

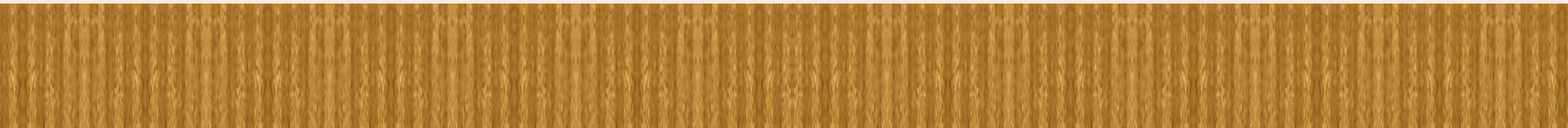


Department of Traditional Affairs

Vote No. 4

Annual Report

2017/2018 Financial Year



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PART A: GENERAL INFORMATION

DEPARTMENT GENERAL INFORMATION

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I. LIST OF ABBREVIATIONS/ACRONYMS

AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
APP	Annual Performance Plan
BAS	Basic Accounting System
B2B	Back to Basics (approach)
CFS	Corporate and Financial Services
CFO	Chief Financial Officer
CGF	Corporate Governance Framework
CoGTA	Cooperative Governance and Traditional Affairs
CRLRC	Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities
CTLDC	Commission on Traditional Leadership Disputes and Claims
CONTRALESA	Congress of Traditional Leaders of South Africa
DBSA	Development Bank of Southern Africa
DAFF	Department of Agriculture, Forestry and Fisheries
DCoG	Department of Cooperative Governance
DDG	Deputy Director-General
DELC	Departmental Executive Leadership Committee
DIO	Deputy Information Officer
DIRCO	Department of International and Cooperative Relations
DG	Director-General
DPSA	Department of Public Service Administration
DTA	Department of Traditional Affairs
ENE	ENE
FY	Financial Year
IDP	Integrated Development Plan
ICT	Information and Communication Technologies
IGMP	Integrated Governance and Management Plan
ISC	Institutional Support and Coordination
KPA	Key Performance Area
KPI	Key Performance Indicator
LGBTI	Lesbian, Gay, Bisexual, Transgender and Intersex
LGTAS	Local Government Turnaround Strategy
LGSETA	Local Government Sector Education and Training Authority

MANCO	Departmental Management Committee
MDC	Municipal Demarcation Board
MINMEC	Minister and Members of Executive Councils Committee
MoU	Memorandum of Understanding
MP	Member of Parliament
MPAT	Management Performance Assessment Tool
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NKC	National Khoi-San Council
NICSA	National Interfaith Council of South Africa
NHTL	National House of Traditional Leaders
ODG	Office of the Director-General
PAIA	Promotion of Access to Information Act
PAJA	Promotion of Administrative Justice Act
PIM	Performance Information Management
PIME	Performance Information Management and Evaluation
PMDS	Performance Management and Development Systems
PPRC	Planning and Performance Review Committee
Provincial House/s	Provincial House/s of Traditional Leaders
RPL	Research, Policy and Legislation
SAHRA	South African Heritage Resources Agency
SALGA	South African Local Government Association
SMS	Senior Management Service
SOP	Standard Operating Procedures
TAB	Traditional Affairs Bill
TC/s	Traditional Council/s
TCo/s	Traditional Court/s
TLGFA	Traditional Leadership and Governance Framework
TKLB	Traditional and Khoi-San Leadership Bill
ToR	Terms of Reference
TATGOF	Traditional Affairs Technical Governance Forum



2. FOREWORD BY THE MINISTER



Dr Zwelini L Mkhize MP
Minister

This report lends an annual account of the performance of the Department of Traditional Affairs for the 2017/18 financial year. It reflects on the key achievements, challenges within the sector and the medium and long term goals that we have set for ourselves during and beyond the current medium term strategic framework (MTSF) period. It gives me pleasure to indicate that we maintained our performance of above 80% throughout the MTSF period.

The Traditional Affairs sector is characterised by a legislation and policy vacuum, which has caused most of the setbacks within the sector. We are aware of the challenges facing the sector due to inadequate legislation and implementation of the current legislation. These challenges include among others, lack of a legal instrument for recognition of the Khoi-San leadership and communities; absence of legal constitution of kings, queens, principal traditional leadership and traditional councils; cultural initiation fatalities; inconsistencies in the

The Department is ready to implement the legislation once the Bill is enacted. Furthermore, a landmark in addressing the legal constitution of structures of traditional leadership was the tabling of the Framework Amendment Bill (FAB) in Parliament in 2016.

provision of tools of trade for traditional leaders; and the level of participation of traditional leadership in municipal councils.

These are thorny issues within the sector and they remain our top priorities. We are determined to move faster and reach finality in providing adequate policy and regulatory frameworks for the sector that will address these impediments. We can report that there is significant progress towards closing most of the legislative obstacles that the sector is facing. In this regard, we have tabled three Bills in Parliament in the past years to address most of the noted challenges.

The COGTA Ministry has been consistent in the past years on our stance of 'zero initiation deaths'. In this area, we have finalised and obtained Cabinet approval to table the Customary Initiation Bill to Parliament during the year under review.

The Department has also introduced the Traditional and Khoi-San Leadership Bill in Parliament in the 2015/16 financial year; and a significant milestone in the year under review was the finalisation of the Bill by the National Assembly and referring it to the National Council of Provinces. It is regrettable that even though this Bill was tabled to Parliament in 2015, it has not yet been finalized by Parliament so that the process of legally recognizing our Khoi-San leaders and communities and addressing most of the aforementioned challenges could start. The Department is ready to implement the legislation once the Bill is enacted.

Furthermore, a landmark in addressing the legal constitution of structures of traditional leadership was the tabling of the Framework Amendment Bill (FAB) in Parliament in 2016. National and Provincial Governments have committed that once the FAB is passed into law, all structures of traditional leadership will be constituted within the legislated timeframes, and the Ministry will achieve its goal of aligning terms of offices of all structures of traditional leadership.

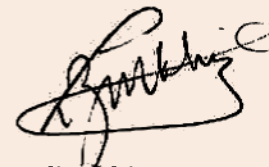
Another issue that has been on the radar screen since the dawn of democracy, in which we made significant progress has been strengthening engagement between the institution of traditional leadership and government. We have convened the Indigenous and Traditional Leadership Indaba during the year under review which provided an opportunity for government and traditional leadership to thresh out thorny issues of the sector. Most of the issues that traditional leaders raised during the Indaba and the debate on the opening of the National House of Traditional Leaders relate to legislative and policy gaps, and some of which will be addressed once the TKLB, FAB and Customary initiation Bill are enacted.

Issues raised in the Indigenous and Traditional Leadership Indaba and during the President's debate on the opening of the NHTL are the crux of the traditional affairs sector and define the agenda of the Department of Traditional Affairs. Therefore, the medium and long term goals of the Department will be the finalisation and implementation of the Programme of Action on Traditional Affairs Matters; the involvement of traditional leadership and communities on the Agrarian Revolution; and providing a policy and legislative environment for the sector.

It gives me great pleasure that the newly constituted 2017-2022 National House of Traditional Leaders has committed to work with us in mobilising traditional leadership structures and communities in the implementation of the above Programme of Action.

I thank the COGTA team, provincial colleagues, the National House of Traditional Leaders, COGTA Portfolio and Select Committees, other structures of traditional leadership and our stakeholders for their contribution in achieving the targets in the traditional affairs 2017/18 annual performance plan.

Despite the noted challenges within the sector, with the direction that we are taking from 2018/2019, we are confident that we will reach our destination of an inclusive, cohesive, developed and sustainable traditional and interfaith communities.



Dr Zweli Mkhize MP
Minister

2. DEPUTY MINISTER STATEMENT



Mr O Bapela MP
Deputy Minister

Collaborative working relations between the three spheres of government and the institution of traditional leadership will have far reaching benefits for traditional communities and rural development in general.

The South African Constitution democratized the institution of traditional leadership and provided for its recognition in the modern dispensation. The Constitution restored the dignity, legitimacy and identity of the institution. To this effect, several pieces of national and provincial legislation gave effect to this provision, establishing houses of traditional leaders, defining the relationship of the institution with local government and specifying powers and responsibilities for the respective authorities. The said policies and pieces of legislation fully integrate the institutions of traditional leadership into democratic governance, development and service delivery processes of a developmental and constitutional state. These pieces of legislation further re-affirm the role of the institution of traditional leadership in governance subject to the Constitution.

As we implement the B2B Approach, there is a need to concretise the role that traditional leadership should play in local governance and the kind of traditional leadership participation in municipal councils and other governance processes for enhanced service delivery within rural

traditional communities. Collaborative working relations between the three spheres of government and the institution of traditional leadership will have far reaching benefits for traditional communities and rural development in general. The establishment of the Department of Traditional Affairs was intended among others, to facilitate this collaboration. It is against this background that the Department will, within the medium term onwards, strive to create, develop and strengthen partnerships and cooperative working relations and programmes with other organs of state to advance delivery of services within traditional communities.

The Department of Traditional Affairs is founded on the following five pillars:

- Restoration, stabilisation and strengthening of traditional leadership institution;
- Development of policies, legislation and regulations towards transformation of the sector;

- Establishment of partnerships for revival and activation of economic activities and participation towards sustainable livelihoods in traditional communities, working in collaboration with other Sector Departments and private sector;
- Promotion of cultural and customary way of life which conforms to the Bill of Rights, Constitutional and democratic principles; and
- Coordination of interfaith to promote social cohesion and nation building

In the early stages of the Department's existence the focus has been more on the first two pillars. During the year under review, it has made a significant progress in moving towards and implementing many projects within its mandate. The 2015-2020 strategic plan has also incorporated several projects spread across all the five pillars and aligning its work to the five thematic areas of the COGTA Back to Basics Approach.

Through the support provided to the institution, we have also seen some laudable results emerging out of the implementation of the B2B approach regarding cooperation between municipal councils and the institution of traditional leadership leading to a number of success stories in line with the B2B pillars.

In Mpumalanga, for example, B2B has fostered harmonious relations between traditional leadership and some municipalities. In the Gert Sibande District Municipality, this cooperation has resulted in local government supporting traditional leaders in terms of resources and capacity building. The Mopani and Vhembe District municipalities in Limpopo are also some of the best practices. They have established Mayoral-District Forums with the two Local Houses of Traditional Leaders, which has improved communication, relations and the involvement of traditional leadership in community development. In the Eastern Cape, traditional leadership is a core member of the Provincial MUNIMEC (Municipalities and MECs forum). We have learnt that the Provincial House of Traditional Leaders invites MECs to its sessions where the development of traditional community areas is discussed. These are best practices, and the Department will look at other best practices which can be shared with other structures of traditional leadership, municipalities and provinces to see if they can be norms and standards nationally.

The highlight of the year under review is the hosting of the long awaited Indigenous and Traditional Leadership Indaba, which will shape the new path for the Department in the coming years. I am confident that together with sector departments, the National House of Traditional Leaders, provincial departments responsible for traditional leadership and other role players in the sector, we will find a way to effectively respond to the resolutions of the Indaba.

Notwithstanding these achievements, we acknowledge that there are still some inconsistencies across provinces regarding tools of trade for traditional leaders, support to the institution of traditional leadership, escalating number of initiation deaths and injuries, traditional leadership disputes and claims, and issues confronting the faith sector. We continue to engage our provincial counterparts to address these issues as a collective.

We thank all our stakeholders' contribution towards these achievements and the Ministry's goals. I call upon our provincial counterparts and structures of traditional leadership at all levels to continue their contribution in this worthy course of positioning the institution as a critical partner in development.

The Ministry is steadfast in restoring the integrity of the institution of traditional leadership. At the same time, we are on course in the development and improvement of the lives of our citizens living in traditional communities.



Mr O Bapela MP
Deputy Minister

4. REPORT OF THE ACCOUNTING OFFICER



Mr MJ Diphofa
Accounting Officer

Evaluation of our interventions and programmes is important to determine what works, what does not work, where, for whom and why, to consequently review our strategies and approaches.

The Department's performance in the past three years of the current MTSF period has been on the rise and above 80%, demonstrating consistency in effective administration of the Department. We have achieved 24 (86%) of the 28 targets and expended 92% of its allocated budget.

The work of the Department contributes to Chapters 6 (inclusive rural economy), 13 (building a capable and developmental state) and 15 (transforming society and uniting the country) of the National Development Plan and their related MTSF government outcomes 7, 9, 12 and 14. This annual report provides performance on the projects that the Department undertook during the 2017/2018 financial year in this regard.

The traditional affairs sector is evolving and we continuously discover emerging challenges that require legal instruments and policies. During the year under review, substantive progress was made in the legislation

arena. Cabinet approved the tabling of the Customary Initiation Bill to Parliament, and the National Assembly finalised and referred both the Traditional and Khoi-San Leadership and the Traditional Leadership and Governance Amendment Bills to the National Council of Provinces.

A landmark for the sector in the 2017/18 financial year was the hosting of the Indigenous and Traditional Leadership Indaba and the follow up Indaba. This started communication between government and traditional leaders and pointed out real issues and challenges within the sector, which have forced us to think differently. Towards addressing these challenges we convened a follow up Indaba and developed a Draft Programme of Action on the Resolutions of the Indaba and an Engagement Model between Government and the institution of Traditional Leaders which will be finalised and implemented in the 2018/19 financial year.

The challenge of participation of traditional leadership in municipal affairs has been facing the sector for long. As an interim measure, while awaiting the enactment of the Traditional and Khoi-San Leadership Bill, in the 2017/2018 financial year, the Department developed Guidelines on Participation of Traditional Leaders in Municipal Integrated Development Plans.

The issue of traditional leadership disputes and claims is the cause of instability within Royal Families and traditional communities. To address this issue, during the reporting period, the Department finalised the Framework for Resolution of Traditional Leadership Disputes and Claims which sets out guidelines for and empowers provinces and structures of traditional leadership in this area. Furthermore, to support the kingships, queenships and principal traditional leadership councils to manage their disputes and claims, the Department also developed a Customary Law of succession and genealogy for the Balobedu Queenship and writing books on customary law of succession and genealogies for Balobedu and AmaNdebele. The challenge is that some of the kingships and queenships are sometimes divided on the information they provide on their customary laws of succession and genealogies and do not endorse the customary laws of succession and genealogies, though they have provided the information. This has posed a challenge for the Department because the purpose of documenting and publishing books in this regard is to obtain endorsement from royal family members to assist them in future disputes and claims.

Furthermore, we previously committed to finalise the backlog of 1 244 claims and disputes that involve kings, queens, senior traditional leadership, headmen and headwomen. Not disregarding the few cases that are still in the courts, the Department can report that all the 1 244 cases have now been processed by the Commission on Traditional Leadership Disputes and Claims, of which 232 were finalised during 2017/2018. We continue to work with the institution and kingships and queenships royal families on this issue to find an amicable solution.

An enormous achievement of the Department and the traditional affairs sector during the year under review is the constitution of the Local and

Provincial Houses of Traditional Leaders and subsequently the 2017-2022 National House of Traditional Leaders in November 2017, following the end of term of Office of the previous Houses.

One of the critical issues that traditional leaders raised during both the Indaba and the debate on the opening of the National House of Traditional Leaders is that government should standardise support to traditional leaders across provinces and 'ensure that the dignity of traditional leaders is restored through the provision of equitable support and resources'. The Department's focus in the past year was monitoring the Framework for the Provision of Tools of Trade for Traditional Leaders which was approved by MINMEC in 2014 to identify best practices and challenges across provinces, for purposes of coming up with better options in this area. The plan for 2018/2019 is to utilise the information collected from the monitoring exercise to come up with a better policy option for provision of tools of trade for the institution of traditional leadership.

Deaths, kidnappings and injuries from cultural initiation practice continue to be a key challenge confronting the Department, traditional affairs sector and society at large. While awaiting Parliament to enact the Customary Initiation Bill, we have Customary Initiation Policy Guidelines and the National Initiation Intervention Plan which we have started implementing from 2017/2018. We also established National and Provincial Initiation Committees in 2017/18 to monitor initiation schools as part of implementation of the Policy Guidelines and will continue to strengthen institutional mechanisms at national and provincial levels to improve implementation of the Guidelines.

Achievement of the traditional affairs goals are amongst others dependent on the functionality of structures of traditional leadership and the institution of traditional leadership that is empowered and capacitated to work with government to enhance rural development. Hence, improving the functionality of traditional councils remains our priority as we move towards the end of the 2014-2020 MTSF period. During the reporting period we monitored implementation of the Provincial TCs Support Plans in 7 provinces which were developed during the 2016/17

financial year, and we will continue until the end of the MTSF. Moreover, in 2017/2018 the Department further developed the National Traditional Affairs Institutional Development and Capacity Building Plan (TAIDCB).

The needs of the traditional affairs sector require collaboration with sector departments, provincial departments responsible for traditional affairs, public entities and other spheres of government. This places partnerships as a critical element of the work of the department and calls for effective coordination of all role players within the sector. In this regard, the Department facilitated partnerships with the Department of Rural development and Land Reform and the Human Science Research Council.

Evaluation of our interventions and programmes is important to determine what works, what does not work, where, for whom and why, to consequently review our strategies and approaches. From the beginning of this MTSF to date, the Department has conducted four evaluations of which one, namely, evaluability assessment of the TAIDCB, was conducted during the reporting period. From this evaluation, the TAIDCB will be revised in the 2018/2019 financial year to ensure that it provides an approach suitable for capacity building and institutional development needs of the traditional affairs sector and responds to issues in the Programmes of Action on Traditional Affairs Matters and on Agrarian Revolution.

Non-regulation of the faith institutions has in the past years shown to be posing challenges within the faith sector, which were also pointed out in the report of the Commission on the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities in 2016. During 2017/2018 financial year, the Department conducted research on the regulation of the faith sector in two countries to inform policy decisions in this sector. During the remainder of the MTSF period the Department will continue researching better policy options in this area of its work.

Our focus in the remaining two years of the 2014/15-2019/20 MTSF period will be on the implementation of the Programme of Action on Traditional Affairs Matters and on facilitating effective involvement of traditional leadership in the Agrarian Revolution.



Departmental Receipts

Departmental Receipts	2017/2018			2016/2017		
	Estimate	Actual Amount Collected	(Over)/Under Collection {XE "Expenditure"}	Estimate	Actual Amount Collected	(Over)/Under Collection {XE "Expenditure"}
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	98	98	-	69	69	-
Sale of capital assets	-	-	-	915	915	-
Total	98	98	-	984	984	-

Revenue is derived mainly from parking fees and commission fees charged to third parties. The table above depicts a significant decrease of revenue collection in the current financial year as compared to the previous financial year which was attributed to the salvage amount received from the insurance company.

Programme Expenditure

Programme Name	2017/2018			2016/2017		
	Final Appropriation	Actual Expenditure	Under Expenditure {XE "Expenditure"}	Final Appropriation	Actual Expenditure	Under Expenditure {XE "Expenditure"}
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	43 446	39 753	3 693	37 489	35 987	1 502
Research, Policy and Legislation	16 644	13 994	2 650	13 555	12 846	709
Institutional Support and Coordination	92 416	85 811	6 605	82 954	81 821	1 133
Total	152 506	139 558	12 948	133 998	130 654	3 344

The table above depicts that the Department underspent on its appropriated budget and this is attributed mainly to end of term of office of the Commission on Traditional Leadership Disputes and Claims on 31 December 2017. Furthermore, the low spending on compensation of employees (CoE) is due to some of the critical positions not being filled during the reporting period.

Virements/Roll Overs

Virements were done in line with Section 43 of the Public Finance Management Act. Funds were moved from Programme 2 to Programme 1 to defray excess spending on CoE due to misalignment of the budget with the approved Estimates of National Expenditure budget.

There was no unauthorised expenditure during the year under review, however, the Department incurred unauthorised expenditure during 2014/15 financial year which is a balance carried forward.

Future Plans of the Department

Future plans of the Department are:

- a) Implementation of the Programmes of Action on Traditional Affairs Matters and Agrarian Revolution.
- b) Supporting parliamentary processes towards enactment of the above-mentioned Bills and development of policy and regulatory frameworks for the sector.
- c) Improving implementation of current national legislation across provinces, among others, strengthening the participation and involvement of the institution of traditional leadership in municipal council and ensuring legal constitution of all structures of traditional leadership (kings, queens, principal traditional leadership and traditional councils and houses of traditional leaders).
- d) Setting up institutional arrangements for implementation of the TKLB, FAB and CIB once they are enacted.
- e) Providing enabling regulatory and policy frameworks to address some of the issues raised during the Indaba in the two Programmes of Action which will not be addressed by the three Bills.

Public Private Partnerships

For the period under review, the Department did not have Public-Private Partnerships.

Discontinued Activities/Activities to be Discontinued

There were no discontinued activities.

New or Proposed Activities

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

Supply Chain Management

The Supply Chain Management (SCM) policy of the Department was reviewed to align it with new directives from the Office of the Chief Procurement Officer. Systems were put in place to mitigate and prevent fruitless and wasteful, irregular and unauthorised expenditure through workshops on supply chain Management.

Gifts and Donations Received in Kind from Non-Related Parties

As it was reported in the previous financial years, during the period under review, the Local Government Sector Education and Training Authority (LGSETA) provided the Department with 2 Interns, of which the SETA remunerated through discretionary grants.

Exemptions and Deviations Received from the National Treasury

National Treasury granted approval to participate in a Travel Management Contract arranged by the Department of Cooperative Governance. The exemption was granted on condition that the Department appoints its Travel Management Agent within a period of 9 months and ensures compliance with Section 217 of the Constitution.

The Department established functional SCM committees, a project plan was developed, and it is envisaged that the tender process for the appointment of the Travel Management Agent within the afore-mentioned period.

Events After the Reporting Date

There were no events after the reporting date.

Other

None

Acknowledgement/s or Appreciation and Conclusion

The achievement of the many targets in the year under review was made possible by dedicated officials working optimally with limited resources, and the cooperation and support from our provincial counterparts, the National House of Traditional Leaders and our various stakeholders.

We thank the Minister and the Deputy Ministers for their political leadership and guidance provided throughout the year under review as well as the Audit Committee.

Approval and Sign Off



Mr MJ Diphofa
Accounting Officer
Date: 31 May 2018



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

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

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

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

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

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

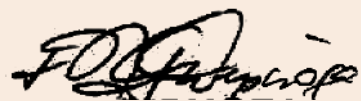
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the Department for the financial year ended 31 March 2018.

Yours faithfully,



Mr MJ Diphofa
Accounting Officer
Date: 31 May 2018

6. STRATEGIC OVERVIEW

6.1 Vision

Transformed, cohesive, developed and sustainable traditional and interfaith communities.

6.2 Mission

Informed by the NDP, MTSF (government outcomes) and Back-to-Basics, the Department's mission is to transform, develop and promote cohesiveness of traditional and interfaith communities through:

- Monitoring and providing support to the institution in its administration of the affairs of traditional communities in accordance with customs and traditions;
- Developing mechanisms for structures of traditional leadership to support municipalities in the identification of community needs;
- Facilitating the involvement of traditional communities in the development or amendment of IDPs within their areas;
- Monitoring and providing support to the structures of traditional leadership in their participation and promotion of development and service delivery within their communities;
- Monitoring the participation of structures of traditional leadership in the development of policy and legislation at local level;
- Monitoring the participation of structures of traditional leadership in the development programmes of municipalities, provincial and national spheres of government;
- Monitoring the promotion of the ideals of cooperative governance, integrated development planning, sustainable development and service delivery by structures of traditional leadership;
- Monitoring the promotion of indigenous knowledge systems by the institution of traditional leadership;
- Developing appropriate policies, legislation, norms, standards, systems and regulatory framework governing traditional affairs; and
- Coordinating the interfaith sector to promote social cohesion and nation building

6.3 Values

- Community and development oriented
- Accountability
- Professionalism
- Integrity
- Excellence
- Respect
- Team work
- Information sharing and communication

7. LEGISLATIVE AND OTHER MANDATES

The Department's mandate extends beyond traditional, Khoi and San leadership and communities and includes overseeing a full range of tasks inherent in dealing with all issues of traditional affairs; and it is informed by the following legislative framework:

7.1 Constitutional Mandate

The work of the Department is derived from *Chapter 12 of the Constitution*, relevant policies, the legislation administered by the Department, national policies and laws relating to the public service as a whole, and those pieces of legislation that promote constitutional goals such as equality and accountability.

The Department's mandate is derived from the *Section 211 of the Constitution* of the Republic of South Africa, 1996, which states that "the institution, status and role of traditional leadership, according to customary law, are recognised, subject to the Constitution. A traditional authority that observes a system of customary law may function subject to any applicable legislation and customs, which includes amendments to, or repeal of, that legislation or those customs. The courts must apply customary law when that law is applicable, subject to the Constitution and any legislation that specifically deals with customary law".

