | Name | Unit | Floor | Mr. M. Sello | Free State House of Traditional Leaders | 3 <sup>rd</sup> floor | Name | Unit | Floor | Mr. K.G Lepogo | Traditional Affairs | Ground floor | Name | Department | Floor | Ms L. Morake | Disaster Management | Ground floor | Name | Unit | Mr. M. Moloko | Thibella Traditional Council | Mr. B. Nchabeng | Monontsha Traditional Council | Me M. Lebatla | Bolata Traditional Council | Mr. S. Mopeli | Mabolela Traditional Council | Mr. D. Dlamini | Namahali Traditional Council | Mr. K. Mohlaping | Morena E Moholo – Batlokoa | Mr. B. Gumbu | Kgolokweng Traditional Council | Mr. S. Molefe | Dinkoeng Traditional Council | Mr. T. Mofokeng | Thaba Bosiu Traditional Council | Me S. Khanye | Mokgalong Traditional Council | Mr. J. Madikoe | Morena E Moholo – Bakoena | Me N. Mohale | Thaba Tsoeu Traditional Council | Mr. S. Molapisi | Matsieng Traditional Council | Mr. M.S. Moji | Phomolong Traditional Council |
| NAME  | UNIT                                    | FLOOR                  |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| Ms M. Ramosidi  | Finance                                 | 7 <sup>th</sup> floor  |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| Mr. S. Mosese   | Supply Chain Management                 | 10 <sup>th</sup> floor |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| Mr. V Maxatshwa   | IT Unit                                 | 11 <sup>th</sup> floor |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| Mr. M. Mokhele  | Skills Development                      | 12 <sup>th</sup> floor |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| Name  | Unit                                    | Floor                  |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| Ms Z. Magagula  | Municipal Intergovernmental Relations   | 1 <sup>st</sup> floor  |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| Ms L. Jonker  | Spatial Planning                        | 2 <sup>nd</sup> floor  |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| Ms C. Prinsloo  | Spatial Planning                        | 3 <sup>rd</sup> floor  |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| Ms M. Mabalane  | Spatial Planning                        | 4 <sup>th</sup> floor  |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| Mr M Radiopane  | Spatial Planning                        | 5 <sup>th</sup> floor  |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| Name  | Unit                                    | Floor                  |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| Ms R. Mkaudi  | Municipal Planning & Development        | 5 <sup>th</sup> floor  |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| Ms M. Liphoko   | Municipal Performance Monitoring        | 3 <sup>rd</sup> floor  |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| Name  | Unit                                    | Floor                  |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| Mr. M. Sello  | Free State House of Traditional Leaders | 3 <sup>rd</sup> floor  |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| Name  | Unit                                    | Floor                  |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| Mr. K.G Lepogo  | Traditional Affairs                     | Ground floor           |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| Name  | Department                              | Floor                  |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| Ms L. Morake  | Disaster Management                     | Ground floor           |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| Name  | Unit                                    |                        |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| Mr. M. Moloko   | Thibella Traditional Council            |                        |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| Mr. B. Nchabeng   | Monontsha Traditional Council           |                        |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| Me M. Lebatla   | Bolata Traditional Council              |                        |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| Mr. S. Mopeli   | Mabolela Traditional Council            |                        |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| Mr. D. Dlamini  | Namahali Traditional Council            |                        |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| Mr. K. Mohlaping  | Morena E Moholo – Batlokoa              |                        |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| Mr. B. Gumbu  | Kgolokweng Traditional Council          |                        |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| Mr. S. Molefe   | Dinkoeng Traditional Council            |                        |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| Mr. T. Mofokeng   | Thaba Bosiu Traditional Council         |                        |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| Me S. Khanye  | Mokgalong Traditional Council           |                        |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| Mr. J. Madikoe  | Morena E Moholo – Bakoena               |                        |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| Me N. Mohale  | Thaba Tsoeu Traditional Council         |                        |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| Mr. S. Molapisi   | Matsieng Traditional Council            |                        |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| Mr. M.S. Moji   | Phomolong Traditional Council           |                        |  |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| 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 | X                                       |                        | HIV/AIDS, STI AND TB Policy is in place as approved by the Head of Department.   |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |
| 6. HAS THE DEPARTMENT INTRODUCED MEASURES TO PROTECT HIV – POSITIVE EMPLOYEES OR THOSE RECEIVED TO BE   | X                                       |                        | <p>Issues of discrimination against people living with HIV are covered by the HIV/AIDS, STI and TB Policy.</p> <p>An annual operation plan signed by the Head of Department is also in place, this is to guide the implementation of the policy.</p>   |      |      |       |                |         |                       |               |                         |                        |                 |         |                        |                |                    |                        |      |      |       |                |                                       |                       |              |                  |                       |                |                  |                       |                |                  |                       |                |                  |                       |      |      |       |              |                                  |                       |               |                                  |                       |      |      |       |              |   |                       |      |      |       |                |                     |              |      |            |       |              |                     |              |      |      |               |                              |                 |                               |               |                            |               |                              |                |                              |                  |                            |              |                                |               |                              |                 |                                 |              |                               |                |                           |              |                                 |                 |                              |               |                               |

| QUESTION  | YES | NO | DETAILS IF YES   |
|---|-----|----|--|
| HIV – POSITIVE FROM DISCRIMINATION? IF SO, LIST THE KEY ELEMENTS OF THESE MEASURES  |     |    |  |
| 7. DOES THE DEPARTMENT ENCOURAGE ITS EMPLOYEES TO UNDERGO VOLUNTARY COUNSELING AND TESTING? IF SO, LIST THE RESULTS THAT YOU HAVE ACHIEVED                      | X   |    | <ul style="list-style-type: none"> <li>The Unit embarks on quarterly HIV Counselling and Testing (HCT) campaigns to ensure that employees as tested. No employees tested positive during the period under review.</li> </ul> |
| 8. HAS THE DEPARTMENT DEVELOPED MEASURES/INDICATORS TO MONITOR AND EVALUATE THE IMPACT OF ITS HEALTH PROMOTION PROGRAMME? IF SO, LIST THESE MEASURES/INDICATORS | X   |    | The indicators include, supervisor feedback and sick leave records. No particular system has been introduced.  |

### 1.10. Labour Relations

**Table 1.10.1: Collective Agreements**

| SUBJECT MATTER   | DATE      |
|--|-----------|
| PSCBC Resolution 2/2016 : Amendment to resolution 1,3 and 5 of 2015(timeframe) | 4/10/2016 |

**Table 1.10.2: Misconduct and disciplinary hearings finalized**

| OUTCOMES OF DISCIPLINARY HEARINGS           | NUMBER    | % OF TOTAL  |
|---|-----------|-------------|
| CORRECTIONAL COUNSELING                     | 1         | 10%         |
| VERBAL WARNINGS                             | 0         | 0%          |
| WRITTEN WARNING                             | 2         | 20%         |
| FINAL WRITTEN WARNING                       | 0         | 0%          |
| SUSPENDED WITHOUT PAY COUPLED WITH FWW      | 1         | 10%         |
| FINE  | 0         | 0%          |
| DEMOTION coupled with Final Written Warning | 1         | 10%         |
| DISMISSAL (abscondment)                     | 1         | 10%         |
| NOT GUILTY                                  | 0         | 0%          |
| CASE WITHDRAWN / OFFICIAL RESIGNED          | 1         | 10%         |
| PENDING                                     | 3         | 30%         |
| <b>TOTAL CASES</b>                          | <b>10</b> | <b>100%</b> |

**Table 1.10.3: Types of misconduct addressed at disciplinary hearings**

| TYPE OF MISCONDUCT   | NUMBER   | % OF TOTAL  |
|--|----------|-------------|
| FRAUD  | 0        | 0%          |
| CODE OF CONDUCT / CORRUPTION   | 0        | 0%          |
| ABUSE OF GOVERNMENT PROPERTY   | 4        | 80%         |
| <u>ABSENTEEISM</u> , INSUBORDINATION, <u>DERAGATORY LANGUAGE</u> , CARRYING A FIREARM AT WORK, MISREPRESENTATION OF FACTS, ABANDONING A POST | 1        | 20%         |
| <b>TOTAL</b>   | <b>5</b> | <b>100%</b> |

**Table 1.10.4: Grievances lodged**

|  | NUMBER   | % OF TOTAL  |
|--|----------|-------------|
| NUMBER OF GRIEVANCES RESOLVED            | 7        | 77.8%       |
| NUMBER OF GRIEVANCES NOT RESOLVED        | 2        | 22.2%       |
| <b>TOTAL NUMBER OF GRIEVANCES LODGED</b> | <b>9</b> | <b>100%</b> |

**Table 1.10.5: Disputed lodges**

|  | NUMBER   | % OF TOTAL  |
|--|----------|-------------|
| NUMBER OF DISPUTES UPHELD/PENDING      | 1        | 33.3%       |
| NUMBER OF DISPUTES DISMISSED/WITHDRAWN | 2        | 66.7%       |
| <b>TOTAL NUMBER OF DISPUTES LODGED</b> | <b>3</b> | <b>100%</b> |

**Table 1.10.6: Strike actions**

|  |   |
|--|---|
| TOTAL NUMBER OF PERSON WORKING DAYS LOST               | 0 |
| TOTAL COST OF WORKING DAYS LOST                        | 0 |
| AMOUNT (R'000) RECOVERED AS A RESULT OF NO WORK NO PAY | 0 |

**Table 1.10.7: Precautionary suspensions**

|  |       |
|--|-------|
| NUMBER OF PEOPLE SUSPENDED                         | 0     |
| NUMBER OF PEOPLE WHOSE SUSPENSION EXCEEDED 30 DAYS | 0     |
| AVERAGE NUMBER OF DAYS SUSPENDED                   | 0     |
| COST OF SUSPENSIONS                                | R0.00 |

**1.11. Skills Development****Table 1.11.1: Training needs identified**

| OCCUPATIONAL CATEGORIES                     | GENDER | NUMBER OF EMPLOYEES AS AT 1 APRIL 2016 | TRAINING NEEDS IDENTIFIED AT START OF REPORTING PERIOD |   |  |       |
|---|--------|--|--|---|--|-------|
|   |        |  | LEADERSHIPS  | SKILLS PROGRAMMES AND OTHER SHORT COURSES   | OTHER FORMS OF TRAINING  | TOTAL |
| LEGISLATURES, SENIOR OFFICIALS AND MANAGERS | MALE   | 13                                     |  | Financial and Accounting Skills<br>Conflict Management<br>Microsoft Excell<br>Certificate Programme in Municipal Finance<br>Public Participation<br>Applied Population Sciences Training and Research<br>Project Management<br>Advanced Computer Training   | Communication  |       |
|   | FEMALE | 28                                     |  |   |  |       |
| PROFESSIONALS                               | MALE   | 25                                     |  | Certified in Risk and Information System Control<br>Compt TIA Security<br>IT Governance COBIT and ITIL<br>IT Infrastructure<br>Microsoft Exchange 2013 Fundamentals<br>Microsoft Technology Administering Exchange Server 2012 and 2013<br>Cisco Certified Network Association<br>A+ and N+<br>Certified Information System Security Professional<br>SharePoint and Advanced Windows PowerShell<br>MCSA<br>Cyber Security<br>Internal Audit Technician<br>Tool and Technique for the internal Auditor-Block<br>SCOA<br>Batho Pele<br>Information System Skills, Advanced Excell for Internal Auditors<br>Disposal Management<br>Middle Management | GovTech<br>Conference<br>Salary<br>Administration<br>Taxation<br>Performance<br>Management |       |
|   | FEMALE | 21                                     |  |   |  |       |
| TECHNICIANS AND ASSOCIATE PROFESSIONALS     | MALE   | 10                                     |  | Acquisition Management<br>Conflict Management<br>Advanced Computer Training<br>Public Participation<br>Batho Pele<br>Records Management<br>Office Administration<br>Budget Management<br>Minutes Taking   | IISA conference, seminar and forum   |       |
|   | FEMALE | 21                                     |  |   |  |       |
| CLERKS                                      | MALE   | 10                                     |  | Office Management<br>Batho Pele<br>First Aid<br>Performance Management<br>Minutes and Report Writing<br>Conflict Management<br>Record Management  | Basic<br>Accounting<br>System<br>LOGIS   |       |
|   | FEMALE | 17                                     |  |   |  |       |
| SUB TOTAL                                   | MALE   | 58                                     |  |   |  |       |
|   | FEMALE | 87                                     |  |   |  |       |

| OCCUPATIONAL CATEGORIES | GENDER | NUMBER OF EMPLOYEES AS AT 1 APRIL 2016 | TRAINING NEEDS IDENTIFIED AT START OF REPORTING PERIOD |   |                         |       |
|-------------------------|--------|--|--|---|-------------------------|-------|
|                         |        |  | LEADERSHIPS  | SKILLS PROGRAMMES AND OTHER SHORT COURSES | OTHER FORMS OF TRAINING | TOTAL |
| TOTAL                   |        | 145                                    |  |   |                         |       |

**Table 1.11.2: Training provided for the period**

| OCCUPATIONAL CATEGORIES                     | GENDER         | NUMBER OF EMPLOYEES AS AT 1 APRIL 2016 | TRAINING PROVIDED WITHIN THE REPORTING PERIOD     |   |   |       |
|---|----------------|--|---|---|---|-------|
|   |                |  | LEADERSHIPS                                       | SKILLS PROGRAMMES AND OTHER SHORT COURSES   | OTHER FORMS OF TRAINING   | TOTAL |
| LEGISLATURES, SENIOR OFFICIALS AND MANAGERS | MALE<br>FEMALE | 20<br>22                               | Women in Leadership<br>Senior Managers Leadership | Municipal Finance Management<br>Population Health and Planning for Development<br>Monitoring and Evaluation<br>Performance Monitoring and Evaluation<br>Advanced Documentation and Electronic Records Management<br>It Audit and Governance in Emerging Technology<br>Auditing Management and Reporting of Performance Information  | Compulsory induction Programme<br>Institute of Municipal Finance Officers conference<br>Occupational Risk Management conference<br>SAPRA Convention<br>IFRS AND IAS workshop<br>Institute of Internal Auditors SA Leaders forum<br>Public sector forum<br>Institute of Internal Auditors SA region summit<br>Associated Certified Fraud Examiner Annual African conference<br>Institute of Internal Auditors SA conference<br>Institute of Internal Auditors SA Annual general meeting<br>Govlaw conference<br>Govtech Conference<br>EAPA conference<br>Occupational Risk Management conference | 42    |
| PROFESSIONALS                               | MALE<br>FEMALE | 24<br>22                               |   | Municipal Finance Management<br>Programme in Government Law and Municipal Administration<br>Auditing Management and Reporting of Performance Information<br>Data Security Risk for Internal Audit<br>Skills Development and Training Management<br>Journalism Development<br>Communication certificate<br>Deploying Microsoft SharePoint Core Solutions<br>Microsoft Software Assurance Training (Windows 8.1)<br>Employee Assistance Programme<br>Advanced Employee Assistance Programme | 7 <sup>th</sup> South African Planning Institute conference<br>International Planning congress<br>Compulsory induction Programme<br>Govtech Conference<br>Institute of Internal Auditors SA Annual general meeting<br>Institute of Internal Auditors SA conference<br>Institute of Internal Auditors SA summit<br>Associated Certified Fraud Examiner Annual African conference<br>EAPA conference<br>Occupational Risk Management conference   | 46    |
| TECHNICIANS AND ASSOCIATE PROFESSIONALS     | MALE<br>FEMALE | 1<br>9                                 |   | Municipal Finance Management<br>Executive Assistant   | Compulsory induction Programme  | 10    |
| CLERKS                                      | MALE<br>FEMALE | 2<br>2                                 |   | Advanced Documentation and Electronic Records Management<br>Fleet, Transport and Fuel Management  | Compulsory induction Programme  | 4     |
| PLANT AND MACHINE                           | MALE           | 1                                      |   |   | Compulsory induction Programme  | 1     |

| OCCUPATIONAL CATEGORIES  | GENDER | NUMBER OF EMPLOYEES AS AT 1 APRIL 2016 | TRAINING PROVIDED WITHIN THE REPORTING PERIOD |   |                         |            |
|--------------------------|--------|--|---|---|-------------------------|------------|
|                          |        |  | LEADERSHIPS                                   | SKILLS PROGRAMMES AND OTHER SHORT COURSES | OTHER FORMS OF TRAINING | TOTAL      |
| OPERATORS AND ASSEMBLERS | FEMALE | 0                                      |   |   |                         |            |
| <b>TOTAL</b>             |        | <b>103</b>                             |   |   |                         | <b>103</b> |

### 1.12. Injury on duty

**Table 1.12.1: Injury on duty**

| NATURE OF INJURY ON DUTY              | NUMBER   | % OF TOTAL  |
|---------------------------------------|----------|-------------|
| REQUIRED BASIC MEDICAL ATTENTION ONLY | 1        | 0.3%        |
| TEMPORARY TOTAL DISABLEMENT           | 0        | 0%          |
| PERMANENT DISABLEMENT                 | 0        | 0%          |
| FATAL                                 | 0        | 0%          |
| <b>TOTAL</b>                          | <b>1</b> | <b>100%</b> |

### 1.13. Utilization of Consultants

**Table 1.13.1: Report on consultant appointments using appropriated funds**

| PROJECT TITLE                      | TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT | DURATION: WORK DAYS                     | CONTRACT VALUE IN RAND                           |
|------------------------------------|--|---|--|
| Thandile Health Risk Manager       | 1  | 365                                     | R43 457  |
| Gijima A Holdings                  | 1  | 12                                      | R23 456  |
| Lepelle Office Supplies            | 1  | 1                                       | R36 960  |
| Cherry online Design               | 1  | 365                                     | R3 99 990  |
| <b>TOTAL NUMBER OF PROJECTS: 3</b> | <b>TOTAL INDIVIDUAL CONSULTANTS: 3</b>                 | <b>TOTAL DURATION IN WORK DAYS: 378</b> | <b>TOTAL CONTRACT VALUE IN RANDD: R4 103 863</b> |

**Table 1.13.2: Analysis of consultant appointments using appropriated funds, in terms of historically disadvantaged individuals (HDIs)**

| PROJECT TITLE           | % OWNERSHIP BY HDI GROUPS | % MANAGEMENT BY HDI GROUPS | NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORKED ON THE PROJECT |
|-------------------------|---------------------------|----------------------------|--|
| Lepelle Office Supplies | -                         | 1                          | R36 960  |
| Imwsa                   | -                         | -                          | R2 304 441   |
| Fezi Auditors           | -                         | -                          | R5 204 738   |
| Etsho Civils            | -                         | -                          | R9 726 421   |
| Gijima A Holdings       | -                         | -                          | R23 456  |
| Mopeli MF               | -                         | -                          | R591 360   |

**Table 1.13.3: Report on consultant appointments using donor funds**

| PROJECT TITLE                   | TOTAL NUMBER OF CONSULTANTS THAT WORKED ON THE PROJECT | DURATION: WORK DAYS | DONOR AND CONTRACT VALUE IN RAND |
|---------------------------------|--|---------------------|----------------------------------|
| 0                               |  |                     |                                  |
| 0                               |  |                     |                                  |
| 0                               |  |                     |                                  |
| <b>TOTAL NUMBER OF PROJECTS</b> |  |                     |                                  |
| 0                               |  |                     |                                  |

**Table 1.13.4: Analysis of consultant appointments using donor funds in terms of historically disadvantaged individuals (HDIs)**

| PROJECT TITLE | % OWNERSHIP BY HDI GROUPS | % MANAGEMENT BY HDI GROUPS | NUMBER OF CONSULTANTS FROM HDI GROUPS THAT WORKED ON THE PROJECT |
|---------------|---------------------------|----------------------------|--|
| -             | -                         | -                          | -  |

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**PART E: FINANCIAL  
INFORMATION**

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**ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017**

**Report of the auditor-general to the Free State Legislature on vote  
no. 8: Department of Cooperative Governance and Traditional  
Affairs**

**Opinion**

1. I have audited the financial statements of the Department of Cooperative Governance and Traditional Affairs set out on pages 131 to 202, which comprise the appropriation statement, the statement of financial position as at 31 March 2017, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Cooperative Governance and Traditional Affairs as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act. No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2016 (Act No. 3 of 2016) (DoRA).

**Basis for opinion**

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

**Material uncertainty related to going concern**

6. I draw attention to note 30 to the financial statements, which indicates that the department had significant accruals of R12 522 000, payables not recognised of R11 487 000 and commitments of R21 080 000 as at 31 March 2017. These events or conditions, along with other matters as set forth in note 30, indicate that a material

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uncertainty exists that may cast significant doubt on the department's ability to meet its financial obligations as they fall due and achieve service delivery as outlined in the annual performance plan. My opinion is not modified in respect of this matter.

**Emphasis of matter**

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

**Restatement of corresponding figures**

8. As disclosed in note 29 to the financial statements, the corresponding figures for 31 March 2016 have been restated as a result of errors in the financial statements of the department at, and for the year ended, 31 March 2017.

**Accruals and payables not recognised**

9. As disclosed in note 19 to the financial statements, accruals and payables, which exceeded the payment term of 30 days as required in treasury regulation 8.2.3, amounted to R18 220 000. This amount, in turn, exceeded the voted funds to be surrendered of R2 357 000 as per the statement of financial performance by R15 863 000. The amount of R15 863 000 would therefore have constituted unauthorised expenditure had the amounts due been paid in a timely manner.

**Other matters**

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

**Service delivery contracts**

11. The department was party to a contract entered into by the Department of the Premier with a service provider for the development and maintenance of the Free State government website to a contract value of R119 320 142 during 2011-12. Payments of R64 567 319 were made relating to the contract, of this amount R20 733 712 was paid by the Department of the Premier and R43 833 607 by the Department of Cooperative Governance and Traditional Affairs. During 2013-14 the Department of the Premier halted the project. These departments subsequently received an invoice of R40 924 290 dated 8 July 2015 from the service provider relating to work done during the period 2012-13 to 2013-14, which resulted in a final settlement of R19,9 million after the departments disputed the invoice originally submitted.

**Unaudited supplementary schedules**

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12. The supplementary information set out on pages 194 to 202 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 the accounting officer for the financial statements**

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

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

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

|  |
|--|
| <b><i>Report on the audit of the annual performance report</i></b> |
|--|

**Introduction and scope**

17. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report 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.
18. My procedures address the reported performance information, which must be based on the approved performance planning documents of the department. I have not

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
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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.

19. 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 report of the department for the year ended 31 March 2017:

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| <b>Programmes</b>                      | <b>Pages in the annual performance report</b> |
|--|---|
| Programme 2 – local governance         | 72 – 77                                       |
| Programme 3 – development and planning | 78 - 82                                       |

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

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

**Programme 2 – local governance**

Report on functional provincial anti-corruption technical working groups developed

22. The target for this indicator was not specific in clearly identifying the nature and required level of performance and measurable during the planning process, as required by the Framework for Managing Programme Performance Information (FMPPI). In addition, the source information for the achievement of the planned indicator was not clearly defined, as required by the FMPPI.

Number of reports on fraud, corruption and maladministration cases reported and investigated

23. The target for this indicator was not specific in clearly identifying the nature and required level of performance and measurable during the planning process, as required by the FMPPI. In addition, the source information for the achievement of the planned indicator was not clearly defined, as required by the FMPPI.

24. I did not raise any material findings on the usefulness and reliability of the reported performance information for programme 3 – planning and development.

**Other matters**

Achievement of planned targets

25. Refer to the annual performance report on page 60 to 85 for information on the achievement of planned targets for the year and explanations provided for the under

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or overachievement of a significant number of targets. This information should be considered in the context of the material findings on the usefulness of the reported performance information in paragraphs 22 and 23 of this report.

Adjustment of material misstatements

26. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of programme 2: local governance. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness of the reported performance information.

**Report on the audit of compliance with legislation**

**Introduction and scope**

27. 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.
28. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

**Other information**

29. The department's accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
30. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
31. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.
32. I have not yet received the annual report. When I do receive this information, if I conclude that there is a material misstatement therein, I am required to communicate

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the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected I may have to re-issue my auditor's report amended as appropriate.

**Internal control deficiencies**

33. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report included in this report.

34. The performance indicators of the department were not specific due to management not complying with the sector requirements.

*Auditor - general*

Bloemfontein

31 July 2017



**AUDITOR - GENERAL  
SOUTH AFRICA**

*Auditing to build public confidence*

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS  
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**Annexure – Auditor-General’s responsibility for the audit**

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

**Financial statements**

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

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS  
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- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**Communication with those charged with governance**

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



**AUDITOR - GENERAL  
SOUTH AFRICA**

*Auditing to build public confidence*

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS  
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# **ANNUAL FINANCIAL STATEMENTS**

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
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**APPROPRIATION STATEMENT**  
**For the year ended 31 March 2017**

| <b>Appropriation per programme</b>   |                                   |                              |                 |                                |                               |                 |  |                                |                               |
|--|-----------------------------------|------------------------------|-----------------|--------------------------------|-------------------------------|-----------------|--|--------------------------------|-------------------------------|
| <b>2016/17</b>   |                                   |                              |                 |                                |                               |                 |  | <b>2015/16</b>                 |                               |
|  | <b>Adjusted<br/>Appropriation</b> | <b>Shifting of<br/>Funds</b> | <b>Virement</b> | <b>Final<br/>Appropriation</b> | <b>Actual<br/>Expenditure</b> | <b>Variance</b> | <b>Expenditure<br/>as % of<br/>final<br/>appropriation</b> | <b>Final<br/>Appropriation</b> | <b>Actual<br/>Expenditure</b> |
|  | <b>R'000</b>                      | <b>R'000</b>                 | <b>R'000</b>    | <b>R'000</b>                   | <b>R'000</b>                  | <b>R'000</b>    | <b>%</b>   | <b>R'000</b>                   | <b>R'000</b>                  |
| <b>Programme</b>   |                                   |                              |                 |                                |                               |                 |  |                                |                               |
| 1.Administration   | 130 249                           | -                            | (790)           | 129 459                        | 128 619                       | 840             | 99.4%  | 122 296                        | 121 129                       |
| 2.Local Governance   | 164 950                           | -                            | 2 431           | 167 381                        | 166 848                       | 533             | 99.7%  | 116 168                        | 115 451                       |
| 3.Development and Planning   | 99 885                            | -                            | 151             | 100 036                        | 99 561                        | 475             | 99.5%  | 93 463                         | 92 718                        |
| 4.Traditional Institutional Management   | 43 706                            | -                            | (1 090)         | 42 616                         | 42 421                        | 195             | 99.5%  | 38 122                         | 38 121                        |
| 5.House of Traditional Leaders   | 9 485                             | -                            | (702)           | 8 783                          | 8 469                         | 314             | 96.4%  | 10 266                         | 10 190                        |
| <b>TOTAL</b>   | <b>448 275</b>                    | <b>-</b>                     | <b>-</b>        | <b>448 275</b>                 | <b>445 918</b>                | <b>2 357</b>    | <b>99.5%</b>   | <b>380 315</b>                 | <b>377 609</b>                |
| <b>Reconciliation with statement of financial performance</b>                    |                                   |                              |                 |                                |                               |                 |  |                                |                               |
| <b>Actual amounts per statement of financial performance (total revenue)</b>     |                                   |                              |                 | <b>448 275</b>                 |                               |                 |  | <b>380 315</b>                 |                               |
| <b>Actual amounts per statement of financial performance (total expenditure)</b> |                                   |                              |                 |                                | <b>445 918</b>                |                 |  |                                | <b>377 609</b>                |

