



ANNUAL REPORT 2019/20



cooperative
governance

Department:
Cooperative Governance
REPUBLIC OF SOUTH AFRICA



Contents

PART A

GENERAL INFORMATION	4
1.1 LIST OF ABBREVIATIONS/ACRONYMS	5
1.2 FOREWORD BY THE MINISTER	8
1.3 DEPUTY MINISTER'S STATEMENT	10
1.4 REPORT OF THE ACCOUNTING OFFICER	12
1.5 STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT	20
1.6 STRATEGIC OVERVIEW	21
1.6.1 Vision	21
1.6.2 Mission	21
1.6.3 Values	21
1.7 LEGISLATIVE AND OTHER MANDATES	21
1.8 ORGANISATIONAL STRUCTURE	24
1.9 ENTITIES REPORTING TO THE MINISTER	25

PART B

PERFORMANCE INFORMATION	32
2. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES	33
2.1 Overview Of Departmental Performance	33
2.1.1 Service Delivery Environment	33
2.1.2 Service Delivery Improvement Plan (SDIP)	45
2.1.3 Organisational Environment	47
2.1.4 Key Policy Developments and Legislative Changes	47
2.1.5 Strategic Outcome Oriented Goals	50
2.1.6 Performance Information by Programme	51
Programme 1: Administration	51
Programme 2: Regional and Urban Development and Legislation Support	55
Programme 3: Institutional Development	63
Programme 4: National Disaster Management Centre	70
Programme 5: Local Government Support and Interventions Management	78
Programme 6: Community Work Programme	80
2.2 Transfer Payments	85
2.3 Transfer payments to all organisations other than public entities	86
2.4 Conditional Grants	86
2.4.1 Conditional grants and earmarked funds received	86
2.4.2 Donor Funds	88
2.4.3 Capital Investment	92

PART C

GOVERNANCE	93
3. INTRODUCTION	94
3.1 RISK MANAGEMENT	94
3.2 FRAUD AND CORRUPTION	94
3.3 MINIMISING CONFLICT OF INTEREST	94
3.4 CODE OF CONDUCT	94
3.5 HEALTH SAFETY AND ENVIRONMENTAL ISSUES	94
3.6 PORTFOLIO COMMITTEES	95
3.7 SCOPA RESOLUTIONS	97
3.8 PRIOR MODIFICATIONS TO AUDIT REPORTS	98
3.9 INTERNAL CONTROL UNIT	101

3.10 INTERNAL AUDIT AND AUDIT COMMITTEES	101
3.11 AUDIT COMMITTEE REPORT	102
3.12 B-BEEE COMPLIANCE PERFORMANCE INFORMATION	106
PART D	
HUMAN RESOURCE MANAGEMENT	104
4 INTRODUCTION	108
4.1 PERSONNEL RELATED EXPENDITURE	108
4.2 EMPLOYMENT AND VACANCIES	111
4.3 FILLING OF SMS POSTS	112
4.4 JOB EVALUATION	113
4.5 EMPLOYMENT CHANGES	114
4.6 EMPLOYMENT EQUITY	116
4.7 SIGNING OF PERFORMANCE BY SMS MEMBERS	118
4.8 PERFORMANCE REWARDS	119
4.9 FOREIGN WORKERS	120
4.10 LEAVE UTILISATION	120
4.11 HIV/AIDS AND HEALTH PROMOTION PROGRAMMES	122
4.12 LABOUR RELATIONS	123
4.13 SKILLS DEVELOPMENT	124
4.14 INJURY ON DUTY	126
4.15 UTILISATION OF CONSLUTANTS	126
4.16 SEVERANCE PACKAGES	128
PART E	
FINANCIAL INFORMATION	130
5 REPORT OF THE AUDITOR-GENERAL	132
5.1 AUDITED FINANCIAL STATEMENTS	142



PART A: GENERAL INFORMATION

Department's General Information

Department of Cooperative Governance

PHYSICAL ADDRESS: 87 Hamilton Street
C/O Hamilton and Johannes Ramokhoase Streets
Arcadia
Pretoria
0001

POSTAL ADDRESS: Private Bag X804
Pretoria
0001

TELEPHONE NUMBER(s): 012 334 0600

FAX NUMBER: 012 334 0603

EMAIL ADDRESS: info@cogta.gov.za

WEBSITE: www.cogta.gov.za

PUBLISHED BY: The Department of Cooperative Governance
RP202/2020 ISBN: 978-0-621-48428-1

Department of Cooperative Governance: Annual Report 2019/20 Financial Year

I.1 List of Abbreviations/Acronyms

ACEIR	African Centre of Excellence for Inequality Research
AGSA	Auditor-General of South Africa
AMI	Advanced Metering Infrastructure
AO	Accounting Officer
APP	Annual Performance Plan
BCM	Buffalo City Municipality
BEITT	Built Environment Integration Task Team
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGICTPF	Corporate Governance of ICT Policy Framework
COGTA	Cooperative Governance and Traditional Affairs
CWP	Community Work Programme
DBSA	Development Bank of South Africa
DCOG	Department of Cooperative Governance
DG	Director-General
DM	District Municipality
DWS	Department of Water and Sanitation
DMAA	Disaster Management Amendment Act, 2015 (Act No. 16 of 2015)
DORA	Division of Revenue Act
DPME	Department of Planning, Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DTA	Department of Traditional Affairs
EC	Eastern Cape
ENE	Estimates of National Expenditure
FBSA	Fire Brigade Services Act
FBS	Free Basic Services
FFC	Financial Fiscal Commission
FS	Free State
GIS	Geographic Information System
GP	Gauteng Province
HCM	Human Capital Management
IAA	Internal Audit Activity
ICT	Information Communication Technology
ICLEI	Local Governments for Sustainability
IDDR	International Day for Disaster Risk Reduction
IEC	Independent Electoral Commission
IUDF	Integrated Urban Development Framework
IUDG	Integrated Urban Development Grant
IGR	Intergovernmental Relations
IMSI	Intergovernmental Monitoring, Support and Intervention
IMTT	Inter-Ministerial Task Team
IRP	Integrated Resource Plan
KPA	Key Performance Area
KZN	KwaZulu-Natal
LED	Local Economic Development
LGSETA	Local Government Sector Education and Training Authority
LM	Limpopo

LLF	Local Labour Form
MP	Mpumalanga
M&E	Monitoring and Evaluation
MDB	Municipal Demarcation Board
MEC	Member of Executive Committee
MIG	Municipal Infrastructure Grant
MinMEC	Minister and Members of Executive Council
MISA	Municipal Infrastructure Support Agent
MMF	Municipal Manager's Forums
MoU	Memorandum of Understanding
MPRA	Municipal Property Rates Act
MSA	Municipal Systems Act
MSCoA	Municipal Standard Chart of Accounts
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NATJOC	National Joint Operational Centre
NC	Northern Cape
NCoP	National Council of Provinces
NCBCF	National Capacity Building Coordinating Forum
NDMAF	National Disaster Management Advisory Forum
NDMC	National Disaster Management Centre
NDP	National Development Plan
NFSF	National Fire Services Framework
NGO	Non-Government Organisation
NJDCC	National Joint Drought Coordination Committee
NT	National Treasury
NW	North West
PEO	Professional Employer Organization
PAJA	Promotion of Administrative Justice Act
POA	Programme of Action
UCLGA	United Cities and Local Governments of Africa
UNISDR	United Nations Strategy for Disaster Reduction
SACN	South African Cities Network
SALGA	South African Local Government Association
SADC	Southern African Development Community
SALGBC	South African Local Government Bargaining Council
SANEDI	SA National Energy Development Institute as a part of the
SARS	South African Revenue Services
SASGI	South African Smart Grid Initiative
SALDRU	Southern Africa Labour and Development Research Unit
SCM	Supply Chain Management
SCLG	Supply Chain and Logistics Group
SACPLAN	The South African Council for Planners
SDIP	Service Delivery Improvement Plan
SSEG	Small-Scale Embedded Generation
SFDRR	Sendai Framework for Disaster Risk Reduction
SITA	State Information Technology Agency

SIU	Special Investigation Unit
SLA	Service Level Agreement
SMART	Specific, Measurable, Attainable, Realistic, Timely
SMS	Senior Management Services
SPLUMA	Spatial Development Frameworks
TOR	Terms of Reference
TSP	Technical Support Plans
UCLG	United Cities and Local Governments
WC	Western Cape

I.2 Foreword By The Minister



Dr Nkosazana Dlamini Zuma, MP

Minister for Cooperative Governance and Traditional Affairs

I am pleased to present this annual report which details the steps we have taken towards fulfilling our constitutional obligations to “secure the well-being of South Africans” through our revitalised cooperative governance model. This required us to lay a solid foundation towards recalibrating the intergovernmental relations framework in action. Thus, in the year under review, we adopted the District Development Model (DDM), so that we could synergise plans and actions in all spheres of governance. Through the integrated profiles and plans per district, each district will have One Plan and One Budget so that we can vertically and horizontally integrate our offerings and support to our communities. This is an important tenant for a developmental state. Such a state also requires an active citizenry which is fundamental in building vibrant, cohesive and climate smart sustainable communities.

Thus, the work we have undertaken as part of the DDM pilot phase in the OR Tambo District Municipality in the Eastern Cape, eThekweni Metropolitan Municipality in KwaZulu-Natal and Waterberg District Municipality in Limpopo, is an important foundation for our approach. Already we have found that, despite government investing R67.1 billion accumulatively in these three areas during the past financial year, these investments were not akin to the challenges and opportunities in the districts. The DDM is a game changer presenting us with an opportunity to correct deficiencies and utilise government resources in a fruitful and purposeful manner. We must impact on every one of the 4 392 wards in our country. To effectively do so, we require solid and sustainable partnerships which will propel our communities into a sustainable growth path which is free from hunger, poverty and unemployment.

This will also require an active and capacitated developmental state at all spheres. To this end, we must build an agile and responsive state starting with our own departments, entities and agencies as well as the local sphere of governance. Our continued path of adverse findings from the Auditor-General must be reversed. We cannot hope to facilitate for effective and efficient municipalities if our own house is not in order. Thus, in the last quarter of the year we paid attention to the leadership structure of the department, appointing a Director-General and short-listing for critical executive management posts. Gradually, we will pay attention to all levels of our department so that we may have the right and appropriately motivated personnel to drive us into the next phase of our development as a nation. Our aim is to be exemplary, to lead from the front, and to transform the fortunes of our people.

These fortunes have thus far been challenged. Nothing brought this more to the fore than the COVID-19 pandemic which captured the world and our country during the last few days of the financial year. Although the pandemic continues to ravage our societies, it is not to be feared as it is an opportunity for us to reset our economy and how we do our work. Already, we have seen a responsive government that has employed technology to make quick and effective decisions.

By utilising technology such as Tele and Video Conferences, we have been able to save and better direct resources. The pandemic has also brought to bear the adverse conditions of hunger and poverty under which our people live. We cannot afford to hide anymore, but we must confront these challenges head on. The apartheid spatial planning legacy has proven to be a stumbling block, and so our efforts to build new, resilient and smart cities and communities are no longer an ideal but a necessity. This will require that the local sphere be placed at the centre of our plans. All the other spheres and broader society 'crowd in' their investments in that sphere, so that it may play the developmental role envisaged for local government.

To do so, we must first and foremost all pay our dues to municipalities. They continue to be challenged by revenue collections capability as well as increased demands for services on account of an increased population and households. Accumulatively, the debt amounts to billions of Rands, which in turn curtails their ability to provide sustainable services or even expand and refurbish infrastructure, which is critical to development.

In our efforts to fortify our developmental orientation and expand access to employment opportunities, we continue to roll-out the Community Work Programme (CWP) to provide work opportunities for the unemployed, with an emphasis on women and young people. The CWP had a budget allocation of R 3,879 billion for the 2019/20 financial year, which was distributed across all the provinces, with close to 250 000 people being provided with some form of work opportunity. However, there are challenges with current form of the CWP delivery model as the dividend at community level is not optimised. We will, in the next financial year, redesign the model to enable better governance and delivery in every CWP site and in each ward.

These priorities form part of the performance areas we should be measured against. It is the efforts of our capable team which is constituted by the Deputy Ministers, the new Director-General, all the Deputy Directors-General, Senior Managers and all the staff of the department, that will contribute to us fulfilling our obligations. I thank them in advance for getting us there.



DR NKOSAZANA DLAMINI ZUMA, MP
Minister for Cooperative Governance and Traditional Affairs

Date: 15/11/2020

1.3 Deputy Minister's Statement



Mr Parks Tau
Deputy Minister: Department of Cooperative Governance

During the past year, we acknowledged that local government is faced with serious challenges that need to be addressed in order to change the trajectory of local government. These challenges include:

1. Governance, financial management and administration challenges;
2. Non-viable municipalities due to apartheid spatial planning; and
3. Systemic issues around powers and functions

Addressing these challenges is not an easy task. With the leadership of Minister Nkosazana Dlamini-Zuma, in concert with our partners in the sector and sister departments, we have demonstrated our ability to focus and systematically address these challenges. This is reflected among, others, by the bold targets reflected in the Medium-Term Strategic Framework (MTSF), departmental Strategic Plan and its Annual Performance Plan as the first step in the right direction.

Under the tutelage of President Ramaphosa, the government's adoption of the District Development Model (DDM) set the foundation for government to function in a coordinated manner. This approach enables government to also partner with society in the delivery of services. It further enables the sector to test ideas that address the funding viability for local government and address spatial justice and equity through existing planning tools and grants available for local government. It also focuses the sector on its developmental local government mandate.

As we approach the decade leading to 2030, there is now an urgency to achieve the realisation of the Sustainable Development Goals (SDGs). Municipalities play a critical role in localising SDGs and aligning them with their planning and development processes in ensuring that no one is left behind in the implementation of the sustainable development agenda. As part of the localisation of the SDGs, CoGTA working with other key stakeholders, embarked on a planning and reporting reform process which included the review of the Municipal Planning and Performance Regulation as well as the review of the current Integrated Development Plan (IDP) guidelines. These have ensured that IDPs and other plans of municipalities respond adequately and reflect Sustainable Development Goals indicators and targets. The review of the Regulations has included the regulation of the Key Performance Indicators for local government.

During the past year, South Africa has been privileged to host the United Cities and Local Governments (UCLG) World Congress and World Summit of Local and Regional Leaders in Durban. We have also launched a Memorandum of Understanding (MoU) between the Department of Cooperative Governance and the International Organisation of Local and Regional Governments (ICLEI) Africa, which strives for urban transformation and resilient cities to support functional and developmental local governments and facilitate the localisation of the SDGs, Agenda 2063 and the New Urban Agenda (NUA).

The department has embarked on the IUDF Implementation Plan 2020-2025, in its objective for the 6th Administration, guided by the following principles: speedy implementation, inclusivity, cooperation and collaboration, efficiency gains, sustainability, transparency, innovation and capacity building. The implementation of the IUDF as a national urban policy will be enhanced by the DDM, as both approaches subscribe to the concept of social compact, an-all-of-society approach towards improving the lives of people and spatial transformation in a mutually beneficial manner.

The department continued to exercise its mandatory function in relation to implementing the Sections 139 and 154 intervention. This function included undertaking oversight, monitoring and support to provinces that needed to be strengthened, focusing on Section 154 and using Section 139 as an instrument of last resort. Resorting to Section 139 is symptomatic of an underlying breakdown in the systems of intergovernmental cooperation.

Given the responsibility of national and provincial government to support local government in the exercise of its functions, the responsibility for the failure of local government to deliver a service or perform a key function, is a shared one.

In driving our local agenda, we are working in conjunction with the Department of Traditional Affairs led by Deputy Minister Obed Bapela. This partnership has enabled us to enhance our planning framework to address issues affecting traditional authorities. It is through social compacting and coordination that the sector is able to strengthen its relationship with traditional authorities.

On another front, two disasters were declared during the implementation of this annual plan. The first was the drought and it was followed by COVID-19. Both disasters put a strain on the sector and were further exacerbated by economic crisis and sovereign rating downgrades. Municipalities comprise complex systems that support human daily life and various spatial functions, which have historically evolved to meet the daily needs of our people and which change with further development and transformation of the municipality. Stabilising the sector under this environment meant joining forces with Provincial CoGTAs, municipalities, SALGA, CoGTA Portfolio Committee in Parliament, South African Cities Network, Municipal Demarcation Board, the Development Bank of South Africa and sector national departments to restart and rethink our “new normal” under these difficult times.

In relation to municipalities, the audit outcomes of municipalities were a clear indication that more needs to be done. The first step was to gather data and municipal profiles that enabled us to understand the different municipal spaces and how best to respond collectively to their challenges. Secondly, we initiated a process of rethinking municipal finances. Lastly, we consciously calculated interventions to close the growing social distance between citizens, communities, their public institutions and civil services.

Every challenge presents an opportunity to do things differently. We have no choice but to improve the manner in which we deliver services and to better the lives of the people we serve. We should celebrate the gains that were made in the previous year, chief of which was the adoption of the District Development Model, which ensured that our local government agenda is recognised nationally, regionally and internationally. In addition, we operationalised the disaster management centre, created work opportunities through the Community Works Programme and forged strategic partnerships that are committed to change the face of local government as we transition towards implementation.



MR PARKS TAU
Deputy Minister for the Department of Cooperative Governance

Date: 15/11/20

I.4 Report of the Accounting Officer



Ms Avril Williamson

Director-General: Department of Cooperative Governance

Overview of the Operations of the Department

The mandate of the department is of paramount importance in fostering cooperation amongst several actors across the three spheres of government in support of improved service delivery to communities.

In the year under review, we adopted a new pathway as the lead department in institutionalising the government wide District Development Model (DDM) after Cabinet approval in August 2019. To ensure that the work of the department is aligned to the DDM, the department developed an erratum of the Annual Performance Plan 2019/20 FY, which was approved by the Minister and shared with Parliament.

The department achieved 13 out of 21 (62%) targets, and 8 out of 21 (38%) were not achieved. Several challenges regarding this performance point to the need to maintain an appropriate balance between available resources and capabilities to deliver on the core functions. In addition to the implementation of plans in pursuit of the set targets, the department continued to engage Parliament through the Portfolio Committee on Cooperative Governance and the Select Committee on Cooperative Governance and Traditional Affairs, Water and Sanitation and Human Settlements on critical policy and performance related matters, to enable them to exercise their oversight responsibilities. The engagements, amongst others, were on District Development Models, Interventions concerning Section 139 of the Constitution and Municipal Structures Amendment Bill/Amendments to Municipal Demarcation Act.

Through our cooperative governance platform in the form of MINMEC, Presidential Coordinating Council and Inter-Ministerial Committees, we ensured that the three spheres work in unison towards a common goal of fostering a developmental local government system that is responsive to the needs of communities.

We also held several strategic planning sessions in July and August 2019, January and February 2020 to map out the Departmental 5-year roadmap in line with the Medium-Term Strategic Framework and the agenda for the 6th Administration of Government.

Furthermore, in giving impetus to Government's determination to reposition itself for better service to our communities through an integrated government delivery approach, we consulted with potential public and private sector partners like United Nations AASA, CSIR, DBSA, NBI, the Presidency, National Treasury, Economic Cluster, National House Traditional Leaders, All sector departments, Agriculture Land Reform and Rural Development, the Inter-ministerial Committee on Service Delivery, the National Development Agency and all Provinces.

I.4.I Overview of the financial results of the Department

Departmental Receipts

Table 1: Departmental receipts for the 2019/20 financial year

Departmental Receipt	2019/2020			2018/2019		
	Estimate	Actual Amount Collected	Over/ Under Collection	Estimate	Actual Amount Collected	Over/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	448	210	238	335	329	6
Transfers received						
Fines, penalties and forfeits						
Interest, dividends and rent on land	1 000	620	380	950	1 132	(182)
Sale of capital assets	159	253	(94)	100	621	(521)
Financial transactions in assets and liabilities	441	494	(53)	42 383	42 498	(115)
Total	2 048	1 577	471	43 768	44 580	(812)

Receipts of the department relate to sale of waste paper and sale of old government vehicles during disposal processes. Projections are based on historical trends and cannot be accurately projected since it is not a constant and predictable inflow of income.

Programme Expenditure

Below is a summary of the actual expenditure incurred in the 2019/20 financial year in comparison to the adjusted appropriation amounts for both the current and previous financial years. The financial information is presented per programme to reflect the key reasons for under/over expenditure with corrective actions to prevent the future recurrence thereof.

Programme 1: Administration

The actual expenditure for Programme 1 against the adjusted appropriation only reflects a 1.1% under-spending, which is immaterial. The lower spending is mainly because of the turnover of staff and the time taken to fill the vacancies.

Programme 2: Regional and Urban Development and Legislative Support

The actual expenditure for Programme 2 against the adjusted appropriation reflects an under-spending of 1.1%, which is immaterial. The current spending is the same as the 2018/19 financial year.

Programme 3: Institutional Development

The actual expenditure for Programme 3 against the adjusted appropriation reflects an under-spending of 4.9%. The under-spending is mainly due to the offsetting/withholding of Local Government Equitable Share funds from some municipalities, in line with the Division of Revenue Act (DORA) requirements, as well as delays in the spending of the indirect grant portion of Municipal Systems Improvement Grant. The current spending rate is 1.7% less than the spending rate in the previous financial year (2018/19).

Programme 4: National Disaster Management Centre

The actual expenditure for Programme 4 against the adjusted appropriation only reflects a 0.2% under-spending, which is immaterial. The current spending reflects a 30.2% increase against the expenditure for the previous financial year (2018/19).

Programme 5: Local Government Support and Intervention Management

The actual expenditure for Programme 5 against the adjusted appropriation reflects a 100% spend rate against the budget. The current spending is the same as the previous financial year (2018/19)

Programme 6: Community Work Programme

The actual expenditure for Programme 6 against the adjusted appropriation reflects an under-spending of 0.1%, which is immaterial.

The current spending reflects a 13.5% increase against the expenditure for the previous financial year (2018/19).

Table 2 Savings trends since the 2012/13 financial year

Year	Expenditure R '000	Saving %	Saving R '000
2012/13	53 442 919	2.64	1 412 259
2013/14	56 401 572	3.65	2 057 335
2014/15	59 386 548	6.85	4 067 337
2015/16	68 097 537	3.99	2 717 940
2016/17	69 852 230	4.54	3 169 676
2017/18	76 362 043	2.68	2 101 847
2018/19	81 814 196	3.81	3 222 815
2019/20	86 946 178	3.78	3 414 105

The main reason for the under-spending in 2019/20 relates to the offsetting/withholding of the local government equitable share grants to some Municipalities in line with the Division of Revenue Act requirements.

The Estimates of National Expenditure (ENE) for the 2019/20 financial year provided for the appropriation of an amount of R90 718 billion. The budget allocation was decreased by R371.2 million in the 2019/20 adjusted estimation to bring the adjusted appropriation amount voted to R90.346 billion. This adjusted appropriation represents an increase of R7.840 billion (9.5%) when compared to the budget allocation for the previous year.

Table 3 Financial Information for the current and previous financial year

Programme Name	2019/2020			2018/2019		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
Prog 1: Administration	304 049	300 729	3 320	298 986	293 781	5 201
Prog 2: Regional and Urban Development and Legislative Support	966 197	965 404	793	99 875	99 739	136
Prog 3: Institutional Development	69 355 612	65 964 945	3 390 667	63 117 938	61 120 171	1 997 767
Prog 4: National Disaster Management Centre	648 380	646 337	2 043	1 962 716	1 370 257	592 459
Prog 5: Local Government Support and Intervention Management	15 242 454	15 241 074	1 380	15 706 373	15 705 790	583
Prog 6: Community Work Programme	3 829 866	3 827 690	2 176	3 851 123	3 228 642	522 481
Total	90 346 554	86 946 178	3 401 260	85 037 011	81 918 384	3 112 828

Table 3 above indicates the final appropriated budget for the Department of Cooperative Governance for the 2019/20 financial year to the amount of R90.718 billion. During the 2019/20 Adjusted Estimates of National Expenditure, the department decreased the budget to R371.2 million, which decreased the appropriation to R90.346 billion. This represents an increase of R5.309 billion (6.2%) when compared to the budget allocation for the previous financial year. The increased allocation for the 2019/20 financial year was mainly in respect of the approved funds and other adjustments to the Municipal Disaster Recovery and Disaster Relief Grants. The reasons for under-spending R3.401 billion by Institutional Development was due to the withholding of Local Government Equitable Share funding to some municipalities as a result of the non-compliance with the Dora Act.

Virements/roll overs

The following virements were effected in terms of Section 43 of the PFMA (Act No. 1 of 1999) as amended to fund the overruns and increased spending levels of the different programmes of the Department of Cooperative Governance during the 2019/20 financial year, in line with the mandate and priorities of the department.

Compensation of employees

- R1.8 million was shifted from Programme 2: Regional and Urban Development and Legislative Support to increase the compensation of employees' allocation of Programme 4: National Disaster Management Centre.
- R1.7 million was shifted from Programme 6: Community Work Programme to increase the compensation of employees' allocation of Programme 1: Administration (R1.4 million), Programme 3: Institutional Development (R500 thousand) and Programme 5: Local Government Support and Intervention Management (R800 thousand).
- R105 thousand was shifted from Programme 3: Institutional Development to increase the compensation of employees' allocation of Programme 1: Administration.