The Department's mandate is also derived from Section 212 of the Constitution which stipulates that "national legislation may provide for a role for traditional leadership as an institution at local level on matters affecting local communities. To deal with matters relating to traditional leadership, the role of traditional leaders, customary law and the customs of communities observing a system of customary law. National or provincial legislation may provide for the establishment of houses of traditional leaders; and national legislation may establish a council of traditional leaders".

The Department's mandate is also informed by Part A of Schedule 4 of the Constitution, which states that "indigenous law, customary law and traditional leadership are both functional areas of concurrent national and provincial legislative competence, subject to the provisions of Chapter 12 of the Constitution".

Furthermore, the Department's mandate is informed by *chapter 30 of the Constitution - Language and Culture* and it states that "everyone has the right to use the language and participate in the cultural life of their choice, but no-one exercising these rights may do so in a manner inconsistent with any provision of the Bill of Rights".

In addition, the Department's mandate is informed by *Section 31 of the Constitution on Cultural, Religious and Linguistic Communities*, which states that "persons belonging to a cultural, religious or linguistic community may not be denied the right, with other members of that community to enjoy their culture, practice their religion and use their language; to form, join or maintain cultural, religious and linguistic associations and other organs of civil society. It further states that the rights in this section may not be exercised in a manner inconsistent with any provision of the Bill of Rights".

7.2 Legislative Mandates

In addition to the constitutional mandate, the Department's mandate is also informed by the following three pieces of legislation that it administers:

Traditional Leadership and Governance Framework Act (TLGFA), 2003 (Act No. 41 of 2003)

The Department also derives its mandate from the TLGFA. Section 19 of the TLGFA places a responsibility for the Department or a provincial government, as the case may be, may, through legislative or other measures, to provide a role for traditional councils or traditional leaders in respect of arts and culture; land administration; Agriculture; health; welfare; the administration of justice; safety and security; the registration of births, deaths and customary marriages; economic development; environment; tourism; disaster Management; the Management of natural resources; the dissemination of information relating to government policies and programmes; and education. Section 20 of the TLGFA also outlines the responsibilities and conditions for the Department when allocating the above mentioned roles to traditional leaders and traditional councils.

The TLGFA also provides for the recognition of traditional communities, the establishment and recognition of traditional councils, leadership positions within the institution of traditional leadership, the recognition of traditional leaders and the removal from office of traditional leaders. It also provides for houses of traditional leaders, the functions and roles of traditional leaders, dispute resolution and the establishment of the Commission on Traditional Leadership Disputes and Claims (CTLDC); which subsequently informs the Department's legislative mandate.

National House of Traditional Leaders (NHTL) Act, 2009 (Act No. 22 of 2009)

The NHTL Act provides for national legislation to establish the National House of Traditional Leaders and determines the powers, duties and responsibilities of the House. It furthermore provides for support to the House by national government, the relationship between the House and the Provincial Houses, and the accountability of the House. Therefore, the NHTL Act places a responsibility to the Department to provide support to the National House of Traditional Leaders.

Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities Act (Act 19 of 2002)

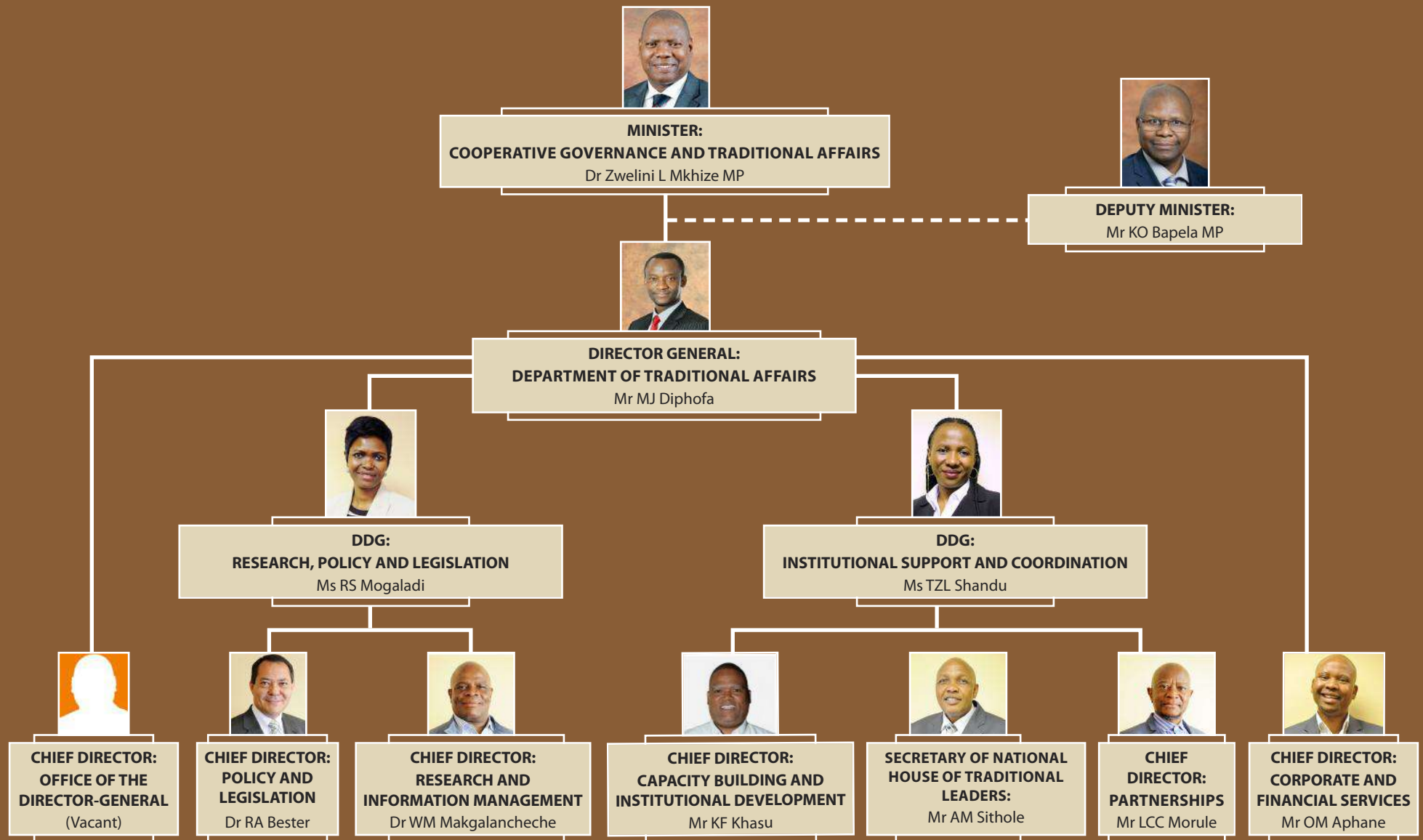
This Act provides for the promotion and protection of the rights of cultural, religious and Linguistic Communities, inclusive of traditional communities, Khoi and San and Interfaith.

7.3 Policy Mandate

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



8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MINISTER

The table below indicates the entities that report to the Minister.

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
CRL Rights Commission	Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities Act (Act 19 of 2002). The Commission's mandate is to promote and protect the rights of Cultural, Religious and Linguistic Communities, inclusive of traditional, Khoi-San and interfaith communities	Transfer payment	Transfer
National House of Traditional Leaders	Derives its mandate from the NHTL Act and its mandate is to advise government on traditional leadership and interests of traditional communities	It is a sub-programme of the Institutional Support and Coordination (ISC) Programme	The Entity is allocated a budget from the ISC Programme
Commission on Traditional Leadership Disputes and Claims	To investigate traditional leadership disputes and claims and recommend to government thereof	It is a sub-programme of the Institutional Support and Coordination Programme	The Entity is allocated a budget from the ISC Programme

PART B: PERFORMANCE INFORMATION

1. REPORT OF THE AUDITOR GENERAL: PREDETERMINED OBJECTIVES

Refer to page 87 of the Report of the Auditor General, published as Part E: Financial Information

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

In South Africa, the institution of traditional leadership exists alongside a democratic dispensation. The pertinent question that needs to be posed is about the location of the institution of traditional leadership in the context of the modern governance system. Research conducted on political transformation worldwide has shown that modern societies and systems of governance are constantly changing. It is evident that traditional institutions and governance have not kept pace with political, economic and social transformation. There is, therefore, creative tension between democratic and indigenous governance structures.

It is important to note that in countries where functions and duties of elected representatives and traditional leaders are not harmonised, the conflicts and overlap of functions have become extremely detrimental to local traditional communities and development. Countries such as South Africa, Zimbabwe and Ghana opted to harmonise the role of traditional leaders and elected representatives. This was achieved because the roles and responsibilities of each authority are distinct and are supposed to complement each other.

In most African countries, despite challenges encountered, traditional rule has been persistent over the years. Analysts have given a wide range of possible explanations for this phenomenon, focusing on various sources of legitimacy, issues of performance or function, and leadership qualities. These analysts have drawn different conclusions, most notably with regard to whether they believe that traditional rule survives and thrives because of the support of civil society, or because of the state, contrary to the will of the rural communities themselves.

The challenge pertaining to the location and developmental role of traditional leaders continues to be elusive. Traditional leaders represent the remnants of the pre-colonial cultural features as defined in Article 1, No. 169 of Indigenous and Tribal Peoples Convention, which states that “tribal peoples in independent countries whose social, cultural and economic conditions distinguish them from other sections of the national community, and whose status is regulated wholly or partially by their own customs or traditions, or by special laws or regulations.”

Almost 21 million people constitute rural and traditional communities in South Africa. Therefore, the strategic role of the Department of Traditional Affairs (DTA) is to strengthen this institution of traditional leadership to discharge its role of promoting and contributing to service delivery, socio-economic development, nation building, moral regeneration and preservation of customs and culture within their geographic areas.

The Department’s key partners are traditional leaders, Khoi and San and the interfaith sector. There are 8241 recognised traditional leaders by the state and the Department’s mandate is to ensure that they are supported to fulfil their roles within their communities.

One of the pillars of the Department's mandate as derived from Section 185 (1) (b) of the Constitution is to ensure the promotion and protection of indigenous languages, heritage, customs, cultural and traditional practices, and interfaith. In line with this section, the Department should ensure that the heritage of traditional, interfaith, Khoi and San communities are promoted, restored and protected. Furthermore, the Department should ensure that there are harmonious relations between and within cultural, religious and linguistic communities. To this end, the Department has developed institutional mechanisms to support and promote interfaith formations, and has entered into a Memorandum of Understanding with the South African Heritage Resource Agency for the identification and restoration of traditional leadership, Khoi and San heritage sites for cultural tourism attraction and therefore contribution to socio-economic development in these communities. In addition, the Department succeeded in institutionalising its support to the Khoi and San structures and has established the National Khoi and San Council for engagement with government on Khoi-San issues.

The Department will continue to support and strengthen the National Interfaith Council of South Africa (NICSA). Together with NICSA, the Department established three interfaith structures at provincial level. These efforts, as well as the involvement of the Department in the NICSA planning processes and vice versa, are good opportunities for government to achieve national unity and social cohesion in the country. In addition, the Department will continue its support to the NHTL, CTLDC and CRL Rights Commission to ensure that they achieve their mandates.

Despite the highlighted successes, the Department is still experiencing the following challenges that require interventions to ensure that improved service delivery in communities under the jurisdiction of traditional leaders is not stumbled:

Addressing Cultural Initiation Challenges Towards Achieving Zero Deaths from the Practice

Though several interventions to eliminate deaths and injuries from initiation cultural practice were implemented, the Department is still experiencing challenges in this regard, which are mainly caused by inadequate regulatory environment for the practice resulting in mushrooming of illegal initiation schools. The Ministry obtained Cabinet approval of the National Cultural Initiation Policy during 2016/17; and subsequently a draft National Cultural Initiation Bill was developed. It is envisaged that the Bill will be presented to Cabinet for approval and consequently tabled in Parliament during the current financial year.

Though not easy to reduce initiation deaths due to the mushrooming of illegal initiation schools, the Ministry, working closely with the NHTL and the South African Police Services, continues to monitor all registered initiation schools throughout the country during both initiation season and ensure that the criminal elements within the practices are arrested.

Meaningful Participation and Involvement of Traditional Leadership in Government Structures

Central to service delivery within traditional communities and the success of the B2B approach, is the capacity and functionality of traditional leadership and structures to participate meaningfully in government planning and implementation of programmes, including effective participation in the integrated development planning (IDP) processes. Research conducted by the Department found that there is inadequate participation of the institution of traditional leadership in municipal councils and service delivery projects. This finding is partly due to limitations in the existing legislation. In this regard, the limitations of the Local Government Municipal Structures Act of 1998 and the processes

provided for in Section 81 of the Act in respect of the participation of traditional leaders in municipal councils are inadequate. It is thus significant for the participation of the institution of traditional leadership within municipal councils to be regulated, structured and guided. In this regard, the Ministry has drafted regulations on the participation of traditional leaders in municipal councils in the past financial year. Among others, the Traditional and Khoi-San Leadership Bill and review of the Municipal Structures Act will address this challenge.

Despite the above challenges, studies conducted by the Department indicated that there are pockets of excellence within the institution of traditional leadership regarding working relationships between the institution and local government structures. Furthermore, the findings of the assessment and profiling of traditional councils in 2013 indicated that there are best practices on working relations between traditional leaders and local government structures in some provinces, including successful traditional leadership projects for socio-economic and rural development at community level, effective participation of traditional leadership in municipal councils, best partnerships for community development between traditional leadership, private and government institutions. These are opportunities which the Department will leverage to create sustainable development within traditional communities and to advance rural development. In 2017/18, the Department will share these practices and look at how they can be replicated in other parts of the country.

Court Litigations on Traditional Leadership Claims and Disputes

One of the core element of the department's mandate is to create stability, peace and cohesive traditional communities. The acceptance of the recommendation of the CTLDC by government on the recognised kingships resulted in dissatisfactions amongst some claimants or interested parties. Dissatisfied parties have approached the high court to seek relief or to overturn the recommendations of the CTLDC and decision of government. This poses a challenge for the Department and

could delay the establishment of kings' councils in areas where the kingship is still in court, as well as the performance of CTLDC. This challenge subsequently renders the affected kings ineffective because they cannot operate as kings and perform their community development functions. This issue also leads to tensions and conflict which affects stability of the affected communities.

In addition, and related to the CTLDC disputes and claims, the Department has since realised that outside of traditional leadership disputes and claims handled by the CTLDC, there are also other disputes across the country which impedes development of traditional communities. Instead of TCs focusing on developing their communities, the efforts are channelled towards fighting for leadership positions and other kinds of disputes. As the first phase towards addressing this challenge, the Department collected baseline information on traditional leadership disputes and claims in eight provinces and turn-around times for processing the disputes in six provinces, namely, Eastern Cape, Gauteng, Northern Cape, Mpumalanga, Kwa-Zulu Natal and Limpopo. The six provinces combined have a total of 51 leadership disputes and claims, of which 46 are for traditional leadership positions and succession claims and disputes and 2 are boundary disputes.

From this exercise it was established that the types of disputes and claims were the same across all provinces. They fall broadly within the following categories: traditional leadership position, land and boundary and customary roles associated with the royal family. Most provinces do not have systems and legislative frameworks to deal with the disputes and therefore necessary for national to support and provide national norms and standards on dealing with disputes and claims. Emanating from this exercise, the Department developed the Traditional Leadership Dispute and Claims Resolution Framework which will be extensively consulted with all structures of traditional leadership. The core focus of the Framework is to empower and support provinces, kingships, queenships, houses of traditional leader and traditional councils to establish effective

systems of claims Management and dispute resolutions. It is envisaged that the Framework will be finalised and implemented before the end of the 2014-2019 MTSF period. Furthermore, to address this matter, the Department finalised genealogies and customary laws of succession for kingships in the year under review.

Formal Recognition and Affirmation of Khoi and San Leadership, Structures and Communities

The other challenge within the traditional affairs sector is the absence of statutory recognition and affirmation of Khoi-San communities and leaders. This matter is a threat to service delivery and stability in the Khoi-San communities, hence, it is one of the policy priorities of the Department in the 2015-2020 Strategic Plan. To address this matter, the Traditional and Khoi-San Leadership Bill was tabled in Parliament in 2015/16. Among others, the Bill is intended for legal recognition of Khoi-San communities, structures and leadership.

Furthermore, since the Bill makes provision for development of Regulations, the Department will develop Regulations for Traditional and Khoi-San Leadership Bill in preparation for its implementation once enacted. In addition, one of the priorities in the Strategic Plan is the development of **Guidelines on Khoi-San branches** to assist the Advisory Committee on Khoi-San Matters during the recognition process of Khoi-San communities, leaders and branches as provided for in the Traditional and Khoi-San Leadership Bill.

Performance of the Institution on its Role in Socio-Economic Development of Traditional Communities

Some of the legislated roles of structures of traditional leadership are effective participation and involvement in socio-economic development programmes of municipalities, provincial and national spheres of government; and to support municipalities in the development of community needs. Notwithstanding that some of the structures of traditional leadership are able to perform these roles and there are successful traditional leadership projects for socio-economic and rural

development at community level, best partnerships for community development between traditional leadership, private and government institutions, many structures are not. Some of the challenges in this regard are capacity and financial challenges within structures of traditional leadership.

One of the findings of the assessment of state of governance of traditional leadership structures indicated that the main factor that contributes to traditional leadership not being able to play their supportive role to government in socio-economic development is inadequate understanding of the mandate of the institution in the democratic dispensation. In addition, the institution has inadequate resources and skills to be at the centre of development and form an integral part of the South African governance system - the core of its existence and functions. This challenge requires a long term strategy and approach that will result in well capacitated and sustainable institutions that are self-sustaining through community initiatives and private partnerships with limited dependence on government for support. The Department will review and implement the Traditional Affairs Capacity Building Plan and the National Traditional Leadership Socio-Economic Development Programme to ensure that the institution is empowered to perform their development and moral regeneration functions.

Furthermore, the Department developed the Framework for Provision of Tools of Trade for Traditional Leaders. The Framework provides norms and standards for provision of minimum resources to traditional leadership structures to deliver on their mandate. Most of the systems for government support for the institution of traditional leadership are now established and institutionalised; during the MTSF period, the Department will focus on monitoring the implementation of these framework of the Framework and ensure its full implementation by provinces. In addition, as noted above, the Traditional Councils Governance and Funding Model which will be developed during the current MTSF will also reinforce the existing framework and interventions aimed at capacitating the institution to play its developmental role.

Traditional leaders hold natural resources such as land, minerals in trust for traditional communities, they have the opportunity to enter in partnerships for development of their communities. In this regard, different levels of traditional leadership have established partnerships for rural development with the private and public sector institutions. The challenge is that there is no coordinated mechanism for these partnerships and in some cases they do not benefit communities to the extent that they should because the traditional leadership institutions are not adequately empowered to manage the contractual agreements and relationships resulting from these partnerships. The Department, as a coordinator of traditional affairs across the three spheres of government, developed a Partnership Model that provides a framework, norms and standards for effective Management of partnerships within the institution. To address this challenge, in the current MTSF, the Department will review the Traditional Leadership Capacity Building Programme to include a project that will capacitate the institution on establishment and Management of partnerships and contractual agreements. Furthermore, we will identify and establish national traditional affairs partnerships that will move the institution into the developmental trajectory.

2.2 Service Delivery Improvement Plan

The Department has completed a service delivery improvement plan (SDIP) and it was approved by the Minister during 2017; and subsequently submitted it to the Minister of Public Service and Administration. The tables below highlight the service delivery plan and the achievements to date.



Main Services and Standards

Main Services	Beneficiaries	Actual Standard of Service	Desired Standard of Service	Actual Achievement
Resolve traditional leadership disputes and claims	Traditional Leaders and traditional communities	1244 traditional leadership disputes and claims finalised by 31 Mar 2018	1244 traditional leadership disputes and claims finalised by 31 Mar 2018	1244 leadership disputes and claims were finalised
		Investigate cases and produce investigation report within 2 months	Investigate cases and produce investigation report within 2 months	Cases were investigated and reports were produced within 2 months
		A maximum of three months is used to finalise complex cases lodged with the Commission	A maximum of three months is used to finalise complex cases lodged with the Commission	In all complex cases a maximum of 3 months or less was taken
		No Guidelines and Framework for resolution of traditional leadership disputes and claims	Framework for resolution of traditional leadership disputes and claims developed	Framework for resolution of traditional leadership disputes and claims developed and implemented
		No tool used by Royal Family in resolving their traditional leadership disputes and claims	Customary laws of succession and genealogies for kingships and queenships developed	Customary laws of succession and genealogies for kingships and queenships were developed
		Provinces not capacitated to deal with disputes and claims	Provide support to Provinces to ensure that structures of traditional leadership are able to address the needs of communities and avoid concerns which have a potential to become a dispute	Support was provided to Provinces through the Houses of Traditional Leaders to ensure that structures of traditional leadership are able to address communities and avoid concerns which have a potential to become a dispute
		Inadequate technical human resources for CTLDC	Officials in the Research Directorate of the Department to assist CTLDC as and when required	Officials in the Research Directorate of the Department assisted CTLDC when they were requested.

Batho Pele Arrangements with Beneficiaries (Consultation access etc.)

Current/Actual Arrangements	Desired Arrangements	Actual Achievements
Briefing sessions with affected claimants.	Sessions with affected claimants.	Briefing sessions were held with the affected claimants.
Facilitating public hearings/interviews with claimants prior to development of a report to the relevant authority.	Public hearings/interviews with claimants prior to development of a report to the relevant authority.	Public hearings were held with claimants as part of the process prior to finalisation of investigations and recommendations to the relevant authorities.

Service Delivery Information Tool

Current/Actual Information Tools	Desired Information Tools	Actual Achievements
Claimants are taken through the qualification criteria for lodgement of disputes and claims and for the recognition of different levels of traditional leadership as outlined in the Traditional Leadership Governance Framework Act.	Qualification criteria for lodgement of disputes and claims and for the recognition of different levels of traditional leadership.	Claimants were taken through the qualification criteria for lodgement of disputes and claims and for the recognition of different levels of traditional leadership as outlined in the Traditional Leadership Governance Framework Act.

Complaints Mechanism

Current/Actual Complaints Mechanism	Desired Complaints Mechanism	Actual Achievements
When a claimant is aggrieved by the results or outcome of the investigation or reports by the CTLDC regarding his/her claim or dispute, he/she can approach the courts.	When a claimant is aggrieved by the results or outcome of the investigation or reports by the CTLDC regarding his/her claim or dispute, he/she can approach the courts.	Claimants were informed that if they are not in agreement with the outcome of their claim from CTLDC, they can take it through the legal processes (courts).

2.3 Organisational Environment

The Department conducted a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis in August 2017. The analysis indicated that one of the main challenges of the Department is the misalignment between the Strategic Plan and the Organisational Structure, which might affect achievement of the strategic goals and objectives. In this regard, there are some of the core functions of the Department that are not adequately provided for by the structure. This challenge has also

negatively affected the Department’s focus on other critical thrusts of its mandate, which were not given adequate attention from 2014-2016.

Some of the following functions that are the core mandate of the Department are either not catered for or pitched at a much lower level in the organisational structure:

- Policy and legislation implementation (included at a lower level);
- Khoi-San issues (not included);
- Traditional leadership disputes and claims (included at a lower level)
- Traditional communities cultural and heritage development (not included);
- Gender equity and empowerment of women and other vulnerable groups within traditional communities on harmful and discriminatory cultural and interfaith practices (not included); and
- Interfaith issues.

Furthermore, some of the standard programme 1 functions such as strategic planning and performance reporting, strategic support to the DG and risk Management are also not included in the structure. The Department has reviewed its organisational structure in 2017 to close these gaps. It is envisaged that during the 2018/19 financial year, the organisational structure will be finalised and submitted to DPSA and National Treasury for concurrence. In the interim, while awaiting approval of the Structure, the Department has included targets on some of these functions in the revised 2015-2020 Strategic Plan and 2018/19 APP.

The Department through the Management Performance Assessment Tool (MPAT) did self-assessment of its corporate governance systems, which identified gaps within the Department. Internal Audit has also pointed out some of the internal control weaknesses and recommended actions to address them. During the 2017/2018 financial year, the Department developed an Integrated Governance and Management Plan (IGMP) with actions aimed at addressing weaknesses identified by the Auditor General, Internal Audit and MPAT. Progress on implementation of the IGMP was monitored quarterly during the 2017/18 financial year as part of the Departmental quarterly performance reviews.