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
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**APPROPRIATION STATEMENT**  
**For the year ended 31 March 2017**

| Appropriation per economic classification            |                        |                   |                |                     |                    |              |   |                     |                    |
|--|------------------------|-------------------|----------------|---------------------|--------------------|--------------|---|---------------------|--------------------|
|  | 2016/17                |                   |                |                     |                    |              |   | 2015/16             |                    |
|  | Adjusted Appropriation | Shifting of Funds | Virement       | Final Appropriation | Actual Expenditure | Variance     | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
|  | R'000                  | R'000             | R'000          | R'000               | R'000              | R'000        | %                                       | R'000               | R'000              |
| <b>Economic classification</b>                       |                        |                   |                |                     |                    |              |   |                     |                    |
| <b>Current payments</b>                              | <b>377 350</b>         | <b>(16 127)</b>   | <b>(1 900)</b> | <b>359 323</b>      | <b>357 138</b>     | <b>2 185</b> | <b>99.4%</b>                            | <b>338 205</b>      | <b>335 759</b>     |
| <b>Compensation of employees</b>                     | <b>202 388</b>         | <b>(1 778)</b>    | <b>(3 219)</b> | <b>197 391</b>      | <b>195 649</b>     | <b>1 742</b> | <b>99.1%</b>                            | <b>184 632</b>      | <b>183 254</b>     |
| Salaries and wages                                   | 181 379                | (1 711)           | (3 009)        | 176 659             | 175 151            | 1 508        | 99.1%                                   | 165 151             | 164 099            |
| Social contributions                                 | 21 009                 | (67)              | (210)          | 20 732              | 20 498             | 234          | 98.9%                                   | 19 481              | 19 155             |
| <b>Goods and services</b>                            | <b>174 942</b>         | <b>(14 533)</b>   | <b>1 319</b>   | <b>161 728</b>      | <b>161 287</b>     | <b>441</b>   | <b>99.7%</b>                            | <b>153 568</b>      | <b>152 502</b>     |
| Administrative fees                                  | 539                    | (215)             | (5)            | 319                 | 296                | 23           | 92.8%                                   | 376                 | 325                |
| Advertising  | 645                    | (115)             | 284            | 814                 | 812                | 2            | 99.8%                                   | 518                 | 473                |
| Minor assets   | 406                    | (195)             | -              | 211                 | 201                | 10           | 95.3%                                   | 344                 | 330                |
| Audit costs: External                                | 4 458                  | (522)             | -              | 3 936               | 3 936              | -            | 100.0%                                  | 3 675               | 3 675              |
| Bursaries: Employees                                 | 679                    | (14)              | -              | 665                 | 664                | 1            | 99.8                                    | 460                 | 460                |
| Catering: Departmental activities                    | 1 690                  | (330)             | (15)           | 1 345               | 1 337              | 8            | 99.4%                                   | 1 265               | 1 228              |
| Communication (G&S)                                  | 2 482                  | (759)             | 120            | 1 843               | 1 840              | 3            | 99.8%                                   | 2 054               | 2 041              |
| Computer services                                    | 10 725                 | (9 624)           | -              | 1 101               | 1 101              | -            | 100.0%                                  | 9 045               | 9 043              |
| Consultants: Business and advisory services          | 90 769                 | (1 214)           | 773            | 90 328              | 90 318             | 10           | 100.0%                                  | 75 964              | 75 954             |
| Legal services                                       | 1 920                  | 143               | -              | 2 063               | 2 061              | 2            | 99.9%                                   | 245                 | 245                |
| Contractors  | 10 444                 | (222)             | -              | 10 222              | 10 205             | 17           | 99.8%                                   | 13 844              | 13 785             |
| Agency and support / outsourced services             | 648                    | (333)             | -              | 315                 | 315                | -            | 100.0%                                  | 2 446               | 2 445              |
| Entertainment  | 41                     | (36)              | -              | 5                   | 4                  | 1            | 80.0%                                   | 16                  | 13                 |
| Fleet services                                       | 3 081                  | 55                | -              | 3 136               | 3 134              | 2            | 99.9%                                   | 2 669               | 2 669              |
| Consumable supplies                                  | 229                    | (107)             | -              | 122                 | 102                | 20           | 83.6%                                   | 155                 | 130                |
| Consumable: Stationery, printing and office supplies | 2 705                  | (939)             | -              | 1 766               | 1 725              | 41           | 97.7%                                   | 2 646               | 2 581              |
| Operating leases                                     | 4 417                  | 1 116             | -              | 5 533               | 5 531              | 2            | 100.0%                                  | 3 241               | 3 240              |
| Property payments                                    | 15 582                 | (125)             | -              | 15 457              | 15 455             | 2            | 100.0%                                  | 18 318              | 18 316             |

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
**VOTE 8**  
**APPROPRIATION STATEMENT**  
**For the year ended 31 March 2017**

| Appropriation per economic classification    |                        |                   |              |                     |                    |              |   |                     |                    |
|--|------------------------|-------------------|--------------|---------------------|--------------------|--------------|---|---------------------|--------------------|
|  | 2016/17                |                   |              |                     |                    |              |   | 2015/16             |                    |
|  | Adjusted Appropriation | Shifting of Funds | Virement     | Final Appropriation | Actual Expenditure | Variance     | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
|  | R'000                  | R'000             | R'000        | R'000               | R'000              | R'000        | %                                       | R'000               | R'000              |
| Transport provided: Departmental activity    | 1 164                  | (24)              | -            | 1 140               | 1 138              | 2            | 99.8%                                   | 827                 | 823                |
| Travel and subsistence                       | 12 570                 | (3 094)           | (51)         | 9 425               | 9 239              | 186          | 98.0%                                   | 10 893              | 10 301             |
| Training and development                     | 4 163                  | 3 519             | 215          | 7 897               | 7 896              | 1            | 100.0%                                  | 820                 | 790                |
| Operating payments                           | 3 690                  | (1 004)           | (2)          | 2 684               | 2 639              | 45           | 98.3%                                   | 3 026               | 2 921              |
| Venues and facilities                        | 1 895                  | (494)             | -            | 1 401               | 1 338              | 63           | 95.5%                                   | 721                 | 714                |
| <b>Interest and rent on land</b>             | <b>20</b>              | <b>184</b>        | <b>-</b>     | <b>204</b>          | <b>202</b>         | <b>2</b>     | <b>99.0%</b>                            | <b>5</b>            | <b>3</b>           |
| Interest                                     | 20                     | 184               | -            | 204                 | 202                | 2            | 99.0%                                   | 5                   | 3                  |
| <b>Transfers and subsidies</b>               | <b>64 975</b>          | <b>5 297</b>      | <b>2 431</b> | <b>72 703</b>       | <b>72 667</b>      | <b>36</b>    | <b>100.0%</b>                           | <b>36 142</b>       | <b>36 126</b>      |
| Provinces and municipalities                 | 62 942                 | 1 569             | 2 431        | 66 942              | 66 926             | 16           | 100.0%                                  | 35 020              | 35 019             |
| Municipalities                               | 62 942                 | 1 569             | 2 431        | 66 942              | 66 926             | 16           | 100.0%                                  | 35 020              | 35 019             |
| Municipal bank accounts                      | 62 942                 | 1 569             | 2 431        | 66 942              | 66 926             | 16           | 100.0%                                  | 35 020              | 35 019             |
| Departmental agencies and accounts           | -                      | 4                 | -            | 4                   | 3                  | 1            | 75.0%                                   | 3                   | 3                  |
| Departmental agencies(non business entities) | -                      | 4                 | -            | 4                   | 3                  | 1            | 75.0%                                   | 3                   | 3                  |
| Non-profit institutions                      | 416                    | 8                 | -            | 424                 | 422                | 2            | 99.5%                                   | 363                 | 362                |
| Households                                   | 1 617                  | 3 716             | -            | 5 333               | 5 316              | 17           | 99.7%                                   | 756                 | 742                |
| Social benefits                              | 1 415                  | (276)             | -            | 1 139               | 1 126              | 13           | 98.9%                                   | 667                 | 662                |
| Other transfers to households                | 202                    | 3 992             | -            | 4 194               | 4 190              | 4            | 99.9%                                   | 89                  | 80                 |
| <b>Payments for capital assets</b>           | <b>5 950</b>           | <b>10 830</b>     | <b>(531)</b> | <b>16 249</b>       | <b>16 047</b>      | <b>202</b>   | <b>98.8%</b>                            | <b>5 968</b>        | <b>5 643</b>       |
| Machinery and equipment                      | 5 942                  | 10 830            | (531)        | 16 241              | 16 039             | 202          | 98.8%                                   | 5 480               | 5 155              |
| Other machinery and equipment                | 5 942                  | 10 830            | (531)        | 16 241              | 16 039             | 202          | 98.8%                                   | 5 480               | 5 155              |
| Software and other intangible assets         | 8                      | -                 | -            | 8                   | 8                  | -            | 100.0%                                  | 488                 | 488                |
| <b>Payments for financial assets</b>         | <b>-</b>               | <b>-</b>          | <b>-</b>     | <b>-</b>            | <b>66</b>          | <b>(66)</b>  | <b>-</b>                                | <b>-</b>            | <b>81</b>          |
| <b>TOTAL</b>                                 | <b>448 275</b>         | <b>-</b>          | <b>-</b>     | <b>448 275</b>      | <b>445 918</b>     | <b>2 357</b> | <b>99.5%</b>                            | <b>380 315</b>      | <b>377 609</b>     |

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
**VOTE 8**  
**APPROPRIATION STATEMENT**  
**For the year ended 31 March 2017**

| Programme 1: Administration                 |                        |                   |                |                     |                    |            |   |                     |                    |
|---|------------------------|-------------------|----------------|---------------------|--------------------|------------|---|---------------------|--------------------|
| 2016/17                                     |                        |                   |                |                     |                    |            | 2015/16                                 |                     |                    |
|   | Adjusted Appropriation | Shifting of Funds | Virement       | Final Appropriation | Actual Expenditure | Variance   | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
|   | R'000                  | R'000             | R'000          | R'000               | R'000              | R'000      | %                                       | R'000               | R'000              |
| <b>Sub programme</b>                        |                        |                   |                |                     |                    |            |   |                     |                    |
| 1. Office of the MEC                        | 12 503                 | (1 164)           | (223)          | 11 116              | 11 039             | 77         | 99.3%                                   | 15 399              | 15 313             |
| 2. Corporate Services                       | 117 746                | 1 164             | (567)          | 118 343             | 117 580            | 763        | 99.4%                                   | 106 897             | 105 816            |
| <b>Total for sub programmes</b>             | <b>130 249</b>         | <b>-</b>          | <b>(790)</b>   | <b>129 459</b>      | <b>128 619</b>     | <b>840</b> | <b>99.4%</b>                            | <b>122 296</b>      | <b>121 129</b>     |
| <b>Economic classification</b>              |                        |                   |                |                     |                    |            |   |                     |                    |
| <b>Current payments</b>                     | <b>125 691</b>         | <b>(10 904)</b>   | <b>(381)</b>   | <b>114 406</b>      | <b>113 590</b>     | <b>816</b> | <b>99.3%</b>                            | <b>117 963</b>      | <b>116 846</b>     |
| <b>Compensation of employees</b>            | <b>75 094</b>          | <b>(983)</b>      | <b>(1 000)</b> | <b>73 111</b>       | <b>72 506</b>      | <b>605</b> | <b>99.2%</b>                            | <b>64 549</b>       | <b>63 915</b>      |
| Salaries and wages                          | 67 001                 | (897)             | (950)          | 65 154              | 64 625             | 529        | 99.2%                                   | 57 095              | 56 639             |
| Social contributions                        | 8 093                  | (86)              | (50)           | 7 957               | 7 881              | 76         | 99.0%                                   | 7 454               | 7 276              |
| <b>Goods and services</b>                   | <b>50 594</b>          | <b>(9 921)</b>    | <b>619</b>     | <b>41 292</b>       | <b>41 082</b>      | <b>210</b> | <b>99.5%</b>                            | <b>53 409</b>       | <b>52 928</b>      |
| Administrative fees                         | 275                    | (108)             | -              | 167                 | 157                | 10         | 94.0%                                   | 185                 | 158                |
| Advertising                                 | 270                    | (31)              | 284            | 523                 | 522                | 1          | 99.8%                                   | 473                 | 473                |
| Minor assets                                | 199                    | (62)              | -              | 137                 | 132                | 5          | 96.4%                                   | 234                 | 230                |
| Audit costs: External                       | 4 458                  | (522)             | -              | 3 936               | 3 936              | -          | 100.0%                                  | 3 675               | 3 675              |
| Bursaries: Employees                        | 679                    | (14)              | -              | 665                 | 664                | 1          | 99.8%                                   | 460                 | 460                |
| Catering: Departmental activities           | 703                    | (227)             | -              | 476                 | 473                | 3          | 99.4%                                   | 726                 | 719                |
| Communication (G&S)                         | 2 392                  | (724)             | 120            | 1 788               | 1 785              | 3          | 99.8%                                   | 2 015               | 2 010              |
| Computer services                           | 10 725                 | (9 624)           | -              | 1 101               | 1 101              | -          | 100.0%                                  | 9 045               | 9 043              |
| Consultants: Business and advisory services | 2 934                  | 35                | -              | 2 969               | 2 969              | -          | 100.0%                                  | 6 430               | 6 426              |
| Legal services                              | 9                      | (3)               | -              | 6                   | 5                  | 1          | 83.3%                                   | -                   | -                  |
| Contractors                                 | 3 521                  | (282)             | -              | 3 239               | 3 228              | 11         | 99.7%                                   | 9 304               | 9 263              |
| Agency and support / outsourced services    | 648                    | (333)             | -              | 315                 | 315                | -          | 100.0%                                  | 2 446               | 2 445              |
| Entertainment                               | 12                     | (8)               | -              | 4                   | 3                  | 1          | 75.0%                                   | 10                  | 9                  |
| Fleet services                              | 3 081                  | 55                | -              | 3 136               | 3 134              | 2          | 99.9%                                   | 2 669               | 2 669              |

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
**VOTE 8**  
**APPROPRIATION STATEMENT**  
**For the year ended 31 March 2017**

| <b>Programme 1: Administration</b>                   |                               |                          |                 |                            |                           |                 |  |                            |                           |
|--|-------------------------------|--------------------------|-----------------|----------------------------|---------------------------|-----------------|--|----------------------------|---------------------------|
|  | <b>2016/17</b>                |                          |                 |                            |                           |                 |  | <b>2015/16</b>             |                           |
|  | <b>Adjusted Appropriation</b> | <b>Shifting of Funds</b> | <b>Virement</b> | <b>Final Appropriation</b> | <b>Actual Expenditure</b> | <b>Variance</b> | <b>Expenditure as % of final appropriation</b> | <b>Final Appropriation</b> | <b>Actual expenditure</b> |
|  | <b>R'000</b>                  | <b>R'000</b>             | <b>R'000</b>    | <b>R'000</b>               | <b>R'000</b>              | <b>R'000</b>    | <b>%</b>                                       | <b>R'000</b>               | <b>R'000</b>              |
| Consumable supplies                                  | 130                           | (37)                     | -               | 93                         | 79                        | 14              | 84.9%  | 105                        | 93                        |
| Consumable: Stationery, printing and office supplies | 1 643                         | (475)                    | -               | 1 168                      | 1 154                     | 14              | 98.8%  | 1 145                      | 1 116                     |
| Operating leases                                     | 4 417                         | 1 116                    | -               | 5 533                      | 5 531                     | 2               | 100.0%   | 3 241                      | 3 240                     |
| Property payments                                    | 2 755                         | (125)                    | -               | 2 630                      | 2 629                     | 1               | 100.0%   | 5 031                      | 5 030                     |
| Transport provided: Departmental activity            | 820                           | (22)                     | -               | 798                        | 798                       | -               | 100.0%   | 619                        | 618                       |
| Travel and subsistence                               | 4 731                         | (1 456)                  | -               | 3 275                      | 3 211                     | 64              | 98.0%  | 4 017                      | 3 720                     |
| Training and development                             | 4 163                         | 3 519                    | 215             | 7 897                      | 7 896                     | 1               | 100.0%   | 820                        | 790                       |
| Operating payments                                   | 848                           | (347)                    | -               | 501                        | 487                       | 14              | 97.2%  | 624                        | 608                       |
| Venues and facilities                                | 1 181                         | (246)                    | -               | 935                        | 873                       | 62              | 93.4%  | 135                        | 133                       |
| <b>Interest and rent on land</b>                     | <b>3</b>                      | <b>-</b>                 | <b>-</b>        | <b>3</b>                   | <b>2</b>                  | <b>1</b>        | <b>66.7%</b>                                   | <b>5</b>                   | <b>3</b>                  |
| Interest   | 3                             | -                        | -               | 3                          | 2                         | 1               | 66.7%  | 5                          | 3                         |
| <b>Transfers and subsidies</b>                       | <b>849</b>                    | <b>(138)</b>             | <b>-</b>        | <b>711</b>                 | <b>707</b>                | <b>4</b>        | <b>99.4%</b>                                   | <b>107</b>                 | <b>97</b>                 |
| Departmental agencies and accounts                   | -                             | 4                        | -               | 4                          | 3                         | 1               | 75.0%  | 3                          | 3                         |
| Departmental agencies (non business entities)        | -                             | 4                        | -               | 4                          | 3                         | 1               | 75.0%  | 3                          | 3                         |
| Households   | 849                           | (142)                    | -               | 707                        | 704                       | 3               | 99.6%  | 104                        | 94                        |
| Social benefits                                      | 849                           | (142)                    | -               | 707                        | 704                       | 3               | 99.6%  | 95                         | 94                        |
| Other transfers to households                        | -                             | -                        | -               | -                          | -                         | -               | -  | 9                          | -                         |
| <b>Payments for capital assets</b>                   | <b>3 709</b>                  | <b>11 042</b>            | <b>(409)</b>    | <b>14 342</b>              | <b>14 290</b>             | <b>52</b>       | <b>99.6%</b>                                   | <b>4 226</b>               | <b>4 183</b>              |
| Machinery and equipment                              | 3 701                         | 11 042                   | (409)           | 14 334                     | 14 282                    | 52              | 99.6%  | 3 738                      | 3 695                     |
| Other machinery and equipment                        | 3 701                         | 11 042                   | (409)           | 14 334                     | 14 282                    | 52              | 99.6%  | 3 738                      | 3 695                     |
| Software and other intangible assets                 | 8                             | -                        | -               | 8                          | 8                         | -               | 100.0%   | 488                        | 488                       |
| <b>Payments for financial assets</b>                 | <b>-</b>                      | <b>-</b>                 | <b>-</b>        | <b>-</b>                   | <b>32</b>                 | <b>(32)</b>     | <b>-</b>                                       | <b>-</b>                   | <b>3</b>                  |
| <b>TOTAL</b>   | <b>130 249</b>                | <b>-</b>                 | <b>(790)</b>    | <b>129 459</b>             | <b>128 619</b>            | <b>840</b>      | <b>99.4%</b>                                   | <b>122 296</b>             | <b>121 129</b>            |

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
**VOTE 8**  
**APPROPRIATION STATEMENT**  
**For the year ended 31 March 2017**

| Sub programme: 1.1 Office of the MEC                 |                        |                   |              |                     |                    |           |   |                     |                    |
|--|------------------------|-------------------|--------------|---------------------|--------------------|-----------|---|---------------------|--------------------|
| Economic classification                              | 2016/17                |                   |              |                     |                    |           |   | 2015/16             |                    |
|  | Adjusted Appropriation | Shifting of Funds | Virement     | Final Appropriation | Actual Expenditure | Variance  | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
|  | R'000                  | R'000             | R'000        | R'000               | R'000              | R'000     | %                                       | R'000               | R'000              |
| <b>Current payments</b>                              | <b>11 375</b>          | <b>(1 151)</b>    | <b>-</b>     | <b>10 224</b>       | <b>10 153</b>      | <b>71</b> | <b>99.3%</b>                            | <b>15 285</b>       | <b>15 211</b>      |
| <b>Compensation of employees</b>                     | <b>5 757</b>           | <b>(316)</b>      | <b>-</b>     | <b>5 441</b>        | <b>5 383</b>       | <b>58</b> | <b>98.9%</b>                            | <b>5 428</b>        | <b>5 367</b>       |
| Salaries and wages                                   | 5 122                  | (248)             | -            | 4 874               | 4 818              | 56        | 98.9%                                   | 4 828               | 4 774              |
| Social contributions                                 | 635                    | (68)              | -            | 567                 | 565                | 2         | 99.6%                                   | 600                 | 593                |
| <b>Goods and services</b>                            | <b>5 618</b>           | <b>(835)</b>      | <b>-</b>     | <b>4 783</b>        | <b>4 770</b>       | <b>13</b> | <b>99.7%</b>                            | <b>9 857</b>        | <b>9 844</b>       |
| Administrative fees                                  | 107                    | (27)              | -            | 80                  | 80                 | -         | 100.0%                                  | 61                  | 60                 |
| Minor assets   | 5                      | -                 | -            | 5                   | 5                  | -         | 100.0%                                  | -                   | -                  |
| Catering: Departmental activities                    | 193                    | (177)             | -            | 16                  | 16                 | -         | 100.0%                                  | 412                 | 411                |
| Contractors  | 2 548                  | (46)              | -            | 2 502               | 2 500              | 2         | 99.9%                                   | 7 199               | 7 197              |
| Entertainment  | 1                      | (1)               | -            | -                   | -                  | -         | -                                       | 1                   | 1                  |
| Consumable supplies                                  | 15                     | (5)               | -            | 10                  | 10                 | -         | 100.0%                                  | 14                  | 14                 |
| Consumable: Stationery, printing and office supplies | 42                     | (42)              | -            | -                   | -                  | -         | -                                       | 18                  | 18                 |
| Transport provided: Departmental activity            | 280                    | (8)               | -            | 272                 | 272                | -         | 100.0%                                  | 619                 | 618                |
| Travel and subsistence                               | 1 818                  | (340)             | -            | 1 478               | 1 468              | 10        | 99.3%                                   | 1 492               | 1 485              |
| Operating payments                                   | 21                     | (3)               | -            | 18                  | 17                 | 1         | 94.4%                                   | 10                  | 10                 |
| Venues and facilities                                | 588                    | (186)             | -            | 402                 | 402                | -         | 100.0%                                  | 31                  | 30                 |
| <b>Transfers and subsidies</b>                       | <b>687</b>             | <b>(13)</b>       | <b>-</b>     | <b>674</b>          | <b>672</b>         | <b>2</b>  | <b>99.7%</b>                            | <b>9</b>            | <b>-</b>           |
| Households   | 687                    | (13)              | -            | 674                 | 672                | 2         | 99.7%                                   | 9                   | -                  |
| Social benefits                                      | 687                    | (13)              | -            | 674                 | 672                | 2         | 99.7%                                   | -                   | -                  |
| Other transfers to households                        | -                      | -                 | -            | -                   | -                  | -         | -                                       | 9                   | -                  |
| <b>Payments for capital assets</b>                   | <b>441</b>             | <b>-</b>          | <b>(223)</b> | <b>218</b>          | <b>214</b>         | <b>4</b>  | <b>98.2%</b>                            | <b>105</b>          | <b>102</b>         |
| Machinery and equipment                              | 441                    | -                 | (223)        | 218                 | 214                | 4         | 98.2%                                   | 105                 | 102                |
| Other machinery and equipment                        | 441                    | -                 | (223)        | 218                 | 214                | 4         | 98.2%                                   | 105                 | 102                |
| <b>TOTAL</b>   | <b>12 503</b>          | <b>(1 164)</b>    | <b>(223)</b> | <b>11 116</b>       | <b>11 039</b>      | <b>77</b> | <b>99.3%</b>                            | <b>15 399</b>       | <b>15 313</b>      |

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
**VOTE 8**  
**APPROPRIATION STATEMENT**  
**For the year ended 31 March 2017**

| <b>Sub programme: 1.2 Corporate Services</b>         |                                   |                              |                 |                                |                               |                 |  |                                |                               |
|--|-----------------------------------|------------------------------|-----------------|--------------------------------|-------------------------------|-----------------|--|--------------------------------|-------------------------------|
|  | <b>2016/17</b>                    |                              |                 |                                |                               |                 |  | <b>2015/16</b>                 |                               |
|  | <b>Adjusted<br/>Appropriation</b> | <b>Shifting of<br/>Funds</b> | <b>Virement</b> | <b>Final<br/>Appropriation</b> | <b>Actual<br/>Expenditure</b> | <b>Variance</b> | <b>Expenditure<br/>as % of final<br/>appropriation</b> | <b>Final<br/>Appropriation</b> | <b>Actual<br/>expenditure</b> |
| <b>Economic classification</b>                       | <b>R'000</b>                      | <b>R'000</b>                 | <b>R'000</b>    | <b>R'000</b>                   | <b>R'000</b>                  | <b>R'000</b>    | <b>%</b>   | <b>R'000</b>                   | <b>R'000</b>                  |
| <b>Current payments</b>                              | <b>114 316</b>                    | <b>(9 753)</b>               | <b>(381)</b>    | <b>104 182</b>                 | <b>103 437</b>                | <b>745</b>      | <b>99.3%</b>   | <b>102 678</b>                 | <b>101 635</b>                |
| <b>Compensation of employees</b>                     | <b>69 337</b>                     | <b>(667)</b>                 | <b>(1 000)</b>  | <b>67 670</b>                  | <b>67 123</b>                 | <b>547</b>      | <b>99.2%</b>   | <b>59 121</b>                  | <b>58 548</b>                 |
| Salaries and wages                                   | 61 879                            | (649)                        | (950)           | 60 280                         | 59 807                        | 473             | 99.2%  | 52 267                         | 51 865                        |
| Social contributions                                 | 7 458                             | (18)                         | (50)            | 7 390                          | 7 316                         | 74              | 99.0%  | 6 854                          | 6 683                         |
| <b>Goods and services</b>                            | <b>44 976</b>                     | <b>(9 086)</b>               | <b>619</b>      | <b>36 509</b>                  | <b>36 312</b>                 | <b>197</b>      | <b>99.5%</b>   | <b>43 552</b>                  | <b>43 084</b>                 |
| Administrative fees                                  | 168                               | (81)                         | -               | 87                             | 77                            | 10              | 88.5%  | 124                            | 98                            |
| Advertising  | 270                               | (31)                         | 284             | 523                            | 522                           | 1               | 99.8%  | 473                            | 473                           |
| Minor assets   | 194                               | (62)                         | -               | 132                            | 127                           | 5               | 96.2%  | 234                            | 230                           |
| Audit costs: External                                | 4 458                             | (522)                        | -               | 3 936                          | 3 936                         | -               | 100.0%   | 3 675                          | 3 675                         |
| Bursaries: Employees                                 | 679                               | (14)                         | -               | 665                            | 664                           | 1               | 99.8%  | 460                            | 460                           |
| Catering: Departmental activities                    | 510                               | (50)                         | -               | 460                            | 457                           | 3               | 99.3%  | 314                            | 308                           |
| Communication (G&S)                                  | 2 392                             | (724)                        | 120             | 1 788                          | 1 785                         | 3               | 99.8%  | 2 015                          | 2 010                         |
| Computer services                                    | 10 725                            | (9 624)                      | -               | 1 101                          | 1 101                         | -               | 100.0%   | 9 045                          | 9 043                         |
| Consultants: Business and advisory services          | 2 934                             | 35                           | -               | 2 969                          | 2 969                         | -               | 100.0%   | 6 430                          | 6 426                         |
| Legal services                                       | 9                                 | (3)                          | -               | 6                              | 5                             | 1               | 83.3%  | -                              | -                             |
| Contractors  | 973                               | (236)                        | -               | 737                            | 728                           | 9               | 98.8%  | 2 105                          | 2 066                         |
| Agency and support / outsourced services             | 648                               | (333)                        | -               | 315                            | 315                           | -               | 100.0%   | 2 446                          | 2 445                         |
| Entertainment  | 11                                | (7)                          | -               | 4                              | 3                             | 1               | 75.0%  | 9                              | 8                             |
| Fleet services                                       | 3 081                             | 55                           | -               | 3 136                          | 3 134                         | 2               | 99.9%  | 2 669                          | 2 669                         |
| Consumable supplies                                  | 115                               | (32)                         | -               | 83                             | 69                            | 14              | 83.1%  | 91                             | 79                            |
| Consumable: Stationery, printing and office supplies | 1 601                             | (433)                        | -               | 1 168                          | 1 154                         | 14              | 98.8%  | 1 127                          | 1 098                         |
| Operating leases                                     | 4 417                             | 1 116                        | -               | 5 533                          | 5 531                         | 2               | 100.0%   | 3 241                          | 3 240                         |
| Property payments                                    | 2 755                             | (125)                        | -               | 2 630                          | 2 629                         | 1               | 100.0%   | 5 031                          | 5 030                         |
| Transport provided: Departmental activity            | 540                               | (14)                         | -               | 526                            | 526                           | -               | 100.0%   | -                              | -                             |
| Travel and subsistence                               | 2 913                             | (1 116)                      | -               | 1 797                          | 1 743                         | 54              | 97.0%  | 2 525                          | 2 235                         |