Goods and Services

- R807 thousand was required to be shifted from Programme 4: National Disaster Management Centre to increase the payments on capital assets for the procurement of the departmental transport.
- R5 thousand was shifted from Programme 2: Regional and Urban Development and Legislative Support to increase the Transfer and Subsidies allocation for households, to provide for the payment of leave gratuities for officials who have left the service.
- R212 thousands was shifted from Programme 3: Institutional Development to increase the Transfer and Subsidies for households to provide for employee benefits leave gratuity for officials who have left the service.
- R30.150 million was shifted from Programme 6: Community Work Programme to increase the Transfer and Subsidies for households to provide for employee benefits leave gratuity (R150 thousand) for officials that have left the service and increase the payments on capital assets (R30 million), for assets procured by the NPOs on behalf of the CWP.
- R20 million was from Programme 4: National Disaster Management Centre to increase the goods and services allocation for Programme 1: Administration (R15 million), Programme 2: Regional and Urban Development and Legislative (R3 million) and Programme 3: Institutional Development (R2 million)

- R5 million was shifted from Programme 2: Regional and Urban Development and Legislative Support to increase the goods and services allocation for Programme 1: Administration.
- R1.1 million was shifted from Programme 3: Institutional Development to increase the goods and services allocation for Programme 1: Administration.
- R16.010 million was shifted from Programme 3: Institutional Development to increase the goods and services allocation for Programme 6: Community Work Programme.
- R28.400 million was shifted from Programme 4: National Disaster Management Centre to increase the goods and services allocation for Programme 6: Community Work Programme.
- R44.990 million was shifted from Programme 5: Local Government Support and Intervention Management to increase goods and service allocation for Programme 6: Community Work Programme.
- R22.512 million was shifted from Programme 5: Local Government Support and Intervention Management to increase the payment for capital assets of Programme 6: Community Work Programme.

Payment on Capital Assets

R1.018 million was shifted from Programme 4: National Disaster Management Centre to increase the payment for capital assets allocation of Programme 6: Community Work Programme.

Shifting

Further to the above-mentioned virements, the following shifting of funds was also approved within the main division and economic classifications to fund the over-expenditure due to the increased spending levels in line with the mandate of the department.

Programme 1: Administration

R5.950 million was shifted from the goods and services allocation to increase the payments for capital assets (R5.650 million) and payment for financial assets (R300 thousand).

Programme 2: Regional and Urban Development and Legislative Support

R1 thousand was shifted from the goods and services allocation to increase payment for financial assets (R1 thousand).

Programme 3: Institutional Development

R15 thousand was shifted from the goods and services allocation to increase the payments on capital assets (R8 thousand) and payment for financial assets (R7 thousand).

Programme 4: National Disaster Management Centre

R1 thousand needed to be shifted from the goods and services allocation to increase the payment for financial assets.

Programme 5: Local Government Support and Intervention Management

R151 thousand was shifted from goods and services allocation to increase the payment on capital assets (R144 thousand) and payment for financial assets (R7 thousand).

Programme 6: Community Work Programme

R5 thousand needed to be shifted from the goods and services allocation to increase the payment for financial assets.

Roll-over

An amount of R291 840 million of the unspent funds at the end of the 2019/20 financial year was requested to be rolled-over to the 2020/21 financial year in respect of the Local Government Equitable share grant.

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

The department has not incurred any unauthorised expenditure as per Note 11 in the Annual Financial Statements. The department has incurred fruitless and wasteful expenditure to the value of R 9 704 000 in the 2019/20 financial year as per Note 32 in the Annual Financial Statements. The department is progressively enhancing the internal controls to detect and prevent fruitless and wasteful expenditure.

Future plans of the Department

The department informs District teams with internal senior managers participating in the institutionalisation of the District Development Model in each district and metro.

Public Private Partnerships

The department does not have any Public Private Partnerships for the period under review.

Discontinued activities/ activities to be discontinued

- No projects were discontinued.

New or proposed activities

The department issued an Addendum to the APP 2019/2020 to incorporate some of the new DDM projects. Under Programme 2: Regional and Urban Development and Legislative Support:

- DDM for the 44 Districts Municipalities and 8 Metros approved by Cabinet and piloted in 3 Municipalities by 31 March 2020 and
- DDM for the 44 Districts Municipalities and 8 Metros piloted in 1 district municipality by 30 September 2019.

Under Programme 2: Programme 6: Community Work Programme

- Facilitate the development of 44 District and 8 Metropolitan CWP municipal plans by March 2020.

Reasons for new activities

A new indicator was added to align the work of the CWP to the DDM.

Effect on the operations of the department

The incorporation of the additional indicators for DDM required the shifting of resources from other units to assist with the roll-out.

Financial implications of each new activity

There were no financial implications.

Supply Chain Management (SCM)

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

The department has put in place systems to detect and prevent irregular expenditure. The department has functional Bid Committees to ensure transparency, fairness and compliance with the Preferential Procurement Framework Act, Preferential Procurement Regulations and the National Treasury Instruction Notes in SCM.

Challenges experienced in SCM and how they were resolved:

The department experienced difficulties with the implementation of the departmental procurement plan due to systematic and administrative challenges. The department is addressing these challenges through the respective governance structure.

Gifts and donations received in kind from non-related parties

Donor support 2019/20 financial year

	DATE/ PERIOD	PURPOSE	RECIPIENTS	SOURCE/ FUNDING ORGANISATION	TYPE OF SUPPORT	AMOUNT
1	23 May 2019- 24 May 2019	Cloud Summit 2019: Sun City	Mr D Peterson	Microsoft SA	Food and Accommodation	R6,000
2	18 Dec 2019	Kanonkop Paul Sauer 2026 wine x2 Zonin Cuvee 1821 wine x1	Mr T Ratshabedi	Mncedidi Ndlovu & Sedumedi (MNS) Attorneys	Wine	R1,235
3	18 Dec 2019	18 Dec 2019 Kanonkop Paul Sauer 2026 wine x2 Zonin Cuvee 1821 wine x1	Mr D Ngutshana	Mncedidi Ndlovu & Sedumedi (MNS) Attorneys	Wine	R1,235

Exemptions and deviations received from the National Treasury

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

Events after the reporting date

On 23 March 2020, the national lockdown was declared by the President of the Republic of South Africa starting from 27 March until 21 April 2020 on account of COVID-19 pandemic. This state of disaster was subsequently extended on a number of occasions. This resulted in the department incurring expenditure in new items which were not originally anticipated.

The department continued to procure these PPEs after 31 March 2020 and funding thereof will be reprioritised within the allocated budget.

Furthermore, the proclamation of the above-mentioned state of disaster resulted in the department's 2020/21 financial year budget being reduced and funds were reprioritised towards efforts of the government to reduce the spread of COVID-19 infections in the country.

Any other material matters

None

Acknowledgement(s) or Appreciation

It is proper and appropriate at this time of the financial year to register the department's thanks to the Minister Dr. Nkosazana Dlamini-Zuma and Deputy Minister Parks Tau who steered the department through the troubled times of the 2019/20 financial year. I look forward to her guidance, vision and support as we both work towards the sustainability and viability of the Department. We need also to record our thanks to Mr. Themba Fosi who acted as the Director-General for the year under review as well as the Management who assisted. Most importantly, I am beholden to all SMS members and other officials for their loyalty and dedication in these trying times. I welcome the opportunity to work with the all the officials, unions that represent the officials and all the stakeholders. We must pave a way forward that serves the best interests of the citizens to which we are all ultimately accountable.



MS A A WILLIAMSON
Accounting Officer: Department of Cooperative Governance

Date: 15/11/20

1.5 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 the National Treasury.

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

The Accounting Officer is responsible for the preparation of the annual financial statements and 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 in expressing 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 fiscal year ended 31 March 2020.

Yours faithfully



MS A A WILLIAMSON

Accounting Officer: Department of Cooperative Governance

Date: 15/11/20

I.6 Strategic Overview

I.6.1 VISION

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

I.6.2 MISSION

Our Mission is to ensure that all municipalities perform their basic responsibilities and functions without compromise by:

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

I.6.2 VALUES

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

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

I.7 Legislative And Other Mandates

Constitutional mandate

The mandate of the Department of Cooperative Governance (DCoG) mandate is primarily derived from Chapters 3, 5, 6, 7 and 9 of the Constitution of the Republic of South Africa, 1996, hereafter referred to as the Constitution.

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

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

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

Chapter 7 - This chapter deals with, among other things,

municipalities in cooperative governance. The department, by legislation, must support and strengthen the capacity of municipalities to manage their own affairs, exercise their powers and perform their functions.

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

Our primary mandate is to:

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

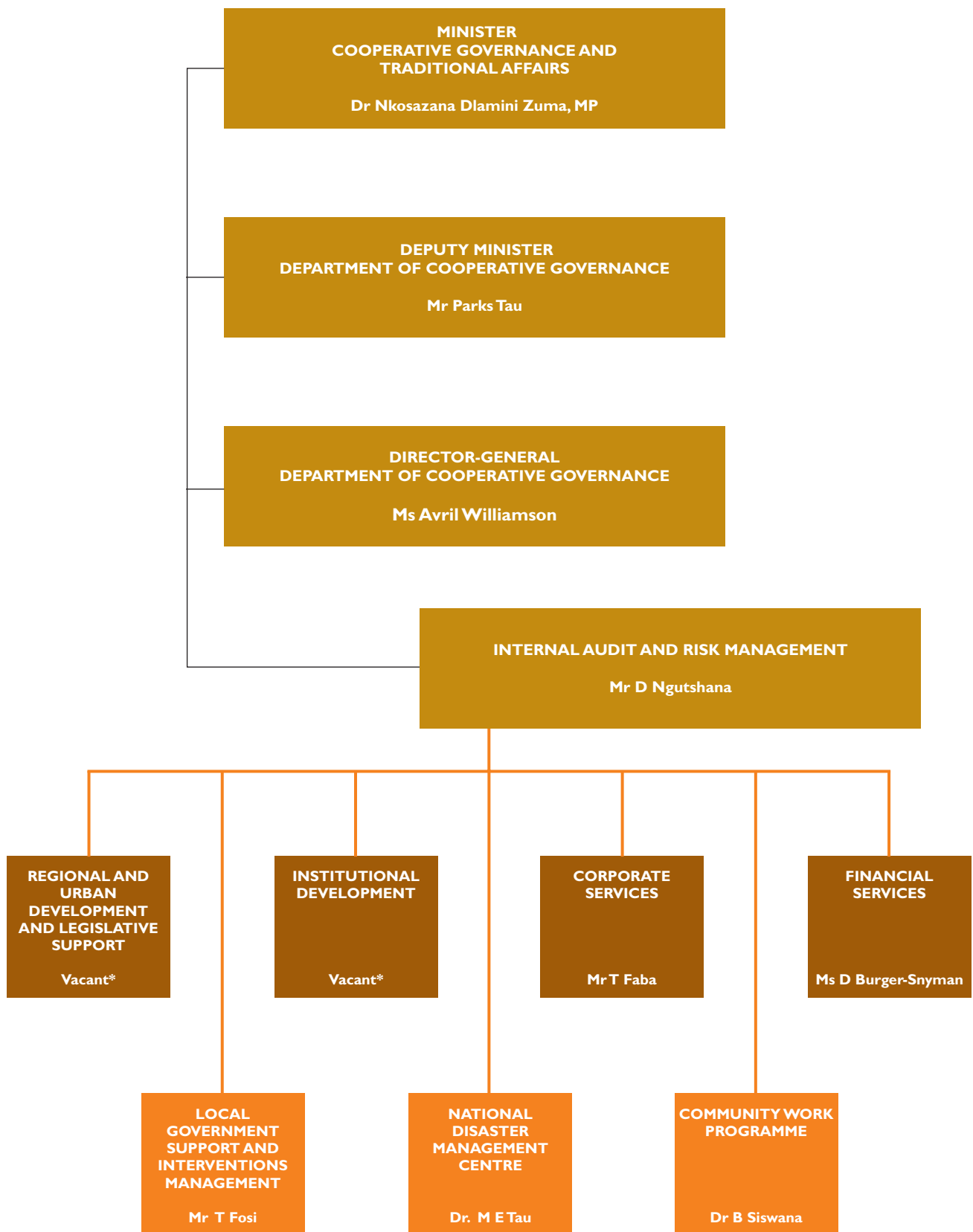
Legislative Mandate

As a national department, our function is to develop national policies and legislation regarding to regarding local government and to monitor, among other things, the implementation of the following:

Name of Legislation	Mandate
Municipal Property Rates Act, 2004 (Act No.6 of 2004)	To regulate the power of a municipality to impose rates on property; to exclude certain properties from rating in the national interest; to make provision for municipalities to implement a transparent and fair system of exemptions, reductions and rebates through their rating policies; to make provision for fair and equitable valuation methods of properties; and to make provision for an objections and appeals process.
Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003)	To secure sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government; to establish treasury norms and standards for the local sphere of government; and to provide for matters connected therewith.
Disaster Management Act, 2002 (Act No. 57 of 2002)	To provide for: <ul style="list-style-type: none"> • An integrated and coordinated disaster management policy, which focuses on preventing or reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective response to disasters and post-disaster recovery. • The establishment of national, provincial and municipal disaster management centres. • Disaster management volunteers. • Matters incidental thereto.
Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)	To provide for the core principles, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities; to ensure universal access to essential services that are affordable to all; to define the legal nature of a municipality, including the local community within the municipal area, to provide for municipal powers and functions; to provide for community participation; to establish an enabling framework for the core processes of planning, performance management, resource mobilisation and organisational change; to provide a framework for local public administration and human resource development; to empower the poor and ensure that municipalities establish service tariffs and credit control policies that take their needs into account.
Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998)	To provide for the establishment of municipalities, in accordance with the requirements relating to categories and types of municipality; to establish criteria for determining the category of municipality to be established in an area; to define the types of municipality that may be established within each category; to provide for an appropriate division of functions and powers between categories of municipality; to regulate the internal systems, structures and office-bearers of municipalities; to provide for appropriate electoral systems.

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

I.8 Organisational Structure



I.9 Entities Reporting to the Minister

The table below indicates the entities that report to the Minister and highlights for 2019/20:

South African Local Government Association (SALGA)

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

Highlights for 2019/20

During the Financial Year 2019/20, SALGA executed its mandate by representing the interests of local government in legislatures, IGR forums, Parliament and other policy making and oversight structures and some of the achievements are the following:

The implementation of the Housing Framework -

Various structures were lobbied on the implementation of the housing framework to ensure that local government interests were accommodated. SALGA lobbied the Human Settlements MINMEC to ensure that the Priority Housing Development Areas (PHDAs) are anchored on the relevant Municipal Integrated Development Plans (IDPs). On land for housing, SALGA lobbied for the land reform program to factor in urban land with a particular focus of ensuring that strategically located land is made available for housing development, especially in urban municipalities.

The Energy Summit Implementation Plan -

During the period under review, SALGA established the Energy Reform Group, aimed at redesigning Policy Framework on the role of municipalities in the renewable energy and other alternatives sources of energy. This resulted in the Department of Energy publishing the draft Integrated Resource Plan (IRP) 2019 as the key electricity planning document of the country and any new electricity generation capacity is to be determined in accordance with the IRP. In this areas some of the achievement during the year under review include; the Minister of Energy pronouncement to allow municipalities to build their own generation and procure from other role players other than Eskom, SSEG allocations increased from 200MW per year to 500MW, more allocations have been put for renewable energy, licensing and Registration Progress for SSEG and that IRP must be reviewed every two years.

Wage curve negotiations - SALGA issued a circular to municipalities and a questionnaire requesting information on operating the Pension Funds in the different municipalities and the received information was consolidated. The SALGBC parties signed a Facilitator facilitator proposal on the Pension Fund Restructuring (Collective Agreement). SALGA developed a position on Wage Curve Negotiations during the year under review and ensured that Medical Schemes are accredited by the

EBWG, with SAMWUMED being provisionally accredited.

Fostering sound and productive labour relations -

SALGA supported and advised one hundred and sixteen (116) municipalities on various labour relations matters including two hundred and twenty-nine (229) arbitrations, eighty-four (84) conciliations and one hundred and twenty-six (126) disciplinary hearings. SALGA fostered a multi-disciplinary approach with G & IGR (Speakers' Forums) and Municipal Finance, Office of the PEO (MMs Forums) on the implementation of the Main Service Agreement (MSA). SALGA provided direct support to Local Labour Forum (LLF) members in municipalities through LLF Trainings, Functionality of LLFs and participation by conducting the Local Labour Forums (LLF) functionality support to various municipalities. SALGA further attended the Train the Trainer session for Local Labour Forum Training for Employer Component on the 18-20 February 2020 at the SALGA National Office, Menlyn. In supporting and monitoring the implementation of Task Job Evaluation to municipalities, SALGA coordinated a Job Evaluation session for various municipalities during the year under review. SALGA provided written and/or verbal advice or direct support to municipalities on HR and LR related matters by responding to 70 written enquiries from municipalities, either via letter, e-mail or opinion.

Professionalising the local government sector -

During the year under review, and as part of efforts aimed at professionalizing the local government sector, SALGA successfully rolled-out the Accredited Municipal Performance Management Training Programme involving three hundred and nineteen (319) learners in the Practitioner Stream across all the nine provinces. The training programme was officially launched on 27 February 2020, and a total of one hundred and twenty-two (122) learners successfully completed the training programme and were certified as competent by the LGSETA, and a formal certification ceremony was held on 27 February 2020.

SALGA Centre for Leadership and Governance (SCLG) and training programmes - A skilled and capable workforce is central to a local government's fulfilling of its mandate and enacting its developmental vision. SALGA played a critical transformation role in this regard and acts as the national employer body representative within the sector by formulating and implementing a range of interventions to build municipality capacity and capabilities in fulfilling legislative and Constitutional mandate and developmental vision of local government. The Interventions ranges from facilitated leadership conversations to executive coaching, training sessions and blended learning programmes through the SCLG. The SCLG builds capacity through core programmes, continuous development programmes and products and services. These training interventions and Councillor Development Macro Learning Pathway are aligned with the five-year terms of municipal Councils. During the Financial Year under review, SALGA through SCLG, trained and conducted capacity building programmes for eight thousand four hundred and sixty-seven (8467) Councillors and municipal officials. One thousand nine hundred and thirty-seven (1937) Councillors and officials benefitted from attending credits-carrying programmes. A number of both councillors and municipal official attended continuous development programmes that were accredited by professional bodies.

The Leadership Impact and Innovation Programme - SALGA -The University of Berkeley Partnership to improve Municipal Capacity in the South African Local Government Sector-

In partnership with the University of Berkeley, twenty (20) municipal officials and councillors from various municipalities comprising of Mayors, Speakers, Municipal Managers, and CFOs & CIOs participated in the leadership impact and innovation programme under the auspices of the University of California, Berkeley, and Goldman School of Public Policy and commenced on 09 September -20 September 2019.

Strengthen SALGA's development cooperation agenda and profiling through UCLG participation

- During the year under review, in partnership with eThekweni Metropolitan Municipality, SALGA hosted the 6th UCLG World Summit of Local and Regional leaders from 11-15 November 2019 at the Inkosi Albert Luthuli ICC. The World Summit of Local and Regional Leaders convened by United Cities and Local Governments (UCLG). The event was the largest gathering of Mayors, Presidents of local government associations, councillors, local and regional practitioners around the World. It was also the World Summit of the most influential local and regional leaders councillors, local governments, partners, and actors implicated in the decision making of city and community life.



UCLG World Congress

UCLG-MEWA Executive Bureau Meeting and & Side Event of UCLG-MEWA Committee on City Diplomacy and Local Governance, 10-12 March 2020 - SALGA participated in the UCLG-Middle East and West Asia (MEWA) Executive Bureau which evaluated its work of 2019. Membership fees and the membership status of the current members were some of the issues discussed. SALGA also participated in a side event which was organised by the UCLG-MEWA Committee on City Diplomacy and Local Governance. There was a panel session on city diplomacy as well as a focused discussion on the role of city diplomacy in implementing global agendas such as the SDGs, the New Urban Agenda and Culture 21.

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

Highlights for 2019/20

The Urban Conference 2018 was held under the theme ‘*Activating an All-of-Society Approach to Implementing the Urban Agenda*’, and was hosted with support from Departments of Cooperative Governance, Human Settlements, National Treasury, SALGA, SACPLAN, ICLEI and the Gauteng Provincial Government. The conference was a continuation of the dialogue from the 2017 conference, where awareness and knowledge about the UIDF as a national policy that emphasises South Africa’s National Development Plan and the global New Urban Agenda was discussed in the context of South African metropolitan municipalities. The IUDF recognises that successful implementation requires an all-of society approach, starting from the premise that reaping the urban dividend requires the involvement of all urban role players. The conference’s aim was to engage and mobilise other urban actors who play a role in the development of towns and cities. The multi stakeholder engagements sought to mobilise urban actors to talk, plan and act on coherent and coordinated actions to achieve short and long term urban goals. The conference also became a platform for benchmarking the country’s progress and determining the qualitative and quantitative measures for progress and success in implementing the urban agenda.

The Built Environment Integration Task Team (BEITT)

- This task team seeks to deal collectively with practical issues around spatial transformation from the perspective and lived experiences of city practitioners, bringing together a community of practitioners who are willing to listen, learn from each other and share knowledge, as well as to reflect on the objective of changing the institutions tasked with transforming our cities. The BEITT consolidated the findings of its research in a report entitled '*Cities Political Administrative Interface in the Built Environment*' that was aimed at providing insights into the political/administrative interface in South African cities in relation to the building environment. The research looked at the themes of power and politics, city institutions and intergovernmental relations, and management and capacity. Under the themes of instability, coalitions, changes in government as well as political connections of officials, the report's findings demonstrate the highly politicised and unstable environments within which spatial transformation is meant to take place. It provides examples of built environment projects where the political executive shaped the budget allocations, stakeholder consultation and affected the timeframe of project execution. It also documents the various strategies used by officials to navigate this system, detailing the tactics they apply to manoeuvre an everchanging political environment, in which intergovernmental politics and personality clashes put additional strain on the political-administrative interface, often obstructing the spatial transformation agenda.

The State of Urban Safety in South African Cities 2018/19

- The third edition of this annual report examining the state of urban cities was developed by the Urban Safety Reference Group (USRG), convened by the SACN and GIZ Inclusive Violence and Crime prevention programme. The report provides a longitudinal study of city-level crime trends in South Africa's major cities. It gives an overview of the USRG knowledge sharing and learning activities and showcases current city practices related to urban safety. The report's overarching aim is to contribute to improved efforts to prevent and respond to crime and violence, and to create safer communities in the country's urban centres. The USRG stands on the basis that a whole-of-society approach is needed to address violence and crime, as per the White Paper on Safety and Security.

South African Conversations on Infrastructure -

The sixth annual Compendium of the Infrastructure Dialogues provides an overview of the themes that emerged from the four dialogues held between May 2018 and April 2019. The overall theme of the Compendium is "Reaping the Urban Dividend through Infrastructure", which reflects the importance of cities to South Africa's economy and development. It was befitting that for the 50th Dialogue a significant milestone that took place in April 2019 where the topic under discussion was 'Spatial Transformation and the Inclusive Economy: A focus on inner-city housing'. Other dialogues during the year looked at supporting intermediate cities, tackling corruption, and bridging the funding gap for municipal infrastructure. The Infrastructure Dialogues were hosted by the Development Bank of Southern Africa (DBSA), in partnership with the South African Cities Network (SACN), the National Business Initiative (NBI), the Economic Development Department (EDD) and the Department of Planning Monitoring and Evaluation (DPME) in the Presidency, with Engineering News as media partner.

Water Resilient Cities 2019

- SACN, South African Local Government Association, GIZ's International Water Stewardship Programme, and the USAID Water Sanitation and Hygiene Finance hosted the 2nd Water Resilient Cities: Innovative solutions and responses to water security challenges learning event. The purpose of the event was to encourage networking among participants, with the aim of creating a community of practice in water resilience. As urban resilience takes centre stage, cities will be required to enhance their water systems to perform in volatile and unpredictable environments and optimise performance under foreseen and unforeseen changes.

Rethinking LED: Local Economic Development in Intermediate Cities

- was the fifth volume in a series of exploratory studies on the differentiated approach to governance that focus on intermediate cities following series' tradition of responding both to emerging themes from previous studies and to cues from the urban policy environment. The report picks up on the observation from the fourth study that more needs to be done to address the inherent economic vulnerability of intermediate cities, including diversifying the economy and strengthening municipal capacities.

In addition, this study was formulated during a period of dire economic climate, making the economy a focal point for the country. The study continued in the tradition of using case studies, but also focused on an action research approach, inviting and privileging the experience and perspectives of municipal practitioners and politicians on their role in local economic development (LED).

MUNICIPAL DEMARCATION BOARD (MDB)

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

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

Highlights for 2019/20

The MDB through the Demarcation programme for the year under review, continued with the ward delimitation education and awareness programme which commenced in 2018/19. There were visitations to local and metropolitan municipalities in Gauteng, Limpopo, Northern Cape and Western Cape. In 2018/19 municipalities in the Eastern Cape, Free State, KwaZulu-Natal, Mpumalanga and North West provinces. The education and awareness programme was aimed at empowering councillors, community development workers, municipal officials and other interested organisations on the intricacies of the ward delimitation process. In its quest to enhance education and awareness of demarcation processes, the MDB presented its ward delimitation programme to, amongst others, MinMEC, Technical MinMEC, Provincial Houses of Traditional Leaders, Provincial Party Liaison Committee meetings and various SALGA forum.

The Minister published the formula for determination of the number of councillors on 5 July 2019 to be utilised by MEC's responsible for local government to publish the number of councillors per municipality during August and September 2019.

After the publication of the number of councillors, the MDB calculated the number of wards per municipality. The number of wards must be equal to 50% of the number of councillors published and in the event of an odd number of councillors, the decimal is rounded up. Thereafter, the MDB used the number of wards to calculate the norm (average number of voters per ward per municipality) and the 15% variance to the norm per municipality.