During the period under review, there were three traditional affairs entities that report to the Minister of Cooperative Governance and Traditional Affairs, which supported the work of the Department and contributed to the achievement of the 2017/18 APP targets. The three entities were National House of Traditional Leaders (NHTL), Commission on Traditional Leadership Disputes and Claims (CTLDC) and the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities (CRLRC). The term of Office of the CTLDC came to an end on 31 December 2017. However, the other two are permanent entities; the CRL Rights is a Chapter 9 institution and the NHTL is a sub-programme of the Institutional Support and Coordination Programme.

The work of the Department requires strong coordination, due to a plethora of public, semi-public and private institutions that contribute to traditional affairs functions. In this regard, the Department has established several strategic partnerships with both the private sector and public sector institutions. The Department has signed memoranda of understanding with various government departments, entities and private sector institutions. Among others, the Department implemented some of its 2017/2018 projects through the following key partnerships that have contributed to the achievement of the Department's strategic objectives and mandate for the benefit of communities:

- The DT-Anglo Platinum Limited partnership for skills and economic development of traditional communities where Anglo Platinum has mining operations.
- The DTA-South African Heritage Resource Agency partnership for the identification, restoration and development of traditional, Khoi-San and Interfaith sacred and heritage sites into cultural tourism attraction sites.
- A cooperation agreement with the South African Justice College for training of Traditional Leadership on indigenous/customary law and restorative justice.
- DTA-World Vision South Africa for the promotion of the rights of children in traditional communities.

Internally, the Department has three programmes, as indicated in the organisational structure above. The three programmes are Administration; Research, Policy and Legislation; and Institutional Support and Coordination. The Administration Programme is comprised of Internal Audit, Office of the Director-General and Corporate and Financial Services. The Administration Programme functions are performed by two Chief Directorates and the Internal Audit Directorate reporting to the Director-General, namely Chief Director: Corporate Services and Chief Director: Office of the Director-General, and the Director: Internal Audit.

2.4 Key Policy Developments and Legislative Changes

There were no policy and legislative changes which affected the Department's operations during the period under review. However, once the two Bills, i.e. the Traditional and Khoi-San Leadership Bill and Customary Initiation Bill are enacted, they will affect the operations of the Department and will require additional resources to implement them.

3 STRATEGIC OUTCOME ORIENTED GOALS

The Department's Strategic Outcome-Oriented Goals as per the Strategic Plan

The Department does not lead any of the 14 Government Outcomes and therefore does not directly contribute to any of the Outcomes, hence, the focus on this section is highlighting significant achievements to the Department's Strategic Outcome-Oriented Goals, and subsequently provide progress towards the towards the achievement of the 5-year targets.

The Department has the following four strategic outcome oriented goals:

- Functional and accountable institution of traditional leadership;
- Community development-oriented and sustainable institution of traditional leadership;
- Inclusive, transformed, stable and cohesive traditional and interfaith communities; and
- Development-oriented, effective and efficient Department

Significant Achievements to the Department’s Strategic Outcome Oriented Goals

Below are the significant achievements for each of the Department’s Strategic Outcome-Oriented Goals:

Goals	Goal Indicators and Targets	Achievements From 2014/15 Financial Year to Date
Functional and accountable institution of traditional leadership	75% of houses of traditional leaders, kingship/queenship councils and traditional councils functional as per their functionality criteria and indicators through assessment of functionality of 75% structures of traditional leadership at all levels.	<p>There are 879 structures of traditional leadership, of which 37 are houses of traditional leaders, 829 are traditional councils and 11 are kingships and 2 are principal traditional leadership.</p> <p>Assessment of the functionality of 466 out of 879, i.e. 53% of structures of traditional leadership was conducted. The assessment focused on TCs only and not the houses of traditional leaders, kingship/queenship councils and principal traditional leadership councils</p> <p>From the assessment 206 (23%) of structures of traditional leadership are functional, and 231 (26%) are functional but at risk. Therefore, 437 (50%) of structures of traditional leadership are functional as per the functionality criteria developed by the Department</p>
Community development-oriented and sustainable institution of traditional leadership	<p>75% of traditional councils and local houses of traditional leaders participating effectively and meaningfully in local municipalities IDP processes and projects that enhance service delivery and socio-economic development in their areas of jurisdiction.</p> <p>50% of TCs and Local Houses of Traditional Leaders with a minimum of 1 socio-economic development programme that benefits communities initiated and led by the institution of traditional leadership.</p>	<p>Research to determine the percentage of traditional councils and local houses of traditional leaders participating effectively and meaningfully in local municipalities IDP processes and projects that enhance service delivery and socio-economic development in their areas of jurisdiction was not conducted and will be conducted in 2019/2020</p> <p>30% of TCs and Local Houses of Traditional Leaders have a minimum of 1 socio-economic development programme that benefits communities and was initiated and led by the institution of traditional leadership.</p>
Inclusive, transformed, stable and cohesive traditional and interfaith communities	<p>50% of kingships/queenships with functional systems to resolve traditional leadership disputes and claims by 31 March 2030.</p> <p>20 traditional leadership structures displaying zero tolerance to harmful and discriminatory cultural and interfaith practices; supporting the transformation agenda (i.e. gender equity and women empowerment) and complying with the minimum requirements of the Traditional Leadership Governance Framework Act i.r.t gender equity by 31 March 2030.</p>	<p>Research to ascertain the percentage of kingships/queenships with functional systems to resolve traditional leadership disputes and claims was not done and will be conducted in 2019/2020</p> <p>The 37 Houses of Traditional Leaders were constituted in 2017, and 10 of the Houses complied with the minimum requirement of 1/3 of women.</p> <p>The NHTL has led a Women Empowerment Programme.</p> <p>Therefore 10 traditional leadership structures display zero tolerance to harmful and discriminatory cultural and interfaith practices and supporting the transformation agenda.</p>

Goals	Goal Indicators and Targets	Achievements From 2014/15 Financial Year to Date
Development-oriented, effective and efficient Department	75% of sampled traditional communities participants and stakeholders in the survey responding positively about the services/programmes of the Department and indicating that they make an impact.	The Department did not undertake a community and stakeholders satisfaction survey in the past 4 years of the MTSF to determine of communities and stakeholders respond positively to its services and programmes

Progress made towards the achievement of the 5 year targets

The DTA 2015- 2020 Strategic Plan identified the following strategic objectives for the current MTSF:

No.	Strategic Objectives	Five Year Targets per Strategic Objective
1	To improve departmental corporate governance systems by 31 March 2020	5 unqualified audit outcomes for both financial and pre-determined objectives for the 2014-2019 MTSF period
2	5 evaluations conducted within the 2014-2019 MTSF	5 evaluations conducted within the 2014-2019 MTSF
3	To reduce the number of traditional leadership disputes and claims by 31 March 2020	100% of the Faiths and Traditional Leadership Institutions Research Agenda implemented 100% of projects in the Framework for Resolution of Traditional Leadership Disputes and Claims implemented by 31 Mar 2020
4	To increase the number of functional structures of traditional leadership by 31 March 2020	Number of functional TCs increased from 166 to 500 by 31 Mar 2020
5	To promote transformation agenda and socio-economic development within traditional leadership structures and communities by 31 March 2020	100% implementation of the projects in the Traditional Leadership Transformation and Socio-Economic Development programme in 20 communities by 31 Mar 2020
6	To reduce the number of deaths and injuries resulting from cultural initiation practice to zero by 31 March 2020	100% implementation of the National Initiation Intervention Plan by 31 Mar 2020

The following section provides progress made in 2015/16 – 2017/18 in relation to the above strategic objectives as set out in the revised DTA 2015-2020 Strategic Plan.

SO 1: To improve departmental corporate governance systems by 31 March 2020

The following is progress towards achievement of the 5 year targets for the strategic objective:

5-Year Target: 5 unqualified audit outcomes for both financial and pre-determined objectives for the 2014-2019 MTSF period

The Department obtained 3 unqualified audit opinions, for 2014/15 and 2015/16 and 2016/17 financial years.

5-Year Target: 5 evaluations conducted within the 2014-2019 MTSF

The Department conducted 3 evaluations in the past two years of the MTSF. One evaluation on the effectiveness of the partnerships strategy on socio-economic development of traditional communities was conducted during 2015/16 financial year. The second evaluation was a process evaluation on the effectiveness of the Department's planning and performance information Management processes on achievement of desirable strategic outcome oriented outcomes, and was conducted in the 2016/17 financial year. The third evaluation was evaluability assessment of the Traditional Leadership Institutional Development and Capacity Building Plan which was conducted in 2017/18.

SO 2: To enhance information management of faith structures, traditional leadership institutions and communities by 31 March 2020

5-Year Target: 100% of the Faiths and Traditional Leadership Institutions Research Agenda implemented

The Traditional Leadership Institutions Research Agenda has a total of 10 research projects. To date, five of the projects (50%) have been - and 5 other projects will be implemented in the 2018/19 and 2019/20 financial years. The research projects implemented are:

- a) Research, document and incorporate protocols for kingships, queenships, principal and senior traditional leadership in the state protocol manual. To date, the protocols for all kingships and queenships were researched, documented and signed-off/endorsed by the respective kingships and queenship, but not yet incorporated in the state protocol manual. Moreover, the ones for principal and senior traditional leadership are not finalised but on course.
- b) Documenting and publishing of genealogies and customary laws of succession for kingships, queenships, principal and senior traditional leadership. In this regard, only the genealogies and customary laws of succession for all kingships and queenships and 1 principal traditional leadership have been documented. The ones for all principal and senior traditional leadership as well as publishing of the genealogies for kingships and queenships are still outstanding.

- c) Conduct research on the development of genealogy of kingship/queenship/principal traditional leadership
- d) Conduct research on the benching marking study with 2 african countries on their regulations of the faith sector
- e) Conduct research on the development of 2 publications on customary laws of succession and genealogies for kingship/queenships/principal traditional leadership

SO 3: To reduce the number of traditional leadership disputes and claims by 31 March 2020

5-Year Target: 100% of projects in the Framework for Resolution of Traditional Leadership Disputes and Claims implemented by 31 March 2020

To date 3 projects in the Framework for Resolution of Traditional Leadership Disputes and Claims implemented. The 3 projects implemented are:

- Development of customary laws of succession and genealogies for kingships.
- 2 publications on customary laws of succession and genealogies for Kingships/Queenships/Principal traditional leadership developed
- 8 Provinces capacitated on the framework for resolution of traditional leadership disputes and claims.

SO 4: To increase the number of functional structures of traditional leadership by 31 March 2020

5-Year Target: Number of functional TCs increased from 166 to 500 by 31 March 2020

In the past two years and in contribution to outcome 9 and to develop tailor-made support plans for TCs, the Department has assessed the functionality of 466 (56%) of the 849 traditional councils (TCs). The results of the assessment showed that 206 (44%) of the assessed TCs are fully functional, 231 (50%) are functional but at risk of being dysfunctional and 29 (6%) are dysfunctional. Therefore, a total of 437 TCs are currently functional. To increase the number of functional TCs to 500; the five-year target, 4 Provincial support Plans for TCs that were found to be

dysfunctional and at risk were developed and implemented together with the respective provinces during the 2016/17 and 2017/18 financial years. Support plans for the other three provinces will be developed and executed as part of implementation of the 2017/18 APP.

SO 5: To promote transformation agenda and socio-economic development within traditional leadership structures and communities by 31 March 2020

5-Year Target: 100% implementation of the projects in the Traditional Leadership Transformation and Socio-Economic Development programme in 20 communities by 31 March 2020.

This is a new five year targets emanating from the review of the Strategic Plan. In 2017/18 the Traditional Leadership Transformation and Socio-Economic Development programme was developed. Implementation and monitoring of the programme will start in 2018/19. However, the following projects have been implemented towards achievement of the strategic objective under which this five-year target resides.

Traditional and Khoi-San Leadership Bill aimed at strengthening and transforming the sector as well as providing legal recognition of Khoi-San leadership and structures was approved by Cabinet and submitted to Parliament. In 2017/18, Parliament conducted public hearings on the Bill and the National Assembly finalised its report on the Bill and referred it to the national Council of Provinces. It is envisaged that the Bill will be enacted during the current MTSF period.

In addition, a Partnership Model for the institution of traditional leadership was developed and endorsed. Part of implementation of the model included signing of a partnership agreement with Anglo-American Platinum Limited (AAP). Implementation of the agreement started in 2015/16 and was managed and monitored. To date, 329 traditional leaders in Limpopo and North West were trained on leadership skills and financial Management as part of implementation of the DTA-AAP Traditional Leadership Training Programme.

Furthermore, the Department signed a partnership agreement with World Vision South Africa and implementation of the partnership started

during the year under review. The focus of the partnership is to promote food security within traditional communities.

Moreover, the National House Socio-economic Development Programme was implemented in two provinces. The Programme raised awareness on HIV and AIDS and promoted food security in traditional communities.

SO 6: To reduce the number of deaths and injuries resulting from cultural initiation practice to zero by 31 March 2020

5-Year Target: 100% implementation of the National Initiation Intervention Plan by 31 March 2020

The National Initiation Intervention Plan has ten points translated into ten key projects. 3 of the 10 projects (30%) are fully implemented; monitoring of initiation schools and establishment; monitoring of the national and provincial initiation task teams; and initiation awareness campaigns. One of the ten projects (10%) is partially implemented; namely, regulating the customary initiation practice through the Act of Parliament. The details of the implemented projects are as follows:

In the past two years, National Customary Initiation Policy was drafted to regulate the practice and to ensure that only legally registered schools can operate. The Policy was approved by Cabinet and out of the Policy, a Draft Bill was drafted. It is envisaged that the Bill will be approved by Cabinet for tabling in Parliament during the current MTSF period.

Furthermore, an initiation Intervention Plan was developed and implemented through initiation awareness campaign and monitoring of initiation schools during initiation seasons. However, due to inadequate regulatory environment for the cultural initiation practice, the interventions could not reduce the number of fatalities resulting from the practice. In addition, awareness campaigns on the initiation cultural practice was conducted on a quarterly basis to empower young boys before they go to initiation. Furthermore, National and Provincial Initiation Task Teams were established to monitor initiation schools during the initiation season and to ensure that those that practice criminal acts in the name of the practice are prosecuted.

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme I: Administration

Purpose

The purpose of the Administration Programme is to provide strategic leadership, effective administration, executive support, monitoring and evaluation of Traditional Affairs' performance, corporate and financial services.

Description

The sub-programmes within the Administration Programme are:

Department Management (Office of the Director-General)

Promotes effective strategic Management and governance of the Department, corporate planning, integrated and aligned planning within traditional affairs, risk Management, corporate secretariat, strategic communication and Parliament and Cabinet support services. The sub-programme's focus is to improve operational efficiency, and oversee the implementation of Departmental programmes and policies through monitoring and evaluation. It also ensures that adequate support is provided to Traditional Affairs entities.

Corporate and Financial Services

This sub-programme provides human resource Management and development, information and communication technologies, legal, records Management, supply chain Management and financial Management support services to line function programmes within the Department.

Internal Audit

This is an independent and objective appraisal function, which provides assurance to the Director-General and senior Management concerning adequacy and efficiency of the Department's internal controls and governance system.

Strategic objectives, performance indicators, planned targets and actual achievements

The Programme had a total of 7 annual targets, of which 2 were strategic objectives annual targets (SOAT) and 5 were programme performance indicators (PPI) annual targets. The programme achieved all its strategic objective annual targets and PPI annual targets, i.e. 100% achievement.

A significant achievement for the programme during the reporting period was the 1 evaluation on the evaluability assessment of the National Traditional Affairs Institutional Development and Capacity Building, which is critical for the achievement of line function strategic outcome-oriented goals and objectives. The results of this evaluation will be used to improve the National Traditional Affairs Institutional Development and Capacity Building prior to implementation and ensure that it responds adequately to the needs of the institution of traditional leadership and the sector.

The tables below depict performance of the Programme on both the SOAT and PPI annual targets for the 2017/2018 financial year:

Strategic objectives

Programme Name: Administration					
Strategic Objectives	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from Planned Target to Actual Achievement for 2017/2018	Comment on Deviations
To improve departmental corporate governance systems by 31 March 2020	Unqualified audit outcome for both financial and predetermined objectives performance	Unqualified audit outcome for both financial and predetermined objectives performance	Achieved The Department obtained an unqualified audit outcome for both financial and predetermined objectives performance	N/A	N/A
	1 evaluation conducted	1 evaluation conducted	Achieved 1 evaluation was conducted	N/A	N/A

Performance indicators annual targets

Programme/Sub-programme: Administration						
No.	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from Planned Target to Actual Achievement for 2017/2018	Comment on Deviations
1	% of actions on Corporate and Financial Management in the Integrated Governance and Management Plan (IGMP) for the year implemented	80% of actions on Corporate and Financial Management in the IGMP for the year implemented	100% of actions on Corporate and Financial Management in the IGMP for the year implemented	Achieved 100% of actions Corporate and Financial Management in the IGMP for the year were implemented	N/A	N/A
2	% of actions on performance information Management and evaluation in the IGMP for the year implemented	100% of actions on performance information Management and evaluation in the IGMP for the year implemented	100 % of actions on performance information Management and evaluation in the IGMP for the year implemented	Achieved 100 % of actions on performance information Management and evaluation in the IGMP for the year were implemented	N/A	N/A

Performance indicators annual targets (continued)

Programme/Sub-programme: Administration						
No.	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from Planned Target to Actual Achievement for 2017/2018	Comment on Deviations
3	% of actions on risk Management in the IGMP for the year implemented	-	100% of actions on risk Management in the IGMP for the year implemented	Achieved 100% of actions on risk Management in the IGMP for the year were implemented	N/A	N/A
4	% of actions on Internal Audit in the IGMP for the year implemented	100% of actions on Internal Audit in the IGMP for the year implemented	100% of actions on Internal Audit in the IGMP for the year implemented	Achieved 100% of actions on Internal Audit in the IGMP for the year were implemented	N/A	N/A
5	% of actions on PAJA and PAIA in the IGMP for the year implemented	60% of actions on PAJA and PAIA in the IGMP for the year implemented	100% of actions on PAJA and PAIA in the IGMP for the year implemented	Achieved 100% of actions on PAJA and PAIA in the IGMP for the year were implemented	N/A	N/A

Reasons for all deviations

Not applicable.

Strategy to overcome areas of under performance

Not applicable for the programme as it achieved all its annual targets.

Changes to planned targets

Not applicable for the programme as there were no changes to planned targets.

Linking performance with budgets

The Programme achieved 100% of its annual targets. The programme was appropriated a total budget of R43.4 million and has spent R39.7 million which translate to 91% of the budget. The underspending is under compensation of employees because of delays in the filling of vacant positions attributed to capacity constraints within the Human Resource Management and Development Division.

Sub-programme expenditure

Sub- Programme Name	2017/2018			2016/2017		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure {XE "Expenditure"}	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure {XE "Expenditure"}
	R'000	R'000	R'000	R'000	R'000	R'000
Ministry	7 649	7 488	161	7 314	7 305	9
Management of Traditional affairs	13 497	11 990	1 507	13 166	13 120	46
Corporate Services	17 416	15 623	1 793	13 959	12 512	1 447
Internal Audit	4 884	4 652	232	3 050	3 050	-
Total	43 446	39 753	3 693	37 489	35 987	1 502

The bulk of expenditure of this Programme goes towards strengthening governance issues and this has yielded positive results in the previous financial year where the Department obtained clean audit. Adherence to all compliance requirements is paramount and during the period under review, all invoices were paid within the prescribed timeframes and all monthly compliance requirements reports were submitted timeously. Furthermore, expenditure on this programme is mainly for contractual obligations, audit fees and operating lease expenses.

4.2 Programme 2: Research Policy and Legislation

Purpose

The purpose of the Research, Policy and Legislation (RPL) is to provide research, establish and manage traditional affairs information systems, develop, manage implementation of, monitor and review policies, strategies and guidelines on traditional leadership.

Description

The sub-programmes within the RPL Programme are:

Policy and Legislation

To develop, manage implementation of, monitor and review policies, strategies and guidelines on traditional leadership. The sub-programme also ensures alignment of provincial with national traditional leadership legislation and policies.

Research and Information Management

To provide research, establish and manage information on faith institutions; and traditional leadership institutions and communities.

Strategic objectives, performance indicators, planned targets and actual achievements

The Programme had a total of 9 annual targets, of which 3 were strategic objectives annual targets (SOAT) and 6 were programme performance indicators (PPI) annual targets.

The programme achieved 3 of 3 (100%) of its strategic objective annual targets, and 3 of 6 (50%) of its PPI annual targets. Therefore the Programme achieved 6 of 9 (67%) of its 2017/18 annual targets.

One of the significant achievement in relation to supporting structures of traditional leadership to resolve conflict within royal families was finalization of the Framework for Resolution of Traditional Leadership Disputes and Claims. This target will also contribute to improving the functionality of structures of traditional reduction in the number of disputes. The country has witnessed growing trend in inhumane practices within the faith sector. Towards addressing this issue, the Department undertook policy on the regulation of the faith sector in 2 African Countries to benchmark with these countries and determine policy options in this area.



The tables below depict performance of the Programme on both the SOAT and PPI annual targets for the 2017/2018 financial year:

Strategic objectives:

Programme 2: Research Policy and Legislation					
Strategic Objectives	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from Planned Target to Actual Achievement for 2017/2018	Comment on Deviations
To enhance information Management of faith structures, traditional leadership institutions and communities by 31 March 2020	-	50% of the Faiths and Traditional Leadership Institutions Research Agenda implemented	Achieved 50 % of the Faiths and Traditional Leadership Institutions Research Agenda were implemented	N/A	N/A
To reduce the number of traditional leadership disputes and claims by 31 March 2020	Framework for Resolution of Traditional Leadership Disputes and Claims developed	Framework for Resolution of Traditional Leadership Disputes and Claims approved	Achieved Framework for Resolution of Traditional Leadership Disputes and Claims was approved	N/A	N/A
		Implementation plan for the Framework for Resolution of Traditional Leadership Disputes and Claims approved	Achieved Implementation plan for the Framework for Resolution of Traditional Leadership Disputes and Claims was approved	N/A	N/A

Reasons for all deviations

Not applicable

Performance indicators annual targets

Programme/Sub-programme: Research Policy and Legislation						
No	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from Planned Target to Actual Achievement for 2017/2018	Comment on Deviations
6	Number of countries researched on their regulation of the faith sector	-	2 African countries researched on their regulation of the faith sector	Achieved 2 African Countries were researched on their regulation of the faith sector	N/A	N/A
7	Number of provinces for which protocol guidelines for senior traditional leaders have been developed	Traditional leadership protocol guidelines for 9 kingships/queenships endorsed by the Kingships/queenships developed	Protocol guidelines for senior traditional leaders in 1 province developed	Achieved Protocol guidelines for senior traditional leaders in 1 province Developed	N/A	N/A
8	Number of provinces capacitated on the Framework for Resolution of Traditional Leadership Disputes and Claims	-	8 provinces capacitated on the framework for resolution of traditional leadership disputes and claims	Achieved 8 provinces were capacitated on the Framework for Resolution of Traditional Leadership Disputes and Claims	N/A	N/A
9	Number of customary laws of succession for kingships/queenships endorsed by royal families	1 customary law of succession for kingships/queenships/principal traditional leadership endorsed by the royal family	1 customary law of succession for Kingship/queenship/principal traditional leadership documented and endorsed by the royal family	Not Achieved Customary law of succession for Balobedu Queenship was developed.	The customary law of succession was developed but was not endorsed by the royal family	The Queenship did not endorse the customary law of succession due to non-greement amongst the members of the Royal Family

Performance indicators annual targets (continued)

Programme/Sub-programme: Research Policy and Legislation						
No	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from Planned Target to Actual Achievement for 2017/2018	Comment on Deviations
10	Number of genealogies for kingships/queenships endorsed by royal families	1 genealogy for kingships/queenships/principal traditional leadership endorsed by the royal family	1 genealogy for Kingship/queenship/principal traditional leadership endorsed by the royal family	Not Achieved Genealogy for the Balobedu Queenship was developed.	The genealogy was just developed but not endorsed by the queenship as planned	The Queenship did not endorse the genealogy due to non-agreement amongst the members of the Royal Family
11	Number of publications/books on customary laws of succession and genealogies for Kingships/Queenships/Principal traditional leadership developed	2 books on customary laws of succession and genealogies for Kingships/Queenships/Principal traditional	2 publications on customary laws of succession and genealogies for Kingships/Queenships/Principal traditional leadership developed	Not Achieved 1 publication on customary laws of succession and genealogies developed	1 publication was not done	1 book could not be published because 1 Queenship (Balobedu Queenship) did not endorse the genealogy and customary law of succession due to reasons highlighted above.

Reasons for all deviations

The Queenship did not endorse the customary law of succession and genealogy due to non-agreement amongst the members of the Royal Family.