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
**VOTE 8**  
**APPROPRIATION STATEMENT**  
**For the year ended 31 March 2017**

| <b>Sub programme: 1.2 Corporate Services</b>  |                                   |                              |                 |                                |                               |                 |  |                                |                               |
|---|-----------------------------------|------------------------------|-----------------|--------------------------------|-------------------------------|-----------------|--|--------------------------------|-------------------------------|
|   | <b>2016/17</b>                    |                              |                 |                                |                               |                 | <b>2015/16</b>   |                                |                               |
|   | <b>Adjusted<br/>Appropriation</b> | <b>Shifting of<br/>Funds</b> | <b>Virement</b> | <b>Final<br/>Appropriation</b> | <b>Actual<br/>Expenditure</b> | <b>Variance</b> | <b>Expenditure<br/>as % of final<br/>appropriation</b> | <b>Final<br/>Appropriation</b> | <b>Actual<br/>expenditure</b> |
| <b>Economic classification</b>                | <b>R'000</b>                      | <b>R'000</b>                 | <b>R'000</b>    | <b>R'000</b>                   | <b>R'000</b>                  | <b>R'000</b>    | <b>%</b>   | <b>R'000</b>                   | <b>R'000</b>                  |
| Training and development                      | 4 163                             | 3 519                        | 215             | 7 897                          | 7 896                         | 1               | 100.0%   | 820                            | 790                           |
| Operating payments                            | 827                               | (344)                        | -               | 483                            | 470                           | 13              | 97.3%  | 614                            | 598                           |
| Venues and facilities                         | 593                               | (60)                         | -               | 533                            | 471                           | 62              | 88.4%  | 104                            | 103                           |
| <b>Interest and rent on land</b>              | <b>3</b>                          | <b>-</b>                     | <b>-</b>        | <b>3</b>                       | <b>2</b>                      | <b>1</b>        | <b>66.7%</b>   | <b>5</b>                       | <b>3</b>                      |
| Interest                                      | 3                                 | -                            | -               | 3                              | 2                             | 1               | 66.7%  | 5                              | 3                             |
| <b>Transfers and subsidies</b>                | <b>162</b>                        | <b>(125)</b>                 | <b>-</b>        | <b>37</b>                      | <b>35</b>                     | <b>2</b>        | <b>94.6%</b>   | <b>98</b>                      | <b>97</b>                     |
| Departmental agencies and accounts            | -                                 | 4                            | -               | 4                              | 3                             | 1               | 75.0%  | 3                              | 3                             |
| Departmental agencies (non-business entities) | -                                 | 4                            | -               | 4                              | 3                             | 1               | 75.0%  | 3                              | 3                             |
| Households                                    | 162                               | (129)                        | -               | 33                             | 32                            | 1               | 97.0%  | 95                             | 94                            |
| Social benefits                               | 162                               | (129)                        | -               | 33                             | 32                            | 1               | 97.0%  | 95                             | 94                            |
| <b>Payments for capital assets</b>            | <b>3 268</b>                      | <b>11 042</b>                | <b>(186)</b>    | <b>14 124</b>                  | <b>14 076</b>                 | <b>48</b>       | <b>99.7%</b>   | <b>4 121</b>                   | <b>4 081</b>                  |
| Machinery and equipment                       | 3 260                             | 11 042                       | (186)           | 14 116                         | 14 068                        | 48              | 99.7%  | 3 633                          | 3 593                         |
| Other machinery and equipment                 | 3 260                             | 11 042                       | (186)           | 14 116                         | 14 068                        | 48              | 99.7%  | 3 633                          | 3 593                         |
| Software and other intangible assets          | 8                                 | -                            | -               | 8                              | 8                             | -               | 100.0%   | 488                            | 488                           |
| <b>Payments for financial assets</b>          | <b>-</b>                          | <b>-</b>                     | <b>-</b>        | <b>-</b>                       | <b>32</b>                     | <b>(32)</b>     | <b>-</b>   | <b>-</b>                       | <b>3</b>                      |
| <b>Total</b>                                  | <b>117 746</b>                    | <b>1 164</b>                 | <b>(567)</b>    | <b>118 343</b>                 | <b>117 580</b>                | <b>763</b>      | <b>99.4%</b>   | <b>106 897</b>                 | <b>105 816</b>                |

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
**VOTE 8**  
**APPROPRIATION STATEMENT**  
**For the year ended 31 March 2017**

| <b>Programme 2: Local Governance</b>                                  |                               |                          |                 |                            |                           |                 |  |                            |                           |
|---|-------------------------------|--------------------------|-----------------|----------------------------|---------------------------|-----------------|--|----------------------------|---------------------------|
|   | <b>2016/17</b>                |                          |                 |                            |                           |                 |  | <b>2015/16</b>             |                           |
|   | <b>Adjusted Appropriation</b> | <b>Shifting of Funds</b> | <b>Virement</b> | <b>Final Appropriation</b> | <b>Actual Expenditure</b> | <b>Variance</b> | <b>Expenditure as % of final appropriation</b> | <b>Final Appropriation</b> | <b>Actual expenditure</b> |
|   | <b>R'000</b>                  | <b>R'000</b>             | <b>R'000</b>    | <b>R'000</b>               | <b>R'000</b>              | <b>R'000</b>    | <b>%</b>                                       | <b>R'000</b>               | <b>R'000</b>              |
| <b>Sub programme</b>  |                               |                          |                 |                            |                           |                 |  |                            |                           |
| 1. <b>Municipal Administration</b>                                    | 18 155                        | (819)                    | -               | 17 336                     | 17 123                    | 213             | 98.8%  | 13 751                     | 13 569                    |
| 2. <b>Municipal Finance</b>   | 114 974                       | 1 542                    | 2 431           | 118 947                    | 118 806                   | 141             | 99.9%  | 78 909                     | 78 682                    |
| 3. <b>Public Participation</b>  | 17 079                        | (1 183)                  | -               | 15 896                     | 15 825                    | 71              | 99.6%  | 9 765                      | 9 606                     |
| 4. <b>Capacity Development</b>  | 7 119                         | 1 417                    | -               | 8 536                      | 8 504                     | 32              | 99.6%  | 7 045                      | 7 005                     |
| 5. <b>Municipal Performance, monitoring, reporting and evaluation</b> | 7 623                         | (957)                    | -               | 6 666                      | 6 590                     | 76              | 98.9%  | 6 698                      | 6 589                     |
| <b>Total for sub programmes</b>                                       | <b>164 950</b>                | <b>-</b>                 | <b>2 431</b>    | <b>167 381</b>             | <b>166 848</b>            | <b>533</b>      | <b>99.7%</b>                                   | <b>116 168</b>             | <b>115 451</b>            |
| <b>Economic classification</b>  |                               |                          |                 |                            |                           |                 |  |                            |                           |
| <b>Current payments</b>   | <b>100 901</b>                | <b>(5 400)</b>           | <b>-</b>        | <b>95 501</b>              | <b>95 074</b>             | <b>427</b>      | <b>99.6%</b>                                   | <b>81 838</b>              | <b>81 288</b>             |
| <b>Compensation of employees</b>                                      | <b>44 774</b>                 | <b>(648)</b>             | <b>-</b>        | <b>44 126</b>              | <b>43 829</b>             | <b>297</b>      | <b>99.3%</b>                                   | <b>44 006</b>              | <b>43 784</b>             |
| Salaries and wages  | 40 267                        | (662)                    | -               | 39 605                     | 39 358                    | 247             | 99.4%  | 39 811                     | 39 614                    |
| Social contributions  | 4 507                         | 14                       | -               | 4 521                      | 4 471                     | 50              | 98.9%  | 4 195                      | 4 170                     |
| <b>Goods and services</b>   | <b>56 110</b>                 | <b>(4 936)</b>           | <b>-</b>        | <b>51 174</b>              | <b>51 045</b>             | <b>129</b>      | <b>99.7%</b>                                   | <b>37 832</b>              | <b>37 504</b>             |
| Administrative fees   | 122                           | (71)                     | -               | 51                         | 45                        | 6               | 88.2%  | 68                         | 60                        |
| Advertising   | 32                            | (32)                     | -               | -                          | -                         | -               | -  | 45                         | -                         |
| Minor assets  | 32                            | -                        | -               | 32                         | 29                        | 3               | 90.6%  | 60                         | 58                        |
| Catering: Departmental activities                                     | 263                           | (125)                    | -               | 138                        | 136                       | 2               | 98.6%  | 150                        | 134                       |
| Communication (G&S)   | 90                            | (35)                     | -               | 55                         | 55                        | -               | 100.0%   | 39                         | 31                        |
| Consultants: Business and advisory services                           | 47 128                        | (4 000)                  | -               | 43 128                     | 43 122                    | 6               | 100.0%   | 32 906                     | 32 905                    |
| Legal services  | 1 862                         | 195                      | -               | 2 057                      | 2 056                     | 1               | 100.0%   | 143                        | 143                       |
| Contractors   | 1 831                         | 89                       | -               | 1 920                      | 1 916                     | 4               | 99.8%  | 295                        | 285                       |
| Entertainment   | 6                             | (6)                      | -               | -                          | -                         | -               | -  | 4                          | 3                         |
| Consumable supplies   | 51                            | (33)                     | -               | 18                         | 14                        | 4               | 77.8%  | 26                         | 20                        |
| Consumable: Stationery, printing and office supplies                  | 305                           | (112)                    | -               | 193                        | 180                       | 13              | 93.3%  | 510                        | 490                       |
| Transport provided: Departmental activity                             | -                             | -                        | -               | -                          | -                         | -               | -  | 47                         | 46                        |
| Travel and subsistence  | 3 417                         | (676)                    | -               | 2 741                      | 2 672                     | 69              | 97.5%  | 3 302                      | 3 102                     |

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
**VOTE 8**  
**APPROPRIATION STATEMENT**  
**For the year ended 31 March 2017**

| <b>Programme 2: Local Governance</b>                |                               |                          |                 |                            |                           |                 |  |                            |                           |
|---|-------------------------------|--------------------------|-----------------|----------------------------|---------------------------|-----------------|--|----------------------------|---------------------------|
|   | <b>2016/17</b>                |                          |                 |                            |                           |                 |  | <b>2015/16</b>             |                           |
|   | <b>Adjusted Appropriation</b> | <b>Shifting of Funds</b> | <b>Virement</b> | <b>Final Appropriation</b> | <b>Actual Expenditure</b> | <b>Variance</b> | <b>Expenditure as % of final appropriation</b> | <b>Final Appropriation</b> | <b>Actual expenditure</b> |
|   | <b>R'000</b>                  | <b>R'000</b>             | <b>R'000</b>    | <b>R'000</b>               | <b>R'000</b>              | <b>R'000</b>    | <b>%</b>                                       | <b>R'000</b>               | <b>R'000</b>              |
| Operating payments                                  | 958                           | (117)                    | -               | 841                        | 820                       | 21              | 97.5%  | 233                        | 227                       |
| Venues and facilities                               | 13                            | (13)                     | -               | -                          | -                         | -               | -  | 4                          | -                         |
| Interest and rent on land                           | 17                            | 184                      | -               | 201                        | 200                       | 1               | 99.5%  | -                          | -                         |
| Interest (incl. interest on unitary payments (PPP)) | 17                            | 184                      | -               | 201                        | 200                       | 1               | 99.5%  | -                          | -                         |
| <b>Transfers and subsidies</b>                      | <b>63 105</b>                 | <b>5 569</b>             | <b>2 431</b>    | <b>71 105</b>              | <b>71 087</b>             | <b>18</b>       | <b>100.0%</b>                                  | <b>33 612</b>              | <b>33 610</b>             |
| Provinces and municipalities                        | 62 942                        | 1 569                    | 2 431           | 66 942                     | 66 926                    | 16              | 100.0%   | 33 505                     | 33 504                    |
| Municipalities                                      | 62 942                        | 1 569                    | 2 431           | 66 942                     | 66 926                    | 16              | 100.0%   | 33 505                     | 33 504                    |
| Municipal bank accounts                             | 62 942                        | 1 569                    | 2 431           | 66 942                     | 66 926                    | 16              | 100.0%   | 33 505                     | 33 504                    |
| Households  | 163                           | 4 000                    | -               | 4 163                      | 4 161                     | 2               | 100.0%   | 107                        | 106                       |
| Social benefits                                     | 163                           | -                        | -               | 163                        | 161                       | 2               | 98.8%  | 107                        | 106                       |
| Other transfers to households                       | -                             | 4 000                    | -               | 4 000                      | 4 000                     | -               | 100.0%   | -                          | -                         |
| <b>Payments for capital assets</b>                  | <b>944</b>                    | <b>(169)</b>             | <b>-</b>        | <b>775</b>                 | <b>684</b>                | <b>91</b>       | <b>88.3%</b>                                   | <b>718</b>                 | <b>553</b>                |
| Machinery and equipment                             | 944                           | (169)                    | -               | 775                        | 684                       | 91              | 88.3%  | 718                        | 553                       |
| Other machinery and equipment                       | 944                           | (169)                    | -               | 775                        | 684                       | 91              | 88.3%  | 718                        | 553                       |
| <b>Payments for financial assets</b>                | <b>-</b>                      | <b>-</b>                 | <b>-</b>        | <b>-</b>                   | <b>3</b>                  | <b>(3)</b>      | <b>-</b>                                       | <b>-</b>                   | <b>-</b>                  |
| <b>Total</b>  | <b>164 950</b>                | <b>-</b>                 | <b>2 431</b>    | <b>167 381</b>             | <b>166 848</b>            | <b>533</b>      | <b>99.7%</b>                                   | <b>116 168</b>             | <b>115 451</b>            |

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
**VOTE 8**  
**APPROPRIATION STATEMENT**  
**For the year ended 31 March 2017**

| <b>Sub programme: 2.1: Municipal Administration</b>  |                                   |                              |                 |                                |                               |                 |  |                                |                               |
|--|-----------------------------------|------------------------------|-----------------|--------------------------------|-------------------------------|-----------------|--|--------------------------------|-------------------------------|
|  | <b>2016/17</b>                    |                              |                 |                                |                               |                 |  | <b>2015/16</b>                 |                               |
|  | <b>Adjusted<br/>Appropriation</b> | <b>Shifting of<br/>Funds</b> | <b>Virement</b> | <b>Final<br/>Appropriation</b> | <b>Actual<br/>Expenditure</b> | <b>Variance</b> | <b>Expenditure<br/>as % of final<br/>appropriation</b> | <b>Final<br/>Appropriation</b> | <b>Actual<br/>expenditure</b> |
| <b>Economic classification</b>                       | <b>R'000</b>                      | <b>R'000</b>                 | <b>R'000</b>    | <b>R'000</b>                   | <b>R'000</b>                  | <b>R'000</b>    | <b>%</b>   | <b>R'000</b>                   | <b>R'000</b>                  |
| <b>Current payments</b>                              | <b>17 871</b>                     | <b>(819)</b>                 | -               | <b>17 052</b>                  | <b>16 874</b>                 | <b>178</b>      | <b>99.0%</b>   | <b>13 489</b>                  | <b>13 405</b>                 |
| <b>Compensation of employees</b>                     | <b>14 842</b>                     | <b>(879)</b>                 | -               | <b>13 963</b>                  | <b>13 835</b>                 | <b>128</b>      | <b>99.1%</b>   | <b>11 983</b>                  | <b>11 958</b>                 |
| Salaries and wages                                   | 13 463                            | (873)                        | -               | 12 590                         | 12 488                        | 102             | 99.2%  | 10 658                         | 10 640                        |
| Social contributions                                 | 1 379                             | (6)                          | -               | 1 373                          | 1 347                         | 26              | 98.1%  | 1 325                          | 1 318                         |
| <b>Goods and services</b>                            | <b>3 029</b>                      | <b>60</b>                    | -               | <b>3 089</b>                   | <b>3 039</b>                  | <b>50</b>       | <b>98.4%</b>   | <b>1 506</b>                   | <b>1 447</b>                  |
| Administrative fees                                  | 27                                | (12)                         | -               | 15                             | 14                            | 1               | 93.3%  | 16                             | 15                            |
| Minor assets   | 13                                | -                            | -               | 13                             | 12                            | 1               | 92.3%  | 38                             | 36                            |
| Catering: Departmental activities                    | 16                                | (9)                          | -               | 7                              | 6                             | 1               | 85.7%  | 18                             | 17                            |
| Legal services                                       | 1 445                             | 195                          | -               | 1 640                          | 1 640                         | -               | 100.0%   | 143                            | 143                           |
| Contractors  | 4                                 | -                            | -               | 4                              | 3                             | 1               | 75.0%  | 4                              | -                             |
| Entertainment  | -                                 | -                            | -               | -                              | -                             | -               | -  | 2                              | 1                             |
| Consumable supplies                                  | 14                                | (4)                          | -               | 10                             | 9                             | 1               | 90.0%  | 14                             | 11                            |
| Consumable: Stationery, printing and office supplies | 77                                | (18)                         | -               | 59                             | 56                            | 3               | 94.9%  | 281                            | 276                           |
| Travel and subsistence                               | 703                               | (80)                         | -               | 623                            | 597                           | 26              | 95.8%  | 893                            | 853                           |
| Operating payments                                   | 730                               | (12)                         | -               | 718                            | 702                           | 16              | 97.8%  | 97                             | 95                            |
| <b>Transfers and subsidies</b>                       | <b>-</b>                          | <b>-</b>                     | <b>-</b>        | <b>-</b>                       | <b>-</b>                      | <b>-</b>        | <b>-</b>   | <b>17</b>                      | <b>17</b>                     |
| Households   | -                                 | -                            | -               | -                              | -                             | -               | -  | 17                             | 17                            |
| Social benefits                                      | -                                 | -                            | -               | -                              | -                             | -               | -  | 17                             | 17                            |
| <b>Payments for capital assets</b>                   | <b>284</b>                        | <b>-</b>                     | <b>-</b>        | <b>284</b>                     | <b>249</b>                    | <b>35</b>       | <b>87.7%</b>   | <b>245</b>                     | <b>147</b>                    |
| Machinery and equipment                              | 284                               | -                            | -               | 284                            | 249                           | 35              | 87.7%  | 245                            | 147                           |
| Other machinery and equipment                        | 284                               | -                            | -               | 284                            | 249                           | 35              | 87.7%  | 245                            | 147                           |
| <b>Total</b>   | <b>18 155</b>                     | <b>(819)</b>                 | <b>-</b>        | <b>17 336</b>                  | <b>17 123</b>                 | <b>213</b>      | <b>98.8%</b>   | <b>13 751</b>                  | <b>13 569</b>                 |

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
**VOTE 8**  
**APPROPRIATION STATEMENT**  
**For the year ended 31 March 2017**

| <b>Sub programme: 2.2: Municipal Finance</b>         |                                   |                              |                 |                                |                               |                 |  |                                |                               |
|--|-----------------------------------|------------------------------|-----------------|--------------------------------|-------------------------------|-----------------|--|--------------------------------|-------------------------------|
|  | <b>2016/17</b>                    |                              |                 |                                |                               |                 |  | <b>2015/16</b>                 |                               |
|  | <b>Adjusted<br/>Appropriation</b> | <b>Shifting of<br/>Funds</b> | <b>Virement</b> | <b>Final<br/>Appropriation</b> | <b>Actual<br/>Expenditure</b> | <b>Variance</b> | <b>Expenditure<br/>as % of final<br/>appropriation</b> | <b>Final<br/>Appropriation</b> | <b>Actual<br/>expenditure</b> |
| <b>Economic classification</b>                       | <b>R'000</b>                      | <b>R'000</b>                 | <b>R'000</b>    | <b>R'000</b>                   | <b>R'000</b>                  | <b>R'000</b>    | <b>%</b>   | <b>R'000</b>                   | <b>R'000</b>                  |
| <b>Current payments</b>                              | <b>51 897</b>                     | <b>(27)</b>                  | <b>-</b>        | <b>51 870</b>                  | <b>51 772</b>                 | <b>98</b>       | <b>99.8%</b>   | <b>45 331</b>                  | <b>45 111</b>                 |
| <b>Compensation of employees</b>                     | <b>7 718</b>                      | <b>(244)</b>                 | <b>-</b>        | <b>7 474</b>                   | <b>7 401</b>                  | <b>73</b>       | <b>99.0%</b>   | <b>11 625</b>                  | <b>11 474</b>                 |
| Salaries and wages                                   | 7 212                             | (224)                        | -               | 6 988                          | 6 916                         | 72              | 99.0%  | 11 179                         | 11 032                        |
| Social contributions                                 | 506                               | (20)                         | -               | 486                            | 485                           | 1               | 99.8%  | 446                            | 442                           |
| <b>Goods and services</b>                            | <b>44 162</b>                     | <b>33</b>                    | <b>-</b>        | <b>44 195</b>                  | <b>44 171</b>                 | <b>24</b>       | <b>99.9%</b>   | <b>33 706</b>                  | <b>33 637</b>                 |
| Administrative fees                                  | 3                                 | 2                            | -               | 5                              | 3                             | 2               | 60.0%  | 8                              | 6                             |
| Consultants: Business and advisory services          | 43 128                            | -                            | -               | 43 128                         | 43 122                        | 6               | 100%   | 32 906                         | 32 905                        |
| Legal services                                       | 417                               | -                            | -               | 417                            | 416                           | 1               | 99.8%  | -                              | -                             |
| Contractors  | 4                                 | 1                            | -               | 5                              | 4                             | 1               | 80.0%  | 6                              | 2                             |
| Consumable supplies                                  | 3                                 | (1)                          | -               | 2                              | 1                             | 1               | 50.0%  | 1                              | -                             |
| Consumable: Stationery, printing and office supplies | 113                               | (9)                          | -               | 104                            | 103                           | 1               | 99.0%  | 126                            | 113                           |
| Travel and subsistence                               | 439                               | 40                           | -               | 479                            | 470                           | 9               | 98.1%  | 587                            | 540                           |
| Operating payments                                   | 55                                | -                            | -               | 55                             | 52                            | 3               | 94.5%  | 72                             | 71                            |
| <b>Interest and rent on land</b>                     | <b>17</b>                         | <b>184</b>                   | <b>-</b>        | <b>201</b>                     | <b>200</b>                    | <b>1</b>        | <b>99.5%</b>   | <b>-</b>                       | <b>-</b>                      |
| Interest   | 17                                | 184                          | -               | 201                            | 200                           | 1               | 99.5%  | -                              | -                             |
| <b>Transfers and subsidies</b>                       | <b>62 942</b>                     | <b>1 569</b>                 | <b>2 431</b>    | <b>66 942</b>                  | <b>66 926</b>                 | <b>16</b>       | <b>100.0%</b>  | <b>33 505</b>                  | <b>33 504</b>                 |
| Provinces and municipalities                         | 62 942                            | 1 569                        | 2 431           | 66 942                         | 66 926                        | 16              | 100.0%   | 33 505                         | 33 504                        |
| Municipalities                                       | 62 942                            | 1 569                        | 2 431           | 66 942                         | 66 926                        | 16              | 100.0%   | 33 505                         | 33 504                        |
| Municipal bank accounts                              | 62 942                            | 1 569                        | 2 431           | 66 942                         | 66 926                        | 16              | 100.0%   | 33 505                         | 33 504                        |
| <b>Payments for capital assets</b>                   | <b>135</b>                        | <b>-</b>                     | <b>-</b>        | <b>135</b>                     | <b>105</b>                    | <b>30</b>       | <b>77.8%</b>   | <b>73</b>                      | <b>67</b>                     |
| Machinery and equipment                              | 135                               | -                            | -               | 135                            | 105                           | 30              | 77.8%  | 73                             | 67                            |
| Other machinery and equipment                        | 135                               | -                            | -               | 135                            | 105                           | 30              | 77.8%  | 73                             | 67                            |
| <b>Payments for financial assets</b>                 | <b>-</b>                          | <b>-</b>                     | <b>-</b>        | <b>-</b>                       | <b>3</b>                      | <b>(3)</b>      | <b>-</b>   | <b>-</b>                       | <b>-</b>                      |
| <b>Total</b>   | <b>114 974</b>                    | <b>1 542</b>                 | <b>2 431</b>    | <b>118 947</b>                 | <b>118 806</b>                | <b>141</b>      | <b>99.9%</b>   | <b>78 909</b>                  | <b>78 682</b>                 |

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
**VOTE 8**  
**APPROPRIATION STATEMENT**  
**For the year ended 31 March 2017**

| <b>Sub programme: 2.3: Public Participation</b>      |                                   |                              |                 |                                |                               |                 |  |                                |                               |
|--|-----------------------------------|------------------------------|-----------------|--------------------------------|-------------------------------|-----------------|--|--------------------------------|-------------------------------|
|  | <b>2016/17</b>                    |                              |                 |                                |                               |                 | <b>2015/16</b>   |                                |                               |
|  | <b>Adjusted<br/>Appropriation</b> | <b>Shifting of<br/>Funds</b> | <b>Virement</b> | <b>Final<br/>Appropriation</b> | <b>Actual<br/>Expenditure</b> | <b>Variance</b> | <b>Expenditure<br/>as % of final<br/>appropriation</b> | <b>Final<br/>Appropriation</b> | <b>Actual<br/>expenditure</b> |
| <b>Economic classification</b>                       | <b>R'000</b>                      | <b>R'000</b>                 | <b>R'000</b>    | <b>R'000</b>                   | <b>R'000</b>                  | <b>R'000</b>    | <b>%</b>   | <b>R'000</b>                   | <b>R'000</b>                  |
| <b>Current payments</b>                              | <b>16 778</b>                     | <b>(5 110)</b>               | -               | <b>11 668</b>                  | <b>11 605</b>                 | <b>63</b>       | <b>99.5%</b>   | <b>9 660</b>                   | <b>9 540</b>                  |
| <b>Compensation of employees</b>                     | <b>9 217</b>                      | <b>(493)</b>                 | -               | <b>8 724</b>                   | <b>8 678</b>                  | <b>46</b>       | <b>99.5%</b>   | <b>8 025</b>                   | <b>8 007</b>                  |
| Salaries and wages                                   | 7 988                             | (488)                        | -               | 7 500                          | 7 465                         | 35              | 99.5%  | 6 888                          | 6 873                         |
| Social contributions                                 | 1 229                             | (5)                          | -               | 1 224                          | 1 213                         | 11              | 99.1%  | 1 137                          | 1 134                         |
| <b>Goods and services</b>                            | <b>7 561</b>                      | <b>(4 617)</b>               | -               | <b>2 944</b>                   | <b>2 927</b>                  | <b>17</b>       | <b>99.4%</b>   | <b>1 635</b>                   | <b>1 533</b>                  |
| Administrative fees                                  | 60                                | (36)                         | -               | 24                             | 22                            | 2               | 91.7%  | 33                             | 30                            |
| Advertising  | -                                 | -                            | -               | -                              | -                             | -               | -  | 3                              | -                             |
| Minor assets   | 14                                | -                            | -               | 14                             | 14                            | -               | 100.0%   | -                              | -                             |
| Catering: Departmental activities                    | 145                               | (71)                         | -               | 74                             | 74                            | -               | 100.0%   | 129                            | 114                           |
| Communication (G&S)                                  | 90                                | (35)                         | -               | 55                             | 55                            | -               | 100.0%   | 39                             | 31                            |
| Consultants: Business and advisory services          | 4 000                             | (4 000)                      | -               | -                              | -                             | -               | 100.0%   | -                              | -                             |
| Contractors  | 1 821                             | (33)                         | -               | 1 788                          | 1 787                         | 1               | 99.9%  | 285                            | 283                           |
| Consumable supplies                                  | 10                                | (9)                          | -               | 1                              | -                             | 1               | -  | 4                              | 3                             |
| Consumable: Stationery, printing and office supplies | -                                 | -                            | -               | -                              | -                             | -               | -  | 29                             | 29                            |
| Transport provided: Departmental activity            | -                                 | -                            | -               | -                              | -                             | -               | -  | 47                             | 46                            |
| Travel and subsistence                               | 1 280                             | (359)                        | -               | 921                            | 910                           | 11              | 98.8%  | 1 030                          | 964                           |
| Operating payments                                   | 141                               | (74)                         | -               | 67                             | 65                            | 2               | 97.0%  | 36                             | 33                            |
| <b>Transfers and subsidies</b>                       | <b>20</b>                         | <b>4 000</b>                 | -               | <b>4 020</b>                   | <b>4 019</b>                  | <b>1</b>        | <b>100.0%</b>  | -                              | -                             |
| Households   | 20                                | 4 000                        | -               | 4 020                          | 4 019                         | 1               | 100.0%   | -                              | -                             |
| Social benefits                                      | 20                                | -                            | -               | 20                             | 19                            | 1               | 95.0%  | -                              | -                             |
| Other transfers to households                        | -                                 | 4 000                        | -               | 4 000                          | 4 000                         | -               | 100.0  | -                              | -                             |
| <b>Payments for capital assets</b>                   | <b>281</b>                        | <b>(73)</b>                  | -               | <b>208</b>                     | <b>201</b>                    | <b>7</b>        | <b>96.6%</b>   | <b>105</b>                     | <b>66</b>                     |
| Machinery and equipment                              | 281                               | (73)                         | -               | 208                            | 201                           | 7               | 96.6%  | 105                            | 66                            |
| Other machinery and equipment                        | 281                               | (73)                         | -               | 208                            | 201                           | 7               | 96.6%  | 105                            | 66                            |
| <b>Total</b>   | <b>17 079</b>                     | <b>(1 183)</b>               | -               | <b>15 896</b>                  | <b>15 825</b>                 | <b>71</b>       | <b>99.6%</b>   | <b>9 765</b>                   | <b>9 606</b>                  |