During September and October 2019, the MDB convened technical consultation sessions with all local municipalities to delimit draft wards. These sessions were convened at the district municipality level. Of the 213 municipalities targeted, 190 municipalities attended the technical sessions. In December 2019 the MDB finalised 4 468 draft wards. The MDB planned to conduct public meetings in all 213 municipalities that qualified to have wards. Of these 128 public meetings were planned between February and 31 March 2020 with the rest to be concluded in April 2020. The planned public meetings commenced in Eastern Cape, KwaZulu-Natal, Mpumalanga, Gauteng and Western Cape. The aim of these sessions was to allow stakeholders, members of public and any other interested organisations to make comments on the draft wards.

On 15 March 2020, the President declared a National state of disaster to curb the spread of the novel Corona-19 virus banning all public gatherings larger than 100 persons. This necessitated the MDB to suspend some of the public consultation sessions. By this date, 109 sessions out of the scheduled 128 consultation sessions were concluded. Soon thereafter, the President declared a nationwide lockdown for a period of 21-days commencing at midnight on 26 March 2020, which forced the MDB to indefinitely suspend all remaining municipal consultation sessions for the 2019/20 financial year.

The research programme continued unabated with two of our longstanding projects, Norms and Standard Reports for municipal powers and functions and spatial descriptions for municipal outer boundaries which are envisioned for completion in 2020/21 and 2021/22 respectively. Similarly our stakeholder participation, education and awareness programme managed to secure or enhance valuable partnerships with IEC, National House of Traditional Leaders, National Youth Development Agency and the Government Communication Information System to amplify its commitment to effective communication and stakeholder participation, specifically public participation in demarcation processes.



PART B:
PERFORMANCE
INFORMATION

2. Auditor-General's Report: Predetermined Objectives

2. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General has performed procedures to obtain evidence about the usefulness and reliability of performance information reported against pre determined objects to provide reasonable quality assurance in the form of audit conclusion the audit outcome is included in the report to management.

Refer to page 140 of the Report of the Auditor-General, published as Part E: Financial Information

2.1 OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1.1 Service Delivery Environment

The Political Environment

New District Coordination Model

The 6th Administration under the leadership of His Excellency President Cyril Ramaphosa commenced its term of office in June 2019, following the successful conclusion of the national and provincial elections held on 8 May 2019. The President identified the pattern of operating in silos and the lack of integrated planning across the three spheres of government and passive community participation as sources of incoherent planning and implementation, making monitoring and oversight of government's programmes difficult.

In light of this, the President called for the rolling out of “a new integrated district based approach to addressing our service delivery challenges, localise procurement and job creation, that promotes and supports local businesses, and that involves communities.”

Cabinet approved the new District Development Model on 21 August 2019. The model is designed to improve collaborative planning amongst the three spheres of government. It envisages a One District, One Plan and One Budget for each of the 44 districts and eight metros. This new integrated district-based system, will enable government to track implementation more closely and pinpoint with greater precision the level of intervention needed to make local government more effective and responsive, whilst also enhancing a synergised government-wide implementation of developmental priorities.

Municipal by-elections

A by-election is an election that takes place in a ward in a municipality between general municipal elections which are held every five years. A by-election must be held if:

- The Electoral Commission does not declare the results of the election of a municipal council or a ward within the specified period. A court sets aside the election of a council or a ward, where the council is dissolved, and a ward vacancy occurs.

There are 4392 wards in the country. For the financial year under review, i.e. April 2019-March 2020, by-elections were held in 145 wards (3,3%) of all the wards. Most ward elections (29) took place in KwaZulu-Natal followed by the Eastern Cape with twenty-three (23). Northern Cape had the fewest by-elections with only five (5). Independent candidates were the biggest takers in the by-elections with ten wards in Maluti-a-Phofung municipality in the Free State. This is evidence of the political instability in Maluti-a-Phofung. The governance challenges experienced by the Maluti-a-Phofung local municipality have rendered it dysfunctional in all areas relating to institutional capability, service delivery and financial management. The municipality is under Section 139 intervention in terms of the Constitution.

Section 139 of the Constitution prescribes five methods or instruments in which the Provincial Executive Committee (PEC) may invoke an intervention in a municipality, namely:

- Issuing of a directive: Section 139 (1) (a),
- Assuming responsibility: Section 139 (1) (b),
- Dissolving the Municipal Council: Section 139 (1) (c)
- Taking appropriate steps to ensure that the budget or revenue-raising measures are approved: Section 139 (4), and
- Imposing a recovery plan and possible dissolution of the Municipal Council: Section 139 (5).

In March 2020, there were forty-four (44) municipalities across the country subjected to interventions in all the nine provinces, with the North West and KwaZulu-Natal having the highest number of interventions in their municipalities at 14 and 10 respectively.

Governance

Coalition governments are posing new challenges on governance management and arrangements. Governance breakdowns were evident in coalition governments in Nelson Mandela Bay, Johannesburg and Tshwane, with numerous motions of no-confidence, disrupted meetings and change of mayors. Internal political party conflicts also lead to instability and a change of mayor in eThekweni, like the prolonged situation of internal conflict experienced previously in Cape Town.

The lack of accountability and systemic governance issues within local government remains a serious concern. According to SALGA, 36% of local councillors only have Grade 12, while 27% of councillors have qualifications below Grade 12. Councils have been plagued by political infighting (including factionalism within political parties) and instability.

Another indicator of governance is the audit outcomes of municipalities. The Auditor-General's report on local government audit outcomes for 2017/18 indicates that 44% of municipalities received qualified, adverse or disclaimer opinions whilst 9% of municipalities' audits were not finalised by the legislated date. 47% of municipalities received unqualified audit opinions (with findings) and clean audits.

The trends, more specifically over the last two years, show:

- Audits not finalised by the legislated date have increased
- Adverse opinions have more than doubled
- Qualified opinions have increased
- Both unqualified (with findings) and clean audits have regressed, clean audits, almost by half

The Auditor-General has ascribed the poor audit outcomes for 2017/18 to the lack of accountability in Local Government. Accountability constitutes one of the cornerstones of good governance, yet several municipalities do not implement good governance principles. This lack of accountability is evident in regressing audit outcomes and increased irregular expenditure; a lack of consequences for transgressions and irregularities, and an increasingly difficult environment for auditing. The Auditor-General has attributed this lack of accountability and lack of good governance to the failure of the leaders and managers to fulfil their oversight role.

Public Participation

The National Development Plan envisages a local government sector that is committed to working with citizens and communities to find sustainable ways to meet their social, economic and material needs and improve the quality of their lives. The Municipal Structures Act requires that municipalities develop mechanisms to consult communities and community organizations in performing their functions and exercising their powers. Ward committees form such a link between ward councillors, the community and the municipality.

The first steps towards effective community participation are by establishing Ward Committees and having regular meetings, which is followed by regular public report-back meetings convened by the Ward Councillors. The Back to Basics (B2B) report to DCoG, indicates an increase in the number of Ward Committee and Ward Councillor public report back meetings reported for the municipal financial year ending June 2019, compared to those convened in the financial year ending June 2018, with municipalities in most provinces exceeding the number of expected meetings.

Additional initiatives to broaden participation and a draft framework for partnership with civil society organisations was developed. A number of municipalities were supported to institutionalise community complaints management processes in the Eastern Cape and North West, through the presentation of norms and standards at their respective Provincial Public Participation Fora and other platforms.

Economic Environment

Real Growth Domestic Products (GDP) slowed from 0.8% in 2018 to a projected 0.3% in 2019. As all three major credit rating agencies have rated South Africa at sub-investment grade by the end of the 2019/20 financial year, the economic outlook has deteriorated. According to National Treasury, continued high unemployment and slow growth will continue to exert pressure on municipal revenue generation. Collection levels transfers to local government in the 2020 Medium Term Expenditure Framework will be reduced by R20.5 billion, including R3.2 billion from the local government equitable share and R17.3 billion in direct conditional grants. These reductions are likely to affect service delivery, particularly through delays in building infrastructure.

Urban economies play a significant role in the development and economic growth. 44,1% of the country's households lived in the eight metropolitan areas in 2019.¹ While urban areas are contributing significantly to the economy (57,2% of the country's GDP-R is generated in the eight metropolitan areas). Rapid urbanisation and population growth are presenting special challenges to urban development policy. These include high levels of poverty, socio-spatial inequalities, infrastructure deficits, insufficient skills and educational performance. High levels of unemployment remain a top concern. Much of the ongoing work in urban policy is aimed at addressing the problems confronting institutions responsible for urban service delivery and development.

¹ IHS Markit. 2020. *Regional eXplorer 1923* (2.6i)

² *Ibid.*

The Integrated Urban Development Framework (IUDF) is now the government's policy position to guide the future growth and management of urban areas.

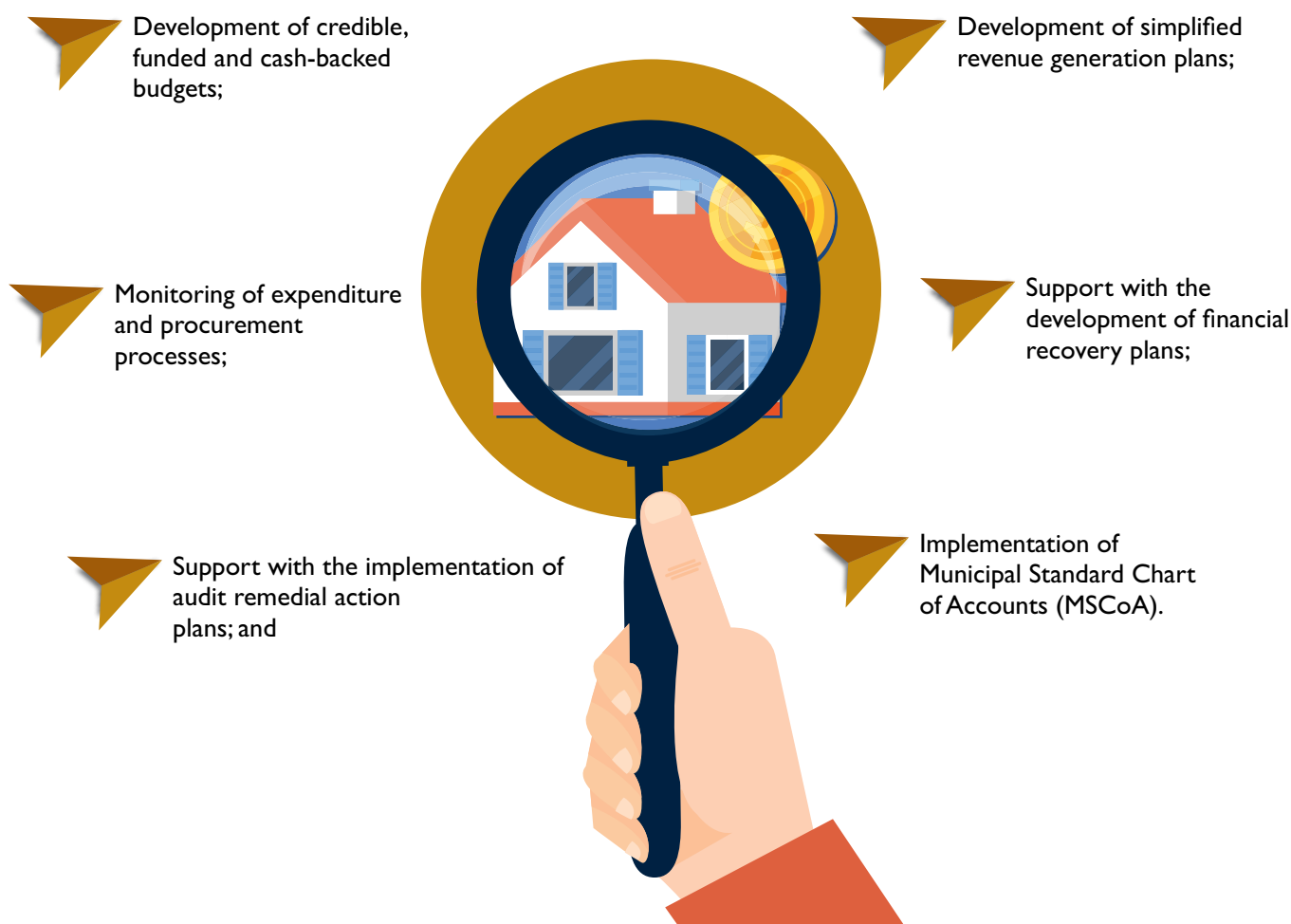
Section 71 reports to National Treasury indicate that at an aggregate level, municipalities continue to have insufficient cash coverage to fund their operations. They underspend capital budgets, facing expanded outstanding consumer debtors, their creditors outstanding creditors remains very high, and their asset management spending remains inadequate.

Problems in revenue management are the largest contributor to financial distress in local government. Aggregate municipal consumer debts amounted to R181.5 billion (compared to R164.2 billion reported in the first quarter of 2019/20) as of 31 December 2019. The largest component of this debt relates to households whose debt total represents 68.5% of the municipal consumer debt. Metropolitan municipalities are owed R90.1 billion in outstanding debt as at 31 December 2019. Possible reasons for the escalating current net debtors are the following: the economic downturn, un-affordability due to low or loss of income, dissatisfaction with service delivery and ineffective municipal billing and credit control systems.

Municipalities owed their creditors R47.5 billion as at 31 December 2019, which is an increase of R6 billion when compared to the R41.5 billion reported in the first quarter of 2019/20. Municipalities in the Free State have the highest outstanding creditors greater than 90 days at R8.7 billion, followed by Mpumalanga at R6.3 billion and Gauteng at R3.4 billion.

A major challenge continues to be the high number of municipalities that are unable to pay their debts to Eskom and water boards. The Minister for Cooperative Governance and Traditional Affairs has stated that there is a need to find lasting solutions to the problem through strengthening municipalities, as short-term solutions such as litigation will not solve the problem in a sustainable manner.

The DCoG and National Treasury have set up Joint Teams to work with their provincial counterparts to address the following priority financial management support and intervention measures:



National Treasury has also called for a comprehensive review of the financing model for local government, including expanding more flexible grants to municipalities, exploring ways to increase the own-source revenues of municipalities and to clarify rules for levying development charges.

Local Economic Development

More emphasis is required on the role of municipalities in fostering a favourable climate for investment in the municipal space and delivering the infrastructure required for such investment. This includes the strategic use of procurement in creating economic opportunities for local small business and the establishment of a stronger relationship between municipalities and the private sector to tap into the economic potential in municipalities.

Following the adoption of the Revised National Framework for Local Economic Development (LED) 2018-2028, the Department of Cooperative Governance is developing an Integrated Township Economic Development Programme, which will seek to respond to the imperative of developing thriving local economies and position township economies as focal points of government interventions. The driving force behind job creation must be supported by LED strategies that support the creation of inclusive economies with the view of integrating cooperatives and township economies into the mainstream local economic development landscape.

At the Cabinet Lekgotla in January 2020, Cabinet decided to strengthen government's arm with the implementation of the District Development Model, to ensure that:



01 The private sector and prospective investors are engaged for investment-ready projects, and project preparation for other projects-working in partnership with DBSA, French Development Agency and other partners.

02 Government and the private sector should collaborate to introduce innovative delivery mechanisms that can be scaled or tested and provide alternative financing structures.

03 The Private Sector Participation (PSP) Model be implemented, in partnership with Department of Water and Sanitation, Development Bank of Southern Africa (DBSA) and NT in line with the PSP Project Implementation Plan; and

04 Alignment between infrastructure projects with enterprise development and job creation be secured by bringing better coordination in government-funded initiatives, and using that to leverage private and Development Finance Institutions (DFI) resources to benefit communities.

Social Environment

Basic Services

Like many countries around the world, South Africa has faced many socio-economic challenges over the years. Emphasis has been placed on improving the lives of citizens by targeting poverty, inequality, and unemployment. South Africa has made considerable strides toward improving the wellbeing of its citizens since its transition to democracy in the mid-1990s, but progress is slowing down.

A recently released report by Statistics South Africa, in partnership with the Agence Francaise Développement (AFD), Southern Africa Labour and Development Research Unit (SALDRU) and African Centre of Excellence for Inequality Research (ACEIR), the Inequality Trends in South Africa: A multidimensional diagnostic of inequality, reveals that South Africa has improved on social issues such as education, and some basic services.³

³statssa.gov.za/

The General Household Survey of StatsSA showed that while the population has increased by 1,3% per annum over the period 2002-2018, the number of households increased by 2,4% per annum over the same period, a growth of 48,9% over the period. Since households are the basic units for service delivery, rapid household growth will constrain the delivery of basic services. More than one-quarter (25,7%) of households consisted of a single person, while 62% of households contained three or fewer members. North West had the highest incidence of single-person households, with a third being single-person households. Nuclear households that are comprised of parents and children made up 39,1% of all households. The survey shows that 37,6% of households consisted of two generations, while 14,2% contained at least three generations. Skip generation households that matched grandparents with grandchildren made up 5,1% of all households. The latter were most common in Limpopo (8,7%) and Eastern Cape (8,5%). The study shows that 37,9% of households were headed by females.

In 2018, 89% of households had access to piped or tap water in their dwellings, and 83% of households had access to improved sanitation facilities. A total of 84,7% of households were connected to the main electricity supply, while 64,7% of households had refuse removed at least once per week.

Unfortunately, despite early gains in the provision of water, provision slowed down notably after 2014. Although the percentage of households with access to an improved source of water only increased by less than five percentage points between 2002 and 2018 (growing from 84,4% to 89,0%), the increases were much more notable in Eastern Cape (+19,0 percentage points) and KwaZulu-Natal (+11,2 percentage points). Access to water actually declined in five provinces between 2002 and 2018. This slow down coincided with a stabilisation in the provision of public or communal taps (dropping from 13,6% in 2002 to 12,3% in 2018) and piped water on-site (increasing marginally from 27,7% in 2002 to 28,5% by 2018) in favour of increasing the percentage of households who had access to piped water in the dwelling. The latter increased from 40,4% in 2002 to 46,3% in 2018. The impact of rapid household growth is borne out by the observation that the number of households with access to water in the dwelling increased by 70,8% between 2002 and 2018, growing from 4,5 million to 7,7 million while the percentage of households with

access to water in the dwelling only increased by 5,9% percentage points over the same period.⁵

The increase in the percentage of households with access to water coincided with a decline in the percentage of households who paid for the piped water they received. The proportion of households who reported paying for water has been declining steadily over the past decade, dropping from 67,3% in 2008 to only 40,9% in 2018. Approximately one-fifth (20,3%) of South African households reported some dysfunctional water supply service in 2018.

Access to improved sanitation seems to have stagnated at around 80%, and the last 20% seem to be hardest to achieve. Through the provision and the efforts of government, support agencies and existing stakeholders, the percentage of households with access to improved sanitation increased by 21,3 percentage points between 2002 and 2018, growing from 61,7% to 83,0%. The most improvement was noted in Eastern Cape where the percentage of households with access to improved sanitation increased by 54,6 percentage points to 88%, and Limpopo in which access increased by 32 percentage points to 58,9%. The installation of pit toilets with ventilation pipes played an important part in achieving large improvements. A range of reasons, including rapid household growth and urbanisation, as well as a preference for flush toilets have all contributed to the slow progress over the reference period. The relative scarcity of water and regular water interruptions experienced in many parts of the country will increasingly lead to the use of alternative sources of sanitation.⁶

The number of consumer units using municipal bucket toilets fell from 60 557 in 2017 to 42 612 in 2018. This represents a 29,6% decrease in a single year, according to the latest Non-financial census of municipalities report. In 2014, the total was 85 718.⁷

Nationally, the percentage of households that continued to live without proper sanitation facilities have been declining consistently between 2002 and 2018, decreasing from 12,6% to 2,8% during this period. Access to adequate sanitation was more limited in Limpopo and Mpumalanga, while the lack of adequate sanitation remains a major risk in informal settlements.

⁵ StatsSA. 2019. General Household survey, 2018.

⁶ Stats SA. 2019. General Household Survey (GHS), 2018

⁷ StatsSA. 2018

Households that share toilet facilities have reported some of the following challenges: About one-fifth (23,2%) of households were concerned about the poor lighting, while 17,7% complained about inadequate hygiene. Although washing hands after using the toilet is vital to control infectious diseases, 16,4% of households also complained that there was no water to wash their hands after they had used the toilet. Other complaints included long waiting times (12,6%), threats to their physical safety (11,9%), and improper or inadequate enclosure of toilets (8,9%).

An increase in the percentage of households that were connected to the electricity supply from the mains was accompanied by a decrease in the use of wood and paraffin. The data also shows that households utilise multiple resources for lighting, cooking and heating. They opted to use the cheapest sources of energy where available or relying on alternative sources during interruptions.

The largest increases in access to electricity between 2002 and 2018 were observed in Eastern Cape and Limpopo while the percentage of households with access declined in Gauteng and Western Cape. These declines can be associated with the rapid in-migration experienced by these provinces and the associated increased in households.

More than seven-tenths (71,7%) of South African households that had access to electricity obtained electricity through a pre-paid meter, while 14,8% were billed using a conventional meter. It is notable that 2,6% of households used electricity for which they did not pay, while 3.3% of households in metros did not pay.

The national figures for refuse removal hide large discrepancies between rural and urban areas, but also between urban and metropolitan areas. Households in urban areas were much more likely to receive rubbish removal service than those in rural areas, and rural households were therefore much more likely to rely on their own rubbish dumps. Weekly household refuse removal was most common in Gauteng and Western Cape and least common in Limpopo.

The provision of basic services to the poor remains a top priority for the government. With over half of South Africa's population in poverty,⁸ and with the economy in

recession in the first half of 2018, the indigent programme continues to be a vital lifeline for the 22% of households that would otherwise not have had access to basic services.

In 2001 South Africa adopted a policy intended for the provision of free basic services to poorer households. Under this policy, municipalities were tasked to identify indigent households that would receive services such as water and electricity - for free or at substantially subsidised rates. South Africa's 257 municipalities registered 3,63 million indigent households in 2018. That is about 1 in every 5 (or 21.8%) of the country's 16,7 million households.

Households are required to register with municipalities to qualify for free basic services. A municipality's role is to vet every application, selecting only those households that meet various criteria. Successful applicants are granted indigent status. Municipalities often run awareness campaigns to ensure that households are aware of the application process.

An indigent status is not for life, as the economic status of a family might improve over time. To ensure that only the poorest families are catered for, municipalities require registered households to reapply for indigent status on a regular basis, often once a year. There are still constraints in the implementation of this policy, e.g. a municipality might not be able to service all indigent households that have successfully registered, due to lack of funds or inadequate infrastructure.

Despite continuing efforts by the government to address gender inequality in SA, women have not advanced as rapidly in terms of socio-economic empowerment and gender equality. However, female-headed households made good progress regarding access to electricity from the main's electricity supply, as they surpassed access levels in male-headed households in 2010 and have since, remained higher. Access levels in male-headed households stayed fairly flat, increasing by only 3,1 percentage points between 2002 and 2017 while female-headed households saw their access levels improve by 14,3 percentage points over the same period. By 2017, female-headed households reported having 87,2% of a connection to the mains compared to 82,4% in male-headed households.

⁸As per the upper-bound poverty line.

⁹StatsSA. Non-financial census of municipalities.

¹⁰Stats SA. 2019. General Household Survey (GHS), 2018

Female-headed households also improved at a faster rate in access to water, increasing from 60,0% in 2002 to 70,3% in 2017 (a 10,3 percentage points increase), while male-headed households achieved a 3,4 percentage points increase over the same period.

Inequality between provinces regarding improved sanitation has declined, with Eastern Cape and Limpopo making notable gains. Rural areas saw a significant increase in improved sanitation by 40,1 percentage points from 22,7% in 2002 to 62,8% in 2017, thus reducing the gap between rural and urban areas.

Although there have been impressive improvements in access to infrastructure services, the quality and reliability of services are deteriorating due to ageing infrastructure and inadequate maintenance. Failure to deliver basic services causes immense hardship for the residents of municipalities and has a detrimental impact on social and economic development.

StatsSA reported that South Africa's public infrastructure investments over the past two decades amounted to about R3 trillion. The speed, quality and efficiency of many of these projects however, has not matched the level of investment. Project planning at all levels, including for long-term maintenance has proven inadequate.

Many municipalities are struggling to operate and maintain their services infrastructure in a cost-effective and sustainable manner. This has resulted in the rapid deterioration of assets and regular or prolonged disruptions to service delivery. The electricity distribution network is in a serious state of disrepair in most municipalities, contributing to high distribution losses. Eskom estimates that the country's electricity industry revenue losses are approximately R7,5 billion per annum. Limited priority has been given to infrastructure asset management, which contributes to deficient reticulation infrastructure, increasing water and electricity losses, service delivery disruptions and revenue losses.

The past year numerous incidents were reported about water shortages, namely in the Eastern Cape, a water shutdown in Himeville and Underberg, water-shedding in Polokwane, water riots in QwaQwa, as well as water cuts in Tshwane and Mpumalanga.

It is estimated that non-revenue water (leaks, commercial losses, billing errors or theft) accounts for 37% of the water used, in a water-scarce country like South Africa that is unsustainable. Almost half of South Africa's 824 waste water treatment facilities were reported by the Green Drop Report to be in a critical or poor condition requiring urgent attention. There has been an increase in reports of untreated sewage overflowing into primary strategic water resources, severely compromising the quality of water.

The Auditor-General noted that almost half of the municipalities defined as water services authorities did not have a maintenance plan for their water infrastructure. Many municipalities also failed to conduct any conditional assessments of their infrastructure to inform their plans and budgets. The municipal trend of failing to plan adequately has left most municipalities vulnerable to crisis management. Maintenance, for example, is in most cases no longer performed as a preventive measure, but on a reactive basis.