One (1) book could not be published because one (1) Queenship (Balobedu Queenship) did not endorse the genealogy and customary law of succession due to reasons highlighted above.

Strategy to overcome areas of under performance

2017/2018 Targets not Achieved	Strategy to Overcome Areas of Under Performance
1 customary law of succession for Kingship/queenship/principal traditional leadership documented and endorsed by the royal family	Consultations with the Balobedu Royal family to endorse the customary law of succession for Kingship/queenship/principal traditional leadership will be undertaken in the first quarter of 2018/19 financial year.
1 genealogy for Kingship/queenship/principal traditional leadership endorsed by the royal family	Consultations with the Balobedu Royal family to endorse the genealogy for kingship/queenship/principal traditional leadership will be undertaken in the first quarter of 2018/19 financial year.
2 publications on customary laws of succession and genealogies for Kingships/Queenships/Principal Traditional leadership developed	Once the Balobedu Royal Family members have agreed on their customary law of succession and genealogy, the 1 book will be published.

Changes to planned targets

Not applicable for the Programme.

Linking performance with budgets

As indicated above, the Programme had a total of 9 annual targets of which 6 (67%) were achieved. The Programme was appropriated a total budget of R16.4 million and has spent R13.9 million which translate to 84% of the budget. The underspending is under compensation of employees because of delays in the filling of the Deputy Director-General position.

Sub-programme expenditure

Sub- Programme Name	2017/2018			2016/2017		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure {XE "Expenditure"}	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure {XE "Expenditure"}
	R'000	R'000	R'000	R'000	R'000	R'000
Management	1 295	-	1 295	375	72	303
Policy and legislation	4 072	3 555	517	3 137	3 111	26
Research and Information Management	11 277	10 439	838	10 043	9 663	380
Total	16 644	13 994	2 650	13 555	12 846	709

The under expenditure on this programme is mainly on Compensation of Employees and this is as a result of delays in the filling of vacant positions attributed to capacity constraints within the Human Resource Management and Development Division.

4.3 Programme 3: Institutional Support and Coordination

Purpose

The purpose of the Institutional Support and Coordination (ISC) is to promote institutional development and capacity building within traditional affairs and facilitate partnerships and collaborative relations of the institution of traditional leadership with all spheres of government, civil society and private sector.

Description

The sub-programmes within the ISC Programme are:

Institutional Development and Capacity Building (ID&CB)

The Sub-Programme provides capacity building and institutional support interventions for the institution of traditional leadership.

Partnerships

The Partnerships Sub-Programme promotes and integrates the role and place of traditional affairs and the institution of traditional leadership, including Khoi-San Leadership and structures in the South African governance system by establishing synergistic relations between the institution and other Government governance structures across the three spheres of government.

Secretariat of the NHTL

The NHTL Secretariat provides secretariat, administrative and research support to the National House of Traditional Leaders. In collaboration with the House and the Department, the Secretariat provides planning, performance reporting services to the House and assists the House to implement its Strategic and Annual Performance Plans. The Secretariat also supports the House to comply with financial, planning, performance reporting and corporate governance prescripts.

Strategic objectives, performance indicators, planned targets and actual achievements

This section focuses on the first two Chief Directorates (Sub-Programmes) of the ISC Programme, and it excludes the National House of Traditional Leaders. The NHTL's performance is reported separately because it is an entity of the Department, though it is a Sub-Programme of this Programme.

The two Sub-Programmes (i.e. Partnerships and Institutional Development and Capacity Building) had 6 annual targets, of which 1 was a strategic objectives annual target (SOAT) and 5 were programme performance indicators (PPI) annual targets.

The Programme (excluding performance of the NHTL) did not achieve its strategic objective annual target, and have achieved 5 of 5 (100%) of its PPI annual targets for the 2017/2018 financial year. Therefore, the Programme (excluding performance of the NHTL) achieved 5 of 6 (83%) of its 2017/18 annual targets.

Some of the significant achievements are the development and monitoring of Provincial Support Plans for improving the functionality of traditional councils; development of Guidelines for Participation of Traditional Leadership in the Integrated Development Planning (IDP) process and the National Traditional Leadership Institutional Development and Capacity Building Plan. These targets support the Back-to-Basics Approach and contribute to the achievement of most of the strategic objectives on increasing the functionality of traditional councils.

The tables below depict performance of the Programme on both the SOAT and PPI annual targets for the 2017/2018 financial year:

Strategic objectives annual targets (excluding the NHTL Strategic Objectives Annual Targets)



The tables below depict performance of the Programme on both the SOAT and PPI annual targets for the 2017/2018 financial year:

Strategic objectives

Programme 2: Research Policy and Legislation					
Strategic Objectives	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from Planned Target to Actual Achievement for 2017/2018	Comment on Deviations
To increase the number of functional structures of traditional leadership by 31 March 2020	250 TCs functional	350 TCs functional	Not Achieved	No TC was assessed to determine its functionality for the 2017/18 FY	To determine if 350 TCs are functional there was a need to conduct an assessment of the functionality of TCs The Department changed its focus to developing and monitoring implementation of the Provincial TCs support plans for the 466 TCs in 7 Provinces which were assessed in 2015/2016 and 2016/2017 financial years as well as capacitating them as opposed to starting assessment of the new 350 TCs as planned.

Reasons for all deviations

To determine if 350 TCs are functional there was a need to conduct an assessment of the functionality of TCs, which was not done. The reason for not conducting the assessment of the 350 TCs was because the Department changed its focus to developing and monitoring implementation of the Provincial TCs Support Plans of the 466 TCs in 7 Provinces which were assessed in 2015/2016 and 2016/2017 financial years as well as capacitating them as opposed to starting assessment of the new 350 TCs as planned.



Performance indicators annual targets

Programme3: Institutional Support and Coordination						
No.	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from Planned Target to Actual Achievement for 2017/2018	Comment on Deviations
12	Number of collaboration documents developed i.r.t traditional affairs	Plan on traditional affairs partnership areas between DTA, and economic sector departments, private sector and civil society developed	2 collaboration documents developed i.r.t traditional affairs	Achieved 2 collaboration documents were developed i.r.t traditional affairs.	N/A	N/A
13	Number of Provincial Support Plans Monitored	4 Provincial Support Plans developed and implementation monitored) 280 TCs assessed on their functionality	7 Provincial Support Plans monitored	Achieved 7 Provincial Support Plans were monitored	N/A	N/A
14	Approved Guidelines on the participation of traditional leadership in municipal IDP processes	Draft Framework on Participation of Traditional Leaders in Municipal Councils	Guidelines on the participation of traditional leadership in municipal IDP processes developed	Achieved Guidelines on the participation of traditional leadership in municipal IDP processes were developed	N/A	N/A
15	Approved National Traditional Affairs Institutional Development and Capacity Building Plan	National Traditional Affairs Institutional Development and Capacity Building Plan approved	National Traditional Affairs Capacity Building Plan approved	Achieved National Traditional Affairs Capacity Building Plan was approved	N/A	N/A

Programme3: Institutional Support and Coordination						
No.	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from Planned Target to Actual Achievement for 2017/2018	Comment on Deviations
16	Number of Capacity Building interventions for traditional leadership and communities implemented and monitored	Number of Capacity Building interventions for traditional leadership and communities implemented and monitored	3 Capacity Building interventions for traditional leadership and communities implemented and monitored: <ul style="list-style-type: none"> • DTA-World Vision-SA Communities Social Empowerment Programme • Framework for Minimum Tools of Trade for the institution of Traditional leadership • Traditional Courts Capacity Building Programme 	Achieved The following 3 Capacity Building interventions for traditional leadership and communities were implemented and monitored: <ul style="list-style-type: none"> • DTA-World Vision-SA Communities Social Empowerment Programme • Framework for Minimum Tools of Trade for the institution of Traditional leadership • Traditional Courts Capacity Building Programme 	1 of the capacity building interventions, the traditional courts capacity building Project was planned for 40 traditional courts, however, the projects was extended to additional 3 traditional courts.	The overachievement (deviation) is as a results of the proximity of additional 3 traditional courts to the others which were capacitated

Reasons for all deviations

The reasons for overachievement of the planned traditional courts was due to a need expressed by the additional 3 traditional courts to be capacitated on the traditional courts capacity building project.

Strategy to overcome areas of under performance

Annual 2017/2018 Target not Achieved	Strategy to Overcome Areas of Under Performance
350 TCs functional	All the TCs will be assessed in 2019/2020 to determine the effectiveness of the interventions in the Provincial TCs Support Plans which implemented in 2017/2018 and 2018/2019

Changes to planned targets

Targets and indicators were not changed during the reporting period.

Entity: National House of Traditional Leaders Strategic Objectives Annual Targets



Strategic objectives

Sub-Programme/Entity: National House of Traditional Leaders					
Strategic Objectives	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from Planned Target to Actual Achievement for 2017/2018	Comment on Deviations
To promote transformation agenda and socio-economic development within traditional leadership structures and communities by 31 March 2020	20% implementation of the projects in the Traditional Leadership Transformation and Socio- Economic Development programme in 20 communities	30% implementation of the projects in the Traditional Leadership Transformation and Socio- Economic Development programme in 20 communities	Achieved 30% of the projects in the Traditional Leadership Transformation and Socio- Economic Development programme in 20 communities were implemented	N/A	N/A
To reduce the number of deaths and injuries resulting from cultural initiation practice to zero by 31 March 2020	9 provinces monitored on implementation of the plan	National Initiation Intervention Plan approved	Achieved National Intervention Plan was approved	N/A	N/A

Strategy to overcome areas of under performance

Not applicable

Performance indicators annual targets

Sub-Programme/Entity: National House of Traditional Leaders						
No.	Performance Indicator	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from Planned Target to Actual Achievement for 2017/2018	Comment on Deviations
17	Number of initiation awareness campaigns conducted	4 initiation awareness campaigns conducted	4 initiation awareness campaigns conducted	Achieved 4 initiation awareness campaigns were conducted	N/A	N/A
18	Number of Provincial Initiation monitoring task teams monitored	9 provincial initiation monitoring taskteams monitored	9 provincial initiation monitoring task teams monitored	Achieved 9 provincial initiation monitoring task teams were monitored	N/A	N/A
19	Number of communities capacitated on HIV and AIDS	2 communities capacitated on HIV and AIDS	2 communities capacitated on HIV and AIDS	Achieved 2 communities were capacitated on HIV and AIDS	N/A	N/A
20	Number of communities capacitated on food security	2 communities capacitated on food security	2 communities capacitated on food security	Achieved 2 communities were capacitated on food security	N/A	N/A
21	Approved Traditional Leadership Transformation and Socio-Economic Development programme	-	Traditional Leadership Transformation and Socio-Economic Development programme developed	Achieved Traditional Leadership Transformation and Socio-Economic programme was developed	N/A	N/A

Strategy to overcome areas of under performance

Not applicable

Changes to planned targets

Not applicable

Linking performance with budgets for the ISC Programme (NHTL, Partnerships and Institutional Development and Capacity Building)

The report below is for all the sub-programmes of the ISC Programme inclusive of the NHTL.

The programme had a total of 13 annual targets, of which 3 were SOATs, and 10 were PPI annual targets. The Programme achieved 2 (67%) and did not achieve 1(33%) of its 3 SOATs; and it achieved 10 of 10 (100%) of its Programme Performance Indicator annual targets. The Programme was allocated a total budget of R92.4 million and has spent R85.8 million which translate to 92% of the budget. The underspending is under compensation of employees because of delays in the filling of the position of Deputy Director-General and positions at other levels.

Sub-programme expenditure

Sub- Programme Name	2017/2018			2016/2017		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure {XE "Expenditure"}	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure {XE "Expenditure"}
	R'000	R'000	R'000	R'000	R'000	R'000
Management	1 733	-	1 733	307	-	307
Institutional Support and Coordination	6 989	6 364	625	5 372	5 372	-
Intergovernmental relations and Partners	7 430	5 980	1 450	7 025	6 778	247
National House of Traditional Leaders	20 909	20 842	67	18 913	18 913	-
Commission for the Promotion and Protection of the Rights of Culture	42 447	42 447	-	38 521	3 8521	-
Commission on the Traditional Leaders Disputes and Claims	12 908	10 178	2 730	12 816	12 237	579
Total	92 416	85 811	6 605	82 954	81 821	1 133

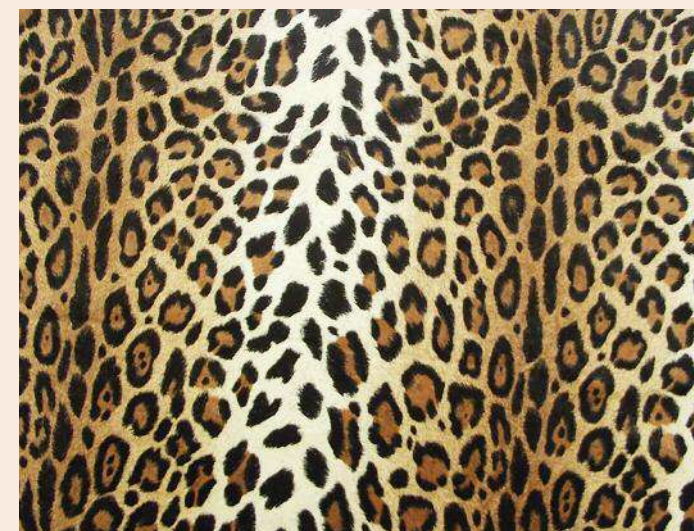
The bulk of the expenditure of the ISC Pro-gramme goes towards transfer payments to CRL Rights Commission an entity of the Department. The Programme further hosted a successful Indaba for Traditional Leadership Institution; pertinent issues raised by Traditional Leaders were included in the programme of action. The end of term of office of the commission on traditional leadership dispute and claims contributed to the under expenditure on this programme.

5. TRANSFER PAYMENTS

5.1 Transfer payments to public entities

CRL Rights Commission is an entity of the Department and it receives its budget as a transfer payment. For the period under review, the CRL Commission was appropriated a total budget of R42, 4 million.

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
Commission for the Promotion and Protection of the Rights of Culture and Linguistic Communities	None	R 42 447	R 42 352	<ul style="list-style-type: none"> Approved guidelines on indigenisation of law 100% of all cases received and processed in line with complaints handling manual 4 research report were produced 12 nation building dialogues conducted 4 plenary meetings conducted 4 Section 22 Committee meetings 18 capacity building workshops conducted



5.2 Transfer Payments to All Organisations other than Public Entities

The Department did not make any transfer payments to other organisations other than public entities.

6. CONDITIONAL GRANTS

The Department does not have any conditional grants.

6.1 Conditional Grants and Earmarked Funds Paid

The Department did not receive any conditional grants or earmarked funds.

7 DONOR FUNDS

7.1 Donor Funds Received

- The name of the donor: Local Government Sector Education and Training Authority (LGSETA)
- The amount received in the current reporting period: **R1 million**
- The purpose of the donor funding: **Reconstitution of Traditional Councils to comply with legislation and capacitate Internal Audit.**
- Outputs achieved: **Service provider appointed and two (2) interns were seconded to the Department**
- Was the funding received in cash or in-kind: **In kind**
- Amount spent from the donor funds: **The entire R1 million budget**
- The monitoring/reporting to the donor: **The appointed service provider submitted progress report in line with the agreed project plan and service level agreement. Quarterly reports on training for Interns submitted to the Donor**
- Reasons for any unspent funds and if the project is complete will the funds be returned to the donor: **None**

Donor Fund: Local Government Sector Education and Training Authority (LGSETA)

Name of donor	Local Government Sector Education and Training Authority (LGSETA)
Full amount of the funding	R1 million
Period of the commitment	1 April 2017 – 31 March 2018
Purpose of the funding	Reconstitution of Traditional Councils to comply with legislation and capacitate Internal Audit.
Expected outputs	Service provider appointed and two (2) interns were seconded to the Department
Actual outputs achieved	Report produced and Internal Audit capacitated.
Amount received in current period (R'000)	None
Amount spent by the department (R'000)	None
Reasons for the funds unspent	None
Monitoring mechanism by the donor	The Department monitors the work of the service provider through the reports against the agreed milestones (SLA) and report to LGSETA

8 CAPITAL INVESTMENT

8.1 Capital Investment, Maintenance and Asset Management Plan

Not applicable for the year under review.

PART C: GOVERNANCE

1. INTRODUCTION

The Department is committed to ensure good governance within the organisation. In this regard, the Department has established fully functional governance structures. Performance on annual and strategic objectives was monitored quarterly through the Planning and Performance Review Committee (PPRC) and interventions on areas of under-performance were implemented to ensure achievement of the Department's objectives. The Accounting Officer maintained an effective, efficient and transparent system of financial and risk Management and internal control as required by section 38(1)(a)(i) of the PFMA.

2. RISK MANAGEMENT

The Department has a risk Management policy and strategy in place which has been approved by the Accounting Officer and is reviewed on a regular basis. As required by the departmental risk Management strategy, annual risk assessments were conducted both at strategic and operational levels. These assessments were conducted in accordance with the strategic objectives of the Department and mitigation measures were developed.

The Department has a risk Management committee, which convenes quarterly to review and monitor the effectiveness of risk Management systems.

Risks have been minimised to an acceptable level and progress has been reported to Management and the Audit Committee. During the 2017/18 financial year, a significant improvement was noted in the Management of risks and this has translated into improvements in the department's performance.

3. FRAUD AND CORRUPTION

The Department implemented adequate and effective policies and procedures to prevent, detect and address acts of corruption. An assessment of fraud and corruption risks was conducted and high risk areas were included in the risk portfolio of the Department and monitored quarterly. There were regular information sharing on prevention, detection and reporting of fraud or corruption within the Department.

The Department also implemented an Anti-Corruption and Whistle-blowing policy including the reporting procedure, which has been communicated to all employees. Fraud reporting boxes are placed on all floors within the building of the Department and the hotline is available for reporting instances of possible fraud or corruption. No cases of fraud was identified during the reporting period.

4. MINIMISING CONFLICT OF INTEREST

Annually, the Department releases a circular to all SMS members stipulating what the registerable interests that must be disclosed to minimise conflict of interest. Furthermore, an e-Disclosure system is currently being implemented. The Department appointed Ethics Officers to verify the completeness of the financial disclosures. In the year under review, no instances of possible conflict of interest by SMS members or unethical behaviour by non SMS members were reported.

5. CODE OF CONDUCT

The Department together with the Public Service Commission (PSC) conducted a workshop on the code of conduct for employees during the year under review. There were no cases of bridge of conduct during the year under review. However, if there are cases of bridge of code of conduct, the Department follows the processes outlined in the Code of Conduct for Public Servants.

The Department has also established an Ethics Committee to deal with issues of misconduct. In the year under review, no instances of misconduct were reported.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Occupational Health and Safety (OHS) Programme and its activities within the Department are guided by Workplace Health and Safety Legislation (WHS) in the Republic of South Africa. For the year under review, issues relating to health safety and environment were monitored by Facilities Management in conjunction with DCOG as per the MoU. The Department of Labour conducted an occupational health and safety inspection and there were adverse findings and contraventions to the OHS Act. The Department developed a plan to address the findings in the ensuing year.

7. PORTFOLIO COMMITTEES

Date of Meeting	Subject	Matters Raised by the Portfolio Committee	Response to Address the Matter/ Action(s) by the Department
13 June 2017	Public Hearings on the Traditional Leadership and Governance Framework Amendment Bill	Will the Department be able to meet the deadline for the reconstitution of tribal authorities to traditional councils and similarly the establishment of kingship and queenship councils if an extension is granted?	The extension of the timeframe would allow the Department time to reconstitute the tribal authorities into traditional Councils and the establishment of kingships and Queenships Councils. At the moment, there is no legal basis for which the Kingships and Queenships Councils could be established.
22 June 2017	Adoption of the Traditional Leadership and Governance Framework Amendment Bill [B8-2017]	The Committee adopted the bill, with the DA strongly objecting to the entire Bill.	No response was expected from the Department.
16 August 2017	The Traditional and Indigenous Leadership Indaba Resolutions	Does the Department support the implementation of the resolutions by the traditional leaders, as some of the resolutions were constitutionally impossible? What is the position of the Department? Some of the demands made by the traditional leaders were of a monetary nature and members were concerned about where the funds were expected to come from to meet those demands.	The Department could not have a position as most of the issues were of a policy nature and fell outside the mandate of the Department. The budget of the Department was very limited and National Treasury still had to be engaged.

Date of Meeting	Subject	Matters Raised by the Portfolio Committee	Response to Address the Matter/ Action(s) by the Department
16 August 2017 <i>(continued)</i>	The Traditional and Indigenous Leadership Indaba Resolutions <i>(continued)</i>	<p>There need to be a clearer policy position on what the roles of traditional leaders were. Traditional leaders themselves needed to articulate what they felt their roles should be and the focus of the Indaba should have been on what was the role of traditional leadership in a democratic dispensation.</p> <p>The Committee agreed that a follow up indaba was needed to flesh out issues.</p>	<p>The Department agreed that the focus should have been on the role of traditional leaders in South Africa's democracy. It was fundamental how traditional leaders themselves saw their role to be in a democracy.</p> <p>The Department was planning to hold on 15 November 2017 a follow- up Traditional Leadership Indaba to come up with a Programme of Action on how to implement some of the resolutions.</p>
24 October 2017	Traditional and Khoi-San Leadership Bill: adoption	<p>The Committee noted that the Bill was a section 76 Bill and moved for adoption of the amendments to the Bill and the Committee's report on the amendment Bill. The bill was adopted, and the DA reserved their rights.</p>	<p>No response was expected from the Department.</p>
28 March 2018	Department of Traditional Affairs revised 2015-2020 Strategic Plan and 2018/19 Annual Performance Plans	<p>How legitimate were Traditional Councils, given that the Traditional Leadership and Governance Framework Amendment Bill has not yet been passed?</p> <p>There is no mention of remuneration of traditional leaders in the budget.</p> <p>The presentation appeared to be ignoring the Khoi-San. What steps were been taken regarding the Khoi-San in terms of the Traditional and Khoi-San Leadership Bill (TKLB) and in terms of genealogies, structures and organisations, should the TKLB be passed?</p> <p>Is there a database of the genealogies of royal houses?</p> <p>The CRL Commission budget was not enough given that the Commission needed to hold its National Consultative Conference and per its legislative mandate.</p>	<p>The debate at the Opening of the National House of Traditional Leaders captured critical concerns of the sector. Many of the issues raised in the debate mirrored those raised in the Traditional Leadership Indaba, and thus, a lot of focus would be on partnerships and dialogue to ensure that those issues like legislation, socio-economic development, social cohesion and governance were addressed.</p> <p>The budget did not reflect the remuneration of traditional leaders because they are not remunerated by the Department but by the Provinces. It is a provincial competency.</p> <p>Research work has been done on different branches of the Khoi-San and Khoi-San matters were included in the operational plans of the Department.</p> <p>The Department was looking at customary laws of succession. There is no one central database. The Department has access to different sources, but it is moving to a position where it could build up an electronic database.</p> <p>The budget of the CRL Commission is a transfer and the Committee needed to take up the issue of the Consultative Conference with the Commission.</p>

8. SCOPA RESOLUTIONS

The Department did not appear before SCOPA during the year under review.

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
None	None	None	None	None

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

None

10. INTERNAL CONTROL UNIT

The current organisational structure of the Department does not cater for an internal control unit. The function of internal control is performed amongst various sub-programmes.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

The objective of Internal Audit unit is to support the Accounting Officer to ensure that the Department maintained an effective, efficient and transparent system of financial and risk Management and internal control as required by section 38 of the PFMA. This objective was achieved through the provision of assurance (audits) and advisory (participation in governance structures) services.

The Internal Audit unit conducted the following audits in line with its approved audit plan:

- Quarterly review of performance information against the approved APP;
- Quarterly review of Financial Statements;
- Quarterly review of the Integrated Governance Management Plan (Internal Audit, MPAT and AGSA findings);

- Validation of Management performance in line with the MPAT standards;
- Review of Corporate Governance;
- Review of planning and performance information Management processes;
- Review of Travel and Subsistence expenditure;
- Review of Travel Management processes;
- Review of Facility Management processes;
- Review of General Ledger Account reconciliations;
- Follow-up audit on Partnerships and Intergovernmental relations; and
- Follow-up audit on Supply Chain Management processes;

Internal audit reported quarterly to the Audit Committee on its performance against the approved audit plan.

The strategic objective of the Audit Committee is to play an oversight role in assisting the Department to maintain an effective, efficient and transparent system of financial, risk Management, governance, and internal control. The Audit Committee is also expected to obtain reasonable assurance from Management that the Department is carrying out its responsibilities relating to:

- Financial Management and other reporting practices;
- Internal controls and Management of risks;
- Compliance with laws, regulations and ethics;
- Safeguarding of assets; and
- Information Technology Management and risks surrounding it.