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
**VOTE 8**  
**APPROPRIATION STATEMENT**  
**For the year ended 31 March 2017**

| <b>Sub programme: 2.4: Capacity Development</b>      |                               |                          |                 |                            |                           |                 |  |                            |                           |
|--|-------------------------------|--------------------------|-----------------|----------------------------|---------------------------|-----------------|--|----------------------------|---------------------------|
|  | <b>2016/17</b>                |                          |                 |                            |                           |                 |  | <b>2015/16</b>             |                           |
|  | <b>Adjusted Appropriation</b> | <b>Shifting of Funds</b> | <b>Virement</b> | <b>Final Appropriation</b> | <b>Actual Expenditure</b> | <b>Variance</b> | <b>Expenditure as % of final appropriation</b> | <b>Final Appropriation</b> | <b>Actual expenditure</b> |
| <b>Economic classification</b>                       | <b>R'000</b>                  | <b>R'000</b>             | <b>R'000</b>    | <b>R'000</b>               | <b>R'000</b>              | <b>R'000</b>    | <b>%</b>                                       | <b>R'000</b>               | <b>R'000</b>              |
| <b>Current payments</b>                              | <b>6 921</b>                  | <b>1 417</b>             | -               | <b>8 338</b>               | <b>8 323</b>              | <b>15</b>       | <b>99.8%</b>                                   | <b>6 763</b>               | <b>6 745</b>              |
| <b>Compensation of employees</b>                     | <b>6 429</b>                  | <b>1 518</b>             | -               | <b>7 947</b>               | <b>7 938</b>              | <b>9</b>        | <b>99.9%</b>                                   | <b>6 378</b>               | <b>6 365</b>              |
| Salaries and wages                                   | 5 734                         | 1 423                    | -               | 7 157                      | 7 149                     | 8               | 99.9%  | 5 768                      | 5 761                     |
| Social contributions                                 | 695                           | 95                       | -               | 790                        | 789                       | 1               | 99.9%  | 610                        | 604                       |
| <b>Goods and services</b>                            | <b>492</b>                    | <b>(101)</b>             | -               | <b>391</b>                 | <b>385</b>                | <b>6</b>        | <b>98.5%</b>                                   | <b>385</b>                 | <b>380</b>                |
| Administrative fees                                  | 13                            | (11)                     | -               | 2                          | 1                         | 1               | 50.0%  | 4                          | 4                         |
| Minor assets   | -                             | -                        | -               | -                          | -                         | -               | -  | 22                         | 22                        |
| Catering: Departmental activities                    | 2                             | (2)                      | -               | -                          | -                         | -               | -  | 1                          | 1                         |
| Contractors  | 2                             | 121                      | -               | 123                        | 122                       | 1               | 99.2%  | -                          | -                         |
| Consumable supplies                                  | 6                             | (3)                      | -               | 3                          | 2                         | 1               | 66.7%  | 2                          | 2                         |
| Consumable: Stationery, printing and office supplies | 48                            | (48)                     | -               | -                          | -                         | -               | -  | 42                         | 41                        |
| Travel and subsistence                               | 411                           | (149)                    | -               | 262                        | 259                       | 3               | 98.9%  | 314                        | 310                       |
| Operating payments                                   | 10                            | (9)                      | -               | 1                          | 1                         | -               | 100.0%   | -                          | -                         |
| <b>Transfers and subsidies</b>                       | <b>92</b>                     | -                        | -               | <b>92</b>                  | <b>91</b>                 | <b>1</b>        | <b>98.9%</b>                                   | <b>90</b>                  | <b>89</b>                 |
| Households   | 92                            | -                        | -               | 92                         | 91                        | 1               | 98.9%  | 90                         | 89                        |
| Social benefits                                      | 92                            | -                        | -               | 92                         | 91                        | 1               | 98.9%  | 90                         | 89                        |
| <b>Payments for capital assets</b>                   | <b>106</b>                    | -                        | -               | <b>106</b>                 | <b>90</b>                 | <b>16</b>       | <b>84.9%</b>                                   | <b>192</b>                 | <b>171</b>                |
| Machinery and equipment                              | 106                           | -                        | -               | 106                        | 90                        | 16              | 84.9%  | 192                        | 171                       |
| Other machinery and equipment                        | 106                           | -                        | -               | 106                        | 90                        | 16              | 84.9%  | 192                        | 171                       |
| <b>Total</b>   | <b>7 119</b>                  | <b>1 417</b>             | -               | <b>8 536</b>               | <b>8 504</b>              | <b>32</b>       | <b>99.6%</b>                                   | <b>7 045</b>               | <b>7 005</b>              |

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
**VOTE 8**  
**APPROPRIATION STATEMENT**  
**For the year ended 31 March 2017**

| <b>Sub programme: 2.5: Municipal Performance, Monitoring, Reporting And Evaluation</b> |                                   |                              |                 |                                |                               |                 |  |                                |                               |
|--|-----------------------------------|------------------------------|-----------------|--------------------------------|-------------------------------|-----------------|--|--------------------------------|-------------------------------|
| <b>2016/17</b>   |                                   |                              |                 |                                |                               |                 |  | <b>2015/16</b>                 |                               |
|  | <b>Adjusted<br/>Appropriation</b> | <b>Shifting of<br/>Funds</b> | <b>Virement</b> | <b>Final<br/>Appropriation</b> | <b>Actual<br/>Expenditure</b> | <b>Variance</b> | <b>Expenditure<br/>as % of final<br/>appropriation</b> | <b>Final<br/>Appropriation</b> | <b>Actual<br/>expenditure</b> |
| <b>Economic classification</b>   | <b>R'000</b>                      | <b>R'000</b>                 | <b>R'000</b>    | <b>R'000</b>                   | <b>R'000</b>                  | <b>R'000</b>    | <b>%</b>   | <b>R'000</b>                   | <b>R'000</b>                  |
| <b>Current payments</b>  | <b>7 434</b>                      | <b>(861)</b>                 | -               | <b>6 573</b>                   | <b>6 500</b>                  | <b>73</b>       | <b>98.9%</b>   | <b>6 595</b>                   | <b>6 487</b>                  |
| <b>Compensation of employees</b>   | <b>6 568</b>                      | <b>(550)</b>                 | -               | <b>6 018</b>                   | <b>5 977</b>                  | <b>41</b>       | <b>99.3%</b>   | <b>5 995</b>                   | <b>5 980</b>                  |
| Salaries and wages   | 5 870                             | (500)                        | -               | 5 370                          | 5 340                         | 30              | 99.4%  | 5 318                          | 5 308                         |
| Social contributions   | 698                               | (50)                         | -               | 648                            | 637                           | 11              | 98.3%  | 677                            | 672                           |
| <b>Goods and services</b>  | <b>866</b>                        | <b>(311)</b>                 | -               | <b>555</b>                     | <b>523</b>                    | <b>32</b>       | <b>94.2%</b>   | <b>600</b>                     | <b>507</b>                    |
| Administrative fees  | 19                                | (14)                         | -               | 5                              | 5                             | -               | 100.0%   | 7                              | 5                             |
| Advertising  | 32                                | (32)                         | -               | -                              | -                             | -               | -  | 42                             | -                             |
| Minor assets   | 5                                 | -                            | -               | 5                              | 3                             | 2               | 60%  | -                              | -                             |
| Catering: Departmental activities  | 100                               | (43)                         | -               | 57                             | 56                            | 1               | 98.2%  | 2                              | 2                             |
| Entertainment  | 6                                 | (6)                          | -               | -                              | -                             | -               | -  | 2                              | 2                             |
| Consumable supplies  | 18                                | (16)                         | -               | 2                              | 2                             | -               | 100.0%   | 5                              | 4                             |
| Consumable: Stationery, printing and office supplies                                   | 67                                | (37)                         | -               | 30                             | 21                            | 9               | 70.0%  | 32                             | 31                            |
| Travel and subsistence   | 584                               | (128)                        | -               | 456                            | 436                           | 20              | 95.6%  | 478                            | 435                           |
| Operating payments   | 22                                | (22)                         | -               | -                              | -                             | -               | -  | 28                             | 28                            |
| Venues and facilities  | 13                                | (13)                         | -               | -                              | -                             | -               | -  | 4                              | -                             |
| <b>Transfers and subsidies</b>   | <b>51</b>                         | <b>-</b>                     | <b>-</b>        | <b>51</b>                      | <b>51</b>                     | <b>-</b>        | <b>100.0%</b>  | <b>-</b>                       | <b>-</b>                      |
| Households   | 51                                | -                            | -               | 51                             | 51                            | -               | 100.0%   | -                              | -                             |
| Social benefits  | 51                                | -                            | -               | 51                             | 51                            | -               | 100.0%   | -                              | -                             |
| <b>Payments for capital assets</b>   | <b>138</b>                        | <b>(96)</b>                  | <b>-</b>        | <b>42</b>                      | <b>39</b>                     | <b>3</b>        | <b>92.9%</b>   | <b>103</b>                     | <b>102</b>                    |
| Machinery and equipment  | 138                               | (96)                         | -               | 42                             | 39                            | 3               | 92.9%  | 103                            | 102                           |
| Other machinery and equipment  | 138                               | (96)                         | -               | 42                             | 39                            | 3               | 92.9%  | 103                            | 102                           |
| <b>Total</b>   | <b>7 623</b>                      | <b>(957)</b>                 | <b>-</b>        | <b>6 666</b>                   | <b>6 590</b>                  | <b>76</b>       | <b>98.9%</b>   | <b>6 698</b>                   | <b>6 589</b>                  |

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
**VOTE 8**  
**APPROPRIATION STATEMENT**  
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| <b>Programme 3: Development and Planning</b>                         |                               |                          |                 |                            |                           |                 |  |                            |                           |
|--|-------------------------------|--------------------------|-----------------|----------------------------|---------------------------|-----------------|--|----------------------------|---------------------------|
|  | <b>2016/17</b>                |                          |                 |                            |                           |                 |  | <b>2015/16</b>             |                           |
|  | <b>Adjusted Appropriation</b> | <b>Shifting of Funds</b> | <b>Virement</b> | <b>Final Appropriation</b> | <b>Actual Expenditure</b> | <b>Variance</b> | <b>Expenditure as % of final appropriation</b> | <b>Final Appropriation</b> | <b>Actual expenditure</b> |
|  | <b>R'000</b>                  | <b>R'000</b>             | <b>R'000</b>    | <b>R'000</b>               | <b>R'000</b>              | <b>R'000</b>    | <b>%</b>                                       | <b>R'000</b>               | <b>R'000</b>              |
| <b>Sub programme</b>   |                               |                          |                 |                            |                           |                 |  |                            |                           |
| 1. <b>Spatial Planning</b>   | 21 402                        | (708)                    | -               | 20 694                     | 20 568                    | 126             | 99.4%  | 21 452                     | 21 333                    |
| 2. <b>Local Economic Development (LED)/ Development and Planning</b> | 5 810                         | (482)                    | (206)           | 5 122                      | 5 062                     | 60              | 98.8%  | 4 946                      | 4 783                     |
| 3. <b>Municipal Infrastructure</b>                                   | 64 257                        | 1 636                    | 573             | 66 466                     | 66 233                    | 233             | 99.6%  | 60 084                     | 59 823                    |
| 4. <b>Disaster Management</b>  | 8 416                         | (446)                    | (216)           | 7 754                      | 7 698                     | 56              | 99.3%  | 6 981                      | 6 779                     |
| <b>Total for sub programmes</b>                                      | <b>99 885</b>                 | <b>-</b>                 | <b>151</b>      | <b>100 036</b>             | <b>99 561</b>             | <b>475</b>      | <b>99.5%</b>                                   | <b>93 463</b>              | <b>92 718</b>             |
| <b>Economic classification</b>                                       |                               |                          |                 |                            |                           |                 |  |                            |                           |
| <b>Current payments</b>  | <b>98 669</b>                 | <b>129</b>               | <b>273</b>      | <b>99 071</b>              | <b>98 644</b>             | <b>427</b>      | <b>99.6%</b>                                   | <b>91 182</b>              | <b>90 524</b>             |
| <b>Compensation of employees</b>                                     | <b>38 693</b>                 | <b>(287)</b>             | <b>(500)</b>    | <b>37 906</b>              | <b>37 559</b>             | <b>347</b>      | <b>99.1%</b>                                   | <b>36 009</b>              | <b>35 516</b>             |
| Salaries and wages   | 34 089                        | (287)                    | (440)           | 33 362                     | 33 056                    | 306             | 99.1%  | 31 638                     | 31 262                    |
| Social contributions   | 4 604                         | -                        | (60)            | 4 544                      | 4 503                     | 41              | 99.1%  | 4 371                      | 4 254                     |
| <b>Goods and services</b>  | <b>59 976</b>                 | <b>416</b>               | <b>773</b>      | <b>61 165</b>              | <b>61 085</b>             | <b>80</b>       | <b>99.9%</b>                                   | <b>55 173</b>              | <b>55 008</b>             |
| Administrative fees  | 81                            | (44)                     | -               | 37                         | 32                        | 5               | 86.5%  | 41                         | 36                        |
| Advertising  | 343                           | (52)                     | -               | 291                        | 290                       | 1               | 99.7%  | -                          | -                         |
| Minor assets   | 171                           | (133)                    | -               | 38                         | 36                        | 2               | 94.7%  | 50                         | 42                        |
| Catering: Departmental activities                                    | 385                           | (22)                     | -               | 363                        | 361                       | 2               | 99.4%  | 122                        | 117                       |
| Consultants: Business and advisory services                          | 40 090                        | 2 776                    | 773             | 43 639                     | 43 636                    | 3               | 100.0%   | 36 130                     | 36 128                    |
| Legal services   | 49                            | (49)                     | -               | -                          | -                         | -               | -  | 102                        | 102                       |
| Contractors  | 90                            | (27)                     | -               | 63                         | 62                        | 1               | 98.4%  | 134                        | 128                       |
| Entertainment  | 11                            | (10)                     | -               | 1                          | 1                         | -               | 100.0%   | -                          | -                         |
| Consumable supplies  | 44                            | (36)                     | -               | 8                          | 6                         | 2               | 75.0%  | 13                         | 9                         |
| Consumable: Stationery, printing and office supplies                 | 751                           | (364)                    | -               | 387                        | 374                       | 13              | 96.6%  | 670                        | 655                       |
| Property payments  | 12 827                        | -                        | -               | 12 827                     | 12 826                    | 1               | 100.0%   | 13 287                     | 13 286                    |
| Travel and subsistence   | 2 886                         | (855)                    | -               | 2 031                      | 1 989                     | 42              | 97.9%  | 2 070                      | 2 022                     |

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
**VOTE 8**  
**APPROPRIATION STATEMENT**  
**For the year ended 31 March 2017**

| <b>Programme 3: Development and Planning</b> |                               |                          |                 |                            |                           |                 |  |                            |                           |
|--|-------------------------------|--------------------------|-----------------|----------------------------|---------------------------|-----------------|--|----------------------------|---------------------------|
|  | <b>2016/17</b>                |                          |                 |                            |                           |                 |  | <b>2015/16</b>             |                           |
|  | <b>Adjusted Appropriation</b> | <b>Shifting of Funds</b> | <b>Virement</b> | <b>Final Appropriation</b> | <b>Actual Expenditure</b> | <b>Variance</b> | <b>Expenditure as % of final appropriation</b> | <b>Final Appropriation</b> | <b>Actual expenditure</b> |
|  | <b>R'000</b>                  | <b>R'000</b>             | <b>R'000</b>    | <b>R'000</b>               | <b>R'000</b>              | <b>R'000</b>    | <b>%</b>                                       | <b>R'000</b>               | <b>R'000</b>              |
| Operating payments                           | 1 547                         | (533)                    | -               | 1 014                      | 1 007                     | 7               | 99.3%  | 1 972                      | 1 902                     |
| Venues and facilities                        | 701                           | (235)                    | -               | 466                        | 465                       | 1               | 99.8%  | 582                        | 581                       |
| <b>Transfers and subsidies</b>               | <b>153</b>                    | <b>(134)</b>             | <b>-</b>        | <b>19</b>                  | <b>16</b>                 | <b>3</b>        | <b>84.2%</b>                                   | <b>1 694</b>               | <b>1 693</b>              |
| Provinces and municipalities                 | -                             | -                        | -               | -                          | -                         | -               | -  | 1 515                      | 1 515                     |
| Municipalities                               | -                             | -                        | -               | -                          | -                         | -               | -  | 1 515                      | 1 515                     |
| Municipal bank accounts                      | -                             | -                        | -               | -                          | -                         | -               | -  | 1 515                      | 1 515                     |
| Households                                   | 153                           | (134)                    | -               | 19                         | 16                        | 3               | 84.2%  | 179                        | 178                       |
| Social benefits                              | 151                           | (134)                    | -               | 17                         | 16                        | 1               | 94.1%  | 179                        | 178                       |
| Other transfers to households                | 2                             | -                        | -               | 2                          | -                         | 2               | -  | -                          | -                         |
| <b>Payments for capital assets</b>           | <b>1 063</b>                  | <b>5</b>                 | <b>(122)</b>    | <b>946</b>                 | <b>893</b>                | <b>53</b>       | <b>94.4%</b>                                   | <b>587</b>                 | <b>500</b>                |
| Machinery and equipment                      | 1 063                         | 5                        | (122)           | 946                        | 893                       | 53              | 94.4%  | 587                        | 500                       |
| Other machinery and equipment                | 1 063                         | 5                        | (122)           | 946                        | 893                       | 53              | 94.4%  | 587                        | 500                       |
| <b>Payments for financial assets</b>         | <b>-</b>                      | <b>-</b>                 | <b>-</b>        | <b>-</b>                   | <b>8</b>                  | <b>(8)</b>      | <b>-</b>                                       | <b>-</b>                   | <b>1</b>                  |
| <b>Total</b>                                 | <b>99 885</b>                 | <b>-</b>                 | <b>151</b>      | <b>100 036</b>             | <b>99 561</b>             | <b>475</b>      | <b>99.5%</b>                                   | <b>93 463</b>              | <b>92 718</b>             |

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
**VOTE 8**  
**APPROPRIATION STATEMENT**  
**For the year ended 31 March 2017**

| <b>Sub programme: 3.1: Spatial Planning</b>          |                                   |                              |                 |                                |                               |                 |  |                                |                               |
|--|-----------------------------------|------------------------------|-----------------|--------------------------------|-------------------------------|-----------------|--|--------------------------------|-------------------------------|
| <b>Economic classification</b>                       | <b>2016/17</b>                    |                              |                 |                                |                               |                 |  | <b>2015/16</b>                 |                               |
|  | <b>Adjusted<br/>Appropriation</b> | <b>Shifting of<br/>Funds</b> | <b>Virement</b> | <b>Final<br/>Appropriation</b> | <b>Actual<br/>Expenditure</b> | <b>Variance</b> | <b>Expenditure<br/>as % of final<br/>appropriation</b> | <b>Final<br/>Appropriation</b> | <b>Actual<br/>expenditure</b> |
|  | <b>R'000</b>                      | <b>R'000</b>                 | <b>R'000</b>    | <b>R'000</b>                   | <b>R'000</b>                  | <b>R'000</b>    | <b>%</b>   | <b>R'000</b>                   | <b>R'000</b>                  |
| <b>Current payments</b>                              | <b>20 992</b>                     | <b>(644)</b>                 | -               | <b>20 348</b>                  | <b>20 237</b>                 | <b>111</b>      | <b>99.5%</b>   | <b>21 001</b>                  | <b>20 903</b>                 |
| <b>Compensation of employees</b>                     | <b>17 808</b>                     | <b>108</b>                   | -               | <b>17 916</b>                  | <b>17 828</b>                 | <b>88</b>       | <b>99.5%</b>   | <b>17 402</b>                  | <b>17 391</b>                 |
| Salaries and wages                                   | 15 672                            | 108                          | -               | 15 780                         | 15 704                        | 76              | 99.5%  | 15 336                         | 15 332                        |
| Social contributions                                 | 2 136                             | -                            | -               | 2 136                          | 2 124                         | 12              | 99.4%  | 2 066                          | 2 059                         |
| <b>Goods and services</b>                            | <b>3 184</b>                      | <b>(752)</b>                 | -               | <b>2 432</b>                   | <b>2 409</b>                  | <b>23</b>       | <b>99.1%</b>   | <b>3 599</b>                   | <b>3 512</b>                  |
| Administrative fees                                  | 21                                | (8)                          | -               | 13                             | 12                            | 1               | 92.3%  | 8                              | 7                             |
| Minor assets   | 72                                | (72)                         | -               | -                              | -                             | -               | -  | 3                              | 2                             |
| Catering: Departmental activities                    | 33                                | (33)                         | -               | -                              | -                             | -               | -  | 11                             | 11                            |
| Consultants: Business and advisory services          | 896                               | (90)                         | -               | 806                            | 805                           | 1               | 99.9%  | 786                            | 785                           |
| Legal services                                       | 49                                | (49)                         | -               | -                              | -                             | -               | -  | 102                            | 102                           |
| Contractors  | 13                                | (5)                          | -               | 8                              | 7                             | 1               | 87.5%  | -                              | -                             |
| Entertainment  | 3                                 | (2)                          | -               | 1                              | 1                             | -               | 100.0%   | -                              | -                             |
| Consumable supplies                                  | 1                                 | -                            | -               | 1                              | -                             | 1               | -  | 4                              | 2                             |
| Consumable: Stationery, printing and office supplies | 242                               | (60)                         | -               | 182                            | 180                           | 2               | 98.9%  | 389                            | 387                           |
| Travel and subsistence                               | 697                               | (259)                        | -               | 438                            | 426                           | 12              | 97.3%  | 384                            | 373                           |
| Operating payments                                   | 1 136                             | (153)                        | -               | 983                            | 978                           | 5               | 99.5%  | 1 912                          | 1 843                         |
| Venues and facilities                                | 21                                | (21)                         | -               | -                              | -                             | -               | -  | -                              | -                             |
| <b>Transfers and subsidies</b>                       | <b>54</b>                         | <b>(39)</b>                  | -               | <b>15</b>                      | <b>15</b>                     | -               | <b>100.0%</b>  | <b>135</b>                     | <b>135</b>                    |
| Households   | 54                                | (39)                         | -               | 15                             | 15                            | -               | 100.0%   | 135                            | 135                           |
| Social benefits                                      | 54                                | (39)                         | -               | 15                             | 15                            | -               | 100.0%   | 135                            | 135                           |
| <b>Payments for capital assets</b>                   | <b>356</b>                        | <b>(25)</b>                  | -               | <b>331</b>                     | <b>316</b>                    | <b>15</b>       | <b>95.5%</b>   | <b>316</b>                     | <b>295</b>                    |
| Machinery and equipment                              | 356                               | (25)                         | -               | 331                            | 316                           | 15              | 95.5%  | 316                            | 295                           |
| Other machinery and equipment                        | 356                               | (25)                         | -               | 331                            | 316                           | 15              | 95.5%  | 316                            | 295                           |
| <b>Total</b>   | <b>21 402</b>                     | <b>(708)</b>                 | -               | <b>20 694</b>                  | <b>20 568</b>                 | <b>126</b>      | <b>99.4%</b>   | <b>21 452</b>                  | <b>21 333</b>                 |

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
**VOTE 8**  
**APPROPRIATION STATEMENT**  
**For the year ended 31 March 2017**

| <b>Sub programme: 3.2: Local Economic Development (LED)/ Development.</b> |                                   |                              |                 |                                |                               |                 |  |                                |                               |
|---|-----------------------------------|------------------------------|-----------------|--------------------------------|-------------------------------|-----------------|--|--------------------------------|-------------------------------|
|   | <b>2016/17</b>                    |                              |                 |                                |                               |                 |  | <b>2015/16</b>                 |                               |
|   | <b>Adjusted<br/>Appropriation</b> | <b>Shifting of<br/>Funds</b> | <b>Virement</b> | <b>Final<br/>Appropriation</b> | <b>Actual<br/>Expenditure</b> | <b>Variance</b> | <b>Expenditure<br/>as % of final<br/>appropriation</b> | <b>Final<br/>Appropriation</b> | <b>Actual<br/>expenditure</b> |
| <b>Economic classification</b>  | <b>R'000</b>                      | <b>R'000</b>                 | <b>R'000</b>    | <b>R'000</b>                   | <b>R'000</b>                  | <b>R'000</b>    | <b>%</b>   | <b>R'000</b>                   | <b>R'000</b>                  |
| <b>Current payments</b>   | <b>5 678</b>                      | <b>(532)</b>                 | <b>(140)</b>    | <b>5 006</b>                   | <b>4 949</b>                  | <b>57</b>       | <b>98.9%</b>   | <b>4 885</b>                   | <b>4 723</b>                  |
| <b>Compensation of employees</b>  | <b>4 210</b>                      | <b>-</b>                     | <b>(140)</b>    | <b>4 070</b>                   | <b>4 028</b>                  | <b>42</b>       | <b>99.0%</b>   | <b>3 792</b>                   | <b>3 643</b>                  |
| Salaries and wages  | 3 695                             | -                            | (120)           | 3 575                          | 3 537                         | 38              | 98.9%  | 3 318                          | 3 193                         |
| Social contributions  | 515                               | -                            | (20)            | 495                            | 491                           | 4               | 99.2%  | 474                            | 450                           |
| <b>Goods and services</b>   | <b>1 468</b>                      | <b>(532)</b>                 | <b>-</b>        | <b>936</b>                     | <b>921</b>                    | <b>15</b>       | <b>98.4%</b>   | <b>1 093</b>                   | <b>1 080</b>                  |
| Administrative fees   | 9                                 | (3)                          | -               | 6                              | 5                             | 1               | 83.3%  | 7                              | 6                             |
| Advertising   | 46                                | (46)                         | -               | -                              | -                             | -               | -  | -                              | -                             |
| Minor assets  | 17                                | (13)                         | -               | 4                              | 4                             | -               | 100.0%   | 6                              | 6                             |
| Catering: Departmental activities   | 111                               | 37                           | -               | 148                            | 147                           | 1               | 99.3%  | 2                              | 2                             |
| Contractors   | 11                                | (11)                         | -               | -                              | -                             | -               | -  | 127                            | 126                           |
| Entertainment   | 2                                 | (2)                          | -               | -                              | -                             | -               | -  | -                              | -                             |
| Consumable supplies   | 5                                 | (4)                          | -               | 1                              | 1                             | -               | 100.0%   | 2                              | 1                             |
| Consumable: Stationery, printing and office supplies                      | 247                               | (191)                        | -               | 56                             | 49                            | 7               | 87.5%  | 54                             | 53                            |
| Travel and subsistence  | 371                               | (24)                         | -               | 347                            | 341                           | 6               | 98.3%  | 367                            | 359                           |
| Operating payments  | 68                                | (68)                         | -               | -                              | -                             | -               | -  | -                              | -                             |
| Venues and facilities   | 581                               | (207)                        | -               | 374                            | 374                           | -               | 100.0%   | 528                            | 527                           |
| <b>Transfers and subsidies</b>  | <b>2</b>                          | <b>-</b>                     | <b>-</b>        | <b>2</b>                       | <b>-</b>                      | <b>2</b>        | <b>-</b>   | <b>-</b>                       | <b>-</b>                      |
| Households  | 2                                 | -                            | -               | 2                              | -                             | 2               | -  | -                              | -                             |
| Other transfers to households   | 2                                 | -                            | -               | 2                              | -                             | 2               | -  | -                              | -                             |
| <b>Payments for capital assets</b>  | <b>130</b>                        | <b>50</b>                    | <b>(66)</b>     | <b>114</b>                     | <b>113</b>                    | <b>1</b>        | <b>99.1%</b>   | <b>61</b>                      | <b>60</b>                     |
| Machinery and equipment   | 130                               | 50                           | (66)            | 114                            | 113                           | 1               | 99.1%  | 61                             | 60                            |
| Other machinery and equipment   | 130                               | 50                           | (66)            | 114                            | 113                           | 1               | 99.1%  | 61                             | 60                            |
| <b>Total</b>  | <b>5 810</b>                      | <b>(482)</b>                 | <b>(206)</b>    | <b>5 122</b>                   | <b>5 062</b>                  | <b>60</b>       | <b>98.8%</b>   | <b>4 946</b>                   | <b>4 783</b>                  |