Other shortcomings in the development and maintenance of infrastructure identified by the Auditor-General included the underspending of grants, delays in project completion, poor quality workmanship and inadequate monitoring of contractors. The FFC has found that municipal infrastructure delivery programmes are characterised by management and spending inefficiencies that include project completion delays, budget overruns, asset deterioration and under-utilisation, among others. Efficient infrastructure delivery processes are hampered by, among other factors, gaps in planning and prioritisation processes, deficient project management capabilities, stringent regulations and weak intergovernmental coordination.

Within this context, MISA is providing support to 87 priority municipalities. Support is provided through District Support Teams (comprising of Civil Engineers, Electrical Engineers and Town Planners). MISA has signed technical support plans (TSPs) with each municipality, setting out the nature and extent of support. The support focuses on improving infrastructure planning, delivery, operations and maintenance. The municipalities are also supported with the development and implementation of SPLUMA compliant plans and the IUDF.

Another area of focus is the implementation of Sector Plans (Energy, Water Conservation and Demand Management Plans, Operations and Maintenance plans). MISA support also contributes towards enhancement of revenue management and building technical skills pipeline and capacity in local government.

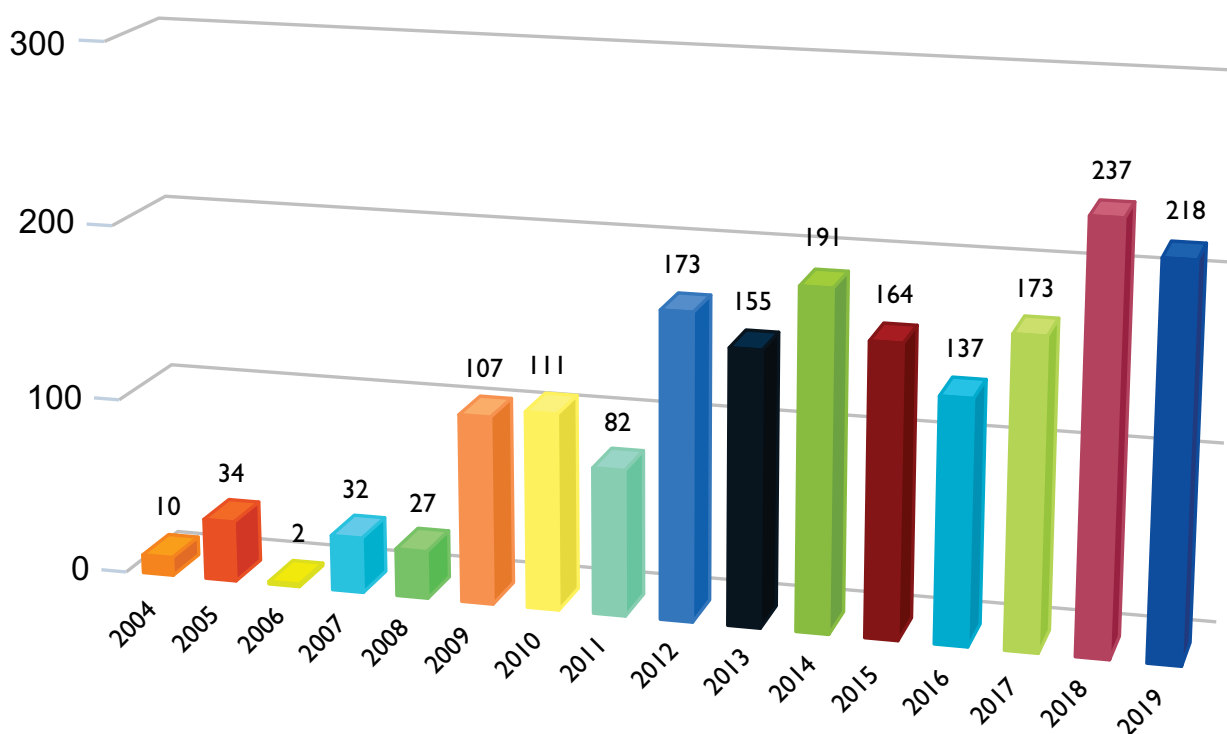
A Joint Meeting meeting of the Departments of Human Settlements, Water & Sanitation and Cooperative Governance and Traditional Affairs Technical MINMEC was held on 21 November 2019 to discuss a presentation on the National Water and Sanitation Master Plan. The Master Plan recognises that South Africa is facing a challenge to deliver adequate water and sanitation services due to, amongst other aspects, insufficient water infrastructure maintenance and investment, recurrent droughts driven by climatic variation, inequities in access to water and

sanitation, deteriorating water quality, and a lack of skilled water engineers, scientists and related professionals. It is estimated that at least R126 billion is required to finance key water development projects that need to be implemented within the next ten years.

Service Delivery Protests

The failure to deliver basic services is confirmed by growing numbers of protests over the past 16 years:

Figure 1: Service delivery protests: 2004 – December 2019.



Source: Municipal IQ Hotspot Monitor

⁸ As per the upper-bound poverty line.

⁹ StatsSA. Non-financial census of municipalities.

¹⁰ Stats SA. 2019. General Household Survey (GHS), 2018

Increasing protests have shown that the government still has to invest more towards promoting participatory governance. Poverty, high unemployment, and socio-economic exclusion, relative deprivation and inequality in informal urban areas, and unhappiness about the provision of services have all been identified as strong contributing factors to protests. Other causes identified include complaints about political corruption, mismanagement, lack of prompt response by municipalities to citizens' concerns, dysfunctional administration, lack of meaningful public participation in government processes and service delivery planning.

Municipal IQ reported that 218 protests took place in 2019, which was the second-highest number on record, surpassed only by the 237 protests of 2018. There were also significant increases in protests in the metros of Cape Town, Johannesburg and eThekweni compared to 2018. In the first three months of 2020, protests slowed down, achieving the quietest first quarter since 2012.

In comparing the protests of the last five years (2015-2019), 45% were in the metropolitan areas, and 27% occurred in informal settlements. Increasing violence is evident during protests, with 83% of the protests reported as violent, while in 10% of the cases criminality was reported. The following demands were identified as the main causes for the protests: housing (33%), electricity (30%), water (28%), sanitation (15%), roads (11%) and refuse removal (3%).

Gauteng, KwaZulu-Natal and the Western Cape (which are the most populous provinces) registered the highest number of service delivery protests between 2009 and 2019.

South Africa's present housing policy approach, dominated by large subsidised greenfield developments, has not met today's demand for homes leading to 3.51-million South African households that still live in informal dwellings. Secure tenure and access to dignified services remain significant challenges. Despite a well-developed system of Integrated Development Plans (IDPs), detailed sectoral plans and local spatial plans in terms of SPLUMA, local development initiatives remain compartmentalised and fragmented, and the overall trajectory of development continues to replicate spatial apartheid patterns. To deal decisively with the spatial divisions of

apartheid, we need a major change from the current business as usual approach. Public transport and housing investments must be aligned with municipal infrastructure and land use management plans. The mechanisms provided by SPLUMA provides an excellent starting point for aligning spatial plans and development. The municipal Spatial Development Frameworks (SDFs) should be recognised as the dominant planning and land use management framework, to which all other public landowners must align their strategies at the local level. Performance indicators for intergovernmental cooperation between spheres and across sectors need to be monitored to improve the impact collaborative focused government investment in spaces. It is envisaged that the District Development Model will facilitate this, using the concept of district and metro 'one plan'.

Municipal Institutional Environment: Capacity and skills

One of the priorities of the 6th Administration is the renewal and rebuilding of a developmental local government staffed by professionalised, transparent and resourced bureaucracy to deliver public goods working directly with citizens and communities.

Local government is facing a capacity and skills deficit, including inappropriately skilled personnel, a high proportion of vacancies and deficiencies in administrative and management systems. Systemic issues include a lack of accountability for performance, political instability, political deployments and interference in administration, inadequate skills development and financial constraints. The lack of technical skills is particularly acute in finance and engineering services, with a shortage of technical skills in road transport and wastewater treatment. Many municipalities rely heavily on consultants: for instance, to prepare their financial statements or write their IDPs.

Only 55 out of the country's 257 municipalities have qualified engineers to assist in the rolling out of infrastructure projects. In the past five years, since 2012/13, a total of R3.4 billion in MIG transfers was stopped and was reallocated from underspending municipalities to better spending municipalities because the municipalities lack the skills, for example.

A major aspect of improving institutional capabilities is ensuring the appointment of suitably qualified personnel. DCoG has developed systems and processes to effectively monitor and support the area of recruitment and selection of appropriately qualified and competent senior managers. The objective is to realize the professionalization of local government administration and to enable municipalities to perform their constitutional obligations.

The required location of planning, engineering, project management and specialised financial functions must be prioritised, and the skills to carry these out must be put in place. That is why DCoG is deploying a range of skills through shared district services hubs. The services will be shared by the municipalities in areas such as Financial Services, Water and Electrical engineering, Local Economic Development Infrastructure, transport planning, as well as broader development planning. These will assist municipalities in performing better.

Technological Environment

The general household survey of StatsSA found that nationally, only 3,4% of households did not have access to either landlines or cellular phones in 2018. Households without access to these communication media were most common in Northern Cape (10,3%) and Eastern Cape (7,6%). Only 0,1% of South African households used only landlines. By comparison, 89,5% of South African households exclusively use cellular phones. The exclusive use of cellular phones was most common in Mpumalanga (96,5%), Limpopo (94,5%), North West (92,1%), and Gauteng (90,7%). Households that had higher usage of both cellular phones and landlines were most common in the more prosperous provinces, namely Western Cape (18,4%) and Gauteng (7,8%).

64,7% of South African households had at least one member who had access to or used the Internet either at home, work, place of study or Internet cafés in 2018. Access to the Internet using all available means was highest in Gauteng (74,6%), Western Cape (72,4%) and Mpumalanga (70,2%). It was lowest in Limpopo (46,2%) and Eastern Cape (55,3%). Marginally over one-tenth (10,4%) of South African households had access to the Internet at home. Access to the Internet at home was highest among households in Western Cape (25,8%) and Gauteng (16,7%), and lowest in Limpopo (1,7%) and North West (3,0%).

¹¹ Financial and Fiscal Commission. 2018. Submission for the 2018/19 Division of Revenue: Technical report.

Municipalities are obliged to engage with their communities. They are expected to comply with the provisions of the Municipal Systems Act on community participation, whereby they must develop affordable and efficient communication systems that will allow them to regularly keep in touch with the communities to disseminate information.

New technologies and social media can change the communication between Government and the citizens as they contribute decisively to the transformation of public administration towards a new and open format that will be characterized by the active participation of citizens in public affairs, close collaboration between public services and between government and citizens, and transparency of the State activities.

Community participation in local government governance has reached a new milestone with the launch of the second generation GovChat instant messaging platform during October 2019. The GovChat, in partnership with the Department of Cooperative Governance, enable citizens to access and interact with 10 000 municipal public representatives through the GovChat instant messaging platform. This platform provides government and citizens with a cost-effective communication platform that will serve as a public education tool, community complaints management system, facilities rating and reporting tool, as well as a citizen satisfaction survey tool.

Local government legislation requires that municipalities must maintain efficient, effective, and transparent systems and that proper financial record keeping must be implemented. This is particularly important in the case of urban municipalities, which generate own significant revenue through service charges and property rates. One avenue through which efficient and effective administration can be realised is through the implementation of an information and communication technology-led approach to the city administration. Currently, however, many municipalities operate using outdated ICTs which place at risk their ability to ensure a solid foundation for effective and efficient administration systems. While benefits can be derived from the more effective use of ICTs in government, the initial cost of investing in new technology is high and can be an inhibiting factor, especially for cash-strapped municipalities.¹¹

Legal Environment

Several high-profile interventions have taken place during 2019/20 financial year, of which a few led to further litigation.

In October 2019 the Mamusa Municipality in the North West Province was dissolved. The municipality was accused of mal-administration, financial mismanagement and councilors who neglected their legislative duties. The Free State Provincial Executive Council resolved on 19 December 2019 to invoke Section 139 (5) (a) and (c) of the Constitution and to appoint an Intervention Team composed of provincial and national government officials, to assist with the development and implementation of a mandatory Financial Recovery Plan in the Mangaung Metro, after the failure of previous recovery plans.

In the Eastern Cape, the High Court granted the demand of the Unemployed Peoples Movement that Makana be put under administration and have its council dissolved. Both Makana and the provincial government is planning to appeal the ruling. The High Court in Makana ordered on the 14th of January 2020 that the Makana Municipality be dissolved and placed under administration for violating its constitutional mandate by failing to provide basic services to the community. Judge Igna Stretch wrote that the municipality's conduct had been "inconsistent with the 1996 Constitution of the Republic of South Africa," breaching Section 152 (1) and section 153 (a) by "failing to promote a healthy and sustainable environment for the community". The application was brought by the Unemployed People's Movement (UPM) and other civil society organisations against the municipality, which was the first respondent, and several others in February 2019. The court order must be carried out by the provincial executive of the Eastern Cape, which is one of the respondents in the case. The Eastern Cape government has said that it intends to appeal the ground-breaking Makana court ruling, claiming that it violates the principle of separation of powers.¹²

The issue which the Court had to determine was whether it could still order the provincial executive to dissolve the council in terms of Section 139(1)(c) despite the fact that the provincial respondents had already taken a decision in terms of Section 139(5) of the Constitution? The Court, in its judgment penned by Justice Stretch, held that a Section

139(5) intervention is sensible, logical, practical and obvious in this case. It thus rejected the UPM (Applicants) argument that the province should intervene in terms of Section 139(1) (c). The Court found that all the requirements for a mandatory intervention were present. The fact that the UPM (Applicants) relied on Section 139(1)(c) and not 139(5) did not preclude the Court from instructing the province to dissolve Makana's municipal council. In fact, the Court did not only base its reasoning on Section 139(5)(b). It also referred to the 2015 Financial Recovery Plan itself – which in no uncertain terms stated that 'should the municipality delay or fail to implement the Financial Recovery Plan, the Provincial Government must consider alternative measures including the dissolution of the council.' Instead of allowing the provincial government to develop a new Financial Recovery Plan, the Court ordered the province to make use of the 2015 Financial Recovery Plan. This plan, which was often avoided or ignored, unlike before, could no longer be escaped. It is now considered as a 'living document' which binds the Makana Municipal Council. The Court on the undisputed facts further found that Makana Municipality violated Section 152(1) and 153(a) of the Constitution in failing to ensure the provision of services in a sustainable manner and, in failing to promote a safe and healthy environment for its community.

The UPM judgment establishes a jurisprudential trend that local communities can through mandatory interventions, hold provinces accountable for failing to supervise municipalities in line with the Constitution. Moreover, the judgment sets the following precedent: First, if a municipal council fails to implement a financial recovery plan, a Court may instruct a provincial executive to dissolve a municipal council in terms of Section 139(5)(b) of the Constitution. Significantly, Courts may also rely on the conditions stipulated in Financial Recovery Plan when making their decision, such as directing a provincial government to intervene.

Secondly, provinces, as demonstrated in the UPM case must, before exercising their mandatory intervention powers, establish why previous financial plans failed. This is necessary, particularly in the case of repeated interventions instances where municipalities are subject to more than one intervention over a time period without yielding any success.¹³

¹²<https://theconversation.com/landmark-court-ruling-highlights-crisis-in-south-africas-cities-and-towns-130140>

¹³Stevens, C. 2020. Courts forcing provinces to intervene in dysfunctional municipalities.

In the UPM judgment, the Court specifically instructed the Provincial executive to use the 2015 Financial Recovery Plan. Whether or not this amounts to judicial overreach is an issue that is currently on appeal.¹³

The Gauteng Premier has taken the step in the beginning of March 2020, of to enacting Section 139(1)(c) of the Constitution - placing Tshwane under administration until a new council is elected within a period of 90 days. This follows the inability of the Council to meet since November last year, without having a Mayor or Mayoral Committee, and unable to appoint a City Manager. This intervention was taken on appeal by the DA.

The above case law might prove to have far-reaching implications for government. The Minister for Cooperative Governance and Traditional Affairs has stated that there is a need to establish an early warning system that will allow for detection of red flags and act through co-operative government mechanisms provided by Section 154, and only use Section 100 and 139 as a last resort. In instances where the mechanisms of last resort are applied, it must be ensured that those interventions are sustainable by always including capacity building as a non-negotiable part of the intervention.

Ecological Environment

The possibility of increased disaster risk is one of the most concerning and potentially costly impacts of future climate change in South Africa and globally. Understanding these risks and identifying key areas of concern is critical for developing suitable and sustainable adaptation policies.

Water is the primary medium through which the impacts of climate change are being felt in South Africa, according to the National Water Resource Strategy. Due to climate change, rainfall is often accompanied by thunderstorms and heavy downpours, localised flooding, strong damaging winds, especially in the KwaZulu-Natal area (Harry Gwala DM) and Gauteng (City of Tshwane, Sedibeng DM and Emfuleni LM), with reports of extensive damage to infrastructure and loss of life.

Droughts have become more commonplace in South Africa in recent years. In the past two decades since 1990, 12 of those years were defined as drier years compared to only seven.

2.1.2 SERVICE DELIVERY IMPROVEMENT PLAN

The Service Standards, as outlined in the Service Delivery Improvement Plan (SDIP) have been displayed at strategic points within the department.

Due to the nature of the DCOG's work as informed by the constitutional mandate, most of the services provided by the Department do not directly affect the citizens. However, our functions have an influence on the work of municipalities, provinces and other sector departments that provide services directly to the public. The DCOG Service Delivery Improvement Plan ended in 2019 and the Department will develop a new SDIP in line with the District Development Model and the new 5-year strategic Plan 2020-2025.

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

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Payment of suppliers	Service Providers	All service providers will be paid within 30 days of receipt of correct invoices	All service providers will be paid within 30 days of receipt of correct invoices. Where invoices do not comply with requirements, this will be communicated to the service provider within 5 working days after the initial submission	This has improved however not all suppliers were paid within 30 days of receipt of correct invoices
Oversight	Minister and Cabinet	Cabinet memos were submitted 7 days before cabinet committee meetings	Cabinet memos are submitted 7 days before cabinet committee meetings	Achieved
	Ministers and MECs	MINMEC and Inter-ministerial Committees convened	MINMEC and Inter-ministerial Committees convened	Achieved
Performance monitoring	Minister, client sister departments	Signed-off quarterly. Performance reports are submitted to DPME and NT 30 days after end of each quarter	Signed-off quarterly. Performance reports are submitted to DPME and NT 30 days after end of each quarter	Achieved
M&E forums	Provincial Departments of COGTA	M&E forums for national and provincial departments convened quarterly	M&E forums for national and provincial departments were convened quarterly	Achieved Quarterly M&E forum engagements were held with Provincial M&E Counterparts and included Officials from DPME
Compliance	Minister and Office of the Public Service Commission	All employees disclose their financial interest and submit to the Office of the Public Service Commission	All employees disclose their financial interest and submit to the Office of the Public Service Commission	Achieved
Governance	Members of the public		Funded vacant posts are filled within 6 months after an advert's closing date	Achieved The post of the Director-General and the Head of CWP were filled. The post for DDG Institutional Development has been advertised.
	Members of the public	Fraud and corruption are investigated within 21 days	Fraud and corruption are investigated within 21 days	Achieved

Batho Pele arrangements with beneficiaries (Information and access)

Current/actual arrangements	Desired arrangements	Actual achievements
Accessible information through the DCoG website	DCoG website updated regularly for access by members of the public and client departments	Achieved Regular updates done
Accessible information through the DCoG call-in and walk-in and email enquiry	DCoG information enquiry and interaction through social media	DCoG available on social media platforms like Facebook, Twitter, LinkedIn, GOVCHAT and Instagram

Service delivery information tool

Current/actual arrangements	Desired arrangements	Actual achievements
Work-in and suggestion boxes for Customer complaints	Electronic Government and Community interactive platform	GOVCHAT rolled-out in identified municipalities - a WhatsApp community engagement platform for lodging complaints and making follow-ups

Complaints mechanism

Current/actual arrangements	Desired arrangements	Actual achievements
Members of the public can access us through e-mail services, telephone calls, written correspondence and the Presidential Hotline administered by the Presidency	Members of the public can access us through e-mail services, telephone calls, written correspondence and the Presidential Hotline administered by the Presidency	Achieved Queries, enquiries and complaints are received from the public and attended to

2.1.3 Organisational Environment

In line with Government's position to contain the public service wage, the Department experienced significant constraints due to the implications on the Department's human resource capacity. The Department explored options for creating adequate capacity to attend to the most critical pressure areas, like the national MIG management unit which is responsible to administrator the MIG funds, and the Community Work Programme Contract staff to assist with clearing the backlog and processing of payments for implementing agents.

Subsequent to the ending of the contract to maintain an electronic organizational performance management system, which is meant to ease the burden of reporting, the internal staff could not juggle between managing the systems themselves. To mitigate against this, and maintain continuity in complying to reporting requirements, the Department opted to use Share Point to upload and manage portfolio of evidence on reported progress information. The new service provider is in the process of being appointed to customise the system and continue with providing technical assistance to line function during planning.

2.1.4 Key Policy Developments And Legislative Changes

a. Local Government: Municipal Structures Amendment Bill

The amendments to the Local Government: Municipal Structures Act, 1998 are based on the challenges experienced by the IEC since its inception, mostly around the administration and the management of municipal elections. The amendments seek to address issues around the administration and management of municipal elections, and to strengthen oversight and governance in municipalities. These amendments to the Structures Act are categorised into three broad areas as follows: Electoral-related amendments; governance-related amendments; and other amendments.

The Local Government: Municipal Structures Amendment Bill, 2018 was introduced into the National Assembly on 8 June 2018, and was approved and referred to the National Council of Provinces (NCoP) classified as a Section 76 Bill for concurrence on 13 February 2019. The Bill was revived by the NCoP on 17 October 2019. The Bill is presently being processed by the provincial legislatures.

b. Local Government: Municipal Demarcation Amendment Bill

The amendments to the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998) are largely based on proposals received from the MDB and SALGA. In summary, the proposed amendments, amongst others, aim to:

- Provide clarity and differentiation between the members of the Board and the organisation itself, including employees;
- Expand the selection panel to include a designee each from the National Assembly, and from the National House of Traditional Leaders (NHTL);
- Extend the term of office of Board members to seven (7) years (from 5), to allow for continuity and to ensure that the same Board presides over municipal boundaries that it had resolved on and the subsequent ward delimitation process;
- Ensure that all Board members, except the Chairperson, to serve on a part-time basis;
- Deviate above the present norm of 15% to 30%, when delimiting wards, such as, to avoid the splitting of communities, but within strict conditions;
- Provide for the establishment of the Demarcation Appeals Authority to deal with disputes regarding decisions of the Board;
- Provide for more extensive public participation and stakeholder consultation for any redetermination proposal;
- Set time frames for boundary redetermination and ward delimitation, considering the programme of the IEC; and
- Provide for the MDB to make recommendations to Parliament on the alteration of provincial boundaries.

Due to many amendments to the original Act, it has necessitated the repeal of the original Demarcation Act, and for it to be replaced with a new Act. Cabinet approved the publishing of the Bill for public comments and this will be done immediately after the national state of disaster comes to an end.

c. Intergovernmental Monitoring, Support and Interventions (IMSI) Bill and Regulations

The Intergovernmental Monitoring, Support and

Interventions (IMSI) Bill served before the Technical and MinMEC in the first quarter of 2019. It was further distributed to MinMEC members for their comments, all national sector departments, all Premier's Offices and all the provincial CoGTAs. The Department received 15 sets of comments from the said institutions with 437 comments on the prescripts of the Bill. The process of finalising the consolidation and codification of comments is almost complete.

Empirical evidence in terms of how the interventions were conducted using different information and engagements within the processes of the interventions. The comments from all stakeholders including academic literature on interventions were considered and several substantive legal opinions were solicited from the State Law Advisor. There are also jurisprudence and recent court judgments that impacts on the interpretation of the provisions of the invocations of interventions (Tshwane; Makana; Kagisano-Molopo; Mogalakwena; Overburg; Mnguma court cases, amongst others).

The Bill will be submitted to obtain certificates from the State Law Advisor to ascertain its constitutionality and to the DPME to obtain the "Socio-Economic Impact Assessment" certificate. It is then that the Bill will be submitted into the Cabinet processes, for public comments and submission into the parliamentary processes for processing from 2021/22 financial year.

d. Local Government Municipal System Amendment Bill

The Local Government: Municipal System Amendment Act, 2011 (Act No.7 of 2011) (the Amendment Act) was found unconstitutional and consequently declared invalid by the Constitutional Court on 20 March 2019 due to incorrect tagging by the legislature. During 2019/20 financial year, the Department committed to introducing a new Municipal Systems Amendment Bill (the Bill) to Parliament to correct the legislative defect referred to above. The Bill was introduced to Parliament on 6 February 2019 preceded by the correct classification of the Bill in terms of the Joint Rules of Parliament as a section 76 Bill affecting the functioning of provinces.

The Bill was central to government's commitment to, inter alia, strengthen good governance in municipalities through the professionalisation of human resource systems, setting of uniform procedures and criteria for appointment of municipal managers and managers directly accountable to municipal managers, entrenching a culture of performance and accountability, upholding of the highest ethical standards and prohibiting the appointment of employees dismissed for misconduct, fraud, corruption, etc.

Regrettably, the Bill lapsed on the last sitting of the Sixth Session of the Fifth Parliament by operation of the Joint Rules of Parliament before it was approved. The Bill was revived during the First Session of the Sixth Parliament held on 29 October 2019 to the stage where it was at the end of the Sixth Session of the Fifth Parliament. During the stakeholder engagements with provinces, organised local government and trade unions held between February and March 2020, the department supported by Parliament by providing legislative context and clarity on the objects of the Bill to remove any ambiguity.