Furthermore, the Audit Committee has the responsibility to ensure that the independence of the Internal Audit Unit is enhanced and they are functioning effectively through reviewing the scope, performance and results of audits undertaken. In addition, the Audit Committee is expected to review the plan and results of the work performed by the Auditor General to ensure that it covers critical risk areas, and that unsolved accounting and auditing problems are resolved.

The Audit Committee met quarterly during the reported financial period as required by their approved charter. The table below discloses relevant information on the committee members:

Name	Qualifications	Internal or External	If Internal, Position in the Department	Date Appointed	Date Resigned	No. of Meetings Attended
Mr AF Sinthumule	DIP: FINANCE AND BCOM ACCOUNTING MBA(with special project on PFMA)	External	n/a	1 Nov 2013	n/a	5
ADV RR Dehal	B JURIS LLB PROFESSIONAL DESIGNATION: ADMITTED ADVOCATE IN THE KZN BAR	External	n/a	1 July 2013	n/a	5
Mr E Cousins	B.COM (ACCOUNTING) HONS B.COM (AUDITING) ADVANCED DIPLOMA IN PUBLIC ADMINISTRATION	External	n/a	22 July 2013	n/a	5
Ms DLT Dondur	BACHELOR OF ACCOUNTING HONOURS B COMPT HONOURS IN BUSINESS ADMINISTRATION MBA Professional DESIGNATION: CHARTERED ACCOUNTANT-CA (SA) POST GRADUATE CERTIFICATE IN LABOR RELATIONS POST GRADUATE INTERNATIONAL DEVELOPMENT PROGRAMMES	External	n/a	1 Sept 2014	n/a	0
Ms Pumla Mzizi	Professional DESIGNATION: CHARTERED ACCOUNTANT-CA (SA)	External	n/a	1 Feb 2015	n/a	4

12. AUDIT COMMITTEE REPORT

The Audit Committee (“the Committee”) is established as an independent statutory committee in terms of the PFMA. The committee functions within approved terms of reference and complies with relevant legislation, regulation and governance codes.

The Committee submits this report for the year ended 31 March 2018, as required by the Treasury Regulations 3.1.13 and in terms of section 76(4)(d) of the PFMA.

Audit Committee Responsibility

The Committee consists of five Independent Members and is chaired by Mr AF Sinthumule. The Chief Executive Officer, Chief Financial Officer and Internal and External Auditors have a standing invitation to all meetings of the Committee. The Committee is required to meet at least four times per annum as per its approved terms of reference. Five (5) meetings were held for the financial year ended 31 March 2018.

Name	Qualifications	Internal or External	If Internal, Position in the Department	Date Appointed	Date Resigned	No. of Meetings Attended
Mr AF Sinthumule	<ul style="list-style-type: none"> - DIP: Finance and - BCOM Accounting - MBA(with special project on PFMA) 	External	n/a	1 Nov 2013	n/a	5
ADV RR Dehal	<ul style="list-style-type: none"> - B Juris - LLB - Professional Designation: Admitted Advocate in the KZN Bar 	External	n/a	1 July 2013	n/a	5
Mr E Cousins	<ul style="list-style-type: none"> - B.Com (Accounting) - Hons B.Com((Auditing) - Advanced diploma in Public Administration 	External	n/a	22 July 2013	n/a	5
Ms DLT Dondur Chartered Director (SA)	<ul style="list-style-type: none"> - B. Accounting - Hons B Compt - Hons B & A - MBA - Post Graduate Certificate in Labour Relations - Post Graduate International Development Programmes - Professional Designation Chartered Accountant – CA (SA) 	External	n/a	1 Sept 2014	n/a	0
Ms P Mzizi	Professional Designation Chartered Accountant – CA (SA)	External	n/a	1 Feb 2015	n/a	4

Audit Committee Responsibility

The Audit Committee is satisfied that it has complied with its responsibilities as outlined in Section 38(1) (a) of the PFMA and Treasury Regulation 3.1.3.

The Audit Committee also reports that it has adopted and reviewed formal terms of reference as its Audit Committee charter, and has discharged all its responsibilities as contained therein. The Committee met with the Executive Authority and raised issues of which could impact on the organisational performance and the spending of the budget. DTA also implemented the Post Audit Action Plan with regards to all findings raised through external audit and progress on the implementation of these recommendation are monitored by the Audit Committee on a quarterly basis.

The Effectiveness of Internal Control

The PFMA requires the Accounting Officer to ensure that the entity has and maintains effective, efficient and transparent systems of financial, risk management and internal control, whilst it is the Committee's role to review the effectiveness of internal controls and oversee risk management. Reviews on the effectiveness of the internal controls were conducted and they covered financial, operational, compliance and risk assessment.

In line with the PFMA, Internal Audit provides the Audit Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by evaluating internal controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement. Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the Department revealed certain weaknesses, which were then raised with the Department. Through our analysis of the audit reports and engagement with the Department we can report that the system of internal controls for the period under review was not entirely adequate and effective.

During the year under review the Committee raised concerns with regards to Travel Management within the Department and requested the urgent intervention of the Accounting Officer.

Risk Management

The Strategic Risk Assessment for 2017/18 has been conducted and the Risk Assessment report including the risk register approved by the Accounting officer. The risk register was used to direct internal audit efforts and priority. Progress on Branch Risk registers are being communicated to various programmes during quarterly reviews meetings to ensure that risks are being monitored on a regular basis.

DTA has a functional Risk Management Committee. Members were formally appointed by the Accounting Officer and do comply with the approved terms of reference. The Risk Management Committee meet on a quarterly basis to evaluate and monitor risks identified and advise for improvements. In strengthening the process of monitoring risks and improving governance, DTA have appointed the Risk Champions for each programme to assist the Risk owners in monitoring the implementation of mitigation (action) plans within various programmes. Risk Management reports are also discussed at management meetings to ensure that timeous mitigation of risks are implemented to improve organisational performance.

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

Effectiveness of Internal Audit

Internal Audit Unit is responsible for reviewing and providing assurance on the adequacy of the internal control environment across all of the significant areas of the Department and its operations.

The Committee is responsible for ensuring that the department’s internal audit function is independent and has the necessary resources, skills, standing and authority within the entity to enable it to discharge its responsibilities effectively. The Internal Auditors have unrestricted access to the Committee.

The Committee reviews and approves the Internal Audit Plan annually. Internal audit’s activities are measured against the approved internal audit plan and the Head: Internal Audit tables progress reports in this regard to the Committee.

The Committee is satisfied with the performance of the Internal Audit activity for the year under review. Internal Audit also reported independently on the progress by management in implementing the turnaround strategy plan to secure remedial actions. An approved three year risk based strategic plan and an annual operation plan were implemented by Internal Audit.

In the year under review, the Internal Audit Unit developed and implemented a risk based strategic and operational coverage plan that encompassed the following areas:

No.	Auditable Area	Opinion by Internal Audit
1	Review of Performance Management Information (Quarterly, Annually)	Adequate
2	Review of Financial statements (quarterly and Annually)	Adequate
3	Review of Post Audit Action Plan (PAAP)/ Integrated Governance Management plan(IGMP)	Adequate
4	Review Travel and Subsistence expenditure	Partially adequate and effective
5	Review Travel Management processes	Partially adequate and effective
6	Review of Corporate Governance	Adequate The findings identified have been addressed in Quarter 4 of 2017/18.
7	Review of planning and performance information management processes	Adequate The findings identified have been addressed in Quarter 4 of 2017/18.
8	Review of General Ledger Account reconciliations	Adequate
9	Facility Management processes	Inadequate and ineffective
10	Follow-up audit on SCM processes	Adequate
11	Follow-up audit on Partnerships and Intergovernmental relations	Adequate
12	Management Performance Assessment Tool (MPAT)	Adequate
13	Promotion of Cultural and Interfaith practices	Partially adequate and effective
14	Review Research and Information Management (RIM) processes	Partially adequate and effective

The audit opinion for the abovementioned audits performed are based on the following criteria on the next page:

Opinion	Description
Adequate	Controls in place provide reasonable assurance that the organization's risks have been managed effectively and that the organization's goals and objectives will be achieved efficiently and economically.
Needs Improvement	Controls in place provide some assurance that the organization's risks have been managed however considerable improvement is needed to effectively manage the risk and ensuring that goals and objectives are achieved efficiently and economically.
Not Adequate	Controls in place do not provide reasonable assurance that the organization's risks have been managed effectively and that the organization's goals and objectives will be achieved efficiently and economically.

The overall opinion on the control environment, is determined based on the audit results for the period under review and is depicted as follows:

No.	Area	Opinion
1	Governance	Adequate Internal Audit performed an audit on governance structures and noted that some governance structures were found not be functional, as scheduled meetings did not always took place as per the respective Terms of Reference, however all the findings identified have been addressed in Quarter 4 of 2017/18.
2	Risk Management	Needs improvement The Internal Audit Plan for the period under review did not include a risk management review. Internal Audit, however, has attended the Risk Management Committee (RMC) meetings. Based on the inputs at the RMC and the reports presented, Internal Audit's opinion of Risk Management is that there are areas that require some improvement such as the identification of new emerging risks by risk champions/risk owners.
3	Controls	Needs improvement The above opinion was determined by the ratings given to the areas audited during the period under review. Refer to paragraph 3 below.
4	Internal Financial Controls (IFC's)	Adequate Internal Financial Controls were tested during Internal Audit's review of quarterly Interim Financial Statements and through the monitoring progress of findings in the Integrated Governance Management Plan (IGMP).

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

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

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

Evaluation of Financial Statements

The Committee reviewed the Annual Financial Statements of the Department and is satisfied that they comply with GRAP Standards and that the accounting policies used are appropriate. The Annual Financial Statements were reviewed with the following focus:

- Significant financial reporting judgements and estimates contained therein;
- Clarity and completeness of disclosure and whether disclosures made have been set properly in context;
- Changes in the Accounting Policies and Practices;
- Significant adjustments resulting from the Audit;
- Compliance with accounting standards and legal requirements;
- Explanation for the accounting treatment adopted;
- Reasons for year-on-year fluctuations; and
- Asset valuations and revaluations.

The review of Annual Financial Statements and the Draft Annual Report for the 2017/18 Financial Year was done at the Committee's meeting held on 30 May 2018.

External Audit: Auditor General South Africa

The Committee, in consultation with the Accounting Officer, agreed to the terms of the Auditor General South Africa's engagement letter, audit strategy and audit fees in respect of the 2017/18 financial year.

The Committee has also had in committee meetings with the Auditor General of South Africa.

The Committee also monitored the implementation of the action plan to address matters arising from the Management Report issued by the Auditor-General South Africa for the 2016/17 Financial Year and concluded that this plan is adequate as all matters have been adequately resolved.

The Audit Committee concurs and accepts the conclusions of the Auditor General South Africa on the Annual Financial Statements and is of the opinion that the audited annual financial statements be accepted and read together with the audit report of the Auditor General South Africa.

General

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

Conclusion

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

Signed on behalf of the Audit Committee by:



**Chairperson of the Audit Committee
Department of Traditional Affairs
31 July 2018**

PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The Human Resource Management primary role is to provide strategic and transformed human resources services that supports the Department to achieve its strategic objectives.

As a newly formed Department, human resource functions was part of the shared services provided by Department of Cooperative Governance. One of the critical priorities of the Department was to establish Human Resource Management and Development directorate to provide strategic human resource services. The fundamental functions of the HR unit include structural design, recruiting and training human capital, performance appraisals and employee motivation.

One of the key focus areas of the Department is to review its organisational structure to align it to the mandate of the Department. The current approved organisational structure has 127 positions of which 86 are filled. This has a negative impact on the Department delivering on all aspects of its mandate. The term of office of the Commission for Traditional Leadership Disputes and Claims ended on 31 December 2017.

2. OVERVIEW OF HUMAN RESOURCES

The Department's HR unit plays a critical role in building a team of working professionals. In a bid to realise its objectives, the Department developed an HR plan for the capacitation of critical areas. Its achievement to date include the following:

- The filling and appointment of the Deputy-Directors General and Human Resource Management positions.
- The Department developed an HR plan with key strategies to attract and recruit a skilled and capable workforce. In addition, the HR unit made significant progress in developing key HR policies.

- The 2016/17 performance cycle was concluded within the prescribed timeframes, furthermore performance agreement of staff were signed off within the prescribed timeframes.
- The Department continued to implement health and wellness programmes to encourage health lifestyles which includes HIV and AIDS testing and wellness screening as part of the shared service with DCoG:
 - ✓ Employee wellness programmes.
 - ✓ Highlight achievements and challenges faced by the department, as well as future human resource plans/goals.



3 HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel Related Expenditure

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2017 and 31 March 2018

Programme	Total Expenditure (R'000)	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services Expenditure (R'000)	Personnel Expenditure as a % of Total Expenditure	Average Personnel Cost per Employee (R'000)
Administration	39 753	26 294	91	0	66.1	219
Research, Policy & Legislation	13 994	11 011	0	0	79.1	209
Institutional Support & Coordination	85 811	25 239	30	0	29.4	91
Total	139 558	62 544	121	0	44.8	519

Table 3.1.2 Personnel costs by salary band for the period 1 April 2017 and 31 March 2018

Salary Band	Personnel Expenditure (R'000)	% of Total Personnel Cost	No. of Employees	Average Personnel Cost per Employee (R'000)
Lower Skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	1 009	1.61	3	336 333
Highly Skilled Production (Levels 6-8)	7 033	11.24	25	287 320
Highly Skilled Supervision (Levels 9-12)	16 045	25.65	22	736 136
Senior and Top Management (Levels 13-16)	26 401	42.21	24	1 113 875
Contract (Levels 3-5)	258	0.41	2	129 000
Contract (Levels 6-8)	829	1.33	1	949 000
Contract (Levels 9-12)	4 366	6.98	7	645 143
Contract (Levels 13-16)	5 618	8.98	2	2 884 000
Periodical Remuneration	985	1.57	35	28 143
Total	62 544	90.40	121	525 595

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2017 and 31 March 2018

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of Personnel Costs	Amount (R'000)	Overtime as a % of Personnel Costs	Amount (R'000)	HOA as a % of Personnel Costs	Amount (R'000)	Medical Aid as a % of Personnel Costs
Lower Skilled (Levels 1-2)	0	0	0	0	0	0	0	0
Skilled (Levels 3-5)	789	77.7	2	0.2	67	6.6	53	5.2
Highly Skilled Production (Levels 6-8)	5 584	76.2	165	2.3	203	3.9	489	6.7
Highly Skilled Supervision (Levels 9-12)	14206	83.8	57	0.3	209	1.6	316	1.9
Senior and Top Management (Levels 13-16)	23 363	82	0	0	651	3	268	0.9
Contract (Levels 3-5)	258	98.1	0	0	0	0	0	0
Contract (Levels 6-8)	886	92	2	0.2	12	1.2	25	2.6
Contract (Levels 9-12)	4 392	93.8	0	0	9	0.2	29	0.6
Contract (Levels 13-16)	5 363	89.5	0	0	9	0.2	29	0.6
Periodical Remuneration	0	0	0	0	0	0	0	0
Total	54 840	81.4	226	0.3	1 151	2.2	1 203	1.8

3.2 Employment and Vacancies

Table 3.2.1 Employment and vacancies by programme as on 31 March 2018

Programme	Number of Posts on Approved Establishment	Number of Posts Filled	Vacancy Rate	Number of Employees Additional to the Establishment
Administration	44	38	13.6	5
Research, Policy & Legislation	23	27	15.6	0
Institutional Support & Coordination	32	21	8.7	0
Total	99	86	13.1	5

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2018

Salary Band	Number of Posts on Approved Establishment	Number of Posts Filled	Vacancy Rate	Number of Employees Additional to the Establishment
Lower Skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	6	3	50	0
Highly Skilled Production (Levels 6-8)	25	25	0	0
Highly Skilled Supervision (Levels 9-12)	27	22	18.5	0
Senior and Top Management (Levels 13-16)	29	24	17.2	0
Contract (Levels 3-5)	2	2	0	1
Contract (Levels 6-8)	1	1	0	0
Contract (Levels 9-12)	7	7	0	4
Contract (Levels 13-16)	2	2	0	0
Total	99	86	13.1	5

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2018

Critical Occupation	Number of Posts on Approved Establishment	Number of Posts Filled	Vacancy Rate	Number of Employees Additional to the Establishment
Administrative Related, Permanent	33	23	30.3	4
Financial and Related Professionals, Permanent	3	3	0	0
Financial Clerks and Credit Controllers, Permanent	2	1	50	0
General Legal Administration & Rel. Professionals, Permanent	1	1	0	0
Human Resource Related, Permanent	1	1	0	0
Light Vehicle Drivers, Permanent	4	3	25	0
Logistical Support Personnel, Permanent	2	2	0	0
Other Administrative Policy & Related Officers, Permanent	1	1	0	0
Other Occupations	6	6	0	0
Secretaries & Other Keyboard Operating Clerks, Permanent	23	22	4.3	1
Senior Manager, Permanent	23	23	0	0
Total	99	86	13.1	5

3.3 Filling of SMS Posts

Table 3.3.1 SMS post information as on 31 March 2018

SMS Level	Total Number of Funded SMS Posts	Total Number of SMS Posts Filled	% of SMS Posts Filled	Total Number of SMS Posts Vacant	% of SMS Posts Vacant
Director-General/Head of Department	1	1	100%	0	0%
Salary Level 14	8	0	87.5%	2	3.57%
Salary Level 13	17	15	88.2%	2	6.9%
Total	28	23	92%	5	17.61%

Table 3.3.2 SMS post information as on 30 September 2017

SMS Level	Total Number of Funded SMS Posts	Total Number of SMS Posts Filled	% of SMS Posts Filled	Total Number of SMS Posts Vacant	% of SMS Posts Vacant
Director-General/Head of Department	1	1	100%	0	0%
Salary Level 15	2	0	0%	2	7.14%
Salary Level 14	8	8	100%	0	0%
Salary Level 13	17	16	94.1%	1	3.57%
Total	28	2	89.2%	3	10.8%

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2017 and 31 March 2018

SMS Level	Total Number of Funded SMS Posts	Total Number of SMS Posts Filled	% of SMS Posts Filled	Total Number of SMS Posts Vacant	% of SMS Posts Vacant
Director-General/Head of Department	1	1	100%	0.0	0%
Salary Level 15	2	0	0%	2.0	7.14%
Salary Level 14	8	7	87.5%	1.0	3.57%
Salary Level 13	17	15	88.2%	2.0	6.9%
Total	28	23	92%	5.0	17.61%

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2017 and 31 March 2018

Reasons for Vacancies not Advertised within Six Months
N/A

Reasons for Vacancies not Filled within Six Months
Lengthy recruitment process

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2017 and 31 March 2018

Reasons for Vacancies not Advertised within Six Months
N/A

Reasons for Vacancies not Filled within Six Months
Lengthy recruitment process

3.4 Job Evaluation

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2017 and 31 March 2018

Salary band	Number of Posts on Approved Establishment	Number of Jobs Evaluated	% of Posts Evaluated by Salary Bands	Posts Upgraded		Posts Downgraded	
				Number	% of Posts Evaluated	Number	% of Posts Evaluated
Lower Skilled (Levels 1-2)	0	0	0	0	0	0	0
Skilled (Levels 3-5)	6	0	0	0	0	0	0
Highly Skilled Production (Levels 6-8)	25	0	0	0	0	0	0
Highly Skilled Supervision (Levels 9-12)	27	0	0	0	0	0	0
Senior Management Service Band A	19	0	0	0	0	0	0
Senior Management Service Band B	6	0	0	0	0	0	0
Senior Management Service Band C	2	0	0	0	0	0	0
Senior Management Service Band D	2	0	0	0	0	0	0
Contract (Levels 3-5)	2	0	0	0	0	0	0
Contract (Levels 6-8)	1	0	0	0	0	0	0
Contract (Levels 9-12)	7	1	14.3	0	0	0	0
Contract (Levels 13-16)	2	0	0	0	0	0	0
Total	99	1	1	0	0	0	0

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2017 and 31 March 2018

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0

Employees with a disability	0
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Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2017 and 31 March 2018

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation
	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
Total number of employees whose salaries exceeded the level determined by job evaluation				0
Percentage of total employed				0

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2017 and 31 March 2018

Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
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3.5 Employment Changes

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2017 and 31 March 2018

Salary Band	Number of Employees at Beginning of Period -1 April 2017	Appointments and Transfers into the Department	Terminations and Transfers Out of the Department	Turnover Rate
Lower Skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	16	2	0	0
Highly Skilled Production (Levels 6-8)	9	2	0	0
Highly Skilled Supervision (Levels 9-12)	22	3	2	9.1
Senior Management Service Band A	16	0	0	0
Senior Management Service Band B	1	0	0	0
Senior Management Service Band C	0	0	0	0
Senior Management Service Band D	1	2	1	100
Contract (Levels 3-5)	4	0	2	50
Contract (Levels 6-8)	6	1	2	33.3
Contract (Levels 9-12)	2	0	0	0
Contract Band A	2	0	1	50
Contract Band B	2	0	0	0
Contract Band D	1	0	1	100
Total	86	10	9	10.5

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2017 and 31 March 2018

Critical Occupation	Number of Employees at Beginning of Period - 1 April 2017	Appointments and Transfers into the Department	Terminations and Transfers Out of the Department	Turnover Rate
Administrative related, Permanent	24	1	2	8.3
Financial and Related Professionals, Permanent	2	1	0	0
Financial Clerks and Credit Controllers, Permanent	1	2	1	100
General Legal Administration & Rel. Professionals, Permanent	1	0	0	0
Human Resource Related, Permanent	1	0	0	100
Light Vehicle Drivers, Permanent	3	1	1	33.3
Logistical Support Personnel, Permanent	2	0	0	0
Other Administrative Policy & Related Officers, Permanent	1	0	0	0
Other Occupations	7	1	2	28.6
Secretaries & Other Keyboard Operating Clerks, Permanent	20	3	1	5
Senior Manager Permanent	24	0	1	4.2
Total	86	10	9	10.5

Table 3.5.3 Reasons why staff left the department for the period 1 April 2017 and 31 March 2018

Termination Type	Number	% of Total Resignations
Death	0	0
Resignation	1	11.1
Expiry of contract	7	77.8
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	1	11.1
Transfer to other Public Service Departments	0	0
Other	0	0
Total	9	100
Total number of employees who left as a % of total employment	9	10.5

Table 3.5.4 Promotions by critical occupation for the period 1 April 2017 and 31 March 2018

Occupation	Employees 1 April 2017	Promotions to Another Salary Level	Salary Level Promotions as a % of Employees by Occupation	Progressions to Another Notch within a Salary Level	Notch Progression as a % of Employees by Occupation
Administrative related, Permanent	24	1	4.2	15	62.5
Financial and Related Professionals, Permanent	2	0	0	2	100
Financial Clerks and Credit Controllers, Permanent	1	0	0	0	0
General Legal Administration & Rel. Professionals, Permanent	1	0	0	1	100
Human Resource Related, Permanent	1	0	0	0	0
Light Vehicle Drivers, Permanent	3	0	0	2	66.7
Logistical Support Personnel, Permanent	2	0	0	2	100
Other Administrative Policy & Related Officers, Permanent	1	0	0	1	100
Other Occupations	7	1	14.3	0	0
Secretaries & Other Keyboard Operating Clerks, Permanent	20	0	0	18	90
Senior Manager, Permanent	24	0	0	21	87.5
Total	86	2	2.3	62	72.1

Table 3.5.5 Promotions by salary band for the period 1 April 2017 and 31 March 2018

Salary Band	Employees 1 April 2017	Promotions to Another Salary Level	Salary Bands Promotions as a % of Employees by Salary Level	Progressions to Another Notch within a Salary Level	Notch Progression as a % of Employees by Salary Bands
Lower Skilled (Levels 1-2)	0	0	0	0	0
Skilled (Levels 3-5)	16	0	0	2	12.5
Highly Skilled Production (Levels 6-8)	9	0	0	22	244.4
Highly Skilled Supervision (Levels 9-12)	22	2	9.1	16	72.7
Senior Management (Level 13-16)	23	0	0	20	87
Contract (Levels 3-5)	1	0	0	0	0
Contract (Levels 6-8)	4	0	0	0	0
Contract (Levels 9-12)	6	0	0	0	0
Contract (Levels 13-16)	5	0	0	2	40
Total	86	2	2.3	62	72.1