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
**VOTE 8**  
**APPROPRIATION STATEMENT**  
**For the year ended 31 March 2017**

| <b>Sub programme: 3.3: Municipal Infrastructure</b>  |                                   |                              |                 |                                |                               |                 |  |                                |                               |
|--|-----------------------------------|------------------------------|-----------------|--------------------------------|-------------------------------|-----------------|--|--------------------------------|-------------------------------|
|  | <b>2016/17</b>                    |                              |                 |                                |                               |                 |  | <b>2015/16</b>                 |                               |
|  | <b>Adjusted<br/>Appropriation</b> | <b>Shifting of<br/>Funds</b> | <b>Virement</b> | <b>Final<br/>Appropriation</b> | <b>Actual<br/>Expenditure</b> | <b>Variance</b> | <b>Expenditure<br/>as % of final<br/>appropriation</b> | <b>Final<br/>Appropriation</b> | <b>Actual<br/>expenditure</b> |
| <b>Economic classification</b>                       | <b>R'000</b>                      | <b>R'000</b>                 | <b>R'000</b>    | <b>R'000</b>                   | <b>R'000</b>                  | <b>R'000</b>    | <b>%</b>   | <b>R'000</b>                   | <b>R'000</b>                  |
| <b>Current payments</b>                              | <b>63 921</b>                     | <b>1 750</b>                 | <b>573</b>      | <b>66 244</b>                  | <b>66 035</b>                 | <b>209</b>      | <b>99.7%</b>   | <b>58 373</b>                  | <b>58 159</b>                 |
| <b>Compensation of employees</b>                     | <b>9 642</b>                      | <b>(165)</b>                 | <b>(200)</b>    | <b>9 277</b>                   | <b>9 096</b>                  | <b>181</b>      | <b>98.0%</b>   | <b>8 626</b>                   | <b>8 437</b>                  |
| Salaries and wages                                   | 8 510                             | (165)                        | (170)           | 8 175                          | 8 014                         | 161             | 98.0%  | 7 534                          | 7 399                         |
| Social contributions                                 | 1 132                             | -                            | (30)            | 1 102                          | 1 082                         | 20              | 98.2%  | 1 092                          | 1 038                         |
| <b>Goods and services</b>                            | <b>54 279</b>                     | <b>1 915</b>                 | <b>773</b>      | <b>56 967</b>                  | <b>56 939</b>                 | <b>28</b>       | <b>100.0%</b>  | <b>49 747</b>                  | <b>49 722</b>                 |
| Administrative fees                                  | 33                                | (24)                         | -               | 9                              | 7                             | 2               | 77.8%  | 11                             | 9                             |
| Minor assets   | 71                                | (41)                         | -               | 30                             | 29                            | 1               | 96.7%  | 12                             | 11                            |
| Catering: Departmental activities                    | 151                               | (8)                          | -               | 143                            | 143                           | -               | 100.0%   | 67                             | 67                            |
| Consultants: Business and advisory services          | 39 194                            | 2 866                        | 773             | 42 833                         | 42 831                        | 2               | 100.0%   | 35 344                         | 35 343                        |
| Contractors  | 66                                | (11)                         | -               | 55                             | 55                            | -               | 100.0%   | 7                              | 2                             |
| Entertainment  | 3                                 | (3)                          | -               | -                              | -                             | -               | -  | -                              | -                             |
| Consumable supplies                                  | 31                                | (29)                         | -               | 2                              | 1                             | 1               | 50.0%  | 7                              | 6                             |
| Consumable: Stationery, printing and office supplies | 198                               | 82                           | -               | 116                            | 113                           | 3               | 97.4%  | 158                            | 147                           |
| Property payments                                    | 12 827                            | -                            | -               | 12 827                         | 12 826                        | 1               | 100.0%   | 13 287                         | 13 286                        |
| Travel and subsistence                               | 1 317                             | (456)                        | -               | 861                            | 846                           | 15              | 98.3%  | 749                            | 747                           |
| Operating payments                                   | 321                               | (293)                        | -               | 28                             | 26                            | 2               | 92.9%  | 51                             | 50                            |
| Venues and facilities                                | 67                                | (4)                          | -               | 63                             | 62                            | 1               | 98.4%  | 54                             | 54                            |
| <b>Transfers and subsidies</b>                       | <b>94</b>                         | <b>(94)</b>                  | <b>-</b>        | <b>-</b>                       | <b>-</b>                      | <b>-</b>        | <b>-</b>   | <b>1 559</b>                   | <b>1 558</b>                  |
| Provinces and municipalities                         | -                                 | -                            | -               | -                              | -                             | -               | -  | 1 515                          | 1 515                         |
| Municipalities                                       | -                                 | -                            | -               | -                              | -                             | -               | -  | 1 515                          | 1 515                         |
| Municipal bank accounts                              | -                                 | -                            | -               | -                              | -                             | -               | -  | 1 515                          | 1 515                         |
| Households   | 94                                | (94)                         | -               | -                              | -                             | -               | -  | 44                             | 43                            |
| Social benefits                                      | 94                                | (94)                         | -               | -                              | -                             | -               | -  | 44                             | 43                            |
| <b>Payments for capital assets</b>                   | <b>242</b>                        | <b>(20)</b>                  | <b>-</b>        | <b>222</b>                     | <b>196</b>                    | <b>26</b>       | <b>88.3%</b>   | <b>152</b>                     | <b>105</b>                    |
| Machinery and equipment                              | 242                               | (20)                         | -               | 222                            | 196                           | 26              | 88.3%  | 152                            | 105                           |
| Other machinery and equipment                        | 242                               | (20)                         | -               | 222                            | 196                           | 26              | 88.3%  | 152                            | 105                           |
| <b>Payments for financial assets</b>                 | <b>-</b>                          | <b>-</b>                     | <b>-</b>        | <b>-</b>                       | <b>2</b>                      | <b>(2)</b>      | <b>-</b>   | <b>-</b>                       | <b>1</b>                      |
| <b>Total</b>   | <b>64 257</b>                     | <b>1 636</b>                 | <b>573</b>      | <b>66 466</b>                  | <b>66 233</b>                 | <b>233</b>      | <b>99.6%</b>   | <b>60 084</b>                  | <b>59 823</b>                 |

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
**VOTE 8**  
**APPROPRIATION STATEMENT**  
**For the year ended 31 March 2017**

| <b>Sub programme: 3.4: Disaster Management</b>       |                                   |                              |                 |                                |                               |                 |  |                                |                               |
|--|-----------------------------------|------------------------------|-----------------|--------------------------------|-------------------------------|-----------------|--|--------------------------------|-------------------------------|
|  | <b>2016/17</b>                    |                              |                 |                                |                               |                 | <b>2015/16</b>   |                                |                               |
|  | <b>Adjusted<br/>Appropriation</b> | <b>Shifting of<br/>Funds</b> | <b>Virement</b> | <b>Final<br/>Appropriation</b> | <b>Actual<br/>Expenditure</b> | <b>Variance</b> | <b>Expenditure<br/>as % of final<br/>appropriation</b> | <b>Final<br/>Appropriation</b> | <b>Actual<br/>expenditure</b> |
| <b>Economic classification</b>                       | <b>R'000</b>                      | <b>R'000</b>                 | <b>R'000</b>    | <b>R'000</b>                   | <b>R'000</b>                  | <b>R'000</b>    | <b>%</b>   | <b>R'000</b>                   | <b>R'000</b>                  |
| <b>Current payments</b>                              | <b>8 078</b>                      | <b>(445)</b>                 | <b>(160)</b>    | <b>7 473</b>                   | <b>7 423</b>                  | <b>50</b>       | <b>99.3%</b>   | <b>6 923</b>                   | <b>6 739</b>                  |
| <b>Compensation of employees</b>                     | <b>7 033</b>                      | <b>(230)</b>                 | <b>(160)</b>    | <b>6 643</b>                   | <b>6 607</b>                  | <b>36</b>       | <b>99.5%</b>   | <b>6 189</b>                   | <b>6 045</b>                  |
| Salaries and wages                                   | 6 212                             | (230)                        | (150)           | 5 832                          | 5 801                         | 31              | 99.5%  | 5 450                          | 5 338                         |
| Social contributions                                 | 821                               | -                            | (10)            | 811                            | 806                           | 5               | 99.4%  | 739                            | 707                           |
| <b>Goods and services</b>                            | <b>1 045</b>                      | <b>(215)</b>                 | <b>-</b>        | <b>830</b>                     | <b>816</b>                    | <b>14</b>       | <b>98.3%</b>   | <b>734</b>                     | <b>694</b>                    |
| Administrative fees                                  | 18                                | (9)                          | -               | 9                              | 8                             | 1               | 88.9%  | 15                             | 14                            |
| Advertising  | 297                               | (6)                          | -               | 291                            | 290                           | 1               | 99.7%  | -                              | -                             |
| Minor assets   | 11                                | (7)                          | -               | 4                              | 3                             | 1               | 75.0%  | 29                             | 23                            |
| Catering: Departmental activities                    | 90                                | (18)                         | -               | 72                             | 71                            | 1               | 98.6%  | 42                             | 37                            |
| Entertainment  | 3                                 | (3)                          | -               | -                              | -                             | -               | -  | -                              | -                             |
| Consumable supplies                                  | 7                                 | (3)                          | -               | 4                              | 4                             | -               | 100.0%   | -                              | -                             |
| Consumable: Stationery, printing and office supplies | 64                                | (31)                         | -               | 33                             | 32                            | 1               | 97.0%  | 69                             | 68                            |
| Travel and subsistence                               | 501                               | (116)                        | -               | 385                            | 376                           | 9               | 97.7%  | 570                            | 543                           |
| Operating payments                                   | 22                                | (19)                         | -               | 3                              | 3                             | -               | 100.0%   | 9                              | 9                             |
| Venues and facilities                                | 32                                | (3)                          | -               | 29                             | 29                            | -               | 100.0%   | -                              | -                             |
| <b>Transfers and subsidies</b>                       | <b>3</b>                          | <b>(1)</b>                   | <b>-</b>        | <b>2</b>                       | <b>1</b>                      | <b>1</b>        | <b>50.0%</b>   | <b>-</b>                       | <b>-</b>                      |
| Households   | 3                                 | (1)                          | -               | 2                              | 1                             | 1               | 50.0%  | -                              | -                             |
| Social benefits                                      | 3                                 | (1)                          | -               | 2                              | 1                             | 1               | 50.0%  | -                              | -                             |
| <b>Payments for capital assets</b>                   | <b>335</b>                        | <b>-</b>                     | <b>(56)</b>     | <b>279</b>                     | <b>268</b>                    | <b>11</b>       | <b>96.1%</b>   | <b>58</b>                      | <b>40</b>                     |
| Machinery and equipment                              | 335                               | -                            | (56)            | 279                            | 268                           | 11              | 96.1%  | 58                             | 40                            |
| Other machinery and equipment                        | 335                               | -                            | (56)            | 279                            | 268                           | 11              | 96.1%  | 58                             | 40                            |
| <b>Payments for financial assets</b>                 | <b>-</b>                          | <b>-</b>                     | <b>-</b>        | <b>-</b>                       | <b>6</b>                      | <b>(6)</b>      | <b>-</b>   | <b>-</b>                       | <b>-</b>                      |
| <b>Total</b>   | <b>8 416</b>                      | <b>(446)</b>                 | <b>(216)</b>    | <b>7 754</b>                   | <b>7 698</b>                  | <b>56</b>       | <b>99.3%</b>   | <b>6 981</b>                   | <b>6 779</b>                  |

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
**VOTE 8**  
**APPROPRIATION STATEMENT**  
**For the year ended 31 March 2017**

| Programme 4: Traditional Institutional Management    |                        |                   |                |                     |                    |            |   |                     |                    |
|--|------------------------|-------------------|----------------|---------------------|--------------------|------------|---|---------------------|--------------------|
|  | 2016/17                |                   |                |                     |                    |            |   | 2015/16             |                    |
|  | Adjusted Appropriation | Shifting of Funds | Virement       | Final Appropriation | Actual Expenditure | Variance   | Expenditure as % of final appropriation | Final Appropriation | Actual expenditure |
|  | R'000                  | R'000             | R'000          | R'000               | R'000              | R'000      | %                                       | R'000               | R'000              |
| <b>Sub programme</b>                                 |                        |                   |                |                     |                    |            |   |                     |                    |
| 1.Traditional Institutional Administration           | 43 706                 | -                 | (1 090)        | 42 616              | 42 421             | 195        | 99.5%                                   | 38 122              | 38 121             |
| <b>Total for sub programmes</b>                      | <b>43 706</b>          | <b>-</b>          | <b>(1 090)</b> | <b>42 616</b>       | <b>42 421</b>      | <b>195</b> | <b>99.5%</b>                            | <b>38 122</b>       | <b>38 121</b>      |
| <b>Economic classification</b>                       |                        |                   |                |                     |                    |            |   |                     |                    |
| <b>Current payments</b>                              | <b>42 788</b>          | <b>30</b>         | <b>(1 090)</b> | <b>41 728</b>       | <b>41 527</b>      | <b>201</b> | 99.5%                                   | <b>37 225</b>       | <b>37 166</b>      |
| <b>Compensation of employees</b>                     | <b>36 953</b>          | <b>92</b>         | <b>(1 090)</b> | <b>35 955</b>       | <b>35 765</b>      | <b>190</b> | <b>99.5%</b>                            | <b>33 474</b>       | <b>33 457</b>      |
| Salaries and wages                                   | 33 776                 | 87                | (1 090)        | 32 773              | 32 592             | 181        | 99.4%                                   | 30 549              | 30 535             |
| Social contributions                                 | 3 177                  | 5                 | -              | 3 182               | 3 173              | 9          | 99.7%                                   | 2 925               | 2 922              |
| <b>Goods and services</b>                            | <b>5 835</b>           | <b>(62)</b>       | <b>-</b>       | <b>5 773</b>        | <b>5 762</b>       | <b>11</b>  | <b>99.8%</b>                            | <b>3 751</b>        | <b>3 709</b>       |
| Administrative fees                                  | 12                     | 1                 | -              | 13                  | 13                 | -          | 100.0%                                  | 33                  | 29                 |
| Minor assets   | 4                      | -                 | -              | 4                   | 4                  | -          | 100.0%                                  | -                   | -                  |
| Catering: Departmental activities                    | 59                     | 2                 | -              | 61                  | 60                 | 1          | 98.4%                                   | 69                  | 68                 |
| Consultants: Business and advisory services          | 617                    | (25)              | -              | 592                 | 591                | 1          | 99.8%                                   | 496                 | 494                |
| Contractors  | 4 174                  | -                 | -              | 4 174               | 4 173              | 1          | 100%                                    | 2 049               | 2 048              |
| Entertainment  | -                      | -                 | -              | -                   | -                  | -          | -                                       | 2                   | 1                  |
| Consumable supplies                                  | 2                      | -                 | -              | 2                   | 2                  | -          | 100.0%                                  | 6                   | 4                  |
| Consumable: Stationery, printing and office supplies | -                      | -                 | -              | -                   | -                  | -          | -                                       | 219                 | 218                |
| Transport provided: Departmental activity            | 144                    | -                 | -              | 144                 | 143                | 1          | 99.3%                                   | 79                  | 78                 |
| Travel and subsistence                               | 504                    | (39)              | -              | 465                 | 459                | 6          | 98.7%                                   | 660                 | 633                |
| Operating payments                                   | 319                    | (1)               | -              | 318                 | 317                | 1          | 99.7%                                   | 138                 | 136                |
| <b>Transfers and subsidies</b>                       | <b>711</b>             | <b>-</b>          | <b>-</b>       | <b>711</b>          | <b>700</b>         | <b>11</b>  | <b>98.5%</b>                            | <b>559</b>          | <b>557</b>         |
| Non-profit institutions                              | 416                    | 8                 | -              | 424                 | 422                | 2          | 99.5%                                   | 363                 | 362                |
| Households   | 295                    | (8)               | -              | 287                 | 278                | 9          | 96.9%                                   | 196                 | 195                |
| Social benefits                                      | 95                     | -                 | -              | 95                  | 88                 | 7          | 92.6%                                   | 116                 | 115                |
| Other transfers to households                        | 200                    | (8)               | -              | 192                 | 190                | 2          | 99.0%                                   | 80                  | 80                 |

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
**VOTE 8**  
**APPROPRIATION STATEMENT**  
**For the year ended 31 March 2017**

| <b>Programme 4: Traditional Institutional Management</b> |                               |                          |                 |                            |                           |                 |  |                            |                           |
|--|-------------------------------|--------------------------|-----------------|----------------------------|---------------------------|-----------------|--|----------------------------|---------------------------|
| <b>2016/17</b>   |                               |                          |                 |                            |                           |                 |  | <b>2015/16</b>             |                           |
|  | <b>Adjusted Appropriation</b> | <b>Shifting of Funds</b> | <b>Virement</b> | <b>Final Appropriation</b> | <b>Actual Expenditure</b> | <b>Variance</b> | <b>Expenditure as % of final appropriation</b> | <b>Final Appropriation</b> | <b>Actual expenditure</b> |
|  | <b>R'000</b>                  | <b>R'000</b>             | <b>R'000</b>    | <b>R'000</b>               | <b>R'000</b>              | <b>R'000</b>    | <b>%</b>                                       | <b>R'000</b>               | <b>R'000</b>              |
| <b>Payments for capital assets</b>                       | <b>207</b>                    | <b>(30)</b>              | <b>-</b>        | <b>177</b>                 | <b>171</b>                | <b>6</b>        | <b>96.6%</b>                                   | <b>338</b>                 | <b>321</b>                |
| Machinery and equipment                                  | 207                           | (30)                     | -               | 177                        | 171                       | 6               | 96.6%  | 338                        | 321                       |
| Other machinery and equipment                            | 207                           | (30)                     | -               | 177                        | 171                       | 6               | 96.6%  | 338                        | 321                       |
| <b>Payments for financial assets</b>                     | <b>-</b>                      | <b>-</b>                 | <b>-</b>        | <b>-</b>                   | <b>23</b>                 | <b>(23)</b>     | <b>-</b>                                       | <b>-</b>                   | <b>77</b>                 |
| <b>TOTAL</b>   | <b>43 706</b>                 | <b>-</b>                 | <b>(1 090)</b>  | <b>42 616</b>              | <b>42 421</b>             | <b>195</b>      | <b>99.5%</b>                                   | <b>38 122</b>              | <b>38 121</b>             |

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
**VOTE 8**  
**APPROPRIATION STATEMENT**  
**For the year ended 31 March 2017**

| <b>Sub programme: 4.1: Traditional Institutional Administration</b> |                                   |                              |                 |                                |                               |                 |  |                                |                               |
|---|-----------------------------------|------------------------------|-----------------|--------------------------------|-------------------------------|-----------------|--|--------------------------------|-------------------------------|
|   | <b>2016/17</b>                    |                              |                 |                                |                               |                 |  | <b>2015/16</b>                 |                               |
|   | <b>Adjusted<br/>Appropriation</b> | <b>Shifting of<br/>Funds</b> | <b>Virement</b> | <b>Final<br/>Appropriation</b> | <b>Actual<br/>Expenditure</b> | <b>Variance</b> | <b>Expenditure<br/>as % of final<br/>appropriation</b> | <b>Final<br/>Appropriation</b> | <b>Actual<br/>expenditure</b> |
| <b>Economic classification</b>                                      | <b>R'000</b>                      | <b>R'000</b>                 | <b>R'000</b>    | <b>R'000</b>                   | <b>R'000</b>                  | <b>R'000</b>    | <b>%</b>   | <b>R'000</b>                   | <b>R'000</b>                  |
| <b>Current payments</b>   | <b>42 788</b>                     | <b>30</b>                    | <b>(1 090)</b>  | <b>41 728</b>                  | <b>41 527</b>                 | <b>201</b>      | <b>99.5%</b>   | <b>37 225</b>                  | <b>37 166</b>                 |
| <b>Compensation of employees</b>                                    | <b>36 953</b>                     | <b>92</b>                    | <b>(1 090)</b>  | <b>35 955</b>                  | <b>35 765</b>                 | <b>190</b>      | <b>99.5%</b>   | <b>33 474</b>                  | <b>33 457</b>                 |
| Salaries and wages  | 33 776                            | 87                           | (1 090)         | 32 773                         | 32 592                        | 181             | 99.4%  | 30 549                         | 30 535                        |
| Social contributions  | 3 177                             | 5                            | -               | 3 182                          | 3 173                         | 9               | 99.7%  | 2 925                          | 2 922                         |
| <b>Goods and services</b>   | <b>5 835</b>                      | <b>(62)</b>                  | <b>-</b>        | <b>5 773</b>                   | <b>5 762</b>                  | <b>11</b>       | <b>99.8%</b>   | <b>3 751</b>                   | <b>3 709</b>                  |
| Administrative fees   | 12                                | 1                            | -               | 13                             | 13                            | -               | 100.0%   | 33                             | 29                            |
| Minor assets  | 4                                 | -                            | -               | 4                              | 4                             | -               | 100.0%   | -                              | -                             |
| Catering: Departmental activities                                   | 59                                | 2                            | -               | 61                             | 60                            | 1               | 98.4%  | 69                             | 68                            |
| Consultants: Business and advisory services                         | 617                               | (25)                         | -               | 592                            | 591                           | 1               | 99.8%  | 496                            | 494                           |
| Contractors   | 4 174                             | -                            | -               | 4 174                          | 4 173                         | 1               | 100.0%   | 2 049                          | 2 048                         |
| Entertainment   | -                                 | -                            | -               | -                              | -                             | -               | -  | 2                              | 1                             |
| Consumable supplies   | 2                                 | -                            | -               | 2                              | 2                             | -               | 100.0%   | 6                              | 4                             |
| Consumable: Stationery, printing and office supplies                | -                                 | -                            | -               | -                              | -                             | -               | -  | 219                            | 218                           |
| Transport provided: Departmental activity                           | 144                               | -                            | -               | 144                            | 143                           | 1               | 99.3%  | 79                             | 78                            |
| Travel and subsistence  | 504                               | (39)                         | -               | 465                            | 459                           | 6               | 98.7%  | 660                            | 633                           |
| Operating payments  | 319                               | (1)                          | -               | 318                            | 317                           | 1               | 99.7%  | 138                            | 136                           |
| Venues and facilities   | -                                 | -                            | -               | -                              | -                             | -               | -  | -                              | -                             |
| <b>Transfers and subsidies</b>                                      | <b>711</b>                        | <b>-</b>                     | <b>-</b>        | <b>711</b>                     | <b>700</b>                    | <b>11</b>       | <b>98.5%</b>   | <b>559</b>                     | <b>557</b>                    |
| Non-profit Institution  | 416                               | 8                            | -               | 424                            | 422                           | 2               | 99.5%  | 363                            | 362                           |
| Households  | 295                               | (8)                          | -               | 287                            | 278                           | 9               | 96.9%  | 196                            | 195                           |
| Social benefits   | 95                                | -                            | -               | 95                             | 88                            | 7               | 92.6%  | 116                            | 115                           |
| Other transfers households  | 200                               | (8)                          | -               | 192                            | 190                           | 2               | 99.0%  | 80                             | 80                            |
| <b>Payments for capital assets</b>                                  | <b>207</b>                        | <b>(30)</b>                  | <b>-</b>        | <b>177</b>                     | <b>171</b>                    | <b>6</b>        | <b>96.6%</b>   | <b>338</b>                     | <b>321</b>                    |
| Machinery and equipment   | 207                               | (30)                         | -               | 177                            | 171                           | 6               | 96.6%  | 338                            | 321                           |
| Other machinery and equipment                                       | 207                               | (30)                         | -               | 177                            | 171                           | 6               | 96.6%  | 338                            | 321                           |
| <b>Payments for financial assets</b>                                | <b>-</b>                          | <b>-</b>                     | <b>-</b>        | <b>-</b>                       | <b>23</b>                     | <b>(23)</b>     | <b>-</b>   | <b>-</b>                       | <b>77</b>                     |
| <b>Total</b>  | <b>43 706</b>                     | <b>-</b>                     | <b>(1 090)</b>  | <b>42 616</b>                  | <b>42 421</b>                 | <b>195</b>      | <b>99.5%</b>   | <b>38 122</b>                  | <b>38 121</b>                 |

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
**VOTE 8**  
**APPROPRIATION STATEMENT**  
**For the year ended 31 March 2017**

| <b>Programme 5: House of Traditional Leaders</b>        |                                   |                              |                 |                                |                               |                 |  |                                |                               |
|---|-----------------------------------|------------------------------|-----------------|--------------------------------|-------------------------------|-----------------|--|--------------------------------|-------------------------------|
| <b>2016/17</b>  |                                   |                              |                 |                                |                               |                 |  | <b>2015/16</b>                 |                               |
|   | <b>Adjusted<br/>Appropriation</b> | <b>Shifting of<br/>Funds</b> | <b>Virement</b> | <b>Final<br/>Appropriation</b> | <b>Actual<br/>Expenditure</b> | <b>Variance</b> | <b>Expenditure<br/>as % of final<br/>appropriation</b> | <b>Final<br/>Appropriation</b> | <b>Actual<br/>expenditure</b> |
|   | <b>R'000</b>                      | <b>R'000</b>                 | <b>R'000</b>    | <b>R'000</b>                   | <b>R'000</b>                  | <b>R'000</b>    | <b>%</b>   | <b>R'000</b>                   | <b>R'000</b>                  |
| <b>Sub programme</b>                                    |                                   |                              |                 |                                |                               |                 |  |                                |                               |
| 1. Administration of House<br>Traditional Leaders       | 9 485                             | -                            | (702)           | 8 783                          | 8 469                         | 314             | 96.4%  | 10 266                         | 10 190                        |
| <b>Total for sub programmes</b>                         | <b>9 485</b>                      | <b>-</b>                     | <b>(702)</b>    | <b>8 783</b>                   | <b>8 469</b>                  | <b>314</b>      | <b>96.4%</b>   | <b>10 266</b>                  | <b>10 190</b>                 |
| <b>Economic classification</b>                          |                                   |                              |                 |                                |                               |                 |  |                                |                               |
| <b>Current payments</b>                                 | <b>9 301</b>                      | <b>18</b>                    | <b>(702)</b>    | <b>8 617</b>                   | <b>8 303</b>                  | <b>314</b>      | <b>96.4%</b>   | <b>9 997</b>                   | <b>9 935</b>                  |
| <b>Compensation of employees</b>                        | <b>6 874</b>                      | <b>48</b>                    | <b>(629)</b>    | <b>6 293</b>                   | <b>5 990</b>                  | <b>303</b>      | <b>95.2%</b>   | <b>6 594</b>                   | <b>6 582</b>                  |
| Salaries and wages                                      | 6 246                             | 48                           | (529)           | 5 765                          | 5 520                         | 245             | 95.8%  | 6 058                          | 6 049                         |
| Social contributions                                    | 628                               | -                            | (100)           | 528                            | 470                           | 58              | 89.0%  | 536                            | 533                           |
| <b>Goods and services</b>                               | <b>2 427</b>                      | <b>(30)</b>                  | <b>(73)</b>     | <b>2 324</b>                   | <b>2 313</b>                  | <b>11</b>       | <b>99.5%</b>   | <b>3 403</b>                   | <b>3 353</b>                  |
| Administrative fees                                     | 49                                | 7                            | (5)             | 51                             | 49                            | 2               | 96.1%  | 49                             | 42                            |
| Catering: Departmental activities                       | 280                               | 42                           | (15)            | 307                            | 307                           | -               | 100.0%   | 198                            | 190                           |
| Consultants: Business and advisory<br>services          | -                                 | -                            | -               | -                              | -                             | -               | -  | 2                              | 1                             |
| Contractors   | 828                               | (2)                          | -               | 826                            | 826                           | -               | 100.0%   | 2 062                          | 2 061                         |
| Entertainment   | 12                                | (12)                         | -               | -                              | -                             | -               | -  | -                              | -                             |
| Consumable supplies                                     | 2                                 | (1)                          | -               | 1                              | 1                             | -               | 100.0%   | 5                              | 4                             |
| Consumable: Stationery, printing and<br>office supplies | 6                                 | 12                           | -               | 18                             | 17                            | 1               | 94.4%  | 102                            | 102                           |
| Transport provided: Departmental<br>activity            | 200                               | (2)                          | -               | 198                            | 197                           | 1               | 99.5%  | 82                             | 81                            |
| Travel and subsistence                                  | 1 032                             | (68)                         | (51)            | 913                            | 908                           | 5               | 99.5%  | 844                            | 824                           |
| Operating payments                                      | 18                                | (6)                          | (2)             | 10                             | 8                             | 2               | 80.0%  | 59                             | 48                            |
| <b>Transfers and subsidies</b>                          | <b>157</b>                        | <b>-</b>                     | <b>-</b>        | <b>157</b>                     | <b>157</b>                    | <b>-</b>        | <b>100.0%</b>  | <b>170</b>                     | <b>169</b>                    |
| Households  | 157                               | -                            | -               | 157                            | 157                           | -               | 100.0%   | 170                            | 169                           |
| Social benefits   | 157                               | -                            | -               | 157                            | 157                           | -               | 100.0%   | 170                            | 169                           |
| <b>Payments for capital assets</b>                      | <b>27</b>                         | <b>(18)</b>                  | <b>-</b>        | <b>9</b>                       | <b>9</b>                      | <b>-</b>        | <b>100.0%</b>  | <b>99</b>                      | <b>86</b>                     |
| Machinery and equipment                                 | 27                                | (18)                         | -               | 9                              | 9                             | -               | 100.0%   | 99                             | 86                            |
| Other machinery and equipment                           | 27                                | (18)                         | -               | 9                              | 9                             | -               | 100.0%   | 99                             | 86                            |
| <b>TOTAL</b>  | <b>9 485</b>                      | <b>-</b>                     | <b>(702)</b>    | <b>8 783</b>                   | <b>8 469</b>                  | <b>314</b>      | <b>96.4%</b>   | <b>10 266</b>                  | <b>10 190</b>                 |