Due to COVID-19 outbreak coupled with the extended nation-wide lockdown commencing on midnight of 26 March 2020, Parliament, like all other businesses suspended its operations until such time that the restrictions on travel and meetings have been eased. Scheduled Portfolio Committee meetings to deliberate and adopt the Bill were also affected by the lockdown.

A legal opinion was obtained from a senior counsel to defuse the heightened calls by organised local government, some provinces and municipalities threatening not to comply with the Appointment Regulations and Remuneration Notice for senior managers. A Circular was issued out to all municipalities providing transitional measures. The Circular explicitly indicated that all regulations and guidelines that were validly made or issued by the Minister prior to 9 March 2019, in terms of a section or sub-section of the Municipal Systems Act or that were inserted by the 2011 Amendment Act, remains valid and binding post 9 March 2019, which include the Appointment Regulations and Upper Limits Notice for senior managers. These transitional arrangements restored some level of normalcy in maintaining good governance across municipalities.

e. Municipal Staff Regulations

Chapter 7 of the Municipal Systems Act enjoins municipalities to develop and adopt appropriate policies and systems (consistent with the regulations setting uniform norms and standards issued by the Minister in terms of section 72 of the Act) to ensure fair, efficient, effective and transparent personnel administration. The development of regulations referred to above was finalised, and the regulations were certified by the Chief State Law Adviser, subject to a translation from English to Afrikaans version as a second official language. During 2019/20 financial year, the department committed to translating more 700 more pages of the Local Government: Municipal Staff Regulations (the Regulations) from English to Afrikaans as the second official language in compliance with section 6(3) of the Constitution. The translation of these Regulations has been completed in fulfilment of government's commitment to build a capable local government and improve sound governance in municipalities. These Regulations will be 'gazetted' into law during 2020/21 financial year and rolled out to all district municipalities. The implementation of these regulations, especially the competency framework for various occupational skills in local government, will reinvigorate government's role in producing the specialist technical skills that are essential to fulfil municipalities' core functions and provide appropriate career paths for technical specialists while strengthening national and provincial government's oversight.

f. Revised operating Model for the Community Work Programme

The department would like to introduce a radical shift in the delivery mechanism of the Community Work Programme (CWP). Lessons learnt over the years, dynamics and challenges coupled with the recurring number of negative audit outcomes affecting the programme have made it imperative to revise the model from the fundamental elements of its original design. The outcome of the redesign will, amongst others, require a change in the applicable funding modalities and a revision of institutional implementation arrangements together with a realignment of the organisational structure of the branch.

The remodelled programme will also be complemented by a review and enhancement of business processes and systems (business process re-engineering) in order to achieve operational efficiencies. It is envisaged that this will also promote transparency and accountability while addressing the recurrent negative audit outcomes.

2.1.5 Strategic Outcome Oriented Goals

The Department contributes to the achievement of national priorities as outlined in the five-year strategy of the government, the 2014-2019 Medium Term Strategic Framework (MTSF). The Department has facilitated the implementation of the outputs identified in the APP 2019/20 financial year towards achieving the following strategic outcome-oriented goals and objectives.

Table: Strategic outcome-oriented goals of the Department

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

2.1.6 Performance Information By Programme

Programme I: Administration

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

This programme seeks to achieve the following strategic objectives:

To ensure good governance and a sound internal control environment by March 2020.

Sub-programmes

The *Sub-Programmes* listed below are linked to the following strategic oriented goals: Effective and efficient internal corporate governance process. All the activities contributing to the achievement of these strategic goals and objectives are implemented through the operation plan.

Ministry

During the financial year under review, the office of the Minister has provided administrative, parliamentary, cabinet support, communication and media liaison services to the Minister and Deputy Minister.

Management: Office of the Director-General (ODG): The Office of the Director-General has during the period under review, coordinated and convened 43 Intergovernmental Relations forums meetings as well as 13 Top Management Committee meetings and 16 Audit Committee meetings. Also Moreover, with correspondence addressed to the DG. The Office ODG represented the DCoG at five (5) multilateral fora namely: United Nations High-Level Political Forum; United Nations General Assembly; SADC; Commonwealth Local Government Forum; and United Cities and Local Governments-Africa (Africities). Eight (8) Memorandum of Understanding implemented between DCOG and the following countries and organisations, namely; Palestine, Germany, Democratic Republic of Congo, Colombia, Botswana, Commonwealth Local Government Forum, OXFAM and United Nations University. To ensure good governance and a sound internal control environment by March 2020.

Corporate Services

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

Human Capital Management: The sub-programme facilitated and finalised the recruitment process with a total of 63 appointments, 34 of which were permanent and 29 were on contract. The Workplace Skills Plan for 2019/20 financial year including the 2018/19 Annual Training Implementation Plan as well as the 2018/19 Expenditure Report, were submitted to the PSETA on 17 April 2019 within the stipulated timeframe. Ten (10) Generic training programmes emanating from the Workplace Skills Plan were implemented during this financial year, and three (3) quarterly monitoring reports emanating from the training programmes implemented were submitted to the PSETA by the due date. The sub-programme awarded 47 bursaries to staff members and appointed 20 interns whose contracts have ended in March 2020. Of the 20 interns appointed, three were appointed permanently at other institutions, four were employed permanently at DCoG, and ten successfully completed the 24 months. Three interns had their contracts extended to 31 July 2020 for various reasons e.g. maternity leave, date of assumption of duty amongst others.

In the 2019/20 financial year, staff members were assessed and subsequently moderated for the 2018/19 financial year. Highly effective and efficient Staff members on salary levels 1-12 were paid performance incentives. Staff members submitted their 2019/20 performance agreements.

The Diversity and Employee Health and Wellness programme continued to provide employee health and wellness support in line with the Employee Health and Wellness Framework of the Department of Public Service and Administration. Services such as voluntary health screening (e.g. blood pressure, cholesterol, stress, and heart disease) health promotion, financial wellness as well as HIV and AIDS voluntary counselling and testing were provided.

Partnerships with health care providers such as South African National Blood Services (SANBS), Government Employee Medical Scheme (GEMS) and independent providers to ensure quality wellness services to employees were created, which enabled employees to know their health status. There were four blood donations sessions and two health screening sessions held during the year under review.

The employees were also exposed to financial institutions to plan their finances, including insurance to assist not only with their life cover but their retirement annuity plans. These platforms assist employees to plan their retirement and live comfortably beyond working age. There was one financial session held where banks and insurance companies were invited to interact with staff.

Recreational activities such as walking and running to encourage physical activity amongst employees to keep fit were renewed. Strengthened the implementation of the Job Access Strategic Framework on the Recruitment and Retention of Persons with Disabilities. The 8 Principles Action Plan for Promoting Women Empowerment and Gender Equality were institutionalised to foster gender transformation in the Department.

The department is not doing well in this regard in that representation of women at the Senior Management Service level is lower than 50% and this is because of turn over at that level. The department has not been able to meet the 2% of people with disabilities.

Information Communication Technology Management: The sub-programme has during the period under review successfully launched E-Leave. All officials were trained, and leave applications are managed through the system and ICT is providing ongoing support and any further training needed.

Legal Services: During the period under review legal services has provided contract review, drafting and management services as well as the management of all litigation matters against and/or by the department. Legislative drafting support was provided to the ID branch in the drafting of the amendments to the Local Government: Municipal Structures Act and the Municipal

Demarcation Bill. Support was also given to the ID Branch during the parliamentary processing of the Municipal Structures Amendment Act and the Municipal Systems Amendment Act, which is still underway.

Continuous support was also provided to the LGSIM branch, providing legal support and advice in the implementation of interventions in terms of Sections 100 and 139 of the Constitution in the provinces and the local government. Legal opinions in relation to legislation and policies, contracts, and litigation were also provided. The Contract Management Procedure was reviewed and new Contract Management Protocol was drafted and submitted to the Internal Control Committee. The monitoring of contracts in the Department enhanced with the review of the Monitoring toolkit. 90% of contracts concluded are drafted and vetted by the Directorate: Contract Management.

Corporate Planning Internal Monitoring and Reporting: The 2019/20 Financial Year was the last year of the 2014-2019 Medium Term Strategic Framework (MTSF). Corporate Planning, Internal Monitoring and Evaluation ensured that the Department complies with Nation Treasury Regulations, legislations, Department of Planning, Monitoring and Evaluation (DPME) frameworks, and the requirements of the MTSF. The Chief Directorate the facilitated performance planning, monitoring and reporting through the development of performance plans and reports as legislated by the Public Finance Management Act (PFMA).

During the period under review, Corporate Planning, Internal Monitoring and Evaluation facilitated strategic planning sessions for the development of the Department's 2020-2025 Strategic Plan and 2020/21 Annual Performance Plan. During June/July 2019, amendments were also made to the 2014-2019 Strategic Plan of the Department through an annexure to the 2019/20 Annual Performance Plans, which catered for the transition from 2014-2019 MTSF period to the 2020-2025 Priorities of Government led by the 6th Administration. Amendments into the 2019/2020 Annual Performance Plan were made to illustrate the Department's commitments to the District Development Model (DDM), which was adopted by Cabinet.

The Chief Directorate ensured that the Department complied with the legislative submissions of performance plans and reports to relevant statues. The Department conducted its quarterly review meetings (QRM) at the end of each quarter, as outlined in the Department's Policy for Managing Programme Performance Information. Departmental quarterly performance reports for 2019/20 Financial Year; and drafts and approved 2020-2025 Strategic Plan, and 2020-2021 Annual Performance Plan were submitted within the revised prescribed timeframes to the National Treasury and the Department of Planning, Monitoring and Evaluation. The Chief Directorate supported provinces by analysing their Quarterly Reports through the Electronic Quarterly Performance Review System (EQPRS), 2020-2021 Annual Performance Plans, and 2020-2025 Strategic Plans. Feedback was provided to the provincial departments through DPME.

The Chief Directorate worked with the DPME to ensure that National Planning, Monitoring, Reporting and Evaluation Forum (NPMREF) was successfully hosted. The Forum is held quarterly to foster alignment between National and provincial priorities for the sector (COGTA). During the Forum, provinces were appraised about the Revised Framework for Strategic Plans and Annual Performance Plans, Guidelines on the Implementation of the Revised Framework for Strategic Plans and Annual Performance Plans, Guidelines on the Assessment of Strategic Plans and Annual Performance Plans as well as other relevant legislations informing public service planning, monitoring and evaluation. Provinces were afforded an opportunity to raise challenges and other issues related to reporting of Standardised Indicators.

Financial services: During the period under review, the sub-programme provided the prescribed financial, supply chain and asset management services to the Department. Continued efforts were made to improve compliance with legislative requirements in support of the service delivery of the Department. Budget Planning expenditure management and reporting were performed in collaboration with all the line functions.

Furthermore, the sub-programme facilitated, to the extent possible, that the Department maintains an effective, efficient and transparent internal control system, the hosting of the Audit Steering Committee and the Internal Control Committee meetings during the year under

review. The main functions performed by the Internal Control Unit covered facilitation of the audit process, management of the Loss Control activities, safeguarding of financial documents, development and monitoring of the Audit Implementation Action Plans (Integrated Management Tool) as well as consequence management on matters relating to non-compliance with policies and prescripts.

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

The sub-programme conducted the strategic and operational risks of the Department in line with the approved strategic direction. The risk action plans were monitored on a quarterly basis and reported to Management and to the Audit Committee. The Business Continuity Management policy and strategy was reviewed and approved. The Business Continuity Management structure was established, and it is functional. The Risk Champions were also trained on their roles and responsibilities were clearly defined in order to operationalise and embed risk management within the processes of the department.

Office Accommodation: CoGTA acquired an interim consolidated office accommodation through DPWI to accommodate DCoG, DTA and MISA. The process was finalised and later withdrawn at a point of signing the lease agreement. The department finalised the process of procuring a site for construction of permanent CoGTA head office building.

Communications and Marketing: Chief Directorate Communication and Marketing had during the period under review, supported the work of CoGTA which included three DDM launches in eThekweni Metro, OR Tambo and Waterberg District Municipalities- in addition, supported over 15 events attended by Minister and Deputy Ministers, like a visit to projects, IDDR, UCLG, etc.

Coordinated and convened four (4) CoGTA Communicators Forums to plan for communications and to ensure alignment of messaging. Participated fully in the communication system processes led by the GCIS-Monthly Communication Cluster meetings; Quarterly Government Communicators Forum.

Strategic Objective						
Programme I: Administration						
Strategic Objectives	Strategic Plan target	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2014 -2020	Deviation from Planned Target to Actual Achievement for 2014- 2020	Comment on Deviations
SOI.1 To ensure good governance and a sound internal control environment by March 2020.	100% post-audit action plan implemented to improve audit outcomes by 31 March 2022.	New Indicator	100% implementation of the 2018/19 post-audit action plan to improve audit outcomes by 31 March 2020.	85% not implemented, and only 15% was implemented by 31 March 2020.	The target was not achieved due to some of the Integrated Management Tool (IMT) action plans, which were rendered ineffective.	Review, strengthen and close monitoring of the IMT action plans in the 2020/21 financial year.

Performance Indicators							
Programme I: Administration							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from Planned Target to Actual Achievement 2019/20	Comment on Deviations
I. Percentage implementation of the post audit action plan to improve audit outcomes	New indicator	New Indicator	New indicator	100% implementation of the 2018/19 post-audit action plan to improve audit outcomes by 31 March 2020.	Not achieved 85% not implemented, and only 15% was implemented by 31 March 2020. ¹⁴	Some of the proposed Integrated Management Tool (IMT) action plans were regarded as ineffective by the Internal Audit Unit.	Review strengthening and close monitoring of the IMT action plans in the 2020/21 financial year.

Strategy to overcome areas of underperformance

The Department finalised the Integrated Management Tool (IMT), which focuses on the 2018/19 AGSA findings. The IMT was presented to governance structures and submitted to the National Treasury at the end of November 2019. The Department will review, strengthen, and monitor the IMT action plans closely in the 2020/21 financial year.

Changes to planned targets:

None.

¹⁴Linked to 85% not implemented is made up of 51,19% partially implemented and 33,33% not implemented

Linking performance with budgets

The spending is at 1.1%, because of the vacancies not yet filled. The current spending indicates a 0.6% increase against the spending for the same period in the previous financial year, 2018/19. The under expenditure that reflects 3.3 million saving is due to vacancies in the program. Detailed sub-programme expenditure that shows virements is included in the appropriation statement of the AFS.

Sub-programme expenditure						
Sub-Programme Name	2019/2020			2018/2019		
	Final Appropriation	Actual Expenditure	Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Ministry	43 874	41 036	2 838	42 071	42 071	0
Management	17 361	17 361	0	19 138	18 995	143
Corporate Services	136 762	136 462	300	135 618	135 171	447
Financial Services	37 318	37 137	181	33 673	30 797	2 875
Internal Audit and Risk Management	13 878	13 878	0	14 424	12 687	1 737
Office Accommodation	54 856	54 855	1	54 064	54 064	0
Total	304 049	300 729	3 320	298 986	293 781	5 201

Programme 2: Regional and Urban Development and Legislation Support

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

Strategic Objectives

This programme seeks to achieve the following strategic objectives:

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

Sub-programmes

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

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

Cabinet approved the District Development Model (DDM) in August 2019 as presented by the Minister for Cooperative Governance and Traditional Affairs. The DDM was launched in the O R Tambo, Eastern Cape,

Wateberg, Limpopo, District Municipalities and in eThekweni Metro during the final quarter of 2019. The objectives of the DDM are to solve the silos that exist at a horizontal and vertical level of government, both within planning and implementation of programmes.

By maximising the impact and alignment of plans and resources at our disposal through the development of “One District, One Plan and One Budget”, we seek to narrow the distance between people and government by strengthening the coordination role and capacities at the District and City levels. As we further develop and implement the DDM, we ensure inclusivity by gender budgeting based on the needs and aspirations of our people and communities at a local level, and build government capacity to support municipalities.

During the 2019/20 financial year, the department had led a process of profiling each District municipality and metro in the country in preparation for a process that will see plans and processes being aligned to the specific challenges within a District space.

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

Urban Development Planning facilitates and monitors the implementation of the IUDF policy. As part of the implementation of the IUDF, the Department provided support to intermediate cities through the following interlinked programmes. The first programme is the Intermediate City Support Programme. There are nine intermediate cities that participate in this programmes and their names are; Polokwane Municipality, the City of uMhlathuze, SteveTshwete Local Municipality,Drakenstein Local Municipality, Mogale City, Sol Plaatjie Local Municipality, Thulamela Local Municipality, KwaDukuza Local Municipality and Rustenberg Local Municipality. The Intermediate City Support Programme provided support to these municipalities mainly in the areas of spatial planning, economic development and project preparation.

As part of the Intermediate Support Programme, the Department rolled out the Integrated Urban Development Grant (IUDG) in eight cities. The names of intermediate cities that are currently in the intermediate cities are; Polokwane Municipality, the City of uMhlathuze, Steve Tshwete Local Municipality, Drakenstein Local Municipality, Mogale City, Sol Plaatjie Local Municipality, KwaDukuza Local Municipality and Stellenbosch Local Municipality. In total, for the year under review, the IUDG allocation for the intermediate cities is R948 million.

The Department is also supporting intermediate cities to develop Capital Expenditure Frameworks (CEF), which are long term infrastructure plans for intermediate cities as required in terms of policy lever four of the IUDF. To this extent, municipalities that participate in the CEF process are, Polokwane Municipality, the City of uMhlathuze, Steve Tshwete Local Municipality, Drakenstein Local Municipality, Mogale City, Sol Plaatjie Local Municipality, KwaDukuza Local Municipality, Stellenbosch Local Municipality and Merafong Local Municipality.

The Department also rolled out the Learning Network for a selected number of Intermediate Cities and these are Steve Tshwete Local Municipality, the City of Polokwane, the City of uMhlathuze, KwaDukuza Local Municipality and Mbombela Local Municipality. The Department formed a partnership with the German Development Cooperation (GIZ)'s Governance Support (GSP) to roll out the learning network. Some of the key highlights of the network include a study tour to Germany in September and participating in the National Urban Conference in Germany, leading a side

event at the World Urban Forum and conducting a series of sessions where the participating cities exchange knowledge and experiences on how they are implementing the IUDF.

Lastly, the Department launched an MoU with ICLEI South Africa in July last year. Work was also done to ensure that the IUDF is linked with the District Development Model, in which case, the final concept paper that was approved by Cabinet ensured that the linkages between the DDM and the IUDF are included.

Spatial Planning Districts and Regions: During the year under review the sub-programme finalised the Framework for Regional Economic Development. This framework is essentially a step-by-step resource and tool that will guide municipalities in developing their regional economic development plans. Through the sub-programme DCOG continued to work with provinces to support municipal integrated development planning processes. Together with the National Treasury and South African Cities Network, metro specific IDP guidelines have developed. These will be finalised and rolled out to the municipalities during the 2020/2021 financial year. The guidelines are aimed at guiding the development of the next generation of IDPs that responds to the changing policy environment and community aspirations. The draft guidelines further responds to the District Development Model and positions the IDPs as critical planning tools in the development of the envisaged District and Metro One Plans. In respect of building GIS capacity in municipalities, five (5) Intermediate City Municipalities were supported to build GIS capacity as part of the IUDF implementation process. These municipalities included Drakenstein, Stellenbosch, Ray Nkonyeni, SteveTshwete and Sol Plaatjie municipalities.

Intergovernmental Policy and Practice: During the reporting period, three major deliverables were realised. First, the national Powers and Functions Practitioners Forum that consists of representatives from key national departments, including National Treasury and SALGA, was re-established. It successfully worked on the Review of Sections 84 and 85 of the Local Government: Municipal Structures Act of 1998 project. Linked to this project, another forum consisting of Municipal Managers from all 44 District Municipalities was established to support the above-mentioned review project.

In the end, a comprehensive discussion document, outlining key policy recommendations, was produced emanating from facilitated discussions with these forums. A key proposal is the re-defining of key municipal functions and aligning these with the MSCOA definitions.

Second, draft section 84(3) Regulations of the Local Government: Municipal Structures Act of 1998 were also produced during this period. The Regulations are aimed at framing the authorisation and revocation of the municipal powers and functions process by the Minister responsible for COGTA. It is worthy of noting that this was the first time ever since the promulgation of the Local Government: Municipal Structures Act of 1998 that such Regulations were drafted. The plan going forward is to have these regulations 'gazetted' during the 2020/21 Financial Year.

Third and last, a Comprehensive Municipal Powers and Functions Database was produced for all municipalities in the Eastern Cape and Mpumalanga Provinces. This was done with funding support from the GIZ. The development of the database was an extension of the 2018 Municipal Capacity Assessment report produced by the Municipal Demarcation Board (MDB) in relation to the actual functions performed by municipalities in these two provinces. Information such as sources of budget and the implementation of budgets per function was organised during this process. This was the first ever that such a database was ever produced, and it will be rolled-out to the rest of the remaining provinces in the 2020/21 Financial Year.

South African Cities Network makes transfers to fund operational activities, including enabling cooperation between South African Cities. This sub-programme's budget is transferred in full to the network.

“The Minister for Cooperative Governance and Traditional Affairs has stated that there is a need to establish an early warning system that will allow for detection of red flags”

Strategic Objectives						
Programme2: Regional and Urban Development and Legislative Support						
Strategic objectives	Strategic Plan target	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2014 -2020	Deviation from Planned Target to Actual Achievement for 2014-2020	Comment on Deviations
SO 2.1 Facilitate the restructuring of municipal space economy through integrated development planning and spatial targeting by 31 March 2020.	Support programme implemented in 16 identified intermediate city's municipalities by 31 March 2022.	Support programme was implemented in 4 identified intermediate cities namely, Polokwane, UMhlathuze, Sol Plaatje and Drakenstein.	Support programme was implemented in 9 identified intermediate cities municipalities by 31 March 2020.	Support programme was implemented in 9 identified intermediate cities municipalities by 31 March	The target was not achieved due to dependency on the municipal council to approve the diagnostic reports, and the support implementation plans for the four intermediate cities municipalities that were targeted in 2019/20 FY.	This area of work does not form part of the APP 2020/21 financial year, but will continue to be implemented as part of the Integrated Urban Development Framework (IUDF).
	IUDF implementation programme for small towns regeneration implemented by 31 March 2022	New Indicator	IUDF strategy and implementation programme for small town regeneration approved by 31 December 2019	Strategy and implementation Programme for the small towns' regeneration Programme not approved by 31 December 2019.	There was an unanticipated extensive consultation with key experts and stakeholders	The project will continue in the next financial year
SO 2.2 Support the creation of an enabling environment for municipalities to achieve inclusive economic development through the implementation of initiatives of the National Framework for LED by March 2020.	Local government township economic development initiatives implemented for pilot townships by 31 March 2022.	New Indicator	Draft Integrated Township Economic Development Programme developed by March 2020.	The draft Integrated Township Economic Development Programme was not developed by 31 March 2020 as planned	Preliminary desk top research on key drivers of township economies and consultation impacted on the early start of the project, resulting in late appointment of service provider.	The ITED Programme will be finalized and consulted on with the relevant stakeholders in 2020/21 financial year.
SO 2. Facilitate the restructuring of municipal space economy through integrated development planning and spatial targeting by 31 March 2020		New indicator	Integrated planning coordinating model for the 44 Districts Municipalities and 8 Metropolitan municipalities approved by the Minister by 31 March 2020.	The concept document which contained details about the model was approved by Cabinet on 21 August 2019.	N/A	N/A

Programme2: Regional and Urban Development and Legislative Support						
Strategic objectives	Strategic Plan target	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2014 -2020	Deviation from Planned Target to Actual Achievement for 2014 - 2020	Comment on Deviations
		New indicator	DDM concept document submitted for Cabinet approval and pilots launched in two Districts and Once Metro by 31 March 2020.	The concept document, which contained details about the model was approved by Cabinet on 21 August 2019.	N/A	N/A
		New indicator	Profiles of the 44 Districts and 8 Metros finalised and submitted for Cabinet approval 31 March 2020.	Draft profiles of the 42 Districts and 7 Metros only concluded at the end of March 2020.	Two provinces requested to revise their draft profiles because they were of a poor quality (not in line with the guidelines), i.e. WC and GP. National sector departmental projects that were submitted to be included in the profiles had to be resubmitted because they only reflected the 2019/20 financial year.	A summary report on critical issues emanating from the district and metro of profiles in the third quarter of the 2020/2021 financial year.