3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2018

Occupational Category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	14	0	0	3	8	0	2	0	27
Professionals	2	0	0	0	3	0	0	0	26
Technicians and Associate Professionals	11	0	0	1	14	0	0	0	26
Clerks	4	0	0	0	19	0	0	0	23
Service and Sales Workers	0	0	0	0	0	0	0	0	0
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0
Craft and Related Trades Workers	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	3	0	0	0	0	0	0	0	3
Labourers and Related Workers	1	0	0	0	1	0	0	0	2
Total	35	0	0	0	45	0	2	0	86
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2018

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	0	0	0	0	0	2
Senior Management	8	0	0	3	9	0	2	0	22
Professionally Qualified and Experienced Specialists and Mid-Management	10	0	0	1	11	0	0	0	11
Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foreman and Superintendents	7	0	0	0	18	0	0	0	25
Semi-Skilled and Discretionary Decision Making	1	0	0	0	2	0	0	0	3
Unskilled and Defined Decision Making	0	0	0	0	0	0	0	0	0
Contract Senior Management	2	0	0	0	0	0	0	0	0
Contract Professionally Qualified	4	0	0	0	3	0	0	0	7
Contract Skilled Technical	0	0	0	0	1	0	0	0	1
Contract Semi Skilled	1	0	0	0	1	0	0	0	2
Total	35	0	0	4	45	0	2	0	86

Table 3.6.3 Recruitment for the period 1 April 2017 to 31 March 2018

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	1	0	0	0	1
Professionally Qualified and Experienced Specialists and Mid-Management	1	0	0	0	1	0	0	0	2
Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foreman and Superintendents	2	0	0	0	0	0	0	0	2
Semi-Skilled and Discretionary Decision Making	1	0	0	0	1	0	0	0	2
Unskilled and Defined Decision Making	0	0	0	0	0	0	0	0	0
Contract Professionally Qualified	1	0	0	0	0	0	0	0	1
Contract Semi Skilled	1	0	0	0	1	0	0	0	2
Total	6	0	0	0	4	0	0	0	10
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.4 Promotions for the period 1 April 2017 to 31 March 2018

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally Qualified and Experienced Specialists and Mid-Management	0	0	0	0	0	0	0	0	0
Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foreman and Superintendents	0	0	0	0	0	0	0	0	0
Semi-Skilled and Discretionary Decision Making	0	0	0	0	0	0	0	0	0
Unskilled and Defined Decision Making	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.5 Terminations for the period 1 April 2017 to 31 March 2018

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally Qualified and Experienced Specialists and Mid-Management	1	0	0	0	1	0	0	0	2
Skilled Technical and Academically Qualified Workers, Junior Management, Supervisors, Foreman and Superintendents	0	0	0	0	0	0	0	0	0
Semi-Skilled and Discretionary Decision Making	0	0	0	0	0	0	0	0	0
Unskilled and Defined Decision Making	0	0	0	0	0	0	0	0	0
Contract (Top Management)	1	0	0	0	0	0	0	0	1
Contract (Senior Management)	1	0	0	0	0	0	0	0	2
Contract (Professionally qualified)	0	0	0	0	2	0	0	0	2
Contract (Skilled technical)	0	0	0	0	0	0	0	0	1
Contract (Semi-skilled)	1	0	0	0	0	0	0	0	1
Total	4	0	0	0	5	0	0	0	9
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.6 Disciplinary action for the period 1 April 2017 to 31 March 2018

Disciplinary Action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
N/A	0	0	0	0	0	0	0	0	0

Table 3.6.7 Skills development for the period 1 April 2017 to 31 March 2018

Occupational Category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	1	0	0	2	0	0	0	0	3
Professionals	0	0	0	0	2	0	0	0	2
Technicians and Associate Professionals	0	0	0	0	0	0	0	0	0
Clerks	0	0	0	0	2	0	0	0	2
Service and Sales Workers	0	0	0	0	0	0	0	0	0
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0
Craft and Related Trades Workers	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0
Elementary Occupations	0	0	0	0	0	0	0	0	0
Total	1	0	0	2	4	0	0	0	7
Employees with disabilities	0	0	0	0	0	0	0	0	0

3.7 Signing of Performance Agreements by SMS Members

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2017

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance Agreements	Signed performance Agreements as % of total number of SMS members
Director-General/Head of Department	1	1	1	3.4
Salary Level 15	2	0	0	0
Salary Level 14	8	8	8	27.5
Salary Level 13	17	15	15	51.7
Total	28	24	24	85.7

Table 3.7.2 Reasons for not having concluded Performance Agreements for all SMS members as on 31 May 2017

Reasons
None

Table 3.7.3 Disciplinary steps taken Against SMS members for not having concluded Performance Agreements as on 31 March 2017

Reasons
None

3.8 Performance Rewards

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

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2017 to 31 March 2018

Race and Gender	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number of Employees	% of Total Within Group	Cost (R'000)	Average Cost per Employee
African					
Male	18	35	51.4	356	19 810
Female	30	45	66.7	484	16 153
Asian					
Male	0	0	0	0	0
Female	0	2	0	0	0
Coloured					
Male	0	0	0	0	0
Female	0	0	0	0	0
White					
Male	3	4	75	75.95	25 316
Female	0	0	0	0	0
Total	48	80	61.7	995.95	61 279

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2017 to 31 March 2018

Salary Band	Beneficiary Profile			Cost		Total Cost as a % of the Total Personnel Expenditure
	Number of Beneficiaries	Number of Employees	% of Total within Salary Bands	Total Cost (R'000)	Average Cost per Employee	
Lower Skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	2	3	66.7	10.8	5 398	35.16
Highly Skilled Production (Levels 6-8)	20	25	80	221.14	11 057	72.02
Highly Skilled Supervision (Levels 9-12)	14	22	63.6	312.93	22 352	145.6
Contract (Levels 3-5)	0	2	0	0	0	0
Contract (Levels 6-8)	1	1	100	23.17	23 171	150.94
Contract (Levels 9-12)	0	7	0		0	0
Total	37	60	61.7	568.04	15 352	403.72

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2017 to 31 March 2018

Critical Occupation	Beneficiary Profile			Cost	
	Number of Beneficiaries	Number of Employees	% of Total within Salary Bands	Total Cost (R'000)	Average Cost per Employee
Administrative related, Permanent	13	23	56.5	259.11	19 932
Financial and Related Professionals, Permanent	2	3	66.7	72.84	36 419
Financial Clerks and Credit Controllers, Permanent	0	1	0	0	0
General Legal Administration & Rel. Professionals, Permanent	1	1	100	22.13	22 127
Human Resource Related, Permanent	0	1	0	0	0
Light Vehicle Drivers, Permanent	2	3	66.7	11.78	5 892
Logistical Support Personnel, Permanent	1	2	50	9.32	9 317
Other Administrative Policy & Related Officers, Permanent	1	1	100	15.55	15 550
Other Occupations	0	6	0	0	0
Secretaries & Other Keyboard Operating Clerks, Permanent	18	22	81.8	199.44	11 080
Senior Manager, Permanent	13	23	56.5	326.94	25 149
Total	51	86	59.30	917.10	17 982

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2017 to 31 March 2018

Salary Band	Beneficiary Profile			Cost		Total Cost as a % of the Total Personnel Expenditure
	Number of Beneficiaries	Number of Employees	% of Total within Salary Bands	Total Cost (R'000)	Average Cost per Employee	
Band A	11	17	64.7	263.98	23 998.4	1.3
Band B	3	7	42.9	85.09	28 362.1	0.8
Band C	0	0	0	0	0	0
Band D	0	2	0	0	0	0
Total	14	26	0.8	349.07	24 933.4	1

3.9 Foreign Workers

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2017 and 31 March 2018

Salary Band	Beneficiary Profile			Cost		Total Cost as a % of the Total Personnel Expenditure
	Number of Beneficiaries	Number of Employees	% of Total within Salary Bands	Total Cost (R'000)	Average Cost per Employee	
Lower Skilled (Levels 1-2)	0	0	0	0	0	0
Highly Skilled Production (Levels 6-8)	0	0	0	0	0	0
Highly Skilled Supervision (Levels 9-12)	0	0	0	0	0	0
Contract (Levels 13-16)	0	0	0	0	0	0
Total	0	0	0	0	0	0

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2017 and 31 March 2018

Major Occupation	01 April 2017		31 March 2018		Change	
	Number	% of Total	Number	% of Total	Number	% of Total
Not Applicable	0	0	0	0	0	0
Total	0	0	0	0	0	0

3.10 Leave Utilisation

Table 3.10.1 Sick leave for the period 1 January 2017 to 31 December 2017

Salary Band	Total Days	% Days with Medical Certification	Number of Employees Using Sick Leave	% of Total Employees Using Sick Leave	Average Days per Employee	Estimated Cost (R'000)
Lower Skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	8	0	5	7.2	2	7
Highly Skilled Production (Levels 6-8)	166	85.5	19	27.5	9	202
Highly Skilled Supervision (Levels 9-12)	100	72	19	27.5	5	251
Top and Senior Management (Levels 13-16)	113	83.2	19	27.5	6	435
Contract (Levels 3-5)	0	0	0	0	0	0
Contract (Levels 6-8)	3	0	1	1.4	3	3
Contract (Levels 9-12)	33	81.8	4	5.8	8	66
Contract (Levels 13-16)	22	81.8	2	2.9	11	97
Total	445	79.3	69	100	6	1 061

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2017 to 31 December 2017

Salary Band	Total Days	% Days with Medical Certification	Number of Employees Using Disability Leave	% of Total Employees Using Disability Leave	Average Days per Employee	Estimated Cost (R'000)
Lower Skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly Skilled Production (Levels 6-8)	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 3.10.3 Annual Leave for the period 1 January 2017 to 31 December 2017

Salary Band	Total Days Taken	Number of Employees Using Annual Leave	Average per Employee
Lower Skilled (Levels 1-2)	0	0	0
Skilled (Levels 3-5)	88	13	7
Highly Skilled Production (Levels 6-8)	473	22	22
Highly Skilled Supervision (Levels 9-12)	539	24	22
Top and Senior Management (Levels 13-16)	88	13	7
Contract (Levels 3-5)	25	2	13
Contract (Levels 6-8)	62	2	16
Contract (Levels 9-12)	539	24	22
Contract (Levels 13-16)	581	99	24
Total	1 949	99	20

Table 3.10.4 Capped leave for the period 1 January 2017 to 31 December 2017

Salary Band	Total days of Capped Leave taken	Number of Employees Using Capped Leave	Average Number of Days Taken per Employee	Average Number of Days Taken per Employee
Lower Skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0
Highly Skilled Production (Levels 6-8)	0	0	0	44.07
Highly Skilled Supervision (Levels 9-12)	0	0	0	252.92
Senior Management (Levels 13-16)	0	0	0	440.98
Contract (Levels 13-16)	0	0	0	239
Total	0	0	0	976.97

Table 3.10.5 Leave payouts for the period 1 April 2017 and 31 March 2018

Reason	Total Amount (R'000)	Number of Employees	Average per Employee (R'000)
Leave payouts for 2017/18 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2017/18	0	0	0
Current leave payouts on termination of service for 2017/18	0	0	0
Total	0	0	0

3.1 | HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/Categories of Employees Identified to be at High Risk of Contracting HIV & Related Diseases (if any)	Key Steps Taken to Reduce the Risk
General Staff	EWP Programme raising awareness and encouraging general staff to do regular testing on HIV Sensitising general staff about HIV through pamphlets and World Aid Day.

Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	✓		Mr OM Aphane Chief Director: Corporate & Financial Services (Done in collaboration with the Department of Cooperative Governance)
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.			Shared service function provided by DCoG on Agency basis until DTA has established HR unit. Centralised budget under DCoG
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.			The EWP is designed to assist employees' health issues, life skills and financial wellness.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.			Shared service function provided by DCoG on Agency basis until DTA has established HR unit.
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.			Shared service function provided by DCoG on Agency basis until DTA has established HR unit
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.			Shared service function provided by DCoG on Agency basis until DTA has established HR unit
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.			<ul style="list-style-type: none"> ■ Shared service function provided by DCoG on Agency basis until DTA has established HR unit
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.			None

3.12 Labour Relations

Table 3.12.1 Collective Agreements for the period 1 April 2017 and 31 March 2018

Subject Matter	Date
General Staff	
Total number of Collective Agreements	None

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2017 and 31 March 2018

Total number of Disciplinary hearings finalised	None
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Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2017 and 31 March 2018

Type of Misconduct	Number	% of Total
Not Applicable	0	0
Total	0	0

Table 3.12.4 Grievances logged for the period 1 April 2017 and 31 March 2018

Grievances	Number	% of Total
Number of grievances resolved	0	0
Number of grievances not resolved	1	100%
Total number of grievances lodged	1	100%

Table 3.12.5 Disputes logged with Councils for the period 1 April 2017 and 31 March 2018

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

Table 3.12.6 Strike actions for the period 1 April 2017 and 31 March 2018

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2017 and 31 March 2018

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

3.13 Skills Development

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

Table 3.13.1 Training needs identified for the period 1 April 2017 and 31 March 2018

Occupational Category	Gender	Number of Employees as at 1 April 2017	Training Needs Identified at Start of the Reporting Period			
			Learner-ships	Skills Programmes & Other Short Courses	Skills Programmes & Other Short Courses	Other Forms of Training
Legislators, Senior Officials and Managers	Female	0	0	0	0	0
	Male	3	0	2	1	3
Professionals	Female	2	0	2	0	2
	Male	0	0	0	0	0
Technicians and Associate Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	2	0	2	0	0
	Male	0	0	0	0	0
Service and Sales Workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled Agriculture and Fishery Workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and Related Trades Workers	Female	0	0	0	0	0
	Male	0	0	0	0	0

Table 3.13.1 Training needs identified for the period 1 April 2017 and 31 March 2018

Occupational Category	Gender	Number of Employees as at 1 April 2017	Training Needs Identified at Start of the Reporting Period			
			Learner-ships	Skills Programmes & Other Short Courses	Skills Programmes & Other Short Courses	Other Forms of Training
Plant and Machine Operators and Assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	4	0	4	1	5
	Male	3	0	2	0	2
Total		7	0	6	1	7

Table 3.13.2 Training provided for the period 1 April 2017 and 31 March 2018

Occupational Category	Gender	Number of Employees as at 1 April 2017	Training Needs Identified at Start of the Reporting Period			
			Learner-ships	Skills Programmes & Other Short Courses	Skills Programmes & Other Short Courses	Other Forms of Training
Legislators, Senior Officials and Managers	Female	0	0	0	0	0
	Male	3	0	2	1	3
Professionals	Female	2	0	2	0	2
	Male	0	0	0	0	0
Technicians and Associate Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	2	0	2	0	2
	Male	0	0	0	0	0
Service and Sales Workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled Agriculture and Fishery Workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and Related Trades Workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and Machine Operators and Assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0

Table 3.13.2 Training provided for the period 1 April 2017 and 31 March 2018 (continued)

Occupational Category	Gender	Number of Employees as at 1 April 2017	Training Needs Identified at Start of the Reporting Period			
			Learner-ships	Skills Programmes & Other Short Courses	Skills Programmes & Other Short Courses	Other Forms of Training
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	4	0	4	1	5
	Male	3	0	2	0	2
Total		7	0	0	1	7

3.14 Injury on Duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2017 and 31 March 2018

Nature of Injury on Duty	Number	% of Total
Required Basic Medical Attention only	0	0
Temporary Total Disablement	0	0
Permanent Disablement	0	0
Fatal	0	0
Total	0	0

3.15 Utilisation of Consultants

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2017 and 31 March 2018

Project Title	Total Number of Consultants that Worked on Project	Duration (Work Days)	Contract Value in Rand
Not applicable			

Total Number of Projects	Total Individual Consultants	Total Duration (Work Days)	Total Contract Value in Rand
Not applicable			

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2017 and 31 March 2018

Project Title	Percentage Ownership by HDI Groups	Percentage Management by HDI Groups	Number of Consultants from HDI Groups that Work on the Project
Not applicable			

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2017 and 31 March 2018

Project Title	Total Number of Consultants that Worked on Project	Duration (Work days)	Donor and Contract Value in Rand
Not applicable			

Project Title	Total Number of Consultants that Worked on Project	Duration (Work days)	Donor and Contract Value in Rand
Not applicable			

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2017 and 31 March 2018

Project Title	Percentage Ownership by HDI Groups	Percentage Management by HDI Groups	Number of Consultants from HDI Groups that Work on the Project
Not applicable			

3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2017 and 31 March 2018

Salary Band	Number of Applications Received	Number of Applications Referred to the MPSA	Number of Applications Supported by MPSA	Number of Packages Approved by Department
Lower Skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0
Highly Skilled Production (Levels 6-8)	0	0	0	0
Highly Skilled Supervision (Levels 9-12)	0	0	0	0
Senior Management (Levels 13-16)	0	0	0	0
Total	0	0	0	0

PART E: FINANCIAL INFORMATION



Introduction and scope

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.

My procedures address the reported performance information, which must be based on the approved performance planning documents of the department I have not evaluated the completeness and appropriateness of the performance indicators/measures 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.

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 2018 date:

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.

I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:

Programmes	Page in the annual performance report
Programme 2 – research, policy and legislation	34 – 39
Programme 3 – institutional support and coordination	40 – 44

Other matter

I draw attention to the matter below.

Achievement of planned targets

Refer to the annual performance report on pages 30 to 48 for information on the achievement of planned targets for the year and explanations provided for the under/over achievement of a number of targets.

Report of the auditor-general to Parliament on vote no. 4: Department of Traditional Affairs

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Department of Traditional Affairs set out on pages 106 to 134 which comprise the appropriation statement, statement of financial position as at 31 March 2018, 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.

In my opinion, the financial statements present fairly, in all material respects, financial position of the Department of Traditional Affairs as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standards and the requirements of the Public Finance Management Act of South Africa, 1999 (Act no.1 of 1999) (PFMA).

Basis for opinion

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 auditor's report.

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.

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

Emphasis of matter

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

Contingent liabilities

With reference to note 16 to the financial statements, the department is involved in opposing court cases against it. The ultimate outcome of the matters could not be determined and no provision for any liability that may result was made in the financial statements.

Other matter

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

Unaudited supplementary schedules

The supplementary information set out on pages 135 to 138 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the Modified Cash Standards and the requirements of the PFMA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the accounting officer is responsible for assessing the Department of 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 the accounting officer either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Auditor General

Pretoria

31 July 2018



Annual Financial Statements
for the year ended 31 March 2018

Appropriation Statement

Appropriation per Programmes									
2017/18								2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. Programme 1	37 884	2 000	3 562	43 446	39 753	3 693	91.5%	37 489	35 987
2. Programme 2	19 024	1 000	(3 380)	16 644	13 994	2 650	84.1%	13 555	12 846
3. Programme 3	88 098	4 500	(182)	92 416	85 811	6 605	92.9%	82 954	81 821
Total	145 006	7 500	-	152 506	139 558	12 948	91.5%	133 998	130 654

	2017/18		2016/17	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)	152 506	139 558	133 998	130 654
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	98		984	
Actual amounts per statement of financial performance (total revenue)	152 604		134 982	
Actual amounts per statement of financial performance (total expenditure)		139 558		130 654

Annual Financial Statements
for the year ended 31 March 2018

Programme 1: Administration									
2017/18								2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	101 854	5 500	(515)	106 839	94 096	12 743	88.1%	93 996	90 688
Compensation of employees	69 043	-	168	69 211	62 544	6 667	90.4%	60 999	58 140
Salaries and wages	62 345	(237)	168	62 276	56 577	5 699	90.8%	54 600	52 577
Social contributions	6 698	237	-	6 935	5 967	968	86.0%	6 399	5 563
Goods and services	32 811	5 500	(683)	37 628	31 552	6 076	83.9%	32 997	32 548
Administrative fees	754	516	(59)	1 211	1 137	74	93.9%	352	32 548
Advertising	537	(169)	-	368	329	39	89.4%	357	352
Minor assets	424	31	-	455	280	175	61.5%	48	331
Audit costs: External	2 390	(195)	(236)	1 959	1 932	27	98.6%	2 075	48
Bursaries: Employees	106	(50)	-	56	46	10	82.1%	104	2 075
Catering: Departmental activities	902	82	-	984	659	325	67.0%	832	104
Communication	1 837	(482)	-	1 355	934	421	68.9%	1 861	734
Computer services	180	84	-	264	186	78	70.5%	148	1 825
Consultants: Business and advisory services	1 503	345	-	1 848	1 679	169	90.9%	1 385	148
	2 650	1 170	-	3 820	3 820	-	100.0%	4 375	1 385
Legal services	-	12	-	12	12	-	100.0%	13	1 385
Contractors	358	59	-	417	286	131	68.6%	605	4 375
Fleet services	161	(49)	-	112	59	53	52.7%	39	12
Consumable supplies									605
Consumable: Stationery, printing and office supplies	1 443	(569)	-	874	263	611	30.1%	364	39
	220	180	(115)	285	280	5	98.2%	109	
Operating leases	17 283	2 602	(273)	19 612	16 579	3 033	84.5%	18 937	364
Travel and subsistence	654	(79)	-	575	121	454	21.0%	115	109
Training and development	639	227	-	916	814	102	88.9%	748	18 933
Operating payments	770	1 735	-	2 505	2 136	369	85.3%	461	115
Venues and facilities									465

Annual Financial Statements
for the year ended 31 March 2018

Programme 1: Administration									
2017/18								2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	40 447	2 000	234	42 681	42 603	78	99.8%	38 556	38 556
Provinces and municipalities	-	-	4	4	2	2	50.0%	2	2
Municipalities	-	-	4	4	2	2	50.0%	2	2
Municipal bank accounts	-	-	4	4	2	2	50.0%	2	2
Departmental Agencies and accounts	-	-	1	1	1	-	100.0%	-	-
Departmental Agencies and accounts	-	-	1	1	1	-	100.0%	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	1	1
Public corporations	-	-	-	-	-	-	-	1	1
Other transfers to public corporations	-	-	-	-	-	-	-	1	1
Non-profit institutions	40 447	2 000	-	42 447	42 447	-	100.0%	38 521	38 521
Households	-	-	229	229	153	76	66.8%	32	32
Social benefits	-	-	219	219	143	76	65.3%	32	32
Other transfers to households	-	-	10	10	10	-	100.0%	-	-
Payments for capital assets	2 705	-	215	2 920	2 794	126	95.7%	1 262	1 226
Machinery and equipment	2 580	(41)	215	2 754	2 628	126	95.4%	1 262	1 226
Transport equipment	1 000	-	-	1 000	958	42	95.8%	-	-
Other machinery and equipment	1 580	(41)	215	1 754	1 670	84	95.2%	1 262	1 226
Software and Intangible assets	125	41	-	166	166	-	100.0%	-	-
Payments for financial assets	-	-	66	66	65	1	98.5%	184	184
Total	145 006	7 500	-	152 506	139 558	12 948	91.5%	133 998	130 654

Annual Financial Statements
for the year ended 31 March 2018

Programme 1: Administration									
2017/18								2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Ministry	6 644	1 005	-	7 649	7 488	161	97.9%	7 314	7 305
2. Management of Traditional Affairs	11 977	(81)	1 601	13 497	11 990	1 507	88.8%	13 166	13 120
3. Corporate Services	15 037	418	1 961	17 416	15 623	1 793	89.7%	13 959	12 512
4. Internal Audit	4 226	658	-	4 884	4 652	232	95.2%	3 050	3 050
Total for sub programme	37 884	2 000	3 562	43 446	39 753	3 693	91.5%	37 489	35 987
Economic classification									
Current payments	35 179	2 000	3 100	40 279	36 791	3 488	91.3%	36 035	34 569
Compensation of employees	24 698	-	3 577	28 275	26 294	1 981	93.0%	24 376	22 976
Salaries and wages	22 163	(184)	3 257	25 236	23 641	1 595	93.7%	21 657	20 576
Social contributions	2 535	184	320	3 039	2 653	386	87.3%	2 719	2 400
Goods and services	10 481	2 000	(477)	12 004	10 497	1 507	87.4%	11 659	11 593
Administrative fees	261	178	(59)	380	349	31	91.8%	166	166
Advertising	302	66	-	368	329	39	89.4%	277	252
Minor assets	85	73	-	158	94	64	59.5%	48	48
Audit costs: External	2 390	(195)	(236)	1 959	1 932	27	98.6%	2 075	2 075
Bursaries: Employees	76	(30)	-	46	46	-	100.0%	104	104
Catering: Departmental activities	86	85	-	171	153	18	89.5%	134	134
Communication	794	(184)	-	610	432	178	70.8%	1 000	964
Computer services	180	84	-	264	186	78	70.5%	148	148
Consultants: Business and advisory services	776	(91)	-	685	516	169	75.3%	420	420
Contractors	-	12	-	12	12	-	100.0%	8	7
Fleet services	100	110	-	210	149	61	71.0%	277	277
Consumable supplies	65	42	-	107	59	48	55.1%	38	38
Consumable: Stationery, printing and office supplies	300	(106)	-	194	163	31	84.0%	204	204