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
**VOTE 8**  
**APPROPRIATION STATEMENT**  
**For the year ended 31 March 2017**

| <b>Sub programme: 5.1: Administration of House of Traditional Leaders</b> |                                   |                              |                 |                                |                               |                 |  |                                |                               |
|---|-----------------------------------|------------------------------|-----------------|--------------------------------|-------------------------------|-----------------|--|--------------------------------|-------------------------------|
|   | <b>2016/17</b>                    |                              |                 |                                |                               |                 |  | <b>2015/16</b>                 |                               |
|   | <b>Adjusted<br/>Appropriation</b> | <b>Shifting of<br/>Funds</b> | <b>Virement</b> | <b>Final<br/>Appropriation</b> | <b>Actual<br/>Expenditure</b> | <b>Variance</b> | <b>Expenditure<br/>as % of final<br/>appropriation</b> | <b>Final<br/>Appropriation</b> | <b>Actual<br/>expenditure</b> |
| <b>Economic classification</b>  | <b>R'000</b>                      | <b>R'000</b>                 | <b>R'000</b>    | <b>R'000</b>                   | <b>R'000</b>                  | <b>R'000</b>    | <b>%</b>   | <b>R'000</b>                   | <b>R'000</b>                  |
| <b>Current payments</b>   | <b>9 301</b>                      | <b>18</b>                    | <b>(702)</b>    | <b>8 617</b>                   | <b>8 303</b>                  | <b>314</b>      | <b>96.4%</b>   | <b>9 997</b>                   | <b>9 935</b>                  |
| <b>Compensation of employees</b>  | <b>6 874</b>                      | <b>48</b>                    | <b>(629)</b>    | <b>6 293</b>                   | <b>5 990</b>                  | <b>303</b>      | <b>95.2%</b>   | <b>6 594</b>                   | <b>6 582</b>                  |
| Salaries and wages  | 6 246                             | 48                           | (529)           | 5 765                          | 5 520                         | 245             | 95.8%  | 6 058                          | 6 049                         |
| Social contributions  | 628                               | -                            | (100)           | 528                            | 470                           | 58              | 89.0%  | 536                            | 533                           |
| <b>Goods and services</b>   | <b>2 427</b>                      | <b>(30)</b>                  | <b>(73)</b>     | <b>2 324</b>                   | <b>2 313</b>                  | <b>11</b>       | <b>99.5%</b>   | <b>3 403</b>                   | <b>3 353</b>                  |
| Administrative fees   | 49                                | 7                            | (5)             | 51                             | 49                            | 2               | 96.1%  | 49                             | 42                            |
| Catering: Departmental activities   | 280                               | 42                           | (15)            | 307                            | 307                           | -               | 100.0%   | 198                            | 190                           |
| Consultants: Business and advisory services                               | -                                 | -                            | -               | -                              | -                             | -               | -  | 2                              | 1                             |
| Contractors   | 828                               | (2)                          | -               | 826                            | 826                           | -               | 100.0%   | 2 062                          | 2 061                         |
| Entertainment   | 12                                | (12)                         | -               | -                              | -                             | -               | -  | -                              | -                             |
| Consumable supplies   | 2                                 | (1)                          | -               | 1                              | 1                             | -               | 100.0%   | 5                              | 4                             |
| Consumable: Stationery, printing and office supplies                      | 6                                 | 12                           | -               | 18                             | 17                            | 1               | 94.4%  | 102                            | 102                           |
| Transport provided: Departmental activity                                 | 200                               | (2)                          | -               | 198                            | 197                           | 1               | 99.5%  | 82                             | 81                            |
| Travel and subsistence  | 1 032                             | (68)                         | (51)            | 913                            | 908                           | 5               | 99.5%  | 844                            | 824                           |
| Operating payments  | 18                                | (6)                          | (2)             | 10                             | 8                             | 2               | 80.0%  | 59                             | 48                            |
| <b>Transfers and subsidies</b>  | <b>157</b>                        | <b>-</b>                     | <b>-</b>        | <b>157</b>                     | <b>157</b>                    | <b>-</b>        | <b>100.0%</b>  | <b>170</b>                     | <b>169</b>                    |
| Households  | 157                               | -                            | -               | 157                            | 157                           | -               | 100.0%   | 170                            | 169                           |
| Social benefits   | 157                               | -                            | -               | 157                            | 157                           | -               | 100.0%   | 170                            | 169                           |
| Other transfers households  | -                                 | -                            | -               | -                              | -                             | -               | -  | -                              | -                             |
| <b>Payments for capital assets</b>  | <b>27</b>                         | <b>(18)</b>                  | <b>-</b>        | <b>9</b>                       | <b>9</b>                      | <b>-</b>        | <b>100.0%</b>  | <b>99</b>                      | <b>86</b>                     |
| Machinery and equipment   | 27                                | (18)                         | -               | 9                              | 9                             | -               | 100.0%   | 99                             | 86                            |
| Other machinery and equipment   | 27                                | (18)                         | -               | 9                              | 9                             | -               | 100.0%   | 99                             | 86                            |
| <b>Total</b>  | <b>9 485</b>                      | <b>-</b>                     | <b>(702)</b>    | <b>8 783</b>                   | <b>8 469</b>                  | <b>314</b>      | <b>96.4%</b>   | <b>10 266</b>                  | <b>10 190</b>                 |

## **NOTES TO THE APPROPRIATION STATEMENT**

*For the year ended 31 March 2017*

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

Detail of these transactions can be viewed in the note 7 on Transfers and subsidies, disclosure notes and Annexure 1 (A-E) to the Annual Financial Statements.

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

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

**3. Detail on payments for financial assets**

Detail of these transactions per programme can be viewed in the note 6 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<br>Appropriation | Actual<br>Expenditure | Variance | Variance as a<br>% of Final<br>Appropriation |
|---|------------------------|-----------------------|----------|--|
|   | R'000                  | R'000                 | R'000    | %  |
| Administration  | 129 459                | 128 619               | 840      | 1%   |
| Under Spending is mainly related to vacant posts not filled as well as the effectiveness implementation of cost containment |                        |                       |          |  |
| Local Governance  | 167 381                | 166 848               | 533      | 0%   |
| Development and Planning  | 100 036                | 99 561                | 475      | 0%   |
| Traditional institutional<br>Management   | 42 616                 | 42 421                | 195      | 0%   |
| House of Traditional Leaders  | 8 783                  | 8 469                 | 314      | 4%   |

Under Spending is mainly related to vacant posts not filled as well as the effectiveness implementation of cost containment

**4.2 Per economic classification**

|                                    | Final<br>Appropriation | Actual<br>Expenditure | Variance | Variance as a<br>% of Final<br>Appropriation |
|------------------------------------|------------------------|-----------------------|----------|--|
|                                    | R'000                  | R'000                 | R'000    | %  |
| <b>Current payments</b>            |                        |                       |          |  |
| Compensation of employees          | 197 391                | 195 649               | 1 742    | 1%   |
| Goods and services                 | 161 728                | 161 287               | 441      | 0%   |
| Interest and rent on land          | 204                    | 202                   | 2        | 1%   |
| <b>Transfers and subsidies</b>     |                        |                       |          |  |
| Provinces and municipalities       | 66 942                 | 66 926                | 16       | 0%   |
| Departmental agencies and accounts | 4                      | 3                     | 1        | 0%   |
| Non-profit institutions            | 424                    | 422                   | 2        | 0%   |
| Households                         | 5 333                  | 5 316                 | 17       | 0%   |
| <b>Payments for capital assets</b> |                        |                       |          |  |
| Machinery and equipment            | 16 241                 | 16 039                | 202      | 1%   |

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS  
VOTE 8**

**NOTES TO THE APPROPRIATION STATEMENT**

*For the year ended 31 March 2017*

|                                      |   |    |      |    |
|--------------------------------------|---|----|------|----|
| Intangible assets                    | 8 | 8  | -    | 0% |
| <b>Payments for financial assets</b> | - | 66 | (66) | 0% |

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS  
VOTE 8**

**STATEMENT OF FINANCIAL PERFORMANCE**

*For the year ended 31 March 2017*

|   | Note     | 2016/17<br>R'000 | 2015/16<br>R'000 |
|---|----------|------------------|------------------|
| <b>REVENUE</b>                                    |          |                  |                  |
| Annual appropriation                              | <u>1</u> | 448 275          | 380 315          |
| <b>TOTAL REVENUE</b>                              |          | <b>448 275</b>   | <b>380 315</b>   |
| <b>EXPENDITURE</b>                                |          |                  |                  |
| <b>Current expenditure</b>                        |          |                  |                  |
| Compensation of employees                         | <u>3</u> | 195 649          | 183 254          |
| Goods and services                                | <u>4</u> | 161 287          | 152 502          |
| Interest and rent on land                         | <u>5</u> | 202              | 3                |
| <b>Total current expenditure</b>                  |          | <b>357 138</b>   | <b>335 759</b>   |
| <b>Transfers and subsidies</b>                    |          |                  |                  |
| Transfers and subsidies                           | <u>7</u> | 72 667           | 36 126           |
| <b>Total transfers and subsidies</b>              |          | <b>72 667</b>    | <b>36 126</b>    |
| <b>Expenditure for capital assets</b>             |          |                  |                  |
| Tangible assets                                   | <u>8</u> | 16 039           | 5 155            |
| Intangible assets                                 | <u>8</u> | 8                | 488              |
| <b>Total expenditure for capital assets</b>       |          | <b>16 047</b>    | <b>5 643</b>     |
| <b>Payments for financial assets</b>              | <u>6</u> | 66               | 81               |
| <b>TOTAL EXPENDITURE</b>                          |          | <b>445 918</b>   | <b>377 609</b>   |
| <b>SURPLUS FOR THE YEAR</b>                       |          | <b>2 357</b>     | <b>2 706</b>     |
| <b>Reconciliation of Net Surplus for the year</b> |          |                  |                  |
| Voted funds                                       |          | 2 357            | 2 706            |
| Annual appropriation                              |          | 2 357            | 2 706            |
| <b>SURPLUS FOR THE YEAR</b>                       |          | <b>2 357</b>     | <b>2 706</b>     |

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS  
VOTE 8**

**STATEMENT OF FINANCIAL POSITION  
As at 31 March 2017**

|  | <i>Note</i> | 2016/17<br>R'000 | 2015/16<br>R'000 |
|--|-------------|------------------|------------------|
| <b>ASSETS</b>  |             |                  |                  |
| <b>Current assets</b>                                      |             | <b>2 892</b>     | <b>3 031</b>     |
| Cash and cash equivalents                                  | <u>9</u>    | 2 358            | 2 587            |
| Prepayments and advances                                   | <u>10</u>   | 41               | 50               |
| Receivables  | <u>11</u>   | 493              | 394              |
| <b>Non-current assets</b>                                  |             | <b>26</b>        | <b>195</b>       |
| Receivables  | <u>11</u>   | 26               | 195              |
| <b>TOTAL ASSETS</b>  |             | <b>2 918</b>     | <b>3 226</b>     |
| <b>LIABILITIES</b>   |             |                  |                  |
| <b>Current liabilities</b>                                 |             | <b>2 733</b>     | <b>3 124</b>     |
| Voted funds to be surrendered to the Revenue Fund          | <u>12</u>   | 2 357            | 2 706            |
| Departmental revenue to be surrendered to the Revenue Fund | <u>13</u>   | 107              | 7                |
| Payables   | <u>14</u>   | 269              | 411              |
| <b>TOTAL LIABILITIES</b>                                   |             | <b>2 733</b>     | <b>3 124</b>     |
| <b>NET ASSETS</b>  |             | <b>185</b>       | <b>102</b>       |
| <b>Represented by:</b>                                     |             |                  |                  |
| Recoverable revenue  |             | 185              | 102              |
| <b>TOTAL</b>   |             | <b>185</b>       | <b>102</b>       |

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
**VOTE 8**  
**STATEMENT OF CHANGES IN NET ASSETS**  
*For the year ended 31 March 2017*

|   | <i>Note</i> | 2016/17<br>R'000  | 2015/16<br>R'000  |
|---|-------------|-------------------|-------------------|
| <b>Recoverable revenue</b>                          |             |                   |                   |
| Opening balance                                     |             | 102               | 58                |
| Transfers:  |             | 83                | 44                |
| Debts recovered (included in departmental receipts) | 2.4         | (132)             | (41)              |
| Debts raised  |             | 215               | 85                |
| Closing balance                                     |             | <u>185</u>        | <u>102</u>        |
| <b>TOTAL</b>  |             | <u><b>185</b></u> | <u><b>102</b></u> |

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
**VOTE 8**  
**CASH FLOW STATEMENT**  
**For the year ended 31 March 2017**

|  | <i>Note</i> | 2016/17<br>R'000 | 2015/16<br>R'000 |
|--|-------------|------------------|------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>              |             |                  |                  |
| Receipts   |             | <b>448 783</b>   | <b>381 719</b>   |
| Annual appropriated funds received                       | <u>1.1</u>  | 448 275          | 380 315          |
| Departmental revenue received                            | <u>2</u>    | 499              | 1 402            |
| Interest received  | <u>2.2</u>  | 9                | 2                |
| Payments   |             |                  |                  |
| Net (increase)/decrease in working capital               |             | (63)             | 1 311            |
| Surrendered to Revenue Fund                              |             | (3 115)          | (9 265)          |
| Current payments   |             | (356 936)        | (335 756)        |
| Interest paid  | <u>5</u>    | (202)            | (3)              |
| Payments for financial assets                            |             | (66)             | (81)             |
| Transfers and subsidies paid                             |             | (72 667)         | (36 126)         |
| <b>Net cash flow available from operating activities</b> | <u>15</u>   | <b>15 734</b>    | <b>1 799</b>     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>              |             |                  |                  |
| Payments for capital assets                              | <u>8</u>    | (16 047)         | (5 643)          |
| Proceeds from sale of capital assets                     | <u>2.3</u>  | 1                | 27               |
| <b>Net cash flows from investing activities</b>          |             | <b>(16 046)</b>  | <b>(5 616)</b>   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>              |             |                  |                  |
| Increase/(decrease) in net assets                        |             | 83               | 44               |
| <b>Net cash flows from financing activities</b>          |             | <b>83</b>        | <b>44</b>        |
| Net increase/(decrease) in cash and cash equivalents     |             | (229)            | (3 773)          |
| Cash and cash equivalents at beginning of period         |             | 2 587            | 6 360            |
| <b>Cash and cash equivalents at end of period</b>        | <u>16</u>   | <b>2 358</b>     | <b>2 587</b>     |

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
**VOTE 8**  
**ACCOUNTING POLICIES**  
**For the year ended 31 March 2017**

| <b>Summary of significant accounting policies</b>   |  |
|---|--|
| <p>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.</p> <p>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.</p> <p>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.</p> |  |
| <b>1</b>  | <p><b>Basis of preparation</b></p> <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p>   |
| <b>2</b>  | <p><b>Going concern</b></p> <p>The financial statements have been prepared on a going concern basis.</p>   |
| <b>3</b>  | <p><b>Presentation currency</b></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>  |
| <b>4</b>  | <p><b>Rounding</b></p> <p>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p>  |
| <b>5</b>  | <p><b>Foreign currency translation</b></p> <p>Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.</p>   |
| <b>6</b>  | <p><b>Comparative information</b></p>  |
| <b>6.1</b>  | <p><b>Prior period comparative information</b></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> |
| <b>6.2</b>  | <p><b>Current year comparison with budget</b></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>   |
| <b>7</b>  | <p><b>Revenue</b></p>  |
| <b>7.1</b>  | <p><b>Appropriated funds</b></p> <p>Appropriated funds comprises of departmental allocations as well as direct charges</p>   |

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
**VOTE 8**  
**ACCOUNTING POLICIES**  
**For the year ended 31 March 2017**

|              |   |
|--------------|---|
|              | <p>against the revenue fund (i.e. statutory appropriation).</p> <p>Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.</p> <p>The net amount of any appropriated funds due to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>  |
| <b>7.2</b>   | <p><b>Departmental revenue</b></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>  |
| <b>7.3</b>   | <p><b>Accrued departmental revenue</b></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"> <li>• it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and</li> <li>• the amount of revenue can be measured reliably.</li> </ul> <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p> <p>Write-offs are made according to the Department's debt write-off policy</p> |
| <b>8</b>     | <b>Expenditure</b>  |
| <b>8.1</b>   | <b>Compensation of employees</b>  |
| <b>8.1.1</b> | <p><b>Salaries and wages</b></p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>   |
| <b>8.1.2</b> | <p><b>Social contributions</b></p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>  |
| <b>8.2</b>   | <p><b>Other expenditure</b></p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p>  |
| <b>8.3</b>   | <p><b>Accruals and payables not recognised</b></p> <p>Accruals and payables not recognised are recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are</p>   |

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
**VOTE 8**  
**ACCOUNTING POLICIES**  
**For the year ended 31 March 2017**

|              |  |
|--------------|--|
|              | rendered to the department or in the case of transfers and subsidies when they are due and payable. Accruals and payables not recognised are measured at cost.   |
| <b>8.4</b>   | <b>Leases</b>  |
| <b>8.4.1</b> | <p><b>Operating leases</b></p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>  |
| <b>8.4.2</b> | <p><b>Finance leases</b></p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> <li>• cost, being the fair value of the asset; or</li> <li>• the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.</li> </ul> |
| <b>9</b>     | <b>Aid Assistance</b>  |
| <b>9.1</b>   | <p><b>Aid assistance received</b></p> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p>  |
| <b>9.2</b>   | <p><b>Aid assistance paid</b></p> <p>Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p>   |
| <b>10</b>    | <p><b>Cash and cash equivalents</b></p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p>   |
| <b>11</b>    | <p><b>Prepayments and advances</b></p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p> <p>Prepayments relates to standing subsistence and travel advances paid to officials.</p>  |

**DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
**VOTE 8**  
**ACCOUNTING POLICIES**  
**For the year ended 31 March 2017**

|             |   |
|-------------|---|
| <b>12</b>   | <p><b>Loans and receivables</b></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>   |
| <b>13</b>   | <p><b>Investments</b></p> <p>Investments are recognised in the statement of financial position at cost.</p>   |
| <b>14</b>   | <p><b>Financial assets</b></p>  |
| <b>14.1</b> | <p><b>Financial assets (not covered elsewhere)</b></p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial.</p> <p>At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>  |
| <b>14.2</b> | <p><b>Impairment of financial assets</b></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>   |
| <b>15</b>   | <p><b>Payables</b></p> <p>Loans and payables are recognised in the statement of financial position at cost.</p>   |
| <b>16</b>   | <p><b>Capital Assets</b></p>  |
| <b>16.1</b> | <p><b>Immovable capital assets</b></p> <p>Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Where the cost of immovable capital assets cannot be determined reliably, the immovable capital assets are measured at fair value for recording in the asset register.</p> <p>Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.</p> |
| <b>16.2</b> | <p><b>Movable capital assets</b></p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p>  |

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|             |  |
|-------------|--|
|             | <p>All assets acquired prior to 1 April 2005 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>   |
| <b>16.3</b> | <p><b>Intangible assets</b></p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2005 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p> |
| <b>17</b>   | <p><b>Provisions and Contingents</b></p>   |
| <b>17.1</b> | <p><b>Provisions</b></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>  |
| <b>17.2</b> | <p><b>Contingent liabilities</b></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>  |

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**ACCOUNTING POLICIES**  
**For the year ended 31 March 2017**

|             |   |
|-------------|---|
| <b>17.3</b> | <p><b>Contingent assets</b></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>  |
| <b>17.4</b> | <p><b>Commitments</b></p> <p>Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.</p>   |
| <b>18</b>   | <p><b>Unauthorised expenditure</b></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"> <li>• approved by Parliament or the Provincial Legislature with funding and the related funds are received; or</li> <li>• approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or</li> <li>• transferred to receivables for recovery.</li> </ul> <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>                                  |
| <b>19</b>   | <p><b>Fruitless and wasteful expenditure</b></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>   |
| <b>20</b>   | <p><b>Irregular expenditure</b></p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p> |
| <b>21</b>   | <p><b>Changes in accounting policies, accounting estimates and errors</b></p> <p>Changes in accounting policies that are affected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is</p>  |

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|           |   |
|-----------|---|
|           | <p>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> |
| <b>22</b> | <p><b>Events after the reporting date</b></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>  |
| <b>23</b> | <p><b>Principal-Agent arrangements</b></p> <p>The department does not currently have any Principal-agent arrangement.</p>   |
| <b>24</b> | <p><b>Departures from the MCS requirements</b></p> <p>The department did not depart from the MCS requirements.</p>  |
| <b>25</b> | <p><b>Capitalisation reserve</b></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>   |
| <b>26</b> | <p><b>Recoverable revenue</b></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>   |
| <b>27</b> | <p><b>Related party transactions</b></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/MEC'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>   |

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|           |  |
|-----------|--|
| <b>28</b> | <p><b>Inventories (<i>Effective from date determined in a Treasury Instruction</i>)</b></p> <p>At the date of acquisition, inventories are recorded at cost price in the statement of performance.</p> <p>Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is its fair value at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or the lower of cost and current replacement value.</p> <p>Subsequent measurement of the cost of inventory is determined on the weighted average basis.</p> |
| <b>29</b> | <p><b>Public-Private Partnerships</b></p> <p>Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <p>A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.</p>                      |
| <b>30</b> | <p><b>Employee benefits</b></p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p>   |

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**1. Annual Appropriation**

**1.1 Annual Appropriation**

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

|   | 2016/17                         |                                   | 2015/16                         |                                       |
|---|---------------------------------|-----------------------------------|---------------------------------|---------------------------------------|
|   | Final<br>Appropriation<br>R'000 | Actual Funds<br>Received<br>R'000 | Final<br>Appropriation<br>R'000 | Appropriation<br>on received<br>R'000 |
| Administration                          | 129 459                         | 129 459                           | 122 296                         | 122 296                               |
| Local Governance                        | 167 381                         | 167 381                           | 116 168                         | 116 168                               |
| Development and Planning                | 100 036                         | 100 036                           | 93 463                          | 93 463                                |
| Traditional Institutional<br>Management | 42 616                          | 42 616                            | 38 122                          | 38 122                                |
| House of Traditional Leaders            | 8 783                           | 8 783                             | 10 266                          | 10 266                                |
| <b>Total</b>                            | <b>448 275</b>                  | <b>448 275</b>                    | <b>380 315</b>                  | <b>380 315</b>                        |

**2. Departmental revenue**

|   | Note | 2016/17<br>R'000 | 2015/16<br>R'000 |
|---|------|------------------|------------------|
| Sales of goods and services other than capital assets | 2.1  | 132              | 1 034            |
| Interest, dividends and rent on land                  | 2.2  | 9                | 2                |
| Sales of capital assets                               | 2.3  | 1                | 27               |
| Transactions in financial assets and liabilities      | 2.4  | 367              | 368              |
| Total revenue collected                               |      | <b>509</b>       | <b>1 431</b>     |
| Less: Own revenue included in appropriation           | 13   | (509)            | (1 431)          |
| <b>Departmental revenue collected</b>                 |      | <b>-</b>         | <b>-</b>         |

**2.1 Sales of goods and services other than capital assets**

|  | Note | 2016/17<br>R'000 | 2015/16<br>R'000 |
|--|------|------------------|------------------|
| Sales of goods and services produced by the department | 2    | 132              | 1 034            |
| Other sales  |      | 132              | 1 034            |
| <b>Total</b>   |      | <b>132</b>       | <b>1 034</b>     |

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**2.2 Interest, dividends and rent on land**

|              | <i>Note</i><br>2 | <b>2016/17<br/>R'000</b> | <b>2015/16<br/>R'000</b> |
|--------------|------------------|--------------------------|--------------------------|
| Interest     |                  | 9                        | 2                        |
| <b>Total</b> |                  | <b>9</b>                 | <b>2</b>                 |

**2.3 Sale of capital assets**

|                         | <i>Note</i><br>2 | <b>2016/17<br/>R'000</b> | <b>2015/16<br/>R'000</b> |
|-------------------------|------------------|--------------------------|--------------------------|
| <b>Tangible assets</b>  |                  | <b>1</b>                 | <b>27</b>                |
| Machinery and equipment | 26.2             | 1                        | 27                       |
| <b>Total</b>            |                  | <b>1</b>                 | <b>27</b>                |

**2.4 Transactions in financial assets and liabilities**

|  | <i>Note</i><br>2 | <b>2016/17<br/>R'000</b> | <b>2015/16<br/>R'000</b> |
|--|------------------|--------------------------|--------------------------|
| Receivables                                  |                  | 132                      | 41                       |
| Other Receipts including Recoverable Revenue |                  | 235                      | 327                      |
| <b>Total</b>                                 |                  | <b>367</b>               | <b>368</b>               |

**3. Compensation of employees**

**3.1 Salaries and Wages**

|                                  | <i>Note</i> | <b>2016/17<br/>R'000</b> | <b>2015/16<br/>R'000</b> |
|----------------------------------|-------------|--------------------------|--------------------------|
| Basic salary                     |             | 120 092                  | 113 771                  |
| Performance award                |             | 3 739                    | 1 668                    |
| Service Based                    |             | 133                      | 110                      |
| Compensative/circumstantial      |             | 14 647                   | 14 762                   |
| Periodic payments                |             | 968                      | 557                      |
| Other non-pensionable allowances |             | 35 572                   | 33 229                   |
| <b>Total</b>                     |             | <b>175 151</b>           | <b>164 097</b>           |

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**3.2 Social contributions**

|  | <i>Note</i> | <b>2016/17<br/>R'000</b> | <b>2015/16<br/>R'000</b> |
|--|-------------|--------------------------|--------------------------|
| <b>Employer contributions</b>          |             |                          |                          |
| Pension                                |             | 14 504                   | 13 586                   |
| Medical                                |             | 5 966                    | 5 544                    |
| Bargaining council                     |             | 28                       | 27                       |
| <b>Total</b>                           |             | <b>20 498</b>            | <b>19 157</b>            |
| <b>Total compensation of employees</b> |             |                          |                          |
|  |             | <b>195 649</b>           | <b>183 254</b>           |
| Average number of employees            |             | 386                      | 383                      |

*Excluded in the above average number of employee is an average of 232 Traditional Leaders, 15 Board Members (Valuation Appeal Board, Township Boards and Audit Committee) as well as 196 Safety and Security Learnerships.*