Performance Indicators							
Programme2: Regional and Urban Development and Legislative Support							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from Planned Target to Actual Achievement 2019/20	Comment on Deviations
2. Support programmes implemented in selected intermediate cities.	Comprehensive support programme for intermediate cities finalised.	A secondary city support programme was implemented at uMhlathuze and Polokwane Local Municipalities. Sol Plaatje and Drakenstein.	Achieved Support programme was implemented in 4 identified intermediate cities namely, Polokwane, UMhlathuze, Sol Plaatje and Drakenstein.	Support programme implemented in 4 identified intermediate cities municipalities by 31 March 2020.	Not achieved Support programme was implemented in 3 municipalities namely, KwaDukuza, Rustenburg and Steve Tshwete by 31 March 2020.	The target was missed from the first quarter with 7 diagnostics reports that were not approved on time by Municipal Council of the identified municipalities. Similarly, on the	This area of work does not form part of the APP 2020/21 financial year, but will continue to be implemented as part of the Integrated Urban Development Framework

Programme: Regional and Urban Development and Legislative Support							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from Planned Target to Actual Achievement 2019/20	Comment on Deviations
						third quarter; support plans were approved only at the beginning of the fourth quarter.	(IUDF).
3. IUDF strategy and implementation programme for small town regeneration approved by Director-General and implemented.			New Indicator	IUDF strategy and implementation programme for small town regeneration approved by Director-General by 31 December 2020.	Not achieved Strategy and implementation Programme for the small town's regeneration Programme was not approved by target date.	There was unanticipated extensive consultation with key experts and stakeholders.	The project will continue in the next financial year.
4. Integrated planning and coordinating model for the 44 Districts Municipalities and 8 Metropolitan municipalities approved by the Minister.			New Indicator	Integrated planning and coordinating model for the 44 Districts Municipalities and 8 Metropolitan municipalities approved by the Minister by 31 March 2020.	Achieved The concept document which contained details about the model was approved by cabinet on 21 August 2019.	N/A	N/A
5. Integrated Township Economic Development Programme approved by the Director-General and implemented			New Indicator	Draft Integrated Township Economic Development Programme developed by 31 March 2020	Not achieved The draft Integrated Township Economic Development Programme was not developed by 31 March 2020 as planned.	Preliminary desk top research on key drivers of township economies and consultation impacted on the early start of the project, resulting in late appointment of service provider.	The ITED Programme will be finalized and consulted on with the relevant stakeholders in 2020/21 financial year.
6. DDM concept document submitted for Cabinet approval and pilots launched in identified municipalities by target date.			New Indicator	DDM concept document submitted for Cabinet approval and pilots launched in two Districts and One Metro by 31 March 2020.	Achieved The concept document, which contained details about the model was approved by Cabinet on 21 August 2019.	N/A	N/A

Programme: Regional and Urban Development and Legislative Support							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from Planned Target to Actual Achievement 2019/20	Comment on Deviations
7. Profiles of identified Districts and Metros finalised and submitted for Cabinet approval by target date.			New Indicator	Profiles of the 44 Districts Municipalities and 8 Metropolitan (Metros) Municipalities finalized and submitted for Cabinet approval by 31 March 2020.	Not achieved Draft Profiles of the 42 Districts and 7 Metros was only concluded at the end of March 2020.	Two provinces requested to revise their draft profiles because they were of a poor quality (not in line with the guidelines), i.e. WC and GP. National sector departmental projects that were submitted to include in the profiles, had to be resubmitted because they only reflected the 2019/20 financial year.	A summary report on critical issues emanating from the district and metro of profiles in the third quarter of the 2020/2021 financial year.

Strategy to overcome areas of underperformance

a. Performance indicator: Support programmes implemented in selected intermediate cities

This target has been behind since quarter one due to its dependency on approval of the (7) diagnostic reports by the municipal council, and the support implementation plans for the four intermediate city's municipalities in quarter three. Subsequently, the three support implementation plans were approved by KwaDukuza, Rustenburg, and Steve Tshwete municipalities. Mogale City is yet to confirm approval by Council. As a result, the target to develop a progress report on the implementation of the four support plans approved by Director - General by 31 March 2020 was not achieved. This target does not form part of the APP 2020/21 financial year but will continue to be implemented as part of the Integrated Urban Development Framework (IUDF).

b. Performance indicator: IUDF strategy and implementation programme for small-town regeneration approved by Director-General and implemented

The Department had planned to develop, approve and implement the Strategy and implementation programme for the small towns Regeneration Programme by 31 December 2019. This project will be carried over to the 2020/21 financial year, due to unforeseen SCM challenges.

c. Performance indicator: Integrated Township Economic Development Programme approved by the Director-General and implemented

The consultations with relevant stakeholders on the draft programme were not conducted by 31 March 2020 as planned, due to delays in the finalisation of the appointment of the service provider. The Integrated Township Economic Development Programme (ITED) will be finalised and consulted on with the relevant stakeholders in 2020/21 financial year.

d. Performance indicator: Profiles of identified Districts and Metros finalized and submitted for Cabinet approval by target date

The draft profiles of the 42 Districts and 7 Metros were only concluded at the end of March 2020. The Western Cape and Gauteng provinces requested to revise their draft profiles because they were not in line with the guidelines. The national sector departmental projects included in the profiles had to be resubmitted because they only reflected the 2019/20 financial year. A letter requesting national sector departments to resubmit their projects and budgets was sent on 25 March 2020.

A summary report on critical issues emanating from the district and metro profiles will be produced in the third quarter of the 2020/21 financial year.

Sub-programme expenditure

The under expenditure that reflects 789 thousand which is less than 2% which immaterial.

Changes to planned targets

The Department developed an erratum on the Annual Performance Plan 2019/20 FY, which the Minister approved and communicated to the Speaker of Parliament and the Chairperson of the National Council of Provinces. The erratum included two new additional indicators pertaining to the facilitation of the District Development Model launches that took place in Waterberg and OR Tambo District municipalities and eThekweni Metropolitan.

Linking performance with budgets

The Programme spent 98.9% of its budget. The current spending indicates a 0.1% decrease against the spending for the same period in the previous financial year, 2018/19.

Sub- Programme Name	2019/2020			2018/2019		
	Final Appropriation	Actual Expenditure	Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Management Regional and Urban Development	71	4	67	70	1	69
Development and Legislative Support	5,183	4,691	492	5,030	4,973	57
Local Government Legislative Support and Institutional Establishment	14 253	14 252	1	14 010	14 010	0
Urban Development planning	12 874	12 808	66	9 872	9 862	10
Intergovernmental Policy and Practice	4 884	4 725	159	5 972	5 972	
Municipal Demarcation Transition Grant						
Municipal Demarcation Board	64 268	64 268		55 568	55 568	
South African Cities Network	7 765	7 765		9 353	9 353	
Total	966 193	965 408	785	99 875	99 739	136

Programme 3: Institutional Development

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

Strategic Objectives

This programme seeks to achieve the following strategic objectives:

- Implement initiatives to improve financial sustainability, revenue and debt management in local government by March 2020.
- Deepen the relationship between citizens and local government through improved citizen engagement mechanisms by March 2020.
- Promote good governance through the strengthening of anti-corruption measures in local government by March 2020.
- Build a capable, ethical and developmental local government by providing a framework for local public administration and, human resource management and development by March 2020.

Sub-Programmes

The programme has the following sub-programmes:

Management: Institutional Development provides strategic leadership to the programme to ensure compliance with, and the achievement of targets in line with the department's mandate.

Municipal Human Resource Management Systems builds sound municipal, institutional capabilities through the development, implementation and enforcement of an efficient and effective human resources management framework as per the Municipal Systems Act (2000). The Local Government: Municipal System Amendment Act, 2011 (Act No.7 of 2011) (the Amendment Act) was found unconstitutional and consequently declared invalid by the Constitutional Court on 20 March 2019 due to incorrect tagging by the legislature. During the 2019/20 financial year, the Department committed to introducing a new Municipal Systems Amendment Bill (the Bill) to Parliament to correct the legislative defect referred to above. The Bill was introduced to Parliament on 6 February 2019, preceded by the correct classification of the Bill in terms of the Joint Rules of Parliament as a section 76 Bill affecting

the functioning of provinces. The Bill was central to government's commitment to, inter alia, strengthen good governance in municipalities through the professionalisation of human resource systems, setting of uniform procedures and criteria for appointment of municipal managers and managers directly accountable to municipal managers, entrenching a culture of performance and accountability, upholding of the highest ethical standards and prohibiting the appointment of employees dismissed for misconduct, fraud, corruption, etc.

With regards to Municipal Staff Regulations, Chapter 7 of the Municipal Systems Act enjoins municipalities to develop and adopt appropriate policies and systems (consistent with the regulations setting uniform norms and standards issued by the Minister in terms of section 72 of the Act) to ensure fair, efficient, effective and transparent personnel administration. The development of regulations referred to above was finalised, and the regulations were certified by the Chief State Law Adviser subject to a translation from English to Afrikaans version as a second official language. During 2019/20 financial year, the Department committed to translating more 700 more pages of the Local Government: Municipal Staff Regulations (the Regulations) from English to Afrikaans as the second official language in compliance with section 6(3) of the Constitution. These Regulations will be 'gazetted' into law during 2020/21 financial year and rolled out to all district municipalities.

Municipal Finances provides support and technical capacity to municipalities on municipal revenue management and enhancement strategies, debt collection, free basic services (FBS) and procurement policies. Through the simplified revenue plan project, which was funded through the Municipal Systems Improvement Grant (MSIG), the sub-programme supported 42 municipalities to develop, implement specific revenue plans and closeout report for each municipality was developed. The project provided support to municipalities in aspects of the municipal revenue value chain including amongst others; improvements on data management and analysis, billing, revenue management and property rates management, debt management and credit control, indigent management and registers, and policies and by-laws management in the municipalities.

Citizen Engagement promotes local government accountability and engagement with communities implementing the citizen engagement framework. To narrow the social distance between communities and government, the department implemented GovChat, which is a social media engagement platform as part of its public participation mandate. Through GovChat, citizens were able to log municipal service requests directly with municipalities; know their Ward Councillor and Traditional Leader as well as Rate and report over 60,000 government facilities country-wide. For the year under review, the platform was rolled out in 3 provinces, i.e. Free State, Northern Cape, and Western Cape. For the year under review, 113 municipalities were supported to have functional ward committees, whilst 50 were supported to institutionalise community complaints management systems and processes.

A further ten municipalities participated in a capacity-building programme for ward committee members on core municipal processes. Through support from LGSETA, 200 Ward Committee members will be trained on Ward governance at NQF Level 3.

A Framework for Partnership with Civil Society Organisations was developed. The aim of the framework is to guide and make provision for an inclusive, participatory system at ward level, with the whole of society involved in spite of political affiliation, race, class, education level, gender, age, physical ability, language, culture and religion. Three provinces were supported to mainstream gender, youth and disability i.e. Limpopo on mainstreaming disability, Gauteng on gender and the Free State province on youth development.

Anti-Corruption and Good Governance conducts anti-corruption campaigns to instil ethical conduct at the local level. This sub-programme also strengthens and implements preventative measures against corruption and creates a conducive environment for the expeditious resolution of corruption cases. To reinforce our efforts regarding the fight against corruption and the promotion of ethics in municipalities, the Department rolled out a two day training programme on the Local Government Anti-Corruption Strategy and the Municipal Integrity Management Framework in 13 District municipalities/Metros throughout the country, and a total of 531 municipal employees across the country attended the training sessions. Through the sub-programme, the

Department continues to collaborate with law enforcement agencies to ensure that cases of corruption and related offences are finalised as speedily as possible. Progress on the implementation of forensic reports was received on more than 160 forensic reports. More than 250 municipal cases of corruption and related offences are under investigation by the Directorate for Priority Crimes Investigations (DPCI), while more than 80 cases are already in court at various stages.

Municipal Property Rates Act guides municipalities to comply with a critical rating and valuation aspects of the Municipal Property Rates Act, 2004 (Act No. 29 of 2014) and its regulations. This sub-programme also provides transfers to municipalities to support them in performing their functions and stabilise institutional and governance systems as required by the Municipal Systems Act (2000) (a) the Municipal Property Rates Act (2004) and related legislation. Seventy-one municipalities were assessed in terms of compliance with the rating aspects of the Municipal Property Rates Act, and outcomes of the assessment findings and recommendations on corrective measures were communicated to the municipalities.

Local Government Equitable Share is the share of nationally raised revenue payable to local government in terms of Section 214 of the Constitution. This transfer supplements municipal revenue for the provision of free basic services to poor households, and for the funding of institutional capacity and support to weaker municipalities. An amount of R65.2 billion was transferred to municipalities in the form of the local government equitable share. A balance of R3.3 billion remained un-transferred due to the implementation of offsetting of the previous years' unspent conditional grant against the 2019/20 local government equitable share and the stopping though the implementation of section 216 of the Constitution.

Municipal Governance promotes good municipal governance by monitoring the effectiveness of Municipal Public Accounts Committees (MPACs) and process legislative amendments to specific local government legislation, This includes supporting municipal establishment processes and municipal electoral related matters. The department is presently amending the Local Government: Municipal Demarcation Act No. 27 of 1998, and which amendments are primarily based on proposals submitted by the Municipal Demarcation

Various consultative processes were finalised and during March 2020, the Bill was approved to be published for public comments. However, this process was held in abeyance due to the declaration of the national state of disaster.

A Bill amending the Local Government: Municipal Structures Act No. 117 of 1998 was presented to the National Council of Provinces (NCOP) on 4 February 2020. The Bill addresses the problems that are being experienced in the implementation of some provisions in the Act, most notably those around the administration and the management of municipal elections, and governance-related challenges in municipalities. The Bill was subsequently referred by the NCOP to the provincial legislatures for consideration, and further processing.

With regards to preparations for the 2021 Local Government Elections (LGE), the Minister determined formulae for the determination of the number of councillors for municipal councils. All provinces subsequently determined the exact number of councillors for each municipality, based on the Minister's formulae. The finalisation of these determinations enabled the Municipal Demarcation Board to commence with the process of delimiting ward boundaries in local and metropolitan municipalities.

In collaboration with the National Treasury and SALGA, the Unit supported the roll-out of a toolkit for Municipal Public Accounts Committees (MPACs). The MPACs are an important committee of council, and their primary responsibility is to initiate and develop the oversight report that is contemplated in section 129 of the Municipal Finance Management Act No. 56 of 2003. In discharging this responsibility, the MPAC is expected to, amongst others, review the reports of the Auditor-General, and the comments of the Management and Audit Committee report, and to then make recommendations to the municipal council.

Municipal Systems Improvement Grant assists municipalities to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act (MSA) and related legislation(s). The Department supported seven intermediate city's municipalities in the development of capital expenditure frameworks (CEFs) to intermediate cities and provided specialist expert support on the Integrated Urban Development Framework (IUDF) and the District Development Model ICMs and the Department. Forty-two (42) municipalities were supported in the implementation of simplified revenue plans per the achievements in the municipal finance sub-programme.

Strategic objectives

Programme 3: Institutional Development						
Strategic objectives	Strategic Plan target	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2014 - 2020	Deviation from Planned Target to Actual Achievement for 2014 - 2020	Comment on Deviations
SO 7.2: Implement initiatives to improve financial sustainability and revenue management in local government by March 2020.	A municipal specific financial sustainability and revenue plan developed and implemented in 70 municipalities, to increase revenue base, revenue collection rates and payment of creditors by 31 March 2020.	A municipal-specific revenue plan has been implemented in 35 municipalities.	A municipal specific revenue plan implemented in 35 municipalities to increase revenue base, revenue collection rates and payment of creditors by 31 March 2020.	A municipal specific revenue plan was implemented in 105 municipalities to increase revenue base, revenue collection rates and payment of creditors by 31 March 2020.	N/A	N/A

Programme 3: Institutional Development

Strategic objectives	Strategic Plan target	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2014 - 2020	Deviation from Planned Target to Actual Achievement for 2014 - 2020	Comment on Deviations
	213 municipalities assessed in terms of compliance with the rating aspects of the MPRA, and outcomes of assessment communicated to 71 municipalities by 31 March 2022.	110 municipalities were assessed in terms of compliance with the rating aspects of the MPRA. Letters communicating the outcome of the assessment and findings as well as recommendations to non-compliant municipalities on corrective measures for the 2019/20 municipal financial year were sent out to all the 110 assessed municipalities.	71 municipalities assessed in terms of compliance with the rating aspects of the MPRA and outcomes of assessment communicated to 71 municipalities by 31 March 2020.	213 municipalities were assessed in terms of compliance with the rating aspects of the MPRA and outcomes of assessment communicated to 71 municipalities by 31 March 2020.	N/A	N/A
SO 3.1 Deepen the relationship between citizens and local government improved citizen engagement by March 2020.	Category A and B municipalities supported to establish ward committees in line with the revised regulatory framework by 31 March 2022.	100 municipalities were supported to have functional ward committees.	113 municipalities supported to have functional ward committees by 31 March 2020	113 municipalities were supported to have functional ward committees by 31 March 2020.		
SO 5.1 Promote good governance through strengthening anti-corruption measures in local government by March 2020.	Training on local government anti-corruption strategy rolled-out in 39 district municipalities/ metros by 31 March 2022.	Training on Anti-Corruption Strategy was rolled out in 13 District Municipalities/ Metros.	Training on local government anti-corruption strategy rolled-out in 13 district municipalities/ metros by 31 March 2020.	Training on local government anti-corruption strategy was rolled-out in 13 district municipalities/ metros by 31 March 2020.	N/A	N/A

Programme 3: Institutional Development

Strategic objectives	Strategic Plan target	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2014 - 2020	Deviation from Planned Target to Actual Achievement for 2014 - 2020	Comment on Deviations
SO 4.1 Build a capable, ethical and developmental local government by providing a framework for local public administration, and human resource management and development by March 2020.	A Municipal Systems Amendment Bill adopted for the enforcement of compliance with the Municipal Systems Amendment Act by 31 March 2022.	New Indicator	Municipal Systems Amendment Bill introduced to Parliament by March 2020.	The Municipal Systems Amendment Bill was introduced to Parliament by March 2020.	N/A	N/A

Performance indicators

Programme 3: Institutional Development

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from Planned Target to Actual Achievement 2019/20	Comment on Deviations
Strategic Objective: Implement initiatives to improve financial sustainability, revenue and debt management in local government by March 2020							
8. A municipal-specific revenue plan implemented in selected municipalities to increase revenue base, revenue collection rates and payment of creditors.	A generic revenue plan was developed, and data analysis was undertaken to, which informs the AS" is assessment reports and implementation plans in 30 municipalities. Implementation entails the review and update of municipal financial policies, assistance to recover outstanding government debt and data cleansing.	A municipal-specific revenue plan was implemented in 30 municipalities. Detailed close-out reports on each of the 30 supported municipalities were developed and approved.	A municipal-specific revenue plan has been implemented in 35 municipalities. A municipal specific revenue plan has been implemented in 35 municipalities.	A municipal-specific revenue plan implemented in 35 municipalities. to increase revenue base, revenue collection rates and payment of creditors by 31 March 2020.	Achieved A municipal-specific revenue plan was implemented in 35 municipalities in line with the the municipal-specific project plans, to increase revenue base, revenue collection rates and payment of creditors by 31 March 2020.	N/A	N/A

Programme 3: Institutional Development							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from Planned Target to Actual Achievement 2019/20	Comment on Deviations
9. Number of municipalities assessed in terms of compliance with the rating aspects of MPRA.	All (193) municipalities were assessed pertaining to, in terms of compliance with the rating aspects of the MPRA and guidance was provided to non-complying municipalities by 31 March 2017.	110 municipalities were assessed in terms of compliance with the rating aspects of the MPRA; and findings and recommendations were communicated to non-compliant municipalities on corrective measures for the 2018/19 FY by 31 March 2018.	110 municipalities were assessed in terms of compliance with the rating aspects of the MPRA. Letters communicating the outcome of the assessment and findings as well as recommendations to non-compliant municipalities on corrective measures for the 2019/20 municipal financial year were sent out to all the 110 assessed municipalities.	71 municipalities assessed in terms of compliance with the rating aspects of the MPRA and outcomes of assessment communicated to 71 municipalities by 31 March 2020.	Achieved 71 municipalities were assessed in terms of compliance with the rating aspects of the MPRA and outcomes communicated to 71 municipalities by 31 March 2020.	N/A	N/A
Strategic objective: Deepen the relationship between citizens and local government through improved citizen engagement by March 2020							
10. Number of municipalities supported to have functional ward committees by target date.	7 Category A and 201 Category B municipalities were supported to establish ward committees by 31 March 2017. This translates to a total of 3 956 out of 4 392 (90%) ward committees that were established in Categories A (Metropolitan) and B (Local) municipalities across the country.	A cumulative figure of 2253 of 4392 (51%) ward committee operational plans have been developed. Some municipalities have pending court cases, such as in the City of Tshwane and Metsimaholo municipalities.	100 municipalities were supported to have functional ward committees.	113 municipalities, including the 3 DDM pilot sites, supported to have functional ward committees by 31 March 2020.	Achieved 113 municipalities, including the 3 DDM pilot sites, were supported to have functional ward committees by 31 March 2020.	N/A	N/A

Programme 3: Institutional Development							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from Planned Target to Actual Achievement 2019/20	Comment on Deviations
Strategic objective: Promote good governance through strengthening anti-corruption measures in local government by March 2020							
I 1. Number of district municipalities/metros where training on the local government a Anti-Corruption Strategy is rolled out.	Engagements were held with provinces, municipalities and law enforcement agencies as per the annual report.	Training on the Anti-Corruption Strategy was rolled-out in 18 district municipalities.	Training on the Anti-Corruption Strategy was rolled out in 13 district municipalities/metros	Training on the local government Anti-Corruption Strategy rolled out in 13 district municipalities/metros by 31 March 2020.	Achieved Training on the local government Anti-Corruption Strategy was rolled out in 13 district municipalities/metros by 31 March 2020.	N/A	N/A
Strategic objective: Build a capable, ethical and developmental local government by providing a framework for local public administration and human resource management and development by March 2020							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from Planned Target to Actual Achievement 2019/20	Comment on Deviations
I 2. The Municipal Systems Amendment Bill introduced to Parliament	New	New	New	The Municipal Systems Amendment Bill introduced to Parliament by 31 March 2020.	Achieved The Municipal Systems Amendment Bill was introduced in Parliament by 31 March 2020.	N/A	N/A

Strategy to overcome areas of under performance

None. The Programme achieved all the set targets.

Changes to planned targets

None.

Linking performance with budgets

The current spending indicates a 1.7% decrease compared to spending for the same period in the previous financial year, 2018/19. The decreased spending is mainly due to the withholding of the Equitable Share funds in compliance with the Division of Revenue (DORA) requirements. The current spending indicates a 1.7% decrease compared to spending for the same period in the previous financial year, 2018/19. Detailed sub-programme expenditure that shows virements is included in the appropriation statement of the AFS.

Sub-programme expenditure

Sub- Programme Name	2019/2020			2018/2019		
	Final Appropriation	Actual Expenditure	Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Management Regional and Urban Development	1 925	1 121	804	1 545	1 242	303
Municipal Human Resources Management Systems	11 275	10 634	641	13 683	13 454	229
Municipal Finance	14 693	13 137	1 556	28 055	27 433	622
Citizen Engagement	9 511	7 839	1 672	7 574	7 266	308
Anti-Corruption and Good Governance	8 815	6 847	1 968	8 051	8 051	0
Municipal Property Rates	11 552	10 184	1 368	8 881	8 881	0
Local Government Equitable Share Transfers	68 973 465	65 627 263	3 346 202	62 731 845	60 757 889	1 973 956
South African Local Government Association	33 879	33 879		33 100	33 100	0
Municipal Systems Improvement Grant Transfers	111 062	111 062	25 627	115 116	99 547	15 569
Department of Traditional Affairs Transfers	168 351	168 351		163 306	163 306	
United Cities and Local Government of Africa	7 765	7 765		9 353	9 353	0
Total	69 351 690	65 964 690	3 387 000	63 117 938	61 125 969	1 991 969

Programme 4: National Disaster Management Centre

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

Strategic Objective

This programme seeks to achieve the following strategic objective:

- Improve the system of disaster management and fire services across government by March 2020 by:
 - Developing, strengthening and managing regulatory frameworks and institutional arrangement;
 - Promoting capacity building through awareness, education, training and research;

- Promoting disaster risk reduction through a well-coordinated and integrated planning process with a specific focus on mitigation, preparedness, response and recovery;
- Guiding the development of a comprehensive information management and communication system and establishing integrated communication links with relevant role players.

Sub-programmes

The Programme has the following sub-programmes:

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

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

- Developed two organisational guidance documents on “Disaster Operations Centre Protocols” and on the “Operations Procedure for a Disaster Operations Centre during a disaster”;
- Supported various sector departments with policy-related inputs on disaster management planning, climate change, decertification and disaster classification as well as declaring national states of disaster.
- Monitored various legislative databases for legislation and policies impacting on disaster management and provided input where required.
- Provided secretariat services to the National Disaster Management Advisory Forum (NDMAF), which met quarterly as required, to discuss cross-cutting disaster management issues. The NDMAF is a technical forum in which national, provincial and local government and other disaster management role-players consult and coordinate their actions on matters relating to disaster management.
- Facilitated the Heads of Centres Forum, which met quarterly (four times) as required, to discuss crosscutting administrative issues on disaster management.
- Focused on supporting the establishment and functionality of disaster management centres across the spheres of government by monitoring and reporting on compliance with the disaster management legislation.
- Provided the National Joint Drought Coordination Committee (NJDCC), the National Disaster Management (NDMC), the NATJOINTS, Cabinet, MINMEC, the Inter-Ministerial Task Team and other stakeholders across the spheres of government with technical advice and administrative support on a number of issues which include support to classify and declare a national state of disaster for the COVID-19 pandemic and the prevailing drought on 15 March and 4 March 2020 respectively.
- Worked in the Legislation and Regulatory Matters Work Stream of the NATJOC set up to respond to the COVID-19 pandemic.

- Prepared and distributed the 2018/19 NDMC annual report to the requisite stakeholders, in line with Section 24 of the Disaster Management Act, 2002.

Disaster Risk Reduction, Capacity Building and Intervention develops and implements disaster management operational systems, coordinates disaster management capacity building and strategic research across all three spheres of government and allocates disaster response, relief and rehabilitation funding when a disaster has occurred. The department, through the NDMC, continued to coordinate relevant stakeholders regarding the persisting drought conditions in the country through the National Joint Drought Coordination Committee. The Minister of CoGTA, Dr Nkosazana Dlamini-Zuma, declared a national state of disaster in terms of Section 27 of the Disaster Management Act, 2020 (Act No. 57 of 2002), in consultation with relevant stakeholders. A notice to this effect was published in Government Gazette No. 43066 on 4 March 2020. The purpose of the declaration was primarily to strengthen integrated and coordinated planning, response and recovery efforts by the relevant sectors, state-owned entities, government agencies and private sector. The NDMC procured a professional service provider to assist with the development of an Integrated Drought Disaster Risk Reduction and Management Plan (INDDRR & M) to be completed in the 2020/21 FY. The (INDDRR & M) will facilitate and assist in the coordination of the integrated planning of and implementation of risk reduction (mitigation and resilience building) measures, emergency preparedness and effective response to drought events.