Annual Financial Statements
for the year ended 31 March 2018

Programme 1: Administration (continued)									
2017/18								2016/17	
	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
Operating leases	220	180	(115)	285	280	5	98.2%	109	109
Travel and subsistence	3 990	1 638	(67)	5 561	4 961	600	89.2%	5 885	5 881
Training and development	190	20	-	210	91	119	43.3%	84	84
Operating payments	572	(22)	-	550	515	35	93.6%	432	432
Venues and facilities	94	140	-	234	230	4	98.3%	190	190
Transfers and subsidies	-	-	181	181	103	78	56.9%	8	8
Provinces and municipalities	-	-	4	4	2	2	50.0%	2	2
Municipalities	-	-	4	4	2	2	50.0%	2	2
Municipal bank accounts	-	-	4	4	2	2	50.0%	2	2
Departmental Agencies and accounts	-	-	1	1	1	-	100.0%	-	-
Departmental Agencies	-	-	1	1	1	-	100.0%	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	1	1
Public corporations	-	-	-	-	-	-	-	1	1
Other transfers to public corporations	-	-	-	-	-	-	-	1	1
Households	-	-	176	176	100	76	56.8%	5	5
Social benefits	-	-	166	166	90	76	54.2%	5	5
Other transfers to households	-	-	10	10	10	-	100.0%	-	-
Payments for capital assets	2 705	-	215	2 920	2 794	126	95.7%	1 262	1 226
Machinery and equipment	2 580	(41)	215	2 754	2 628	126	95.4%	1 262	1 226
Transport equipment	1 000	-	-	1 000	958	42	95.8%	-	-
Other machinery and equipment	1 580	(41)	215	1 754	1 670	84	95.2%	1 262	1 226
Software and Intangible assets	125	41	-	166	166	-	100.0%	-	-
Payments for financial assets	-	-	66	66	65	1	98.5%	184	184
Total	37 884	2 000	3 562	43 446	39 753	3 693	91.5%	37 489	35 987

Annual Financial Statements
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1.1 Ministry									
2017/18								2016/17	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	6 644	1 005	-	7 649	7 488	161	97.9%	7 314	7 305
Compensation of employees	4 644	5	-	4 649	4 649	-	100.0%	4 580	4 571
Goods and services	2 000	1 000	-	3 000	2 839	161	94.6%	2 734	2 734
Total	6 644	1 005	-	7 649	7 488	161	97.9%	7 314	7 305

1.2 Management of Traditional Affairs									
2017/18								2016/17	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	11 977	(81)	1 458	13 354	11 923	1 431	89.3%	13 161	13 115
Compensation of employees	9 285	(581)	1 458	10 162	9 351	811	92.0%	8 956	8 950
Goods and services	2 692	500	-	3 192	2 572	620	80.6%	4 205	4 165
Transfers and subsidies	-	-	143	143	67	76	46.9%	5	5
Households	-	-	143	143	67	76	46.9%	5	5
Total	11 977	(81)	1 601	13 497	11 990	1 507	88.8%	13 166	13 120

Annual Financial Statements
for the year ended 31 March 2018

1.3 Corporate Services									
2017/18								2016/17	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	12 457	459	1 642	14 558	12 894	1 664	88.6%	12 510	11 099
Compensation of employees	7 631	(41)	2 119	9 709	8 539	1 170	87.9%	8 555	7 171
Goods and services	4 826	500	(477)	4 849	4 355	494	89.8%	3 955	3 929
Transfers and subsidies	-	-	38	38	36	2	94.7%	3	3
Provinces and municipalities	-	-	4	4	2	2	50.0%	2	2
Departmental Agencies and accounts	-	-	1	1	1	-	100.0%	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	1	1
Households	-	-	33	33	33	-	100.0%	-	-
Payments for capital assets	2 580	(41)	215	2 754	2 628	126	95.4%	1 262	1 226
Machinery and equipment	2 580	(41)	215	2 754	2 628	126	95.4%	1 262	1 226
Payments for financial assets	-	-	66	66	65	1	98.5%	184	184
Total	15 037	418	1 961	17 416	15 623	1 793	89.7%	13 959	12 512

1.4 Internal Audit									
2017/18								2016/17	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	4 101	617	-	4 718	4 486	232	95.1%	3 050	3 050
Compensation of employees	3 138	617	-	3 755	3 755	-	100.0%	2 285	2 285
Goods and services	963	-	-	963	731	232	75.9%	765	765
Payments for capital assets	125	41	-	166	166	-	100.0%	-	-
Software and Intangible assets	125	41	-	166	166	-	100.0%	-	-
Total	4 226	658	-	4 884	4 652	232	95.2%	3 050	3 050

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Programme 2: Research, Policy and Legislation									
	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Management	1 683	(388)	-	1 295	-	1 295	-	375	72
2. Policy and Legislation	3 766	306	-	4 072	3 555	517	87.3%	3 137	3 111
3. Research and Information Management	13 575	1 082	(3 380)	11 277	10 439	838	92.6%	10 043	9 663
Total for sub programme	19 024	1 000	(3 380)	16 644	13 994	2 650	84.1%	13 555	12 846
Economic classification									
Current payments	19 024	1 000	(3 409)	16 615	13 965	2 650	84.1%	13 555	12 846
Compensation of employees	15 755	-	(3 409)	12 346	11 011	1 335	89.2%	10 687	10 261
Salaries and wages	14 189	(14)	(3 089)	11 086	9 944	1 142	89.7%	9 344	9 237
Social contributions	1 566	14	(320)	1 260	1 067	193	84.7%	1 343	1 025
Goods and services	3 269	1 000	-	4 269	2 954	1 315	69.2%	2 868	2 585
Administrative fees	56	29	-	85	75	10	88.2%	35	35
Minor assets	16	-	-	16	-	16	-	-	-
Catering: Departmental activities	97	(14)	-	83	8	75	9.6%	40	40
Communication	216	(2)	-	214	152	62	71.0%	142	142
Consultants: Business and advisory services	-	74	-	74	74	-	100.0%	-	-
Consumable supplies	46	-	-	46	-	46	-	1	1
Consumable: Stationery, printing and office supplies	435	(243)	-	192	68	124	35.4%	89	89
Travel and subsistence	2 071	1 040	-	3 111	2 294	817	73.7%	2 157	2 157
Training and development	76	(59)	-	17	-	17	-	-	-
Operating payments	-	283	-	283	283	-	100.0%	283	-
Venues and facilities	256	(108)	-	148	-	148	-	112	112
Transfers and subsidies	-	-	29	29	29	-	100.0%	-	-
Households	-	-	29	29	29	-	100.0%	-	-
Social benefits	-	-	29	29	29	-	100.0%	-	-
Total	19 024	1 000	(3 380)	16 644	13 994	2 650	84.1%	13 555	12 846

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2.1 Management									
2017/18								2016/17	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1 683	(388)	-	1 295	-	1 295	-	375	72
Compensation of employees	1 436	(314)	-	1 122	-	1 122	-	375	72
Goods and services	247	(74)	-	173	-	173	-	-	-
Total	1 683	(388)	-	1 295	-	1 295	-	375	72

2.2 Policy and Legislation									
2017/18								2016/17	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	3 766	306	-	4 072	3 555	517	87.3%	3 137	3 111
Compensation of employees	2 945	56	-	3 001	2 968	33	98.9%	2 841	2 815
Goods and services	821	250	-	1 071	587	484	54.8%	296	296
Interest and rent on land									
Total	3 766	306	-	4 072	3 555	517	87.3%	3 137	3 111

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2.3 Research and Information Management									
2017/18								2016/17	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	13 575	1 082	(3 409)	11 248	10 410	838	92.5%	10 043	9 663
Compensation of employees	11 374	258	(3 409)	8 223	8 043	180	97.8%	7 471	7 374
Goods and services	2 201	824	-	3 025	2 367	658	78.2%	2 572	2 289
Transfers and subsidies	-	-	29	29	29	-	100.0%	-	-
Households	-	-	29	29	29	-	100.0%	-	-
Total	13 575	1 082	(3 380)	11 277	10 439	838	92.6%	10 043	9 663

Programme 3: Institutional Support and Coordination									
2017/18								2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Management	1 733	-	-	1 733	-	1 733	-	307	-
2. Institutional Support and Coordination	6 941	48	-	6 989	6 364	625	91.1%	5 372	5 372
3. Intergovernment Development and Capacity Building	7 409	189	(168)	7 430	5 980	1 450	80.5%	7 025	6 778
4. National House of Traditional Leaders	17 451	3 458	-	20 909	20 842	67	99.7%	18 913	18 913
5. Commission for the Promotion and Protection of rights of Culture	40 447	2 000		42 447	42 447	-	100.0%	38 521	38 521
6. Commission on Traditional Leaders Disputes and Claims	14 117	(1 195)	(14)	12 908	10 178	2 730	78.9%	12 816	12 237
Total for sub programme	88 098	4 500	(182)	92 416	85 811	6 605	92.9%	82 954	81 821

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Programme 3: Institutional Support and Coordination (continued)									
	2017/18							2016/17	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	47 651	2 500	(206)	49 945	43 340	6 605	86.8%	44 406	43 273
Compensation of employees	28 590	-	-	28 590	25 239	3 351	88.3%	25 936	24 903
Salaries and wages	25 993	(39)	-	25 954	22 992	2 962	88.6%	23 599	22 765
Social contributions	2 597	39	-	2 636	2 247	389	85.2%	2 337	2 138
Goods and services	19 061	2 500	(206)	21 355	18 101	3 254	84.8%	18 470	18 370
Administrative fees	437	309	-	746	713	33	95.6%	151	151
Advertising	235	(235)	-	-	-	-	-	80	79
Minor assets	323	(42)	-	281	186	95	66.2%	-	-
Bursaries: Employees	30	(20)	-	10	-	10	-	-	-
Catering: Departmental activities	719	11	-	730	498	232	68.2%	658	560
Communication	827	(296)	-	531	350	181	65.9%	719	719
Consultants: Business and advisory services	727	362	-	1 089	1 089	-	100.0%	965	965
Legal services	2 650	1 170	-	3 820	3 820	-	100.0%	4 375	4 375
Fleet services	258	(51)	-	207	137	70	66.2%	328	328
Consumable supplies	50	(6)	-	44	-	44	-	-	-
Consumable: Stationery, printing and office supplies	708	(305)	-	403	32	458	6.6%	71	71
Travel and subsistence	11 222	(76)	(206)	10 940	9 324	1 616	85.2%	10 895	10 895
Training and development	388	(40)	-	348	30	318	8.6%	31	31
Operating payments	67	16	-	83	16	67	19.3%	33	33
Venues and facilities	420	1 703	-	2 123	1 906	217	89.8%	159	159
Transfers and subsidies	40 447	2 000	24	42 471	42 471	-	100.0%	38 548	38 548
Non-profit institutions	40 447	2 000	-	42 447	42 447	-	100.0%	38 521	38 521
Households	-	-	24	24	24	-	100.0%	27	27
Social benefits	-	-	24	24	24	-	100.0%	27	27
Other transfers to households	-	-	10	10	10	-	100.0%	-	-
Total	88 098	4 500	(182)	92 416	85 811	6 605	92.9%	82 954	81 821

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3.1 Management									
2017/18								2016/17	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1 733	-	-	1 733	-	1 733	-	307	-
Compensation of employees	1 436	-	-	1 436	-	1 436	-	307	-
Goods and services	297	-	-	297	-	297	-	-	-
Total	1 733	-	-	1 733	-	1 733	-	307	-

3.2 Institutional Support and Coordination									
2017/18								2016/17	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	6 941	48	-	6 989	6 364	625	91.1%	5 372	5 372
Compensation of employees	5 022	48	-	5 070	4 845	225	95.6%	4 469	4 469
Goods and services	1 919	-	-	1 919	1 519	400	79.2%	903	903
Total	6 941	48	-	6 989	6 364	625	91.1%	5 372	5 372

3.3 Intergovernmental Relations and Partners									
2017/18								2016/17	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	7 409	189	(168)	7 430	5 980	1 450	80.5%	7 025	6 778
Compensation of employees	5 710	189	-	5 899	5 429	470	92.0%	5 752	5 505
Goods and services	1 699	-	(168)	1 531	551	980	36.0%	1 273	1 273
Total	7 409	189	(168)	7 430	5 980	1 450	80.5%	7 025	6 778

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3.4 National House of Traditional Leaders									
2017/18								2016/17	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	17 451	3 458	-	20 909	20 842	67	99.7%	18 913	18 913
Compensation of employees	9 822	194	-	10 016	9 974	42	99.6%	9 243	9 243
Goods and services	7 629	3 264	-	10 893	10 868	25	99.8%	9 670	9 670
Total	17 451	3 458	-	20 909	20 842	67	99.7%	18 913	18 913

3.5 Commission for the Promotion and Protection of Culture									
2017/18								2016/17	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	40 447	2 000	-	42 447	42 447	-	100.0%	38 521	38 521
Non-profit institutions	40 447	2 000	-	42 447	42 447	-	100.0%	38 521	38 521
Total	17 451	3 458	-	20 909	20 842	67	99.7%	18 913	18 913

3.6 Commission on Traditional Leaders Disputes and Claims									
2017/18								2016/17	
Economic Classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	14 117	(1 195)	(38)	12 884	10 154	2 730	78.8%	12 789	12 210
Compensation of employees	6 600	(431)	-	6 169	4 991	1 178	80.9%	6 165	5 686
Goods and services	7 517	(764)	(38)	6 715	5 163	1 552	76.9%	6 624	6 525
Transfers and subsidies	-	-	24	24	24	-	100.0%	27	27
Households	-	-	24	24	24	-	100.0%	27	27
Total	14 117	(1 195)	(14)	12 908	10 178	2 730	78.9%	12 816	12 237

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Notes to the Appropriation Statement

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

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

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

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

3. Detail on payments for financial assets

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

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

4.1 Per Programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Administration	43 446	39 753	3 693	8.5%
Research, Policy and Legislation	16 644	13 994	2 650	15.9%
Institutional Support and Coordination	92 416	85 811	6 605	7.1%

4.2 Per Economic Classification	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Current payments	106 839	94 096	12 743	11.9%
Compensation of employees	69 211	62 544	6 667	9.6%
Goods and services	37 628	31 552	6 076	16.1%
Transfers and subsidies	42 681	42 603	78	0.2%
Provinces and municipalities	4	2	2	50.0%
Departmental Agencies and accounts	1	1	-	0.0%
Non-profit institutions	42 447	42 447	-	0.0%
Households	229	153	76	33.2%
Payments for capital assets	2 920	2 794	126	4.3%

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4.2 Per Economic Classification (continued)	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Buildings and other fixed structures	-	-	-	-
Machinery and equipment	2 754	2 628	126	4.6%
Software and other intangible assets	166	166	-	0.0%
Payments for financial assets	66	65	1	1.5%

The underspending in all the programmes within the department are mainly attributed to slow recruitment processes in filling of vacant funded posts and expiry of contracts of those which were filled on temporary status. In addition, late receipt of Inter-departmental claim of R2,4 million contributed to the underspending.

Statement of Financial Performance

	Note	2017/18	2016/17
		R'000	R'000
Revenue			
Annual appropriation	1	152 506	133 998
Departmental revenue	2	98	984
Total revenue		152 604	134 982
Expenditure			
Current expenditure			
Compensation of employees	3	62 544	58 140
Goods and services	4	31 552	32 548
Total current expenditure		94 096	90 688
Transfers and subsidies			
Transfers and subsidies	6	42 603	38 556
Total transfers and subsidies		42 603	38 556
Expenditure for capital assets			
Tangible assets	7	2 628	1 226
Intangible assets	7	166	-
Total expenditure for capital assets		2 794	1 226
Payments for financial assets	5	65	184
Total expenditure		139 558	130 654
Surplus/(Deficit) for the year		13 046	4 328

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Statement of Financial Performance (continued)

	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		12 948	3 344
Annual appropriation		12 948	3 344
Departmental revenue and NRF Receipts	12	98	984
Surplus/(Deficit) for the year		13 046	4 328

Statement of Financial Position

	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Assets			
Current assets			
Unauthorised expenditure	8	2 252	2 252
Cash and cash equivalents	9	12 278	6 675
Receivables	10	705	129
Total Assets		15 235	9 056
Liabilities			
Current liabilities			
Voted funds to be surrendered to the Revenue Fund	11	15 200	5 596
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	12	5	-
Payables	13	29	3 407
Total Liabilities		15 234	9 003
Net Assets		1	53
Represented by:			
Capitalisation reserve		-	-
Recoverable revenue		1	53
Retained funds		-	-
Revaluation reserves		-	-
Total		1	53

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Statement of Changes in Net Assets

	Note	2017/18	2016/17
		R'000	R'000
Recoverable revenue			
Opening balance		53	-
Transfers:		(52)	53
Debts revised		(59)	(1)
Debts recovered (included in departmental receipts)			
Debts raised		7	54
Closing balance		1 53	
Total		1 53	

Cash Flow Statement

	Note	2017/18	2016/17
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		152 604	134 067
Annual appropriated funds received	1	152 506	133 998
Departmental revenue received	2	98	69
Net (increase)/decrease in working capital		(3 954)	1 055
Surrendered to Revenue Fund		(3 437)	(1 550)
Current payments		(94 096)	(90 688)
Payments for financial assets		(65)	(184)
Transfers and subsidies paid		(42 603)	(38 556)
Net cash flow available from operating activities		8 449	4 144
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(2 794)	(1 226)
Proceeds from sale of capital assets		-	915
Net cash flows from investing activities		(2 794)	(311)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(52)	53
Net cash flows from financing activities		(52)	53
Net increase/(decrease) in cash and cash equivalents		5 603	3 886
Cash and cash equivalents at beginning of period		6 675	2 789
Cash and cash equivalents at end of period	9	12 278	6 675

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Accounting Policies

ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2018

Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.

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

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

1	Basis of preparation The financial statements have been prepared in accordance with the Modified Cash Standard.
2	Going concern The financial statements have been prepared on a going concern basis.
3	Presentation currency Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.
4	Rounding Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).

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ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2018 (continued)	
5	<p>Foreign currency translation</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>
6	<p>Comparative information</p>
6.1	<p>Prior period comparative information</p> <p>Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.</p>
6.2	<p>Current year comparison with budget</p> <p>A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p>
7	<p>Revenue</p>
7.1	<p>Appropriated funds</p> <p>Appropriated funds comprises of departmental allocations as well as direct charges Against the revenue fund (i.e. statutory appropriation).</p> <p>Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.</p> <p>The net amount of any appropriated funds due to/from the relevant revenue fund at the reporting date is recognised as a payable/receivable in the statement of financial position.</p>
7.2	<p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
7.3	<p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> • it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • the amount of revenue can be measured reliably. <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and/penalties) is measured at amounts receivable from collecting Agents.</p> <p>Write-offs are made according to the department's debt write-off policy</p>

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ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2018 (continued)	
8.2	Other expenditure Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.
8	Expenditure
8.1	Compensation of employees
8.1.1	Salaries and wages Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	Social contributions Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.3	Accruals and payables not recognised Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.
8.4	Leases
8.4.1	Operating leases Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements.
8.4.2	Finance leases Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: <ul style="list-style-type: none"> • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9	Aid Assistance
9.1	Aid assistance received Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

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ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2018 (continued)	
9.2	<p>Aid assistance paid</p> <p>Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p>
10	<p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p>
11	<p>Prepayments and advances</p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p> <p><Indicate when prepayments are expensed and under what circumstances.></p>
12	<p>Loans and receivables</p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.</p>
13	<p>Investments</p> <p>Investments are recognised in the statement of financial position at cost.</p>
14	<p>Financial assets</p>
14.1	<p>Financial assets (not covered elsewhere)</p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.</p> <p>At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>
14.2	<p>Impairment of financial assets</p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>
15	<p>Payables</p> <p>Payables recognised in the statement of financial position are recognised at cost.</p>

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ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2018 (continued)

16	Capital Assets
16.1	<p>Immovable capital assets</p> <p>Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p> <p>Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.</p>
16.3	<p>Intangible assets</p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.4	<p>Project Costs: Work-in-progress</p> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.</p> <p>Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.</p>

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ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2018 (continued)	
17	Provisions and Contingents
17.1	<p>Provisions</p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
17.2	<p>Contingent liabilities</p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>
17.3	<p>Contingent assets</p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>
17.4	<p>Commitments</p> <p>Commitments (other than for transfers and subsidies) are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by Management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.</p>
18	<p>Unauthorised expenditure</p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off Against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>

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ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2018 (continued)

19	<p>Fruitless and wasteful expenditure</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
20	<p>Irregular expenditure</p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
21	<p>Changes in accounting policies, accounting estimates and errors</p> <p>Changes in accounting policies that are effected by Management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
22	<p>Events after the reporting date</p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
23	<p>Principal-Agent arrangements</p> <p>The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal/agent] and is responsible for [include details here]. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.</p>

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ACCOUNTING POLICIES FOR THE YEAR ENDED 31 MARCH 2018 (continued)	
24	<p>Departures from the MCS requirements</p> <p><i>[Insert information on the following: that Management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation; and the requirement from which the department has departed, the nature of the departure and the reason for departure.]</i></p>
25	<p>Capitalisation reserve</p> <p>The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
26	<p>Recoverable revenue</p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
27	<p>Related party transactions</p> <p>A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions within the Minister/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>
28	<p>Inventories</p> <p>At the date of acquisition, inventories are recognised at cost in the statement of financial performance.</p> <p>Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.</p> <p>The cost of inventories is assigned by using the weighted average cost basis.</p>
29	<p>Public-Private Partnerships</p> <p>Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <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>
30	<p>Employee benefits</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>

Annual Financial Statements
for the year ended 31 March 2018

Notes to the Annual Financial Statements (including Accounting Policies)

1. Annual Appropriation					
			2017/18	2016/17	
1.1 Annual Appropriation	Final Appropriation	Actual Funds Received	Funds not Requested/ not Received	Final Appropriation	Appropriation Received
	R'000	R'000	R'000	R'000	R'000
Programme 1	43 499	43 499	-	37 489	37 489
Programme 2	16 615	16 615	-	13 555	13 555
Programme 3	92 392	92 392	-	82 954	82 954
Total	152 506	152 506	-	133 998	133 998
<p><i>The total appropriated budget includes the baseline increase received during the adjustment period. During the budget adjustment process, the department received additional R7,5 million Rand from DCoG as part of the shared service budget split between the two departments. At the end of reporting period, the department requested and received its total appropriated budget.</i></p>					
2. Departmental Revenue					
			<i>Note</i>	2017/18	2016/17
				R'000	R'000
Tax revenue					
Sales of goods and services other than capital assets			2.1	98	69
Sales of capital assets			2.2		915
Total revenue collected				98	984
Departmental revenue collected				98	984
2.1 Sales of Goods and Services other than Capital Assets					
			<i>Note</i>	2017/18	2016/17
				R'000	R'000
Sales of goods and services produced by the department				98	69
Sales by market establishment				17	16
Other sales				81	53
Sales of scrap, waste and other used current goods					
Total				98	69
<p><i>Revenue is derived mainly from parking fees and commission fees charged to third parties. The table above depicts a significant decrease of revenue collection in the current financial year as compared to the previous financial year which was attributed to the salvage amount received from the insurance company.</i></p>					

Annual Financial Statements
for the year ended 31 March 2018

2. Departmental Revenue (continued)			
2.2 Sale of Capital Assets			
	<i>Note</i>	2017/18	2016/17
	2	R'000	R'000
Tangible assets		-	915
Machinery and equipment		-	915
Total		-	915
3. Compensation of Employees			
3.1 Salaries and Wages			
	<i>Note</i>	2017/18	2016/17
	2	R'000	R'000
Basic salary		42 190	39 603
Performance award		933	877
Service Based		69	61
Compensative/circumstantial		1 044	707
Periodic payments		-	-
Other non-pensionable allowances		12 341	11 329
Total		56 577	52 577
3.2 Social Contributions			
	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Employer contributions			
Pension		4 757	4 422
Medical		1 203	1 135
Bargaining council		7	6
Total		5 967	5 563
Total compensation of employees		62 544	58 140
Average number of employees		86	86
<i>The increase on Compensation of Employees is mainly attributed to cost of living adjustments stemming from the public service bargaining council resolutions.</i>			

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4. Goods and Services			
	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Administrative fees		1 138	352
Advertising		329	331
Minor assets	4.1	279	48
Bursaries (employees)		46	104
Catering		659	734
Communication		934	1 824
Computer services	4.2	186	148
Consultants: Business and advisory services		1 679	1 385
Legal services		3 820	4 375
Contractors		12	12
Audit cost – external	4.3	1 932	2 075
Fleet services		286	605
Consumables	4.4	321	403
Operating leases		280	109
Rental and hiring		-	69
Travel and subsistence	4.5	16 580	18 933
Venues and facilities	4.6	2 136	461
Training and development		121	115
Other operating expenditure	4.7	814	465
Total		31 552	32 548

Spending is slightly lower when compared to the previous financial year and this is attributed mainly to stepped up controls, cost containment measures as approved by National Treasury, and aligned with the Departmental Policy on Travel & Subsistence. There is, however, a general increase on both consumption and administrative costs which is in the main normal year on year price adjustments.