**4. Goods and services**

|   | <i>Note</i> | <b>2016/17<br/>R'000</b> | <b>2015/16<br/>R'000</b> |
|---|-------------|--------------------------|--------------------------|
| Administrative fees                                       |             | 296                      | 325                      |
| Advertising   |             | 812                      | 473                      |
| Minor assets  | 4.1         | 201                      | 329                      |
| Bursaries (employees)                                     |             | 664                      | 460                      |
| Catering  |             | 1 337                    | 1 227                    |
| Communication   |             | 1 840                    | 2 041                    |
| Computer services   | 4.2         | 1 101                    | 9 044                    |
| Consultants: Business and advisory services               |             | 90 318                   | 75 955                   |
| Legal services  |             | 2 061                    | 245                      |
| Contractors   |             | 10 205                   | 13 784                   |
| Agency and support / outsourced services                  |             | 315                      | 2 445                    |
| Entertainment   |             | 4                        | 13                       |
| Audit cost – external                                     | 4.3         | 3 936                    | 3 675                    |
| Fleet services  |             | 3 134                    | 2 669                    |
| Consumables   | 4.4         | 1 827                    | 2 710                    |
| Operating leases  |             | 5 531                    | 3 240                    |
| Property payments   | 4.5         | 15 455                   | 18 315                   |
| Transport provided as part of the departmental activities |             | 1 138                    | 823                      |
| Travel and subsistence                                    | 4.6         | 9 239                    | 10 303                   |
| Venues and facilities                                     |             | 1 338                    | 715                      |
| Training and development                                  |             | 7 896                    | 789                      |
| Other operating expenditure                               | 4.7         | 2 639                    | 2 922                    |
| <b>Total</b>  |             | <b>161 287</b>           | <b>152 502</b>           |

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**4.1 Minor assets**

|                          | Note<br>4 | 2016/17<br>R'000 | 2015/16<br>R'000 |
|--------------------------|-----------|------------------|------------------|
| <b>Tangible assets</b>   |           | <b>185</b>       | <b>329</b>       |
| Machinery and equipment  |           | 185              | 329              |
| <b>Intangible assets</b> |           | <b>16</b>        | <b>-</b>         |
| Software                 |           | 16               | -                |
| <b>Total</b>             |           | <b>201</b>       | <b>329</b>       |

**4.2 Computer services**

|                                     | Note<br>4 | 2016/17<br>R'000 | 2015/16<br>R'000 |
|-------------------------------------|-----------|------------------|------------------|
| SITA computer services              |           | 702              | 3 701            |
| External computer service providers |           | 399              | 5 343            |
| <b>Total</b>                        |           | <b>1 101</b>     | <b>9 044</b>     |

**4.3 Audit cost – External**

|                   | Note<br>4 | 2016/17<br>R'000 | 2015/16<br>R'000 |
|-------------------|-----------|------------------|------------------|
| Regularity audits |           | 3 936            | 3 675            |
| <b>Total</b>      |           | <b>3 936</b>     | <b>3 675</b>     |

**4.4 Consumables**

|  | Note<br>4 | 2016/17<br>R'000 | 2015/16<br>R'000 |
|--|-----------|------------------|------------------|
| Consumable supplies                      |           | 102              | 131              |
| Uniform and clothing                     |           | 2                | 15               |
| Household supplies                       |           | 42               | 86               |
| Building material and supplies           |           | 38               | 12               |
| IT consumables                           |           | 12               | 15               |
| Other consumables                        |           | 8                | 3                |
| Stationery, printing and office supplies |           | 1 725            | 2 579            |
| <b>Total</b>                             |           | <b>1 827</b>     | <b>2 710</b>     |

**4.5 Property payments**

|                        | Note<br>4 | 2016/17<br>R'000 | 2015/16<br>R'000 |
|------------------------|-----------|------------------|------------------|
| Other:                 |           | <b>15 455</b>    | <b>18 315</b>    |
| Cleaning Services      |           | 2 629            | 2 326            |
| Safeguard and security |           | -                | 2 700            |
| Electricity            |           | -                | 3                |
| Sewerage               |           | 12 826           | 13 286           |
| <b>Total</b>           |           | <b>15 455</b>    | <b>18 315</b>    |

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|            |   |             |                     |                      |
|------------|---|-------------|---------------------|----------------------|
| <b>4.6</b> | <b>Travel and subsistence</b>                         |             | <b>2016/17</b>      | <b>2015/16</b>       |
|            |   | <i>Note</i> | <b>R'000</b>        | <b>R'000</b>         |
|            |   | 4           |                     |                      |
|            | Local   |             | 9 114               | 9 955                |
|            | Foreign   |             | 125                 | 348                  |
|            | <b>Total</b>  |             | <u><b>9 239</b></u> | <u><b>10 303</b></u> |
| <br>       |   |             |                     |                      |
| <b>4.7</b> | <b>Other operating expenditure</b>                    |             | <b>2016/17</b>      | <b>2015/16</b>       |
|            |   | <i>Note</i> | <b>R'000</b>        | <b>R'000</b>         |
|            |   | 4           |                     |                      |
|            | Professional bodies, membership and subscription fees |             | 74                  | 88                   |
|            | Resettlement costs                                    |             | 16                  | 27                   |
|            | Other   |             | 2 549               | 2 807                |
|            | <b>Total</b>  |             | <u><b>2 639</b></u> | <u><b>2 922</b></u>  |
| <br>       |   |             |                     |                      |
| <b>5.</b>  | <b>Interest and rent on land</b>                      |             | <b>2016/17</b>      | <b>2015/16</b>       |
|            |   | <i>Note</i> | <b>R'000</b>        | <b>R'000</b>         |
|            |   |             |                     |                      |
|            | Interest paid   |             | 202                 | 3                    |
|            | <b>Total</b>  |             | <u><b>202</b></u>   | <u><b>3</b></u>      |
| <br>       |   |             |                     |                      |
| <b>6.</b>  | <b>Payments for financial assets</b>                  |             | <b>2016/17</b>      | <b>2015/16</b>       |
|            |   | <i>Note</i> | <b>R'000</b>        | <b>R'000</b>         |
|            |   |             |                     |                      |
|            | Debts written off                                     | 6.1         | 66                  | 81                   |
|            | <b>Total</b>  |             | <u><b>66</b></u>    | <u><b>81</b></u>     |
| <br>       |   |             |                     |                      |
| <b>6.1</b> | <b>Debts written off</b>                              |             | <b>2016/17</b>      | <b>2015/16</b>       |
|            |   | <i>Note</i> | <b>R'000</b>        | <b>R'000</b>         |
|            |   | 6           |                     |                      |
|            | <b>Other debt written off</b>                         |             |                     |                      |
|            | Ex-Employee debt( Salaries, Tax, Telephone)           |             | 35                  | 79                   |
|            | Loss Control cases                                    |             | 31                  | 1                    |
|            | Fruitless and wasteful (training)                     |             | -                   | 1                    |
|            | <b>Total debt written off</b>                         |             | <u><b>66</b></u>    | <u><b>81</b></u>     |

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**7. Transfers and subsidies**

|                                    |                                     | 2016/17<br>R'000     | 2015/16<br>R'000     |
|------------------------------------|-------------------------------------|----------------------|----------------------|
| Provinces and municipalities       | <i>Note<br/>31 and<br/>Annex 1A</i> | 66 926               | 35 019               |
| Departmental agencies and accounts | <i>Annex 1B</i>                     | 3                    | 3                    |
| Non-profit institutions            | <i>Annex 1C</i>                     | 422                  | 362                  |
| Households                         | <i>Annex 1D</i>                     | 5 316                | 742                  |
| <b>Total</b>                       |                                     | <b><u>72 667</u></b> | <b><u>36 126</u></b> |

**8. Expenditure for capital assets**

|                          | <i>Note</i> | 2016/17<br>R'000     | 2015/16<br>R'000    |
|--------------------------|-------------|----------------------|---------------------|
| <b>Tangible assets</b>   |             | <b>16 039</b>        | <b>5 155</b>        |
| Machinery and equipment  | 26.1        | 16 039               | 5 155               |
| <b>Intangible assets</b> |             | <b>8</b>             | <b>488</b>          |
| Software                 | 27          | 8                    | 488                 |
| <b>Total</b>             |             | <b><u>16 047</u></b> | <b><u>5 643</u></b> |

**8.1 Analysis of funds utilised to acquire capital assets – 2016/17**

|                          | Voted funds<br>R'000 | Total<br>R'000       |
|--------------------------|----------------------|----------------------|
| <b>Tangible assets</b>   | <b>16 039</b>        | <b>16 039</b>        |
| Machinery and equipment  | 16 039               | 16 039               |
| <b>Intangible assets</b> | <b>8</b>             | <b>8</b>             |
| Software                 | 8                    | 8                    |
| <b>Total</b>             | <b><u>16 047</u></b> | <b><u>16 047</u></b> |

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**8.2 Analysis of funds utilised to acquire capital assets – 2015/16**

|                          | Voted funds<br>R'000 | Total<br>R'000 |
|--------------------------|----------------------|----------------|
| <b>Tangible assets</b>   | <b>5 155</b>         | <b>5 155</b>   |
| Machinery and equipment  | 5 155                | 5 155          |
| <b>Intangible assets</b> | <b>488</b>           | <b>488</b>     |
| Software                 | 488                  | 488            |
| <b>Total</b>             | <b>5 643</b>         | <b>5 643</b>   |

**8.3 Finance lease expenditure included in Expenditure for capital assets**

|                         | 2016/17<br>R'000 | 2015/16<br>R'000 |
|-------------------------|------------------|------------------|
| <b>Tangible assets</b>  |                  |                  |
| Machinery and equipment | 2 263            | 2 788            |
| <b>Total</b>            | <b>2 263</b>     | <b>2 788</b>     |

**9. Cash and cash equivalents**

|  | Note<br>2016/17<br>R'000 | 2015/16<br>R'000 |
|--|--------------------------|------------------|
| Consolidated Paymaster General Account | 2 338                    | 2 567            |
| Cash on hand                           | 20                       | 20               |
| <b>Total</b>                           | <b>2 358</b>             | <b>2 587</b>     |

**10. Prepayments and advances**

|                        | Note<br>2016/17<br>R'000 | 2015/16<br>R'000 |
|------------------------|--------------------------|------------------|
| Travel and subsistence | 41                       | 50               |
| <b>Total</b>           | <b>41</b>                | <b>50</b>        |

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**11. Receivables**

|                                    |                  | 2016/17    |             |            | 2015/16    |             |            |
|------------------------------------|------------------|------------|-------------|------------|------------|-------------|------------|
|                                    |                  | Current    | Non-current | Total      | Current    | Non-current | Total      |
|                                    |                  | R'000      | R'000       | R'000      | R'000      | R'000       | R'000      |
| Claims recoverable                 | <i>Note 11.1</i> | 7          | -           | 7          | 112        | -           | 112        |
| Recoverable expenditure            | <i>Note 11.2</i> | -          | -           | -          | 7          | -           | 7          |
| Staff debt                         | <i>Note 11.3</i> | 383        | 26          | 409        | 275        | 101         | 376        |
| Fruitless and wasteful expenditure | <i>Note 11.4</i> | 103        | -           | 103        | -          | 94          | 94         |
| <b>Total</b>                       |                  | <b>493</b> | <b>26</b>   | <b>519</b> | <b>394</b> | <b>195</b>  | <b>589</b> |

**11.1 Claims recoverable**

|                        | <i>Note 11</i> | 2016/17<br>R'000 | 2015/16<br>R'000 |
|------------------------|----------------|------------------|------------------|
| Provincial departments |                | 7                | 112              |
| <b>Total</b>           |                | <b>7</b>         | <b>112</b>       |

**11.2 Recoverable expenditure (disallowance accounts)**

|   | <i>Note 11</i> | 2016/17<br>R'000 | 2015/16<br>R'000 |
|---|----------------|------------------|------------------|
| Salary reversal control account (recall salary) |                | -                | 7                |
| <b>Total</b>                                    |                | <b>-</b>         | <b>7</b>         |

**11.3 Staff debt**

|   | <i>Note 11</i> | 2016/17<br>R'000 | 2015/16<br>R'000 |
|---|----------------|------------------|------------------|
| Communication                                   |                | 39               | 108              |
| Subsistence and Travel                          |                | 4                | 15               |
| Study   |                | 87               | 7                |
| Salary overpayment                              |                | 45               | 16               |
| Loss Control                                    |                | 32               | 36               |
| Ex-employee (Salaries, Tax, S&T. Communication) |                | 202              | 194              |
| <b>Total</b>                                    |                | <b>409</b>       | <b>376</b>       |

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**11.4 Fruitless and wasteful expenditure**

|  | Note | 2016/17<br>R'000 | 2015/16<br>R'000 |
|--|------|------------------|------------------|
| Opening balance                                  | 11   | 94               | 88               |
| Less amounts recovered                           |      | (105)            | (1)              |
| Less amounts written off                         |      | -                | (1)              |
| Transfer from Fruitless and Wasteful Expenditure | 23   | 105              | -                |
| Interest   |      | 9                | 8                |
| <b>Total</b>                                     |      | <b>103</b>       | <b>94</b>        |

**11.5 Impairment of receivables**

|                                       | Note | 2016/17<br>R'000 | 2015/16<br>R'000 |
|---------------------------------------|------|------------------|------------------|
| Estimate of impairment of receivables |      | 5                | -                |
| <b>Total</b>                          |      | <b>5</b>         | <b>-</b>         |

**12 Voted funds to be surrendered to the Revenue Fund**

|  | Note | 2016/17<br>R'000 | 2015/16<br>R'000 |
|--|------|------------------|------------------|
| Opening balance                                  |      | 2 706            | 7 360            |
| Transfer from statement of financial performance |      | 2 357            | 2 706            |
| Paid during the year                             |      | (2 706)          | (7 360)          |
| <b>Closing balance</b>                           |      | <b>2 357</b>     | <b>2 706</b>     |

**13 Departmental revenue to be surrendered to the Revenue Fund**

|                                       | Note | 2016/17<br>R'000 | 2015/16<br>R'000 |
|---------------------------------------|------|------------------|------------------|
| Opening balance                       |      | 7                | 481              |
| Own revenue included in appropriation | 2    | 509              | 1 431            |
| Paid during the year                  |      | (409)            | (1 905)          |
| <b>Closing balance</b>                |      | <b>107</b>       | <b>7</b>         |

**14 Payables – current**

|                   | Note | 2016/17<br>R'000 | 2015/16<br>R'000 |
|-------------------|------|------------------|------------------|
| Clearing accounts | 14.1 | 269              | 293              |
| Other payables    | 14.2 | -                | 118              |
| <b>Total</b>      |      | <b>269</b>       | <b>411</b>       |

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**14.1 Clearing accounts**

|                             | Note<br>14 | 2016/17<br>R'000 | 2015/16<br>R'000 |
|-----------------------------|------------|------------------|------------------|
| Salary Income Tax Account   |            | 268              | 292              |
| Salary Pension Fund Account |            | -                | 1                |
| Salary Reversal Account     |            | 1                | -                |
| <b>Total</b>                |            | <b>269</b>       | <b>293</b>       |

**14.2 Other payables**

|                       | Note<br>14 | 2016/17<br>R'000 | 2015/16<br>R'000 |
|-----------------------|------------|------------------|------------------|
| Pension Fund Recovery |            | -                | 118              |
| <b>Total</b>          |            | <b>-</b>         | <b>118</b>       |

**15 Net cash flow available from operating activities**

|  | Note | 2016/17<br>R'000 | 2015/16<br>R'000 |
|--|------|------------------|------------------|
| Net surplus/(deficit) as per Statement of Financial Performance  |      | 2 357            | 2 706            |
| Add back non cash/cash movements not deemed operating activities |      | 13 377           | (907)            |
| (Increase)/decrease in receivables                               |      | 70               | 960              |
| (Increase)/decrease in prepayments and advances                  |      | 9                | 4                |
| (Increase)/decrease in payables- current                         |      | (142)            | 347              |
| Proceeds from sale of capital assets                             |      | (1)              | (27)             |
| Expenditure on capital assets                                    |      | 16 047           | 5 643            |
| Surrenders to Revenue Fund                                       |      | (3 115)          | (9 265)          |
| Own revenue included in appropriation                            |      | 509              | 1 431            |
| <b>Net cash flow generated by operating activities</b>           |      | <b>15 734</b>    | <b>1 799</b>     |

**16 Reconciliation of cash and cash equivalents for cash flow purposes**

|  | Note | 2016/17<br>R'000 | 2015/16<br>R'000 |
|--|------|------------------|------------------|
| Consolidated Paymaster General account |      | 2 338            | 2 567            |
| Cash on hand                           |      | 20               | 20               |
| <b>Total</b>                           |      | <b>2 358</b>     | <b>2 587</b>     |

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**17 Contingent liabilities and contingent assets**

**17.1 Contingent liabilities**

|                               | Note     | 2016/17<br>R'000 | 2015/16<br>R'000 |
|-------------------------------|----------|------------------|------------------|
| <b>Liable to</b>              |          |                  |                  |
| Claims against the department | Annex 2A | 11 883           | 12 776           |
| <b>Total</b>                  |          | <b>11 883</b>    | <b>12 776</b>    |

*Municipalities were taken to court and the MEC for Cooperative Governance, Traditional Affairs and Human Settlements decided to assist them in the process. Out of the finalisation of these cases there might be a contingent liability against the Department.*

*The Department became aware of a possible liability in terms of role playing allowances for officials performing certain functions in Traditional Councils. The Department is currently investigating and determining a possible payable amount.*

Restatement 2015/16:

*The Department became aware of a settlement process in the Free State Department of the Premier in terms of the provincial website. It was not possible to estimate or determine the contingent liability as neither the total amount for the liability nor the percentage due by each of the Departments of the Premier and Cooperative Governance and Traditional Affairs were available.*

**18 Commitments**

|                                 | Note | 2016/17<br>R'000 | 2015/16<br>R'000 |
|---------------------------------|------|------------------|------------------|
| <b>Current expenditure</b>      |      |                  |                  |
| Approved and contracted         |      | 20 922           | 31 574           |
| Approved but not yet contracted |      | 143              | 158              |
|                                 |      | <b>21 065</b>    | <b>31 732</b>    |
| <b>Capital expenditure</b>      |      |                  |                  |
| Approved and contracted         |      | 15               | -                |
|                                 |      | <b>15</b>        | <b>-</b>         |
| <b>Total Commitments</b>        |      | <b>21 080</b>    | <b>31 732</b>    |

**Commitments of R'885 are for a period longer than a year.**

*Restatement of prior year current approved and contracted from R'30 894 to R'31 574*

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**19. Accruals and payables not recognised**

**19.1 Accruals**

|  | 2016/17        |                 |               | 2015/16       |
|--|----------------|-----------------|---------------|---------------|
|  | R'000          |                 |               | R'000         |
| <b>Listed by economic classification</b> | <b>30 Days</b> | <b>30+ Days</b> | <b>Total</b>  | <b>Total</b>  |
| Goods and services                       | 3 457          | 8 089           | <b>11 546</b> | 53 739        |
| Capital assets                           | 31             | -               | <b>31</b>     | -             |
| Other                                    | 918            | 27              | <b>945</b>    | 329           |
| <b>Total</b>                             | <b>4 406</b>   | <b>8 116</b>    | <b>12 522</b> | <b>54 068</b> |

|                                      | Note | 2016/17       | 2015/16       |
|--------------------------------------|------|---------------|---------------|
|                                      |      | R'000         | R'000         |
| <b>Listed by programme level</b>     |      |               |               |
| Administration                       |      | 2818          | 4 408         |
| Local Governance                     |      | 1 011         | 20 896        |
| Development and Planning             |      | 8 548         | 28 506        |
| Traditional Institutional Management |      | 127           | 234           |
| House of Traditional Leaders         |      | 18            | 24            |
| <b>Total</b>                         |      | <b>12 522</b> | <b>54 068</b> |

**19.2 Payables not recognised**

|  | 2016/17        |                 |               | 2015/16      |
|--|----------------|-----------------|---------------|--------------|
|  | R'000          |                 |               | R'000        |
| <b>Listed by economic classification</b> | <b>30 Days</b> | <b>30+ Days</b> | <b>Total</b>  | <b>Total</b> |
| Goods and services                       | 1 232          | 10 104          | <b>11 336</b> | 2 103        |
| Other                                    | 151            | -               | <b>151</b>    | -            |
| <b>Total</b>                             | <b>1 383</b>   | <b>10 104</b>   | <b>11 487</b> | <b>2 103</b> |

|  |
|--|
| <i>Restatement: Payables not recognised from "other" to "goods and services" R'1 120</i> |
|--|

|                                      | Note | 2016/17       | 2015/16      |
|--------------------------------------|------|---------------|--------------|
|                                      |      | R'000         | R'000        |
| <b>Listed by programme level</b>     |      |               |              |
| Administration                       |      | 1 262         | 1 643        |
| Local Governance                     |      | 10 109        | 363          |
| Development and Planning             |      | 98            | 88           |
| Traditional Institutional Management |      | 15            | 8            |
| House of Traditional Leaders         |      | 3             | 1            |
| <b>Total</b>                         |      | <b>11 487</b> | <b>2 103</b> |

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|  | Note    | 2016/17<br>R'000 | 2015/16<br>R'000 |
|--|---------|------------------|------------------|
| <b>Included in the above totals are the following:</b> |         |                  |                  |
| Confirmed balances with other departments              | Annex 4 | 251              | 231              |
| Confirmed balances with other government entities      | Annex 4 | 1 111            | 889              |
| <b>Total</b>   |         | <b>1 362</b>     | <b>1 120</b>     |

*Sub note restated as Fleet Management should be regarded as "other government entity" and not "department"*

**20. Employee benefits**

|                                   | Note | 2016/17<br>R'000 | 2015/16<br>R'000 |
|-----------------------------------|------|------------------|------------------|
| Leave entitlement                 |      | 6 759            | 6 137            |
| Service bonus (Thirteenth cheque) |      | 4 523            | 4 356            |
| Performance awards                |      | 2 986            | 3 028            |
| Capped leave commitments          |      | 2 825            | 2 669            |
| Other                             |      | 137              | 124              |
| <b>Total</b>                      |      | <b>17 230</b>    | <b>16 314</b>    |

*At this stage the department is not able to reliably measure the long term portion of the long service awards.*

**21. Lease commitments**

**21.1 Operating leases expenditure**

|  | Machinery<br>and<br>equipment | Total         |
|--|-------------------------------|---------------|
| <b>2016/17</b>                               |                               |               |
| Not later than 1 year                        | 5 855                         | 5 855         |
| Later than 1 year and not later than 5 years | 7 980                         | 7 980         |
| <b>Total lease commitments</b>               | <b>13 835</b>                 | <b>13 835</b> |
| <b>2015/16</b>                               |                               |               |
| Not later than 1 year                        | 2 683                         | 2 683         |
| Later than 1 year and not later than 5 years | 3 476                         | 3 476         |
| <b>Total lease commitments</b>               | <b>6 159</b>                  | <b>6 159</b>  |

*The Department has entered into a service level agreement with fleet management (FS Government Transport) for the provision of vehicles to the department. A total number of 44 vehicles were leased by the department as at year end. All lease are treated as operating leases in line with the definition/criteria of an operating lease. No escalation is applicable on the agreement*

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*No Assets are sub- leased by the Department*

*There are no sale and lease and lease back agreements entered into by the Department*

**21.2 Finance leases expenditure**

|  | <b>Machinery<br/>and<br/>equipment</b> | <b>Total</b> |
|--|--|--------------|
| <b>2016/17</b>                               |  |              |
| Not later than 1 year                        | 1 189                                  | 1 189        |
| Later than 1 year and not later than 5 years | 387                                    | <b>387</b>   |
| <b>Total lease commitments</b>               | <b>1 576</b>                           | <b>1 576</b> |
|  |  |              |
|  | <b>Machinery<br/>and<br/>equipment</b> | <b>Total</b> |
| <b>2015/16</b>                               |  |              |
| Not later than 1 year                        | 1 463                                  | 1 463        |
| Later than 1 year and not later than 5 years | 479                                    | <b>479</b>   |
| <b>Total lease commitments</b>               | <b>1 942</b>                           | <b>1 942</b> |

*The department has lease agreements for 21 photo copies for 3 years, 124 cell phones and 35 3g cards over 24 months period.*

*No assets are sub-leased by the Department*

**22. Irregular expenditure**

**22.1 Reconciliation of irregular expenditure**

|   | <i>Note</i> | <b>2016/17<br/>R'000</b> | <b>2015/16<br/>R'000</b> |
|---|-------------|--------------------------|--------------------------|
| Opening balance                                       |             | 1 490                    | 3 247                    |
| Prior period error                                    | 22.4        | -                        | 73                       |
| As restated   |             | 1 490                    | 3 320                    |
| Add: Irregular expenditure – relating to prior year   |             | -                        | 4                        |
| Add: Irregular expenditure – relating to current year | 22.2        | 205                      | 1 744                    |
| Less: Prior year amounts condoned                     |             | -                        | (3 251)                  |
| Less: Current year amounts condoned                   | 22.3        | (205)                    | (327)                    |
| <b>Closing balance</b>                                |             | <b>1 490</b>             | <b>1 490</b>             |

**Analysis of awaiting condonation per age classification**

|              |              |              |
|--------------|--------------|--------------|
| Current year | -            | 1 417        |
| Prior years  | 1 490        | 73           |
| <b>Total</b> | <b>1 490</b> | <b>1 490</b> |

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

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| <b>Incident</b>  | <b>Disciplinary steps taken/criminal proceedings</b>                  | <b>2016/17<br/>R'000</b> |
|--|---|--------------------------|
| Non Compliance to Public Service Regulations:  |   |                          |
| Employees acted in higher Vacant Posts for uninterrupted period exceeding 12 months without the necessary approval | Investigation completed- no disciplinary steps                        | 205                      |
| <b>Total</b>   |   | <b>205</b>               |
| <b>22.3</b>  | <b>Details of irregular expenditure condoned</b>                      | <b>2016/17<br/>R'000</b> |
| <b>Incident</b>  | <b>Condoned by (condoning authority)</b>                              |                          |
| Non compliance to Public services Regulations  |   |                          |
| Employees in higher vacant posts for an uninterrupted period exceeding 12 months without the necessary approval    | MEC Cooperative Governance, Traditional Affairs and Human Settlements | 205                      |
| <b>Total</b>   |   | <b>205</b>               |
| <b>22.4</b>  | <b>Prior period error</b>   | <b>2015/16<br/>R'000</b> |
|  | <i>Note</i><br>22   |                          |
| <b>Nature of prior period error</b>  |   |                          |
| <u>Relating to 2014/15</u>   |   |                          |
| After investigation at the Department of the Premier, it was discovered that the amount should increase            |   | 73                       |
| <u>Relating to 2015/16</u>   |   |                          |
| After investigation at Department of the Premier it was discovered that the amount should increase                 |   | 195                      |
| <b>Total prior period errors</b>   |   | <b>268</b>               |
| <b>23.</b>   | <b>Fruitless and wasteful expenditure</b>                             |                          |
| <b>23.1</b>  | <b>Reconciliation of fruitless and wasteful expenditure</b>           |                          |
|  | <i>Note</i>   | <b>2016/17<br/>R'000</b> |
| Opening balance  |   | 105                      |
| Fruitless and wasteful expenditure – relating to current year  |   | 294                      |
| Less: Amounts resolved   |   | (294)                    |
| Less: Amounts transferred to receivables for recovery  | <i>11.4</i>   | (105)                    |
| <b>Closing balance</b>   |   | <b>-</b>                 |
| <b>23.2</b>  | <b>Analysis of awaiting resolution per economic classification</b>    | <b>2015/16<br/>R'000</b> |
|  |   | <b>2016/17<br/>R'000</b> |

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|              |          |            |
|--------------|----------|------------|
| Current      | -        | 105        |
| <b>Total</b> | <b>-</b> | <b>105</b> |

**23.3 Analysis of Current year's fruitless and wasteful expenditure**

| Incident                   | Disciplinary steps taken/criminal proceedings | 2016/17<br>R'000 |
|----------------------------|---|------------------|
| Cancellation of contract   | None-legal processes                          | 50               |
| Penalty Fees               | None  | 2                |
| Cancellation of travelling | None  | 42               |
| Legal costs                | None  | 200              |
| <b>Total</b>               |   | <b>294</b>       |

**23.4 Prior period error**

|   | Note | 2015/16<br>R'000 |
|---|------|------------------|
| <b>Relating to 2015/16</b>  |      | <b>(88)</b>      |
| After investigation at the Department of the Premier, it was discovered that the amount should decrease |      | (88)             |
| <b>Total prior period errors</b>  |      | <b>(88)</b>      |

**23.5 Details of fruitless and wasteful expenditures under investigation (not included in the main note)**

| Incident           | 2016/17<br>R'000 |
|--------------------|------------------|
| Travel agency fees | 31               |
| <b>Total</b>       | <b>31</b>        |

Expenditure related to travel agents are under investigation

**24. Related party transactions**

**In kind goods and services provided/received**

*The Department of Cooperative governance and Traditional Affairs rendered a shared service on the following directorates within Programme 1 of Department Human Settlements: Anti-Corruption and Security. Information Technology and Communication Services. The Department of Cooperative Governance and Traditional Affairs also paid certain invoices on behalf of the Department of Human Settlements with regard to cleaning services as well as the MEC's outreach programme that is recorded in the inter- governmental payables. Due to the complexity of the shared service between the Departments, it is impractical to include an exact amount of the shared services and therefore no value for this can be attributed to these transactions. The department have also come to an understanding that no value for these services will be exchanged.*

**List related party relationships**

*The housing fund falls under the administration of the Department of Human Settlements and shares*

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*the same Accounting Officer. Even though no transactions were entered into between the Department of Cooperative Governance and Traditional Affairs and the Housing Fund, it is reported as a related party as it falls under the same MEC*

**25. Key management personnel**

|  | <b>No. of<br/>Individuals</b> | <b>2016/17<br/>R'000</b> | <b>2015/16<br/>R'000</b> |
|--|-------------------------------|--------------------------|--------------------------|
| Political office bearers                   | 2                             | 3 154                    | 3 567                    |
| Officials:                                 |                               |                          |                          |
| Level 15 to 16                             | 6                             | 7 107                    | 5 887                    |
| Level 14 (incl. CFO if at a lower level)   | 5                             | 6 709                    | 4 254                    |
| Family members of key management personnel | 6                             | 3 115                    | 2 162                    |
| <b>Total</b>                               |                               | <b>20 085</b>            | <b>15 870</b>            |

*Political Office Bearers: 1 King of Traditional Leaders 1 Member of Executive Council*

**26. Movable Tangible Capital Assets**

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

|  | <b>Opening<br/>balance<br/>R'000</b> | <b>Additions<br/>R'000</b> | <b>Disposals<br/>R'000</b> | <b>Closing<br/>Balance<br/>R'000</b> |
|--|--------------------------------------|----------------------------|----------------------------|--------------------------------------|
| <b>MACHINERY AND EQUIPMENT</b>               | <b>18 282</b>                        | <b>15 890</b>              | <b>(2 113)</b>             | <b>32 059</b>                        |
| Transport assets                             | -                                    | 2 106                      | (2 106)                    | -                                    |
| Computer equipment                           | 10 778                               | 12 885                     | (7)                        | 23 656                               |
| Furniture and office equipment               | 6 505                                | 692                        | -                          | 7 197                                |
| Other machinery and equipment                | 999                                  | 207                        | -                          | 1 206                                |
| <b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b> | <b>18 282</b>                        | <b>15 890</b>              | <b>(2 113)</b>             | <b>32 059</b>                        |

**Movable Tangible Capital Assets under investigation**

|   | <b>Number</b> | <b>Value<br/>R'000</b> |
|---|---------------|------------------------|
| <b>Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:</b> |               |                        |
| Machinery and equipment   | 8             | 87                     |

*Included in the asset register are 8 major assets, which are under investigation by the Department. The assets identified as under investigation relate to assets not verified in the previous financial year. The Department has determined the last user of these assets and is following up on the location of these assets with those users. Based on this, the Department will determine if the assets are located*

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or if the assets be written off or if loss control proceedings will initiated and recoveries performed.