On 15 March 2020, the Head of National Disaster Management Centre, Dr Mmaphaka Tau, classified the COVID-19 outbreak as a national disaster in terms of Section 23 of the Disaster Management Act 2002 (Act No. 57 of 2002), hereinafter referred to as the DMA. Subsequently and following Cabinet decision, the Minister of COGTA declared a national state of disaster regarding the outbreak of COVID-19 in the country, in terms of Section 27 of the DMA.

Notice to both effects was published in the Government Gazette No. 43096 (No. 313) dated 15 March 2020. The purpose of the declaration contributed towards the augmentation of the applicable existing legislation through activation of extraordinary measures by the government under the provisions of the DMA.

The main aim was to mitigate against the impacts of the outbreak, as well as further outbreaks, in other areas within the country; as well as to enable the provision of additional resources and funding through a reprioritisation process; and as well as the allocations from disaster grants to augment intervention measures within the responsible organs of state. To this end, the DCOG coordinated a response and intervention measures for the COVID-19 pandemic in the country.

During the financial year under review, the NDMC assessed and analysed the following plans which were communicated to the relevant organs of the state; i.e. the National Oil Spill Contingency Plan, National Oiled Marine Wildlife Preparedness and Response Contingency Plan, Mangaung Metropolitan Disaster Management Plan, OR Tambo and Waterberg District Municipality Disaster Management Plans.

Integrated Provincial Disaster Management Support, Monitoring and Evaluation Systems

develops and implements integrated support to provinces and a monitoring and evaluation system for disaster management and fire services. The sub-programme promotes a culture of risk avoidance among stakeholders by capacitating role players through integrated education, training and public awareness programmes informed by scientific research.

During the year under review, integrated advocacy and awareness programmes were successfully held in partnership with municipalities to promote and advance for Disaster Risk Reduction. The best approach to reduce the occurrence of disasters, especially man-made ones, is to educate communities about hazards in their localities and how such hazards should be managed to avoid them turning into hazards. The Chief Directorate conducted seven advocacy and awareness programmes to empower municipal Councillors, Traditional Leaders and members of the community about disaster management and, most importantly, how to reduce or mitigate against disaster and be better prepared in case disasters happen.

The awareness sessions were informed by the prevailing hazards in each of the visited municipalities. Workshops were conducted at the following municipalities: Ephraim Mogale Local Municipality in the Sekhukhune District, Lejweleputswa DM, Mangaung Metropolitan Municipality, including the Commemoration of the International Day for Disaster Risk Reduction, Waterberg District Municipality,

Capricorn District Municipality and Mogalakwena Local Municipality in the Waterberg District.

The highlight of the advocacy and awareness sessions was the commemoration of the 2019 International Day for Disaster Reduction, which was held at the Central University of Technology in the Mangaung Metropolitan Municipality, under the theme, **“Substantially reduce disaster damage to critical infrastructure and disruption of basic services, among them health and educational facilities, including through developing their resilience by 2030”**. Presentations were received from the infrastructure-related institutions such as Eskom, Public Works, Department of Human Settlement, Water and Sanitation, Department of Basic Education, Department of Roads and Transport, Department of Health; South African Police Services, South African Weather Services, as well as from Non-Government Institutions like such the Gist Gift of the Givers and the Life Saving South Africa. The Stellenbosch University shared the report on the research that has been conducted on the 2017 Knysna Fire.

The above-mentioned institutions shared experiences on the disasters that their institutions experienced and the repercussions or the damages and inconveniences experienced by communities and the economy at large. They further advised the communities to manage hazards and protect the available infrastructure to ensure that service delivery is not hampered. Furthermore, the Chief Directorate implemented the School Risk Assessment Project for 2019/2020.

The project's annual target was DRM education and risk assessment conducted at the targeted schools by 31 March 2020. The Department of Cooperative Governance, through the National Disaster Management Centre, conducted school-based risk assessment at special schools in three provinces, namely, Free State, Limpopo and the North West. Infrastructure related hazards were identified, and corrective measures proposed and, where possible, employed. It is worth noting that while School Safety Committees are in place, they are however not properly trained on the school safety issues.

Therefore, there is a need for the NDMC, together with other stakeholders, to continue to support the DBE with awareness campaigns at the targeted schools.

The NDMC Disaster Management Bursary Programme, which is aimed at contributing towards building the capacity and enhancing disaster risk management skills through advanced education and training, was implemented during the year under review. The NDMC received an annual allocation of R2 million for the programme. A total of 38 students were awarded bursaries from the following institutions: University of the Free State, North West University, Durban University of Technology and the University of Limpopo. A total of R 1, 478. 211.08 was transferred to the fore mentioned institutions for the bursary payments.

The Department of Cooperative Governance, through the National Disaster Management Centre, promotes disaster risk management through education, training and research. With respect to the research project, the department entered into a Service Level Agreement with the North West University. The purpose of this project is to enhance knowledge sharing and exchange of best practices in the disaster management fraternity through the publication of the journal. In the 2019/2020 financial year, more than forty-seven (47) articles were published. There were more than 61163 citations in terms of the number of references made to the published articles and more than 80789 views made by individuals across the world. There was also a positive steady growth of African based scholars publishing their articles on in the journal.

Fire Services develops policies and legislative frameworks for fire services and coordinates programmes related to the support and administration of fire services thereof. As part of the APP 2019/20, the Directorate assessed 12 municipalities on their capacity to implement the National Fire Safety and Prevention Strategy by March 2020. A specialised skills-based training course, i.e. Fire Risk Assessment and Safety Strategies, was provided to all the provinces (including the 12 beneficiary municipalities), benefiting a total of 153 officials across the country.

Detailed reports were submitted to all Municipal Managers of the municipalities that were assessed. With regard to the Urban Search and Rescue (USAR), several meetings of the USAR Provincial Working Groups were held in KwaZulu-Natal and Eastern Cape, respectively. While a total of (15) USAR Practitioners were trained on Fire Search and Rescue (15) and, Motor Vehicle Rescue in

KwaZulu-Natal, and a comprehensive USAR Training Action Plan was developed for Eastern Cape and will be implemented in the 2020/2021 Financial Year. Clear and concrete Action Plans and Terms of References were developed to streamline the functioning of the USAR Provincial Working Groups.

Information Technology, Intelligence and Information Management Systems guides the development of comprehensive information management and communication system and establishes integrated communication links with all disaster management role players.

During the financial year under review, the subprogramme performed and completed the following activities, i.e. conducted provincial workshops to train individuals on the update Geographical Information Systems (GIS) web portal that hosts the important application and critical disaster related information. In addition, the portal was updated with new survey tools to ensure compliance and monitoring of the disaster function at provincial and municipal regions. Furthermore, in collaboration with the South African Weather Service, several pilot workshops were hosted to promote the new Impact Based Early Warnings System which was developed for South Africa.

As mandatory for the sub-programme, there was also an increase in the registration to its early warning database for the dissemination of early warnings for severe weather and other hazards. To aid disaster management planning, the sub-programme developed and workshopped four seasonal profiles that incorporated a forward looking three month weather forecast prediction to promote medium term contingency planning for provincial and local municipalities. In order to manage the spatial location of drought areas in South Africa, there was a provision of geospatial products, cumulative rainfall and vegetation indices and other advisories to the quarterly National Drought Joint Coordinating Committee.

In terms of information and communication security, there was an annual update and procurement of all security software, firmware upgrades and general maintenance initiatives. The NDMC and Fire Service websites, including included all in-house applications, were updated to allow business units to conduct their monthly activities.

The information and communication infrastructure units were reasonable for the overall maintenance and upgrade of the physical hardware and software that enables the NDMC to conduct its day-to-day activities.

Municipal Disaster Recovery Grant is a conditional allocation to rehabilitate and reconstruct municipal infrastructure damaged by disasters to restore the functionality of infrastructure following a disaster. This grant is allocated as a second phase of the disaster response to municipalities following a post disaster cost verification process by the National Disaster Management Centre. Funding was allocated to KwaZulu-Natal Province to address the damages due to the storm of 2017 within the province. An amount of R20 237 000.00 was allocated to UGu District Municipality for intervention measures within UGu, UMdoni, Umzumbe and Ray Nkonyeni Municipalities regarding the storm damages of 2017. An amount of R112 983 000.00 was allocated to the eThekweni Metro to address the storm damages to municipal infrastructure. The damages are being addressed by the municipalities.

Provincial Disaster Recovery Grant is a conditional allocation to rehabilitate and reconstruct the provincial infrastructure damaged by disasters. Transfers are made only when a disaster has been declared in terms of the

Disaster Management Act, 2002 (Act No. 57 of 2002). The Provincial Disaster Recovery Grant was not established for the financial year as there was no need for the transfers in this regard.

Disaster Relief Grant is a conditional allocation to provide funding to the affected organs of state to mitigate the immediate consequences of disasters. The funding allocations and transfers are made only when the affected organs of state have exhausted own resources and are, therefore, unable to deal with the declared disaster incidents as per the Disaster Management Act, 2002 (Act No. 57 of 2002). For the this financial year, DCOG allocated an amount of R466 392 000.00 from the Provincial Disaster Relief Grant to the Provincial Departments of Health in all nine (9) provinces for response and intervention measures towards the COVID-19 pandemic. The funds were primarily for the procurement of Personal Protective Equipment (PPE) and ventilators by the Health Sector. It is important to indicate that the National Treasury converted the Municipal Disaster Relief Grant, with an amount of R335 488 000.00, to the Provincial Disaster Relief Grant in order to augment the funding for the health sector. The funds were released immediately to the provincial departments upon receipt of the funding requests for the implementation of intervention measures.

Strategic Objectives

Programme 4: National Disaster Management Centre						
Strategic objectives	Strategic Plan target	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2014 - 2020	Deviation from Planned Target to Actual Achievement for 2014 - 2020	Comment on Deviations
SO 6.1 Improve the system of disaster management and fire services across government by March 2020	Twenty-One integrated advocacy and awareness programmes successfully held in partnership with municipalities to promote and advance for Disaster Risk Reduction by 31 March 2022	New indicator	7 integrated advocacy and awareness programmes successfully held in partnership with municipalities to promote and advance for Disaster Risk Reduction by 31 March 2020	7 Integrated advocacy and awareness programmes were successfully held in partnership with municipalities to promote and enhance Disaster Risk Reduction by 31 March 2020.	N/A	N/A
	Six Disaster Management Priority Guidelines approved by the Head of NDMC by 31 March 2022	Two Disaster Management Priority Guidelines were developed.	Two Disaster Management Priority Guidelines approved by the Head of NDMC by 31 March 2020	Two Disaster Management Priority Guidelines approved by the Head of NDMC by 31 March 2020 Nine Disaster Management Priority Guidelines were approved by the Head of NDMC by 31 March 2020	N/A	N/A
	40 municipalities assessed on the capacity to implement the National Fire Safety and Prevention Strategy 31 March by 2022	12 municipalities were assessed on the capacity to implement the National Fire Safety and Prevention Strategy	12 municipalities assessed on the capacity to implement the National Fire Safety and Prevention Strategy by 31 March 2020	63 municipalities have been assessed on the capacity to implement the National Fire Safety and Prevention Strategy by 31 March 2020	N/A	N/A

Performance indicators

Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from Planned Target to Actual Achievement 2019/20	Comment on Deviations
13. Number of integrated advocacy and awareness programmes successfully held in partnership with municipalities to promote and advance for Disaster Risk Reduction	-	-	New Indicator	Seven integrated advocacy and awareness programmes successfully held in partnership with municipalities to promote and advance for Disaster Risk Reduction by 31 March 2020	Achieved 7 Integrated advocacy and awareness programmes were successfully held in partnership with municipalities to promote and enhance Disaster Risk Reduction by 31 March 2020.	N/A	N/A
14. Number of Disaster Management Priority Guidelines approved by the Head of NDMC	-	-	Two Disaster Management Priority Guidelines developed by 31 March 2019	Two Disaster Management Priority Guidelines approved by the Head of NDMC by 31 March 2020	Achieved Two Disaster Management Priority Guidelines were approved by the Head of NDMC by 31 March 2020	N/A	N/A
15. Number of municipalities assessed on the capacity to implement the National Fire Safety and Prevention Strategy	Support implementation of the National Fire Safety and Prevention Strategy through capacity assessments and support in 27 municipalities by March 2017	All 27 municipalities were assessed, and national report was prepared. Fifty fire safety officers from the 27 municipalities were trained on fire risk assessment and safety strategies as well as fire investigation in partnership with the fire protection association of southern Africa.	51 municipalities assessed on capacity to implement the National Fire Safety and Prevention Strategy by 31 March 2019	12 municipalities assessed on the capacity to implement the National Fire Safety and Prevention Strategy by 31 March 2020	Achieved 12 municipalities were assessed on the capacity to implement the National Fire Safety and Prevention Strategy by 31 March 2020		

Strategy to overcome areas of under performance

None. The Programme achieved all the set targets.

Changes to planned targets

The Programme did not alter any targets in the 2019/20 APP. Targets are adjusted annually according to the disaster risk management priorities and considering the delivery capacity of the centre. The centre remains under-staffed despite its crucial role in the development discourses of the country. The institutional review of the centre, which is driven by the Government Technical Assistance centre (GTAC) is hoped to bring about strategic direction on how

the Centre it can be repositioned to discharge its mandate effectively. The outbreak of and response to COVID-19 has laid bare the weak capacity created for the disaster management function in the country and the need to pay urgent and careful attention to having it improved.

Linking performance with budgets

The Programme spent 99.7% of its budget. The current spending indicates a 29.9% increase against the spending for the same period in the previous financial year, 2018/19. Detailed sub-programme expenditure that shows virements is included in the appropriation statement of the AFS.

Sub-programme expenditure						
Sub- Programme Name	2019/2020			2018/2019		
	Final Appropriation	Actual Expenditure	Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Management: Head of Disaster	4 764	4 218	546	3 600	3 175	425
Disaster Risk Reduction, Capacity Building and Intervention	14 817	14 590	227	46 411	45 400	1 011
Legislation and Policy Management	6 823	6 728	95	6 211	6 010	201
Integrated Provincial Disaster Management Support, Monitoring and Evaluation Systems	3 426	3 302	124	3 244	3 243	1
Fire Services	3 651	3 651	0	3 585	3 585	0
Information Technology, Intelligence and Information Management Systems	14 787	14 237	550	20 354	18 472	1 882
Disaster Relief Grant	466 392	466 392		672 871	122 678	550 193
Municipal Disaster Recovery Grant	133 220	133 220		1 206 440	1 167 692	38 748
Total	647 880	646 337	1 543	1 962 716	1 370 255	592 461

Programme 5: Local Government Support and Interventions Management

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

Strategic Objective

This programme seeks to achieve the following strategic objectives:

- Coordinate collaboration for infrastructure development at the municipal level to extend services to unserved communities by March 2020.

Sub-programmes

The programme has the following sub-programmes:

Management: Local Government Support and Interventions Management provides strategic leadership to the Programme to ensure compliance with the department's mandate, and the achievement of departmental targets in line with the B2B strategy. The sub-programme continues to coordinate targeted interventions and support to struggling municipalities. The support provided has been enhanced by the launch of the District Development Model in the latter part of the 2019/20 Financial Year.

Municipal Performance Monitoring monitors and reports on local government performance information by institutionalising monthly municipal performance reporting (consolidated into quarterly analysis reports) to the Department, analyses monthly municipal B2B performance information and identifies key performance trends. Two analysis reports of local government performance identifying emerging aspects and key trends were developed, at the end of September 2019 and at the end of March 2020, respectively.

Litigations and Interventions monitor compliance with intervention policies and regulations and develops budgets to address the priorities of the poor for infrastructure investments. Section 100 of the Constitution was invoked in the entire North West provincial government. Five provincial departments were subjected to interventions in terms of Section 100 (1) (a) of the Constitution, providing for a "Directive" issued to those departments to undertake certain corrective measures within those departments, just short of assumption of responsibilities for those obligations. On the other

hand, the other remaining five provincial departments were subjected to Section 100 (1) (b) of the Constitution, effectively assuming the responsibilities and obligations of those departments in the province. The department monitored the interventions and developed periodic reports, containing recommendations for consideration by the appointed Inter-Ministerial Task Team for the implementation of the interventions.

During the 2019/20 financial year, there were 46 municipalities were subjected to interventions in terms of Section 139 of the Constitution. The department monitored their performance and provided guidance in some of the interventions to bring to effect their proper functionality. Eight interventions were revoked, and currently, there are 37 municipalities that are still under interventions and are being monitored for their effectiveness and any challenges that may be encountered.

During the 2019/20 financial year, KwaZulu-Natal was the leading province in the invocation and correct application of procedures and processes on the interventions in terms of Section 139 of the Constitution. The province has established an Intervention Steering Committee to monitor, coordinate and implement the interventions in the province. The Committee comprises of Senior Managers of the municipality concerned, provincial Treasury, MISA, National DCoG and other sector departments to unlock and provide support to the municipalities. This Committee meet on a monthly basis with all relevant stakeholders to review progress on implementation of interventions across the province.

The provincial Department has a Municipal Governance unit that deals directly with initiation, during and post implementation phases of interventions, to ensure monitoring and secure support when necessary. The province has submitted progress and close out reports without any reminder whatsoever, and in many instances, the precripts contained in the Constitution are followed through.

Municipal Infrastructure Administration administers municipal infrastructure grant payments and reviews the related spending. A total number of 183 municipalities were supported on MIG spending for infrastructure development.

This included ensuring compliance with the Division of Revenue Act, as it relates to municipal commitments through registration of projects and submission of project implementation plans and cash flow projections, approval of project management units' funding to improve project management capacity, and meeting monthly, quarterly and annual reporting requirements.

Furthermore, interventions were conducted with struggling municipalities to identify challenges and agree on intervention measures., and The projects' site visits were coordinated with the participation of provinces, sector departments and Misa, to establish the status of projects and verification of financial and non-financial of reports submitted by municipalities. This assisted, to a large extent, with municipalities' compliance with the Division of Revenue Act and the MIG Framework.

Strategic Objectives						
Programme 5: Local Government Support and Interventions Management						
Strategic objectives	Strategic Plan target	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2014 - 2020	Deviation from Planned Target to Actual Achievement for 2014 - 2020	Comment on Deviations
SO 7.1: Coordinate collaboration for infrastructure development at municipal level to extend services to unserved communities by March 2020	549 municipalities supported on MIG spending for infrastructure development by 31 March 2022	192 MIG receiving municipalities were monitored for financial compliance with DoRA	183 municipalities supported on MIG spending for infrastructure development by 31 March 2020	366 municipalities were supported on MIG spending for infrastructure development by 31 March 2020	N/A	N/A

Performance Indicators							
Programme 5: Local Government Support and Interventions Management							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from Planned Target to Actual Achievement 2019/20	Comment on Deviations
Strategic objective: Promote good governance through strengthening anti-corruption measures in local government by March 2020							
16. Number of municipalities supported on MIG spending for infrastructure development	1 362 MIG projects were monitored on financial compliance with DoRA	192 MIG receiving municipalities were monitored for financial compliance with DoRA	183 MIG receiving municipalities were monitored for financial compliance with DoRA by March 2019	183 municipalities supported on MIG spending for infrastructure development by 31 March 2020	Achieved 183 municipalities were supported on MIG spending for infrastructure development by 31 March 2020	N/A	N/A

Strategy to overcome areas of under performance

None. The programme achieved the set targets for the year.

Changes to planned targets

There were no changes to the planned targets.

Linking performance with budgets

The Programme spent 100% of its budget, which is the same as the previous financial year, 2019/20.

Sub- Programme Name	2019/2020			2018/2019		
	Final Appropriation	Actual Expenditure	Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Management: Local Government Support and Interventions	3 408	3 367	41	3 271	2 937	334
Municipal Performance Monitoring	14 355	13 852	503	12 280	12 280	0
Local Government Improvement Programme	29 777	29 774	3	25 183	25 167	16
Litigations and Interventions	235	0	235	499	499	0
Municipal Infrastructure Administration	34 600	33 999	601	34 999	34 766	233
Municipal Infrastructure Grant	14 816 103	14 816 103		15 287 685	15 287 685	0
Municipal Infrastructure Support Agency	343 976	343 976		342 456	342 456	0
Total	15 242 454	15 241 074	1 383	15 706 373	15 705 790	583

Programme 6: Community Work Programme

Purpose: Provide a social safety net and work experience for participants and promote social and economic inclusion by targeting areas of high unemployment.

Strategic Objective

This programme seeks to achieve the following strategic objectives:

- Provide one million work opportunities through effective and efficient programme management and strategic partnerships by March 2020.

Sub-programmes

The programme has the following sub-programmes

Management: Community Work Programme

provides strategic management and leadership to the programme. Management is progressively strengthening the monitoring and reporting of Non-Profit Organisations' (NPOs) expenditure to foster accountability and, where problems are identified, ensure consequence management. This effort is also inclusive of monitoring and reporting on of the procurement of tools and materials done by partnering NPOs, with the view to avoiding irregular expenditure.

Programme Coordination develops frameworks and

standard operating procedures, facilitates implementation, oversees the functionality of programme sites and monitors the performance of Implementation Agents.

The Community Work Programme contributed to providing our the poorest communities in all the municipalities across South Africa stipend- earning work opportunities that essentially serves as an employment safety net. Through effective Programme Coordination, CWP managed to facilitate training and skills development opportunities to approximately 10 percent (%) of enrolled participants for the reporting period.

Partnerships, Norms, Standards and Innovation

ensures the effective management and coordination of partnerships and special projects for the Community Work Programme. Six (6) partnerships were established to support the Community Work Programme as planned. Examples of some of the significant collaborations includes a partnership with the HWSETA where 49 CWP participants were trained on Psycho-social Support for community care givers. The beneficiary participants have since graduated from the University of North West. This training has empowered participants to respond better to child abuse, neglect and exploitation, especially useful during the COVID-19 pandemic.

Another partnership was with Lefakong Farm in the North West Province, where women were trained on how to grow, process and sell the Moringa plant. This partnership has enhanced self-sufficiency amongst the women and serves to complement income generation and the local economy. The third partnership was with the Kwa Zulu-Natal Department of Agriculture, in the form of providing technical support to some Agrarian Revolution Projects run by the CWP. The partnership has enhanced the promotion of food security in vulnerable households by getting beneficiaries to undertake projects as illustrated in the picture below.

The fourth partnership was with KZN CoGTA has supported CWP by linking agricultural projects to markets. KZN CoGTA has also supported the establishment of a Coooperative of women in one of the Agrarian Revolution Piggery Project at Ukhahlamba, Kwa Zulu- Natal. The cooperative is now economically active because the pigs are being sold to the abattoirs. The project is illustrated below.

Strategic Objectives						
Programme 6: Community Work Programme						
Strategic objectives	Strategic Plan target	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2014 - 2020	Deviation from Planned Target to Actual Achievement for 2014 - 2020	Comment on Deviations
SO 8.1 Provide one million work opportunities through effective and efficient programme management and strategic partnerships by March 2020.	247 466 work maintained provided to CWP participants by 31 March 2022.	274 332 work opportunities were provided by 28 February 2019.	247 466 work opportunities maintained to CWP participants by 31 March 2020.	285 277 work opportunities were maintained to CWP participants by 31 March 2020.	A variance of 37,811 has been recorded.	The deviation is due to savings accrued because of participants' absenteeism and attrition rate.
	74 238 CWP participants trained by March 2022	16033 CWP participants were trained.	24 746 CWP participants trained by 31 March 2020.	CWP participants were trained by 31 March 2020.	116 127 CWP participants trained by 31 March 2020.	The delays in the procurement of training for CWP participants by Implementing Agents.
	15 partnerships established by 31 March 2022.	Six partnerships were established.	Five partnerships established by 31 March 2020.	29 partnerships were established by 31 March 2020.	N/A	N/A
	CWP operating Model implemented by 31 March 2022.	New indicator	Revised CWP operating model approved by the Minister by 31 March 2020.	Feasibility Study for the Establishment of the CWP was conducted, and a presentation made to the Director General, followed by a formal submission to Ministry.	The revised CWP operating model has not been developed by the target date. The feasibility study was conducted	A comprehensive redesign of the CWP operating model to be conducted, introducing a radical shift in its implementation modality.

Strategic Objectives						
Programme 6: Community Work Programme						
Strategic objectives	Strategic Plan target	Actual Achievement 2018/19	Planned Target 2019/20	Actual Achievement 2014 - 2020	Deviation from Planned Target to Actual Achievement for 2014 - 2020	Comment on Deviations
	Facilitate the development of 44 District and 8 Metropolitan CWP municipal plans by 31 March 2022.	New indicator	Facilitate the development of 44 District and 8 Metropolitan CWP municipal plans by March 2020.	12 District Plans and 1 one Metro (eThekweni Metro)	32 District and 7 seven Metropolitan plans were not developed	<p>The contract of employees lapsed and, therefore, work could not be completed.</p> <p>The programme will re-engage with Site Management to facilitate the adaptation of Site Business plan to the demands of the COVID-19 pandemic. Furthermore, it will facilitate the consolidation of Site Business Plans into CWP District and Metropolitan Municipal Business Plans.</p>

Performance Indicators							
Programme 6: Community Work Programme							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from Planned Target to Actual Achievement 2019/20	Comment on Deviations
Strategic Objective: Provide 1 million work opportunities through effective and efficient programme management and strategic partnerships by March 2019							
17. Number of work opportunities maintained for CWP participants by target date.	234 823 work opportunities were provided.	264 041 work opportunities were provided.	274 332 work opportunities were provided by 28 February 2019.	247 466 work opportunities maintained for CWP participants by 31 March 2020.	Achieved 285 277 work opportunities were provided to CWP participants by 31 March 2020.	A variance of 37,811 has been recorded.	The deviation is due to savings accrued as a result of participants' absenteeism and attrition rate.