Annual Financial Statements
for the year ended 31 March 2018

4. Goods and Services (continued)			
4.1 Minor Assets			
	<i>Note</i>	2017/18	2016/17
	4	R'000	R'000
Tangible assets		279	48
Machinery and equipment		279	48
Total		279	48
<i>The significant increase in this expenditure line item is as a result of department procuring more assets to replace the asset belonging to DCoG, during the year under review.</i>			
4.2 Computer Services			
	<i>Note</i>	2017/18	2016/17
	4	R'000	R'000
SITA computer services		186	148
Total		186	148
4.3 Audit cost – External			
	<i>Note</i>	2017/18	2016/17
	4	R'000	R'000
Regularity audits		1 932	2 075
Total		1 932	2 075
4.4 Consumables			
	<i>Note</i>	2017/18	2016/17
	4	R'000	R'000
Consumable supplies		59	40
Household supplies		59	40
Stationery, printing and office supplies		262	363
Total		321	403

Annual Financial Statements
for the year ended 31 March 2018

4. Goods and Services (continued)			
4.5 Travel and subsistence			
	<i>Note</i>	2017/18	2016/17
	4	R'000	R'000
Local		15 357	18 463
Foreign		1 223	470
Total		16 580	18 933
<i>The significant increase in this expenditure line item is as a result of department procuring more assets to replace the asset belonging to DCoG, during the year under review.</i>			
4.6 Venues and Facilities			
	<i>Note</i>	2017/18	2016/17
	4	R'000	R'000
Conference venue facilities		2 136	461
Total		2 136	461
<i>The significant increase on this expenditure allocation is attributed mainly to the two National Traditional Leadership Indabas/Dialogues held during the year, the Inauguration of the newly elected members of NHTL and the quarterly TATGOF (Traditional Leadership Governance Forum with Provinces) meeting held during the year under review.</i>			
4.7 Other Operating Expenditure			
	<i>Note</i>	2017/18	2016/17
	4	R'000	R'000
Professional bodies, membership and subscription fees		15	4
Resettlement costs		21	114
Other		778	347
Total		814	465
<i>The increase on this line is as a result of new appointments which necessitated payment of resettlement to newly appointed officials.</i>			
5. Payments for Financial Assets			
	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Debts written off	5.1	65	184
Total		65	184

Annual Financial Statements
for the year ended 31 March 2018

5. Payments for Financial Assets (continued)			
5.1 Debts Written Off			
	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Disallowance: Damages to state Vehicle	5	9	184
Debt Account written off Irrecoverable debt		56	-
Total Debt Written Off		65	184
<p><i>The department wrote-off two cases of damages to official vehicles amounting to nine thousand rand which were uneconomical to recover and which were long outstanding without potential of recovery. A staff debt to the value of fifty six thousand rand was also written-off as the employee's employment contract expired during the year, thereby resulting in no means of possible recovery thereof.</i></p>			
6. Transfers and Subsidies			
	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Provinces and municipalities		2	2
Departmental Agencies and accounts	Annex 1B	42 447	38 521
Public corporations and private enterprises	Annex 1C	1	1
Households	Annex 1D	153	32
Total		42 603	38 556
7. Expenditure for Capital Assets			
	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Tangible assets	4	2 628	1 226
Machinery and equipment	25	2 628	1 226
Intangible assets		166	-
Software	26	166	-
Total		2 794	1 226

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7.1 Analysis of Funds Utilised to Acquire Capital Assets – 2017/18			
	<i>Voted Funds</i>	<i>Aid Assistance</i>	<i>Total</i>
	R'000	R'000	R'000
Tangible assets	2 628		2 628
Machinery and equipment	2 628	-	2 628
Intangible assets	166	-	166
Software	166	-	166
Total	2 794	-	2 794
7.2 Analysis of funds utilised to acquire capital assets – 2016/17			
	<i>Voted Funds</i>	<i>Aid Assistance</i>	<i>Total</i>
	R'000	R'000	R'000
Tangible assets	1 226	-	1 226
Machinery and equipment	1 226	-	1 226
Total	1 226	-	1 226
7.3 Finance Lease Expenditure Included in Expenditure for Capital Assets			
	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Tangible assets			
Machinery and equipment		472	519
Total		472	519
8. Unauthorised Expenditure			
8.1 Reconciliation of Unauthorised Expenditure			
	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Opening balance		2 252	2 252
As restated		2 252	2 252
Closing balance		2 252	2 252

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for the year ended 31 March 2018

8. Unauthorised Expenditure (continued)			
Analysis of closing balance			
	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Unauthorised expenditure awaiting authorisation		2 252	2 252
Total		2 252	2 252
<i>The balance of Unauthorised expenditure relates to an overspending of a division within a vote during the prior years.</i>			
8.2 Analysis of Unauthorised Expenditure Awaiting Authorisation per Economic Classification			
	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Current		2 252	2 252
Total		2 252	2 252
8.3 Analysis of Unauthorised Expenditure Awaiting Authorisation per Type			
	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Unauthorised expenditure relating to overspending of the vote or a main division within a vote		2 252	2 252
Total		2 252	2 252
9. Cash and Cash Equivalents			
	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Consolidated Paymaster General Account		12 278	6 675
Total		12 278	6 675
<p><i>The cash and cash equivalents comprises of cash in the PMG account and outstanding payments (BAS and PERSAL transactions which were processed prior to cut-off date). It must be noted that the department uses the cash basis of accounting where transactions are recognised when there is an outflow of cash. In the above context, there was no outflow of cash that took place at year-end hence the increase in cash and cash equivalents. As at 31 March 2018 there was an unfavourable (negative) balance of R332.28 in the commercial bank account (Charges account) held by the department with Standard Bank. The balance will be cleared when bank charges are paid through normal payment process in April 2018.</i></p>			

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10. Receivables							
	Note	2017/18			2016/17		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	10.1	245		245	-		-
Recoverable expenditure	10.2	451		451	9		9
Staff debt	10.3	9		9	72		72
Other debtors	10.4	-		-	48		48
Total		705		705	129		129
10.1 Claims Recoverable							
					Note	2017/18	2016/17
					10 and Annex 4	R'000	R'000
National departments						245	-
Total						245	-
<i>The balance of two hundred and forty thousand rand (R245,000) is an inter-departmental claim and will be followed up and recovered from the respective department.</i>							
10.2 Recoverable Expenditure (disallowance accounts)							
					Note	2017/18	2016/17
					10	R'000	R'000
Disallowance: Damages and Losses						451	9
Total						451	9
10.3 Staff Debt							
					Note	2017/18	2016/17
					10	R'000	R'000
Leave without pay-DTA Officials						8	66
Bursary debts-DTA Officials						1	5
Tax debts Officials						-	1
Total						9	72
10.4 Other Debts							
					10		
Mmela Insurance Company						-	48
Total						-	48

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11. Voted Funds to be Surrendered to the Revenue Fund			
	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Unauthorised expenditure awaiting authorisation		5 596	2 818
As restated		5 596	2 818
Transfer from statement of financial performance (as restated)		12 948	3 344
Paid during the year		(3 344)	(566)
Closing balance		15 200	5 596
<i>The closing balance includes R2,252 million unauthorised expenditure whereas the R12,948 million is the unspent funds for the year under review which will be surrendered to National Revenue Fund.</i>			
12. Departmental Revenue and NRF Receipts to be Surrendered to the Revenue Fund			
	<i>Note</i>	2017/18	2016/17
		R'000	R'000
As restated			
Transfer from Statement of Financial Performance (as restated)		98	984
Paid during the year		(93)	(984)
Closing balance		5	-
13. Payables – Current			
	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Clearing accounts	13.1	29	3 407
Total		29	3 407
13.1 Clearing Accounts			
	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Sal: Income Tax: CL		27	12
Inter-Departmental Claim		-	3 395
Sal: Pension Fund		2	-
Total		29	3 407

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14. Net Cash Flow Available from Operating Activities			
	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		13 046	4 328
Add back non cash/cash movements not deemed operating activities		(4 597)	(184)
(Increase)/decrease in receivables – current		(576)	147
Increase/(decrease) in payables – current		(3 378)	908
Proceeds from sale of capital assets			(915)
Expenditure on capital assets		2 794	1 226
Surrenders to Revenue Fund		(3 437)	(1 550)
Net cash flow generated by operating activities		8 449	4 114
15. Reconciliation of Cash and Cash Equivalents for Cash Flow Purposes			
	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Consolidated Paymaster General account		12 278	6 675
Total		12 278	6 675
16. Contingent Liabilities and Contingent Assets			
16.1 Contingent liabilities			
	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Liable to Nature			
Intergovernmental payables (unconfirmed balances)	<i>Annex 1H</i>	9 688	5 855
Total		9 688	5 855
<p><i>The balance (Interdepartmental Payables) relates to claims for the services rendered by Department of Cooperative Governance (DCoG) amounting to the value of R4,004 million and Department of Justice and Constitutional Development to the value of R5,684million. The balance for DCoG has significantly reduced during the year under review as a result of DCoG performing reconciliation on their financial records. Department of Traditional Affairs will confirm the balance once, all supporting documents have been received and is upon that period that the certainty to the amount and time for reimbursement will also be confirmed.</i></p> <p><i>As at the reporting period, the department could not confirm any possibility of reimbursement as the balance is yet to be confirmed subject to the availability of substantive supporting documents to the expenditure claimed by DCoG.</i></p>			

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16.2 Contingent Assets					
			<i>Note</i>	2017/18	2016/17
				R'000	R'000
Nature of contingent asset					
Claims Receivable: DCoG				94	-
Total				94	-
<p><i>The current financial year's balance (Contingent Assets) relates to the expenditure claimed by and paid to DCoG in the previous financial year for the services rendered to DTA which will be refunded. DTA has since informed DCoG of the potential liability claim which the balance once Agreed to will be set-off against the balance of unconfirmed claim (Contingent liability). It will be upon that period that the balance will be recognised in the DTA books of accounts as Receivables.</i></p>					
17. Commitments					
			<i>Note</i>	2017/18	2016/17
				R'000	R'000
Current expenditure					
Approved and contracted				6	283
Total commitments				6	283
18. Accruals and Payables not Recognised					
			<i>Note</i>	2017/18	2016/17
				R'000	R'000
Listed by economic classification		30 Days	30+ Days	Total	Total
Goods and services		658		658	1 366
Total		658		658	1 366
			<i>Note</i>	2017/18	2016/17
				R'000	R'000
Listed by programme level					
Administration				326	498
Research, Policy and Legislation				22	58
Institutional Support and Coordination				310	810
Total				658	1 366

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18.2 Payables not Recognised					
			<i>Note</i>	2017/18	2016/17
				R'000	R'000
Listed by economic classification	30 Days	30+ Days		Total	Total
Goods and services	153			153	-
Total	153			153	-
			<i>Note</i>	2017/18	2016/17
				R'000	R'000
Listed by programme level					
Administration				66	-
Research, Policy and Legislation				28	-
Institutional Support and Coordination				59	-
Total				153	-
			<i>Note</i>	2017/18	2016/17
				R'000	R'000
Included in the above totals are the following:					
Confirmed balances with other government entities				-	95
Total				-	95
19. Employee benefits					
			<i>Note</i>	2017/18	2016/17
				R'000	R'000
Leave entitlement				2 504	2 530
Service bonus (Thirteenth cheque)				1 385	1 256
Performance awards				933	877
Capped leave commitments				2 584	2 405
Other				40	69
Total				7 446	7 137
<p>The total amount of R39,543 (R40 thousand) on Other Benefits is for the provision for Long Service Awards to three deserving Officials whom two(2) will be reaching 20 years in public service (R9,886 x 2) while the third will be reaching 30 years in public service (R19,771 x1) during the 2018/19 financial year. This provision is made in line with the provisions of Modified Cash Standards and disclosed amounts are as per Financial Manuals and circulars issued by DPSA. Furthermore, the leave entitlement amount includes an amount of R51,030.35 for officials with negative leave balance at the reporting period. In terms of the pro-rata calculations, employees are entitled to 5.49 days leave effective from 1 January to 31 March 2018. If an employee takes more leave this result in a negative leave taken for three months' period. This situation will automatically be rectified during the 2018 leave cycle as more leave days will be accumulated per each month.</p>					

20. Lease Commitments					
20.1 Operating Leases					
	Specialised Military Equipment	Land	Buildings and Other Fixed Structures	Machinery and Equipment	Total
2017/18					
Not later than 1 year	-	-	-	219	219
Later than 1 year and not later than 5 years ⁶⁵⁷	-	-	-	219	219
Total lease commitments	-	-	-	438	438
2016/17					
Not later than 1 year	-	-	-	219	219
Later than 1 year and not later than 5 years ⁶⁵⁷	-	-	-	438	438
Total lease commitments	-	-	-	657	657
The department entered into its own new contract with Bizhub for the rental of seven (7) labour saving devices/photocopiers for the period of 36 month effective 1 April 2017.					
20.2 Finance Leases					
	Specialised Military Equipment	Land	Buildings and Other Fixed Structures	Machinery and Equipment	Total
2017/18					
Not later than 1 year	-	-	-	43	43
Total lease commitments	-	-	-	43	43
2016/17					
Not later than 1 year	-	-	-	230	230
Total lease commitments	-	-	-	230	230
The Finance Lease commitments relate to the Cellphone contract the Department (CoGTA) has signed with Vodacom for the provision of services to the Key Stakeholders and qualifying officials. Since the new Treasury Instruction for the departments to participate on the RT 15 contract, the department has not yet renewed the Vodacom contract-hence the lease commitment limited to less than 1 year.					

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21. Irregular Expenditure			
21.1 Reconciliation of Irregular Expenditure			
	<i>Note</i>	2017/18	2016/17
		R'000	R'000
Opening balance		-	139
Prior period error		-	
As restated		-	139
Less: Current year amounts condoned		-	(139)
Closing balance		-	-

22. Related Party Transactions		
Entity	Mandate	Relationship
CRL Rights Commission	The Commission is a Chapter 9 Constitutional institution. Promote and protect cultural, religious and linguistic rights. The Commission focuses on conflict resolution, research, advocacy and community engagement on conflicts pertaining cultural, religious and linguist rights within communities.	The Commission is an Entity of the Department and receives its funding through a transfer payment.
LGSETA	The LGSETA was established in terms of the Skills Development Act, No. 97 of 1998 with the mandate to promote skills development for the local government sector.	The Department of Traditional Affairs and LGSETA have signed a funding Agreement (MoU) to assist Traditional Council to comply with various pieces of legislations in order to comply with the Framework Act. The Board LGSETA has approved discretionary grant of R1 million (donation in kind) to the Department to reconstitute Traditional Councils across the country. Expenditure relating to the delivery of this project will be paid directly to the preferred service provider by LGSETA.
Department of Cooperative Governance	Develop and monitor the implementation of national policy and legislation seeking to transform and strengthen key institutions and mechanism of governance to fulfil their developmental role.	The relationship is that we report to one Minister and share a Vote. Due to inadequate funding and limited human capacity, DCoG performs some of the corporate functions through a signed MoU by the two Accounting Officers.

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22. Related Party Transactions (continued)		
Entity	Mandate	Relationship
Municipal Infrastructure Support Agency	Provides immediate support to the Municipalities that are struggling with infrastructure delivery by facilitating the deployment of engineers, scientists and technicians to Municipalities and oversees them.	There were no related party transactions with MISA, however, suffice to state that we share a Minister.
Municipal Demarcation Board	Is responsible for determining municipal boundaries, declare district Management areas, delimit wards for local elections and assess the capacity of municipalities to perform their functions.	There were no related party transactions with MISA, however, suffice to state that we share a Minister.
SALGA (South African Local Government Agency)	Is an association of municipalities recognised by the organised local government Act (1997) as a representative of organised local government.	There were no related party transactions with MISA, however, suffice to state that we share a Minister.

23. Key Management Personnel			
	No. of Individuals	2017/18	2016/17
		R'000	R'000
Political office bearers (provide detail below)			
Officials	1	1 995	1 911
Level 15 to 16	1	2 264	2 181
Level 14 (incl. CFO if at a lower level)	8	10 689	9 700
Total		14 948	13 792
<i>Key management personnel refers to members and persons having authority and responsibility for planning, directing and correcting the activities of the department. It includes political heads, Directors-general Deputy Directors-General, Chief Financial Officer, Chief Directors and all other officials who occupy position specified above</i>			

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24. Movable Tangible Capital Assets					
Movement in Movable Tangible Capital Assets per Asset Register for the Year Ended 31 March 2018					
	Opening Balance	Value Adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Machinery and equipment	4 852	-	2 156	-	7 008
Transport assets	1 825	-	958	-	2 783
Computer equipment	1 699	-	825	-	2 524
Furniture and office equipment	1 041	-	323	-	1 364
Other machinery and equipment	287	-	50	-	337
Total Movable Tangible Capital Assets	4 852	-	2 156	-	7 008
Movable Tangible Capital Assets Under Investigation					
		Number	Value		
			R'000		
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:					
Machinery and equipment		6	87		
Total Movable Tangible Capital Assets		6	87		
<i>Included in the total amount for the tangible assets were the six assets amounting to R87,335.02 which were reported as lost by relevant asset-holders. As at the reporting period, the process for the finalisation of loss control management was yet to be finalised-hence the inclusion of the assets amounts in the closing balance. Once the Loss control management processes finalised, the disposal process will be implemented based on the recommendation and approvals by LCC (Loss Control Committee) and the Accounting Officer respectively.</i>					

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24. Movable Tangible Capital Assets (continued)					
24.1 Additions					
Additions to Movable Tangible Capital Assets per Asset Register for the Year Ended 31 March 2018					
	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
Machinery and equipment	2 628	-	(472)	-	2 156
Transport assets	958	-	-	-	958
Computer equipment	825	-	-	-	825
Furniture and office equipment	323	-	-	-	323
Other machinery and equipment	522	-	(472)	-	50
Total Movable Tangible Capital Assets	2 628	-	(472)	-	2 156
24.2 Movement for 2016/17					
Movement in Tangible Capital Assets per Asset Register for the Year Ended 31 March 2017					
	Opening Balance	Prior Period Error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Machinery and equipment	5 107	-	708	963	4 852
Transport assets	2 788	-	-	963	1 825
Computer equipment	1 197	-	502	-	1 699
Furniture and office equipment	884	-	157	-	1 041
Other machinery and equipment	238	-	49	-	287
Total Movable Tangible Capital Assets	5 107	-	708	963	4 852

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24. Movable Tangible Capital Assets (continued)						
24.3 Minor Assets						
Movement in Minor Assets per the Asset Register for the Year Ended as at 31 March 2018						
	Specialised Military Assets	Intangible Assets	Heritage Assets	Machinery and Equipment	Biological Assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	1 425	-	1 425
Additions	-	-	-	279	-	279
Total Minor Assets	-	-	-	1 704	-	1 704
Number of minor assets at cost	-	-	-	940	-	940
Total Number of Minor Assets	-	-	-	940	-	940
Movement in Minor Assets per the Asset Register for the Year Ended as at 31 March 2017						
	Specialised Military Assets	Intangible Assets	Heritage Assets	Machinery and Equipment	Biological Assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	1 377	-	1 377
Additions	-	-	-	48	-	48
Total Minor Assets	-	-	-	1 425	-	1 425
Number of minor assets at cost	-	-	-	857	-	857
Total Number of Minor Assets	-	-	-	857	-	857

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25. Intangible Capital Assets					
Movement in Intangible Capital Assets per Asset Register for the Year Ended 31 March 2018					
	Opening Balance	Value Adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
Software	-	-	166	-	166
Total Intangible Capital Assets	-	-	166	-	166
The balance reported relates to the procurement of the audit software and licencing.					
26. Additions					
Additions to Intangible Capital Assets per Asset Register for the Year Ended 31 March 2018					
	Cash	Non-Cash	(Development work in progress – current costs)	Received Current Year, not Paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
Software	166	-	-	-	166
Total Additions to Intangible Capital Assets	166	-	-	-	166

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Annexures to the Annual Financial Statements

Annexure 1A: Statement of Conditional Grants and Other Transfers Paid to Municipalities												
Name of Municipality	Grant Allocation				Transfer			Spent				2016/17
	DoRA and Other Transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-Allocations by National Treasury or National Department	Amount Received by Municipality	Amount Spent by Municipality	Unspent Funds	% of Available Funds Spent by Municipality	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000
Tshwane Municipality	-	-	4	4	2	-	-	2	-	-	-	2
Total	-	-	4	4	2	-	-	2	-	-	-	2

The expenditure amount relates to the payment for the motor vehicle licence renewal for the official vehicle procured by the department.

Annexure 1B: Statement of Transfers to Departmental Agencies and Accounts							
Departmental Agency/Account	Grant Allocation				Transfer		2016/17
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
CRL Rights Commission	40 447	-	2 000	42 447	42 447	100%	38 521
Total	40 447	-	2 000	42 447	42 447	100%	38 521

The expenditure relating to CRL Rights Commission was re-classified to the Transfers to Non Profit Institution (NPI), hence no reporting on this category of transfer in the 2017/18 FY while payment to SABC expenditure on the renewal of TV licences was classified under Transfers to the Public Corporation in the prior years, hence the amount was accounted in that annexure for the 2016/17 FY.

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Annexure 1C: Statement of Transfers/Subsidies to Public Corporations and Private Enterprises									
Name of Public Corporation/ Private Enterprise	Transfer Allocation				Expenditure				2016/17
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Capital	Current	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
Public Corporations									
SABC	1	-	-	1	1	100%	-	-	1
Total	1	-	-	1	1	100%	-	-	1

The balance in this schedule relates to payments to SABC for TV Licences

Annexure 1D: Statement of Transfers to Households							
Households	Transfer Allocation				Expenditure		2016/17
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Leave Gratuity	219	-	-	219	143	65%	32
Other transfers to Households	10	-	-	10	10	100%	-
Total	229	-	-	229	153	67%	32

During the year under review, the total spent for leave gratuity amounted to one hundred and forty two thousand six hundred and eighty eight rands (R142,688.00) and ten thousand rand was paid as financial support for funeral.

Annexure 1E: Statement of Gifts, Donations and Sponsorships Received			
Name of Organisation	Nature of Gift, Donation or Sponsorship	2017/18	2016/17
		R'000	R'000
LG SETA	Reconstitution of TCs and funding of Internal Audit Interns	1 000	-
Total		229	-

A donation in kind to the value of R1 million was received from LG SETA for the reconstitution of traditional councils and capacitated internal audit. The amount was not transferred but services were paid for on behalf of DTA

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Annexure 1F: Claims Recoverable								
Government Entity	Confirmed Balance Outstanding		Unconfirmed Balance Outstanding		Total		Cash in Transit at Year End 2017/18 *	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017	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
DepartmentSs								
Department of Higher Education and Training	245	-	-	-	245			-
Department of Cooperative Governance	-	-	94	-	94			-
Total	245	-	94	-	339			-

This relates to claims recoverable from the Department of Home of Affairs for salary paid for official who was transferred and not consist of the amount of R245,134.88 claimed from Department of Higher Education and Training in respect of salary and service bonus paid to the official transferred from DTA while awaiting finalisation of the transfer process. The other amount of R94,030.72 was claimed from Department of Cooperative Governance, as it was over-claimed and paid during the prior year. The claim is awaiting the confirmation from DCoG, hence reported in this schedule than on the Statement of Financial Position as Receivable.

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Annexure 1G: Inter-Government Payables								
Government Entity	Confirmed Balance Outstanding		Unconfirmed Balance Outstanding		Total		Cash in Transit at Year End 2017/18 *	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017	Receipt Date up to Six (6) Working Days After Year End	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Departments								
Current								
Department of Cooperative Governance	-	3 395	4 004	5 855	4 004	9 250	-	-
Parliament of RSA	-	95	-	-	-	95	-	-
Department of Justice and Constitutional Development	-	-	5 684	-	5 684	-	-	-
Total	-	3 490	9 688	5 855	9 688	9 345	-	-

As at the reporting period, the department received inter-departmental claims after the cut-off from Department of Cooperative Governance (DCoG) and Department of Justice and Constitutional Development (DJCD). The department could not confirm these liability balances as no supporting documentations were provided, hence the reporting under unconfirmed balances.