**26.1 Additions**

**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

|   | Cash          | Non-cash     | (Capital Work in Progress current costs and finance lease payments) | Total         |
|---|---------------|--------------|---|---------------|
|   | R'000         | R'000        | R'000   | R'000         |
| <b>MACHINERY AND EQUIPMENT</b>                            | <b>16 039</b> | <b>2 114</b> | <b>(2 263)</b>  | <b>15 890</b> |
| Transport assets  | -             | 2 106        |   | 2 106         |
| Computer equipment  | 12 877        | 8            | -   | 12 885        |
| Furniture and office equipment                            | 692           | -            | -   | 692           |
| Other machinery and equipment                             | 2 470         | -            | (2 263)   | 207           |
| <b>TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS</b> | <b>16 039</b> | <b>2 114</b> | <b>(2 263)</b>  | <b>15 890</b> |

**26.2 Disposals**

**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

|  | Sold for cash | Non-cash disposal | Total disposals | Cash Received Actual |
|--|---------------|-------------------|-----------------|----------------------|
|  | R'000         | R'000             | R'000           | R'000                |
| <b>MACHINERY AND EQUIPMENT</b>                           | <b>7</b>      | <b>2 106</b>      | <b>2 113</b>    | <b>1</b>             |
| Transport assets   | -             | 2 106             | 2 106           | -                    |
| Computer equipment                                       | 7             | -                 | 7               | 1                    |
| <b>TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS</b> | <b>7</b>      | <b>2 106</b>      | <b>2 113</b>    | <b>1</b>             |

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**26.3 Movement for 2015/16**

**MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016**

|  | Opening<br>balance<br>R'000 | Additions<br>R'000 | Disposals<br>R'000 | Closing<br>Balance<br>R'000 |
|--|-----------------------------|--------------------|--------------------|-----------------------------|
| <b>MACHINERY AND EQUIPMENT</b>               | <b>16 079</b>               | <b>2 367</b>       | <b>164</b>         | <b>18 282</b>               |
| Transport assets                             | 84                          | -                  | 84                 | -                           |
| Computer equipment                           | 9 371                       | 1 414              | 7                  | <b>10 778</b>               |
| Furniture and office equipment               | 5 786                       | 792                | 73                 | <b>6 505</b>                |
| Other machinery and equipment                | 838                         | 161                | -                  | <b>999</b>                  |
| <b>TOTAL MOVABLE TANGIBLE CAPITAL ASSETS</b> | <b>16 079</b>               | <b>2 367</b>       | <b>164</b>         | <b>18 282</b>               |

**26.4 Minor assets**

**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2017**

|                           | Intangible<br>assets<br>R'000 | Machinery<br>and<br>equipment<br>R'000 | Total<br>R'000 |
|---------------------------|-------------------------------|--|----------------|
| Opening balance           | 3                             | 8 621                                  | <b>8 624</b>   |
| Additions                 | 16                            | 190                                    | <b>206</b>     |
| <b>TOTAL MINOR ASSETS</b> | <b>19</b>                     | <b>8 811</b>                           | <b>8 830</b>   |

|                                     | Intangible<br>assets | Machinery<br>and<br>equipment | Total        |
|-------------------------------------|----------------------|-------------------------------|--------------|
| Number of R1 minor assets           | -                    | 1 319                         | <b>1 319</b> |
| Number of minor assets at cost      | 6                    | 5 431                         | <b>5 437</b> |
| <b>TOTAL NUMBER OF MINOR ASSETS</b> | <b>6</b>             | <b>6 750</b>                  | <b>6 756</b> |

**Minor Capital Assets under investigation**

|  | Number | Value<br>R'000 |
|--|--------|----------------|
| <b>Included in the above total of the minor capital assets per the asset register are assets that are under investigation:</b> |        |                |
| Machinery and equipment  | 47     | 136            |

*Included in the asset register are 47 minor assets, which are under investigation by the Department. The assets identified as under investigation relate to assets not verified in the previous financial year. The Department has determined the last user of these assets and is following up on the location of these assets with those users. Based on this, the Department will determine if the assets are located or if the assets be written off or if loss control preceding will initiated and recoveries performed.*

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**MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2016**

|                           | Intangible<br>assets<br>R'000 | Machinery<br>and<br>equipment<br>R'000 | Total<br>R'000 |
|---------------------------|-------------------------------|--|----------------|
| Opening balance           | 3                             | 8 503                                  | 8 506          |
| Additions                 | -                             | 329                                    | 329            |
| Disposals                 | -                             | (211)                                  | (211)          |
| <b>TOTAL MINOR ASSETS</b> | <b>3</b>                      | <b>8 621</b>                           | <b>8 624</b>   |

|                                     | Intangible<br>assets | Machinery<br>and<br>equipment | Total        |
|-------------------------------------|----------------------|-------------------------------|--------------|
| Number of R1 minor assets           | -                    | 1 319                         | 1 319        |
| Number of minor assets at cost      | 1                    | 5 365                         | 5 366        |
| <b>TOTAL NUMBER OF MINOR ASSETS</b> | <b>1</b>             | <b>6 684</b>                  | <b>6 685</b> |

**27. Intangible Capital Assets**

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

|  | Opening<br>balance<br>R'000 | Additions<br>R'000 | Closing<br>Balance<br>R'000 |
|--|-----------------------------|--------------------|-----------------------------|
| SOFTWARE                               | 488                         | 8                  | 496                         |
| <b>TOTAL INTANGIBLE CAPITAL ASSETS</b> | <b>488</b>                  | <b>8</b>           | <b>496</b>                  |

**27.1 Additions**

**ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

|   | Cash<br>R'000 | Total<br>R'000 |
|---|---------------|----------------|
| SOFTWARE  | 8             | 8              |
| <b>TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS</b> | <b>8</b>      | <b>8</b>       |

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**27.2 Movement for 2015/16**

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016**

|  | Opening<br>balance<br>R'000 | Additions<br>R'000 | Closing<br>Balance<br>R'000 |
|--|-----------------------------|--------------------|-----------------------------|
| SOFTWARE                               | -                           | 488                | 488                         |
| <b>TOTAL INTANGIBLE CAPITAL ASSETS</b> | <b>-</b>                    | <b>488</b>         | <b>488</b>                  |

**28. Immovable Tangible Capital Assets**

**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2017**

|  | Opening<br>balance<br>R'000 | Additions<br>R'000 | Disposals<br>R'000 | Closing<br>Balance<br>R'000 |
|--|-----------------------------|--------------------|--------------------|-----------------------------|
| <b>BUILDINGS AND OTHER FIXED STRUCTURES-</b>   | -                           | -                  | -                  | -                           |
| Other fixed structures                         | -                           | -                  | -                  | -                           |
| <b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b> | <b>-</b>                    | <b>-</b>           | <b>-</b>           | <b>-</b>                    |

**28.1 Movement for 2015/16**

**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2016**

|  | Opening<br>balance<br>R'000 | Additions<br>R'000 | Disposals<br>R'000 | Closing<br>Balance<br>R'000 |
|--|-----------------------------|--------------------|--------------------|-----------------------------|
| <b>BUILDINGS AND OTHER FIXED STRUCTURES-</b>   | -                           | 8 593              | (8 593)            | -                           |
| Other fixed structures                         | -                           | 8 593              | (8 593)            | -                           |
| <b>TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS</b> | <b>-</b>                    | <b>8 593</b>       | <b>(8 593)</b>     | <b>-</b>                    |

**S42 Immovable assets**

**28.2 Assets subjected to transfer in terms of S42 of the PFMA – 2016/17**

|   |
|---|
| Restatement from 1 asset @ 'R 8 593 to R '0 due to incorrect reporting (already included in note 28.1 and Annexure 5) |
|---|

**29. Prior period errors**

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**29.1 Correction of prior period errors**

|  | <i>Note</i>            | <b>2015/16<br/>R'000</b> |
|--|------------------------|--------------------------|
| <b>Assets:</b>   |                        |                          |
| Assets subject to transfer in terms of S42 of the PFMA | 28.1 and<br>Annexure 5 | 8 593                    |
| <b>Net effect</b>                                      |                        | <b>8 593</b>             |

*A facility was built as support to a municipality and recorded in their asset register.*

|   | <i>Note</i> | <b>2015/16<br/>R'000</b> |
|---|-------------|--------------------------|
| <b>Other:</b>   |             |                          |
| Increase irregular expenditure  | 22.4        | 268                      |
| Decrease fruitless & wasteful expenditure   | 23.4        | (88)                     |
| Payables not yet recognised:  | 19.2        |                          |
| Restate goods & services from R '983 to R'2103                                    |             | 1 120                    |
| Restate other from R '1 120 to R'0  |             | (1 120)                  |
| Subnote: move confirmed balance with department<br>to other government entities   |             | (889)                    |
| Amend other government entities   |             | 889                      |
| Increase commitments current approved and<br>contracted from R'30 894 to R'31 574 |             | 680                      |
| <b>Net effect</b>   |             | <b>860</b>               |

- *Increase of irregular expenditure as a result of the investigations being finalised in the Department of the Premier.*
- *Decrease of fruitless and wasteful expenditure as a result of investigations being finalised in the Department of the Premier.*
- *Payables not yet recognised corrected to be reported under "goods and services" as a result of an incorrect classification.*
- *Confirmed balances in terms of fleet management moved from "payables to Departments" to "payables to other government entities".*
- *Commitments increased in terms of the current approved and contracted commitments due unavailability information*

**30. Going concern**

The cumulative financial implications of, note 14 (payables), note 19 (accruals and payables not recognized) will result in a decrease in the 2017/18 budget available for programme expenditure equal to the aggregated amount of these items, which may impact on the delivery of services and the achievement of annual performance plan targets set for the coming year.

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**31. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

| NAME OF MUNICIPALITY   | GRANT ALLOCATION        |            |                 |                 | TRANSFER        |                |  |
|--|-------------------------|------------|-----------------|-----------------|-----------------|----------------|--|
|  | Division of Revenue Act | Roll Overs | Adjustments     | Total Available | Actual Transfer | Funds Withheld | Re-allocations by National Treasury or National Department |
|  | R'000                   | R'000      | R'000           | R'000           | R'000           | R'000          | %  |
| <b>1. Municipal Financial Performance</b>                      |                         |            |                 |                 |                 |                |  |
| Mangaung Metro (Naledi)  | -                       | -          | 5 784           | 5 784           | 5 784           | -              | -  |
| Xhariep  | 17 000                  | -          | -               | 17 000          | 17 000          | -              | -  |
| Masilonyana  | -                       | -          | 12 576          | 12 576          | 12 576          | -              | -  |
| Matjhabeng   | -                       | -          | 2 000           | 2 000           | 2 000           | -              | -  |
| Nala   | -                       | -          | 5 514           | 5 514           | 5 514           | -              | -  |
| Setsoto  | -                       | -          | 5 000           | 5 000           | 5 000           | -              | -  |
| Dihlabeng  | -                       | -          | 1 352           | 1 352           | 1 352           | -              | -  |
| Maluti-a-phofung   | -                       | -          | 2 000           | 2 000           | 2 000           | -              | -  |
| Ngwathe  | -                       | -          | 3 000           | 3 000           | 3 000           | -              | -  |
| Metsimaholo  | -                       | -          | 2 000           | 2 000           | 2 000           | -              | -  |
| Mafube   | -                       | -          | 10 700          | 10 700          | 10 700          | -              | -  |
| Unallocated  | 27 879                  | -          | (27 863)        | 16              | -               | -              | -  |
| <b>2. Provincial Municipal Infrastructure Grant Management</b> |                         |            |                 |                 |                 |                |  |
| Unallocated  | 36 924                  | -          | (36 924)        | -               | -               | -              | -  |
| <b>TOTAL</b>   | <b>81 803</b>           | <b>-</b>   | <b>(14 861)</b> | <b>66 942</b>   | <b>66 926</b>   | <b>-</b>       | <b>-</b>   |

*All funds were transferred into primary bank accounts of the respective municipalities.*

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**ANNEXURE 1A**  
**STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

| NAME OF MUNICIPALITY   | GRANT ALLOCATION        |            |                 |                 | TRANSFER        |                |  | SPENT                           |                              |  | 2015/16                 |
|--|-------------------------|------------|-----------------|-----------------|-----------------|----------------|--|---------------------------------|------------------------------|--|-------------------------|
|  | Division of Revenue Act | Roll Overs | Adjustments     | Total Available | Actual Transfer | Funds Withheld | Re-allocations by National Treasury or National Department | Amount received by municipality | Amount spent by municipality | % of available funds spent by municipality | Division of Revenue Act |
|  | R'000                   | R'000      | R'000           |                 | R'000           | R'000          | %  | R'000                           | R'000                        | %  | R'000                   |
| <b>1. Municipal Financial Performance</b>                      |                         |            |                 |                 |                 |                |  |                                 |                              |  |                         |
| Mangaung Metro (Naledi)  | -                       | -          | 5 784           | 5 784           | 5 784           | -              | -  | 5 784                           | 5 784                        | 100%                                       | -                       |
| Xhariep  | 17 000                  | -          | -               | 17 000          | 17 000          | -              | -  | 17 000                          | 17 000                       | 100%                                       | 3 000                   |
| Masilonyana  | -                       | -          | 12 576          | 12 576          | 12 576          | -              | -  | 12 576                          | 12 576                       | 100%                                       | -                       |
| Matjhabeng   | -                       | -          | 2 000           | 2 000           | 2 000           | -              | -  | 2 000                           | -                            | -  | 16 500                  |
| Nala   | -                       | -          | 5 514           | 5 514           | 5 514           | -              | -  | 5 514                           | 5 514                        | 100%                                       | 2 000                   |
| Setsoto  | -                       | -          | 5 000           | 5 000           | 5 000           | -              | -  | 5 000                           | 5 000                        | 100%                                       | 500                     |
| Dihlabeng  | -                       | -          | 1 352           | 1 352           | 1 352           | -              | -  | 1 352                           | 1 352                        | 100%                                       | 704                     |
| Maluti-a-phofung   | -                       | -          | 2 000           | 2 000           | 2 000           | -              | -  | 2 000                           | -                            | -  | 10 800                  |
| Ngwathe  | -                       | -          | 3 000           | 3 000           | 3 000           | -              | -  | 3 000                           | -                            | -  | -                       |
| Metsimaholo  | -                       | -          | 2 000           | 2 000           | 2 000           | -              | -  | 2 000                           | -                            | -  | -                       |
| Mafube   | -                       | -          | 10 700          | 10 700          | 10 700          | -              | -  | 10 700                          | 10 700                       | 100%                                       | -                       |
| Unallocated  | 27 879                  | -          | (27 863)        | 16              | -               | -              | -  | -                               | -                            | -  | 1                       |
| <b>2. Provincial Municipal Infrastructure Grant Management</b> |                         |            |                 |                 |                 |                |  |                                 |                              |  |                         |
| Moqhaka  | -                       | -          | -               | -               | -               | -              | -  | -                               | -                            | -  | 1 515                   |
| Unallocated  | 36 924                  | -          | (36 924)        | -               | -               | -              | -  | -                               | -                            | -  | 23                      |
| <b>TOTAL</b>   | <b>81 803</b>           | <b>-</b>   | <b>(14 861)</b> | <b>66 942</b>   | <b>66 926</b>   |                |  | <b>66 926</b>                   | <b>57 926</b>                |  | <b>35 043</b>           |

*All funds were transferred into the primary bank account of the respective municipalities. Unspent funds by Municipalities should not be refunded to the Department*

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**ANNEXURE 1B**  
**STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

| DEPARTMENT/ AGENCY/ ACCOUNT | TRANSFER ALLOCATION    |            |             |                 | TRANSFER        |                                  | 2015/16           |
|-----------------------------|------------------------|------------|-------------|-----------------|-----------------|----------------------------------|-------------------|
|                             | Adjusted Appropriation | Roll Overs | Adjustments | Total Available | Actual Transfer | % of Available funds Transferred | Appropriation Act |
|                             | R'000                  | R'000      | R'000       | R'000           | R'000           | %                                | R'000             |
| SABC TV Licences            | -                      | -          | 4           | 4               | 3               | 75%                              | 3                 |
| <b>TOTAL</b>                | -                      | -          | 4           | 4               | 3               | 75%                              | 3                 |

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**ANNEXURE 1C**  
**STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

| NON-PROFIT INSTITUTIONS              | TRANSFER ALLOCATION        |            |             |                 | EXPENDITURE     |                                  | 2015/16           |
|--------------------------------------|----------------------------|------------|-------------|-----------------|-----------------|----------------------------------|-------------------|
|                                      | Adjusted Appropriation Act | Roll overs | Adjustments | Total Available | Actual Transfer | % of Available funds transferred | Appropriation Act |
|                                      | R'000                      | R'000      | R'000       | R'000           | R'000           | %                                | R'000             |
| <b>Transfers</b>                     |                            |            |             |                 |                 |                                  |                   |
| Traditional Institutional Management | 416                        | -          | 8           | 424             | 422             | 100%                             | 363               |
| <b>TOTAL</b>                         | <b>416</b>                 |            | <b>8</b>    | <b>424</b>      | <b>422</b>      |                                  | <b>363</b>        |

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**ANNEXURE 1D**  
**STATEMENT OF TRANSFERS TO HOUSEHOLDS**

| HOUSEHOLDS                              | TRANSFER ALLOCATION        |            |              |                 | EXPENDITURE     |                                  | 215/16            |
|---|----------------------------|------------|--------------|-----------------|-----------------|----------------------------------|-------------------|
|   | Adjusted Appropriation Act | Roll Overs | Adjustments  | Total Available | Actual Transfer | % of Available funds Transferred | Appropriation Act |
|   | R'000                      | R'000      | R'000        | R'000           | R'000           | %                                | R'000             |
| <b>Transfers</b>                        |                            |            |              |                 |                 |                                  |                   |
| H/H Empl S/Ben: Injury on Duty          | 228                        | -          | (226)        | 2               | 1               | 50%                              | 2                 |
| H/H Empl S/Ben: PST Retirement Benefits | -                          | -          | 552          | 552             | 551             | 100%                             | -                 |
| H/H Empl S/Ben: Leave Gratuity          | 1 187                      | -          | (602)        | 585             | 574             | 98%                              | 665               |
| H/H Claims against the state            | -                          | -          | 4 000        | 4 000           | 4 000           | 100%                             | -                 |
| Donations                               | 202                        | -          | (8)          | 194             | 190             | 98%                              | 89                |
| <b>TOTAL</b>                            | <b>1 617</b>               | <b>-</b>   | <b>3 716</b> | <b>5 333</b>    | <b>5 316</b>    |                                  | <b>756</b>        |

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**ANNEXURE 1E**  
**STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

| NAME OF ORGANISATION                            | NATURE OF GIFT, DONATION OR SPONSORSHIP                    | 2016/17      | 2015/16  |
|---|--|--------------|----------|
|   |  | R'000        | R'000    |
| <b>Received in kind</b>                         |  |              |          |
| Department of Water and Sanitation              | Mercedes-Benz Atego 1518k/33 CKD 2 ZA (X2)                 | 2 106        | -        |
| Envision International                          | Acer Aspire ES1-531C17M notebook (x1)                      | 5            | -        |
| Department Of Agriculture and Rural Development | 2 Oxen received on behalf of House and Traditional Leaders | 12           | -        |
| <b>TOTAL</b>                                    |  | <b>2 123</b> | <b>-</b> |

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**ANNEXURE 2A**  
**STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2017**

| Nature of Liability                  | Opening Balance<br>1 April 2016<br>R'000 | Liabilities incurred<br>during the year<br>R'000 | Liabilities<br>paid/cancelled/<br>reduced during<br>the year<br>R'000 | Liabilities<br>recoverable<br>(Provide details<br>hereunder)<br>R'000 | Closing Balance<br>31 March 2017<br>R'000 |
|--------------------------------------|--|--|---|---|---|
| <b>Claims against the department</b> |  |  |   |   |   |
| Morar Incorporated                   | 11 799                                   | -  | -   | -   | 11 799                                    |
| Hynas Security                       | 650                                      | -  | (650)   | -   | -   |
| FFA Incorporated/Kishungu Aviation   | 327                                      | -  | (327)   | -   | -   |
| Management Support Team claims       | -  | 2 725  | (2 641)   | -   | 84  |
| <b>TOTAL</b>                         | <b>12 776</b>                            | <b>2 725</b>                                     | <b>(3 618)</b>  | <b>-</b>  | <b>11 883</b>                             |

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**ANNEXURE 3**  
**CLAIMS RECOVERABLE**

| Government Entity                   | Confirmed balance outstanding |            | Unconfirmed balance outstanding |            | Total      |            | Cash in transit at year end 2016/17                    |          |
|-------------------------------------|-------------------------------|------------|---------------------------------|------------|------------|------------|--|----------|
|                                     | 31/03/2017                    | 31/03/2016 | 31/03/2017                      | 31/03/2016 | 31/03/2017 | 31/03/2016 | 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    |
| <b>Department</b>                   |                               |            |                                 |            |            |            |  |          |
| Free State Human Settlements        | 7                             | 111        | -                               | -          | 7          | 111        | 04/04/2017   | 7        |
| Free State Arts, Sports and Culture | -                             | 1          | -                               | -          | -          | 1          | -  | -        |
| <b>TOTAL</b>                        | <b>7</b>                      | <b>112</b> | <b>-</b>                        | <b>-</b>   | <b>7</b>   | <b>112</b> |  | <b>7</b> |

**(NAME OF NATIONAL/PROVINCIAL DEPARTMENT)  
VOTE**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS  
for the year ended 31 March 2017**

**ANNEXURE 4  
INTER-GOVERNMENT PAYABLES**

| GOVERNMENT ENTITY                              | Confirmed balance outstanding |              | Unconfirmed balance outstanding |            | TOTAL        |              | Cash in transit at year end 2016/17                     |          |
|--|-------------------------------|--------------|---------------------------------|------------|--------------|--------------|---|----------|
|  | 31/03/2017                    | 31/03/2016   | 31/03/2017                      | 31/03/2016 | 31/03/2017   | 31/03/2016   | Payment date up to six (6) working days before year end | Amount   |
|  | R'000                         | R'000        | R'000                           | R'000      | R'000        | R'000        |   | R'000    |
| <b>DEPARTMENTS</b>                             |                               |              |                                 |            |              |              |   |          |
| <b>Current</b>                                 |                               |              |                                 |            |              |              |   |          |
| Free State Premier                             | -                             | 181          | -                               | -          | -            | 181          | -   | -        |
| Free State Public works                        | -                             | 50           | -                               | -          | -            | 50           | -   | -        |
| Free State Social Development                  | 151                           | -            | -                               | -          | 151          | -            | -   | -        |
| Dept of Justice and Constitutional Development | 100                           | -            | -                               | -          | 100          | -            | -   | -        |
| <b>TOTAL</b>                                   | <b>251</b>                    | <b>231</b>   | <b>-</b>                        | <b>-</b>   | <b>251</b>   | <b>231</b>   |   | <b>-</b> |
| <b>OTHER GOVERNMENT ENTITY</b>                 |                               |              |                                 |            |              |              |   |          |
| <b>Current</b>                                 |                               |              |                                 |            |              |              |   |          |
| Fleet Management                               | 1 111                         | 889          | -                               | -          | 1 111        | 889          | -   | -        |
| <b>Subtotal</b>                                | <b>1 111</b>                  | <b>889</b>   |                                 |            | <b>1 111</b> | <b>889</b>   |   | <b>-</b> |
| <b>TOTAL INTERGOVERNMENTAL</b>                 | <b>1 362</b>                  | <b>1 120</b> | <b>-</b>                        | <b>-</b>   | <b>1 362</b> | <b>1 120</b> |   | <b>-</b> |

**ANNEXURE 5  
MOVEMENT IN CAPITAL WORK IN PROGRESS**

**MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2017**

|   | Opening<br>balance<br>R'000 | Current<br>Year<br>Capital<br>WIP<br>R'000 | Completed<br>Assets<br>R'000 | Closing<br>balance<br>R'000 |
|---|-----------------------------|--|------------------------------|-----------------------------|
| <b>BUILDINGS AND OTHER FIXED STRUCTURES</b> | -                           | -  | -                            | -                           |
| Other fixed structures                      | -                           | -  | -                            | -                           |
| <b>TOTAL</b>                                |                             |  |                              |                             |

**MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2016**

|   | Opening<br>balance<br>R'000 | Prior<br>period<br>error<br>R'000 | Current<br>Year<br>Capital<br>WIP<br>R'000 | Completed<br>Assets<br>R'000 | Closing<br>balance<br>R'000 |
|---|-----------------------------|-----------------------------------|--|------------------------------|-----------------------------|
| <b>BUILDINGS AND OTHER FIXED STRUCTURES</b> | 8 593                       |                                   |  | (8 593)                      |                             |
| Other fixed structures                      | 8 593                       |                                   |  | (8 593)                      |                             |
| <b>TOTAL</b>                                | 8 593                       |                                   |  | (8 593)                      |                             |