Performance Indicators							
Programme 6: Community Work Programme							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from Planned Target to Actual Achievement 2019/20	Comment on Deviations
Strategic Objective: Provide 1 million work opportunities through effective and efficient programme management and strategic partnerships by March 2019							
18. Number of CWP participants trained.	23 483 CWP participants trained.		16033 out of 24 196 CWP participants were trained.	24 746 CWP participants trained by 31 March 2020.	Not Achieved 23, 236 CWP Participants were trained by 31 March 2020.	The non-achievement of the annual target is attributed to the go-slow and instability by participants in Gauteng. Non-achievement in KZN and Limpopo was due to suspension and non-compliance of NPOs, which delayed the training.	Engagements with NPOs will be done to mitigate against training disruptions
19. Number of partnerships established	Five partnerships were established	Six partnerships were established	Six partnerships were established	Five partnerships were established by 31 March 2020	Achieved Six partnerships were established by 31 March 2020	The deviation from the planned target is one additional partnership.	The extra partnership was established in quarter because the unit was resourced with additional human resources capacity
20. Revised CWP operating model approved by the Minister	-	-	New Indicator	Revised CWP operating model approved by the Minister by 31 March 2020.	Not Achieved Feasibility Study for the Establishment of the CWP was conducted, and a presentation was made to the Director - General, followed by a formal submission to Ministry	The revised CWP operating model has not been developed by the target date. The feasibility study was conducted	A comprehensive redesign of the CWP operating model to be conducted, introducing a radical shift in its implementation modality.

Performance Indicators							
Programme 6: Community Work Programme							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from Planned Target to Actual Achievement 2019/20	Comment on Deviations
Strategic Objective: Provide 1 million work opportunities through effective and efficient programme management and strategic partnerships by March 2019							
20. Number of CWP District and Metro Plans developed through facilitation by the target date.	-	-	New Indicator	Facilitate the development of 44 District and 8 eight Metropolitan CWP municipal plans through facilitation by March 2020.	Not Achieved 12 District Plans and 1 one Metro (eThekweni Metro).	32 District and 7 seven Metropolitan plans not developed.	The programme will re-engage with Site Management to facilitate the adaptation of Site Business plan to the demands of the COVID-19 pandemic. Furthermore, it will facilitate the consolidation of Site Business Plans into CWP District and Metropolitan Municipal Business Plans.

Strategy to overcome areas of under-performance

a. Performance indicator: Number of CWP participants trained

The target on training of CWP participants was not achieved due to the delays in the procurement of training by Implementing Agents. Furthermore, the non-achievement of the annual target is attributed to the go-slow and instability by participants in Gauteng as well as KZN and Limpopo, due to the suspension and non-compliance of NPOs, which delayed the training. Engagements with NPOs will be undertaken to mitigate against training disruptions.

b. Performance indicator: Revised CWP operating model approved by the Minister

The revised CWP operating model has not been developed by the targeted date. Lessons learnt over the

years, dynamics and challenges coupled with the recurring number of negative audit outcomes affecting the programme, has made it imperative to revise the model from the fundamental elements of its original design.

The outcome of the redesign will, amongst others, require a change in the applicable funding modalities, and a revision of implementation institutional arrangements and a realignment of the organisational structure of the Branch. The re-modelled programme will also be complemented by a review and enhancement of business processes and systems (business process re-engineering) in order to achieve operational efficiencies. It is envisaged that this will also promote transparency and accountability, while addressing the recurrent negative audit outcomes.

c. Performance indicator: Facilitate the development of 44 District and 8 Metropolitan CWP municipal plans through facilitation by March 2020

The CWP facilitated the development of 12 District and one (1) Metropolitan (eThekweni Metro) municipal plans. The aim of the target was to ensure integrated planning and coordination of CWP site business plans into One Plan in each of the Districts and Metros. The target was not attained due to the lapse of the contract of employees who were tasked with this function lapsed and, therefore, work could not be completed.

The CWP will, during the 2020/21 FY, re-engage with Site Management to facilitate the adaptation of the Site Business plans to the demands of the COVID-19 pandemic. Furthermore, it will facilitate the consolidation of Site Business Plans into CWP District and

Metropolitan Municipal Business Plans

Changes to planned targets

To foster alignment of the CWP to the DDM, a target on the consolidation of business plans of all sites into a district/metro one plan was added. The aim was to ensure that the district/metro municipal plans should cover infrastructure, economic and social health. To effect the changes, an erratum was developed and approved by the Minister.

Linking performance with budgets

The Programme spent 99.9% of its budget. The current spending indicates a 16.4% increase against the spending for the same period in the previous financial year, 2018/19.

Sub- Programme Name	2019/2020			2018/2019		
	Final Appropriation	Actual Expenditure	Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Management: Community Work Programme	3 830 022	3 827 849	2 173	3 807 134	3 201 104	606 030
Programme Coordination	1 972	1 972	0	32 833	1 455	31 378
Partnerships, Norms, Standards and Innovation	2 294	2 294	0	11 156	1 891	9 265
Total	3 834 288	3 832 115	2 173	3 851 123	3 218 658	632 465

2.2 TRANSFER PAYMENTS

Transfer payments to public entities

The table below reflects transfers made to public entities by the Department during the period under review.

Name of Public Entity	Services Rendered by the Public Entity	Amount Transferred to the Public Entity	Amount Spent by the Public Entity	Achievements of the Public Entity
South African Local Government Association	Building leadership and technical capacity of local government (programmes for councillors) to play a developmental role, facilitate labour stability and peace, local government research, and knowledge sharing initiatives.	33 879	33 879	Dedicated support provided to municipalities on, inter alia, governance, councillor training, human resource, labour relations and performance related matters.

Name of Public Entity	Services Rendered by the Public Entity	Amount Transferred to the Public Entity	Amount Spent by the Public Entity	Achievements of the Public Entity
Municipal Demarcation Board	Determine and re-determine municipal outer boundaries, delimitation of wards for local government elections, capacity of local government to perform their functions and exercise their powers and advisory services.	64 268	64 268	The period under review was characterised by efforts to develop systems and processes not only for the improvement of performance but to ensure that the MDB becomes more efficient.

2.3 Transfer payments to all organisations other than public entities

The table below reflects the transfer payments which were budgeted for in the period from 1 April 2019 to 31 March 2020, but no transfer payments were made.

Name of Transferee	The purpose for which the funds were to be used	Amount Budgeted	Amount Transferred	Reasons why funds were not transferred
		(R'000)	(R'000)	
United Cities and Local Government of Africa	Operational and membership fees	R 7 162	R 0	Possible demolition of entity.

2.4 CONDITIONAL GRANTS

2.4.1 Conditional grants and earmarked funds paid

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

Conditional Grant I: Municipal Infrastructure Grant.

Department/ Municipality to whom the grant has been transferred	Municipalities
Purpose of the grant	To provide specific capital finance for eradicating basic municipal infrastructure backlogs for poor households, micro-enterprises and social institutions servicing poor communities.
Expected outputs of the grant	<p>The MIG is a schedule 5 (direct grant) to municipalities. Infrastructure includes the construction of new infrastructure and the upgrading and renewal of existing infrastructure that includes:</p> <ul style="list-style-type: none"> • basic water and sanitation services • central collection points for refuse, transfer stations, recycling facilities and solid waste disposal sites • sport and recreation facilities • street and community lighting • public facilities • municipal roads (also maintenance) • work opportunities and Full-Time Equivalents (FTEs) created using the Expanded Public Works Programme (EPWP) guidelines for the above outputs. <p>Municipalities have until 30 June 2020 to achieve outputs against their implementation plans.</p>
Actual outputs achieved	The MIG is a municipal grant, which implies funds are spent between 1 July and 30 June each year. Municipalities have until 30 June 2019 to achieve outputs against their implementation plans. The Annual Report in Section 10 of the Division of Revenue Act expresses the outputs achieved in 2019/20 which is due to National Treasury on 30 September 2020

Amount per amended DORA (R'000)	R14,816,103
Amount transferred (R'000)	R14,816,103
Reasons if amount as per DORA not transferred	R8,617,018 (58,1%) of the MIG 2019/20 FY allocation was spent as at the end of 31 March 2020.
Reasons for the funds unspent by the entity	Project monitoring is undertaken by DCoG, Provinces and Sector Departments through spot checks on projects and expenditure monitoring with the submission of proof of payments by the municipalities on projects, verified by provinces and confirmed nationally through the MIG-MIS.

Conditional Grant 2: Integrated Urban Development Grant

Department/ Municipality to whom the grant has been transferred	City of uMhlathuze, Steve Tshwete Local Municipality, Drakenstein Local Municipality, Mogale City, Sol Plaatjie Local Municipality, Polokwane Local Municipality and Stellenbosch Local Municipality
Purpose of the grant	To provide funding for public investment in infrastructure for the poor and to promote increased access to municipal own sources of capital finance in order to increase funding for public investment in economic infrastructure.
Expected outputs of the grant	<ul style="list-style-type: none"> • Number of new water connections meeting minimum standards • Number of new sewer connections meeting minimum standards • Number of dwellings provided with connections to the mains electricity supplied by the municipality • Percentage of known informal settlements receiving integrated waste handling services during the year • Additional square meters of parks provided during the year • Additional square meters of outdoor sports facilities provided during the financial year • Additional square meters of public open space provided during the financial year • Number of additional community halls provided during the financial year • Number of additional libraries provided during the financial year • Percentage of unsurfaced road graded, within financial year • Percentage of surfaced municipal road lanes which have been resurfaced and resealed • Length of NMT paths built over financial year • Number of work opportunities and Full-Time Equivalents (FTEs) created using the Expanded Public Works Programme (EPWP) guidelines for the above outputs
Actual outputs achieved	The grant is fairly new, it only started in July 2019. The Chief Directorate will only be able to report on the outputs achieved once the annual report has been received from the municipalities in August 2020
Amount per amended DORA (R'000)	R856 million
Amount transferred (R'000)	R856 million
Reasons if amount as per DORA not transferred	Not Applicable
Amount spent by the Department/ Municipality (R'000)	R586 million
Reasons for the funds unnot spent by the entity	The expenditure as at May 2020 is 68% across the 7 seven municipalities. Anticipated expenditure, due to COVID-19 pandemic and subsequent lockdown, has been reprioritised to respond to the pandemic. The total reprioritised amounts to R189m, which constitutes 22% of the total grant. The Chief Directorate can only report on whether there is an under-expenditure once the municipal financial year has ended.
Monitoring mechanism by the transferring department	Tracking of expenditure on a monthly and quarterly basis. Conduct 2 in-year monitoring meetings.

Conditional Grant 3: Municipal Disaster Recovery Grant

Department/ Municipality to whom the grant has been transferred	<ul style="list-style-type: none"> • EThekweni Metro (KZN) • Ugu District Municipality (KZN)
Purpose of the grant	To rehabilitate and reconstruct municipal infrastructure damaged by disasters (storm damages) ((EThekweni & and Ugu Municipalities).
Expected outputs of the grant	• Municipal infrastructure damaged by disaster reconstructed and rehabilitated.
Actual outputs achieved	<ul style="list-style-type: none"> • EThekweni Metro (KZN) - R112 983 000. transferred on 13 March 2020 for the reconstruction and rehabilitation of infrastructure due to storm damages due to storm damages of 2017 (final tranche). • Ugu DM (KZN) - Reconstruction and rehabilitation of infrastructure in UGU DM, Umdoni LM, Umzumbe LM and Ray Nkonyeni LM due to storm damages of 2017 (final tranche)
Amount per amended DORA (R'000)	N/A
Amount transferred (R'000)	<ul style="list-style-type: none"> • R112 983 000 (transferred to EThekweni Metro (KZN) on 13 March 2020 • R 20 237 000 (transferred to Ugu Municipality on 13 March 2020)
Reasons if amount as per DORA not transferred	N/A
Amount spent by the Department/ Municipality (R'000)	<ul style="list-style-type: none"> • R0 (no reported expenditure - EThekweni Metro (KZN) • R0 (no reported expenditure - Ugu District Municipality (KZN)
Reasons for the funds unspent by the entity	The reports have not been submitted by the grant recipients. The grant recipients are regularly engaged on non-submission of reports. Letters have been prepared for the relevant Accounting Officers.
Monitoring mechanism by the transferring department	Analysis of progress reports submitted by the municipalities, the regular visits to the municipalities for the onsite monitoring of implementation of the projects as well as through the engagements of the municipality and relevant provincial stakeholders.

Conditional grants and earmarked funds received

The Department has not received any conditional grants.

2.4.2 DONOR FUNDS

The following donor funding assistance was received by the Department during the financial year under review and the amounts presented hereunder agree to the amounts disclosed in the annual financial statements.

Donor I

Name of donor	Federation of Canadian Local Municipalities
Full amount of the funding	R55 000
Period of the commitment	20 June – 1 July 2019
Purpose of the funding	BIGM Project on Inclusive Green Municipalities, CANADA.
Expected outputs	The purpose of the project mission was for municipal partners to work on their municipal partnership activities by exchanging knowledge and experiences on local economic development issues.
Actual outputs achieved	Local government economic development practitioners from South Africa were exposed to the Canadian local government and economic development processes.
Amount received (R'000)	All procurement procedures were managed by the donor
Amount spent by the Department/ Municipality (R'000)	N/A
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the donor	Participation of nominated officials in all activities throughout the period.

Donor 2

Name of donor	Commonwealth Local Government Forum (CLGF)
Full amount of the funding	R43 042.77
Period of the commitment	26-27 June 2019
Purpose of the funding	Participation at the Commonwealth Local Government Forum Regional Conference in ZAMBIA.
Expected outputs	The Conference was hosted to achieve the following, which is it: 1) increase awareness on the role of local government and other stakeholders in effective LED and localisation of the Agenda 2030; 2) facilitate the sharing of cases and experiences on localising the SDGs, particularly the emerging lessons in promoting: decentralisation, LED, gender equality and gender responsive local governance and service delivery, among other initiatives, and 3) Agree on realistic and practical plans of action to implement agreed positions as well as clear commitment for scaling up current initiatives in the region.
Actual outputs achieved	<ul style="list-style-type: none"> • Shared experience among regional members on Local economic development practises. Support in the localisation of the Sustainable Development Goals. • Enhanced implementation of identified catalytic projects in support of Local economic development.
Amount received (R'000)	All procurement procedures were managed by the donor.
Amount spent by the Department/ Municipality (R'000)	N/A
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the donor	Participation of nominated officials in all activities throughout the period.

Donor 3

Name of donor	Center For Local Capacity Building
Full amount of the funding	R21 757.86
Period of the commitment	14-22 September 2019
Purpose of the funding	Participation in the European Union - LA Mining Programme International Study, NETHERLANDS
Expected outputs	To encourage mining towns in South Africa to innovate and diversify local economies beyond mining activities
Actual outputs achieved	Local government officials acquired good practices of local economic diversification and innovation. Participants were able to implement their new skills in existing projects.
Amount received (R'000)	All procurement procedures were managed by the donor.
Amount spent by the Department/ Municipality (R'000)	N/A
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the donor	Participation of nominated officials in all activities throughout the period.

Donor 4

Name of donor	National School of Government
Full amount of the funding	R 113 388.60
Period of the commitment	1-5 July 2019
Purpose of the funding	Local Government Short Programme, FRANCE
Expected outputs	Skills enhancement for Senior Managers in Local government; focusing on critical areas of public sector development.

Actual outputs achieved	Acquisition of a broad vision for the main principles of territorial governance, budgetary means, policy coordination and appraisal of the role of citizens in local management. Participants were acquainted with tools for multi-sector local development and exchanged good practices in planning and urban management.
Amount received (R'000)	All procurement procedures were managed by the donor
Amount spent by the Department/ Municipality (R'000)	N/A
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the donor	Participation of nominated officials in all activities throughout the period.

Donor 5

Name of donor	German Development Cooperation (GIZ)
Full amount of the funding	R101 000
Period of the commitment	3-5 June 2019
Purpose of the funding	Municipal Finances & and Planning Study Tour, GERMANY.
Expected outputs	Capacity development of government officials in the following areas: Municipal Financing: <ul style="list-style-type: none"> • Sources, • Revenue collection and • Long term financial planning Municipal long-term planning.
Actual outputs achieved	Shared best practises and experience between Germany and African countries on municipal fiscal equalisation.
Amount received (R'000)	All procurement procedures were managed by the donor.
Amount spent by the Department/ Municipality (R'000)	N/A
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the donor	Participation of nominated officials in all activities throughout the period.

Donor 6

Name of donor	German Development Agency (GIZ)
Full amount of the funding	R28 400
Period of the commitment	24-30 November 2019
Purpose of the funding	Participation in the Water Governance and Service Delivery Learning Journey, in KENYA.
Expected outputs	The study tour is part of the Governance Support Programme (GSP) facilitated by the German Development Agency. The tour was to expose participants to governance mechanisms and instruments implemented in Kenya.
Actual outputs achieved	Participants have considered the Kenyan mechanisms towards the improvement of governance of water practices within South African District Municipalities.
Amount received (R'000)	All procurement procedures were managed by the donor.
Amount spent by the Department/ Municipality (R'000)	N/A
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the donor	Monitoring of participants at all scheduled engagements throughout the duration of the said period.

Donor 7

Name of donor	Oxfam South Africa
Full amount of the funding	R4 500
Period of the commitment	19 November 2019
Purpose of the funding	Catering for the Working Session of the team developing the Disaster Management Guidelines, Centurion, SOUTH AFRICA
Expected outputs	N/A
Actual outputs achieved	N/A
Amount received (R'000)	All procurement procedures were managed by the donor.
Amount spent by the Department/ Municipality (R'000)	N/A
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the donor	Delivery of ordered goods at the prescribed venue.

Donor 8

Name of donor	German Development Agency (GIZ)
Full amount of the funding	R1.3 million
Period of the commitment	01 March – 30 November 2019
Purpose of the funding	Development of a Comprehensive Municipal Powers & and Functions Database for the Eastern Cape & and Mpumalanga Provinces
Expected outputs	To develop a database of the following information: <ul style="list-style-type: none"> • Powers and Functions being exercised by municipalities, including information such as financial and human resource information. • Documentation supporting the division of powers and functions between district and local municipalities. • Data which provides context in understanding the exercise of powers and functions in each municipality, including population, area, competency levels and stability.
Actual outputs achieved	The database was provided in two ways- an online data sheet and excel format containing all data. The information creates a better understanding ofn the inconsistent manner in which powers and functions are assigned between district and local municipalities.
Amount received (R'000)	All procurement procedures were managed by the donor.
Amount spent by the Department/ Municipality (R'000)	N/A
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the donor	Distribution of monthly reports developed by the service provider.

Donor 9

Name of donor	United Nations Office for Disaster Risk Reduction (UNDRR)
Full amount of the funding	R29 000
Period of the commitment	3-5 September 2019
Purpose of the funding	Participation at the Sendai Framework Monitor (SFM) Peer Review Learning Workshop on Data Collection for reporting and policy making in Nairobi, KENYA.
Expected outputs	To foster peer learning exchanges, among SFM Focal Points from Africa, to improve quantitatively and qualitatively the Sendai Framework monitoring and reporting process.
Actual outputs achieved	Enhanced cooperation between South African and Ccontinental counterparts on the Sendai Framework monitoring and implementation.

Amount received (R'000)	All procurement procedures were managed by the donor.
Amount spent by the Department/ Municipality (R'000)	N/A
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the donor	Participation of nominated officials in all activities throughout the period.

Donor 10

Name of donor	United Nations Office for Outer Space Affairs
Full amount of the funding	R18 552
Period of the commitment	5 - 8 November 2019
Purpose of the funding	Participation in the UN-SPIDER Bonn International Conference on “Space based solutions for Disaster Management in Africa: cChallenges, applications, partnerships”, GermanyGERMANY.
Expected outputs	Enhanced skills in utilising the re-tasked acquisition of and transmission of space-based satellite data to disaster- related relief organisations in the event of major disasters.
Actual outputs achieved	Participation at the workshop was in direct support of implementing the National Disaster Management Act which outlines that the NDMC may cooperate with local and international organisations to fulfil its mandate. The acquired knowledge has enhanced the capacity of the NDMC in utilising remote sensing products to serve multiple disaster management stakeholders, including all Provincial Disaster Management Centers
Amount received (R'000)	All procurement procedures were managed by the donor.
Amount spent by the Department/ Municipality (R'000)	N/A
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the donor	Participation of nominated officials in all activities throughout the period.

2.4.3 CAPITAL INVESTMENT

The Department does not have any capital investments.



PART C: GOVERNANCE

3. INTRODUCTION

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

3.1 RISK MANAGEMENT

The Department has an approved risk management policy and strategy. Risk assessments were conducted at strategic and operational levels to identify new and emerging risks. The Risk Management Committee convened quarterly, as per its approved terms of reference, to review the effectiveness of the risk management in the Department and recommended areas of improvement to the Accounting Officer. The Audit Committee monitored the system of risk management and provided recommendations to the Accounting Officer. The management of risks was partially effective and did not translate into improved departmental performance.

Some of the efforts of improving the risk culture and maturity included reviewing the Business Continuity Management (BCM) policy and strategy, establishing the BCM Committee and ensuring that it is functional. Risk Champions were trained, and their roles and responsibilities were clearly defined with a view of embedding risk management principles within the processes of the department.

3.2 FRAUD AND CORRUPTION

The Department implemented anti-corruption and whistleblowing policies and strategy. Fraud risks were identified and managed. Regular awareness campaigns were conducted through available mediums to all employees, with emphasis on whistleblowing reporting procedures as well as on prevention and detection of fraud and corruption.

The reporting procedures outlines and emphasises the process of reporting allegations of fraud and corruption, investigation process and feedback mechanisms.

3.3 MINIMISING CONFLICT OF INTEREST

The Treasury Regulations 16A, 2005, provide operating guidelines on how to manage conflict of interest and ensure that proper declarations are made by all Supply

Chain Management (SCM) practitioners, as well as by other role-players involved with its processes. All SCM practitioners and Bid Committee members are required to disclose their business interests every financial year also and sign the Code of Conduct in accordance with the National Treasury Practice Note 4 of 2003 and 7 of 2009/10. For every bid dealt with, the Bid Committee members are obliged to disclose their interests and a record is kept for audit purposes.

3.4 CODE OF CONDUCT

The Public Service Code is a guiding document to promote the good conduct of employees in the Department. The Code of Conduct for the Public Service and the collective agreement (PSCBC Resolution I of 2003) are important prescripts in the Department in so far as discipline is concerned. It is endorsed by the PSCBC Resolution I of 2003. Annexure A of the resolution contains numerous acts of misconduct, with which the Department complies with. It prescribes that an employee will be guilty of misconduct if he or she "contravenes any prescribed code of conduct in the Public Service".

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

3.5 HEALTH SAFETY AND ENVIRONMENTAL ISSUES

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

The following activities were implemented to enhance a hazard-free, safe and secure work environment:

- The OHS Committee was appointed and quarterly meetings were convened in line with Occupational Health and Safety Act;
- First Aiders and firefighters were trained and appointed;
- The Contingency Plan was approved and implemented;

- The Evacuation drill was conducted;
- Occupational injuries and diseases were investigated as and when they were reported; and
- The SHERQ Plan was submitted to DPSA.

3.6 PORTFOLIO COMMITTEES

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

Committee Dates	Matters raised by the Portfolio Committee
21 August 2019	<ul style="list-style-type: none"> • The Chairperson noted that there was no post-audit action plan in the Department's report because DCOG had not handed in its audited financial statements or its Annual Report on time nor its Annual Report. The period from 8-18 October was earmarked for the Committee to engage with the Department on its Annual Report and this that was a concern for the Committee since the report was not submitted on time. • The Committee noted that the Municipal Systems Amendment Bill, which was introduced in February 2019 had not yet been revised, which affected its the programme to process it. The Constitutional Court had refused an extension of 24-month on the declaration of invalidity of the Municipal Systems Amendment Act of 2011.
03 September 2019	<ul style="list-style-type: none"> • The Committee indicated that it is was difficult to understand why sSection 139 (c) of the Constitution was had not been not implemented. The Committee wanted to know at what point did the interventions started and stopped because these interventions appeared to be creating more problems than assisting.
04 September 2019	<ul style="list-style-type: none"> • The Committee raised a concern that most municipalities do did not have infrastructure planning capacity. • The Committee requested more details on the District Development Model and its implications. The Committee also requested more details on the requirements for a municipality to access the Integrated Urban Development Grant (IUDG) funding. • The Committee raised a concern that the Northern Cape Province does did not have a Disaster Management Centre and this the Province is was experiencing drought conditions. • The Committee indicated that most municipalities do did not have the skills and expertise on spatial planning and land use management. The Committee asked how the Department planned to speed up the security of land tenure and what plans it had in place to fix the non-alignment between planning and housing development. Members asked for clarity on the IUDG mechanisms and which municipalities have had received the Grant. Members also asked how local municipalities are going to would be assisted in preparing for disasters. Members said land expropriation without compensation must should be dealt with when talking about spatial inequality. Members raised a concerns about urban migration and the development of rural areas. • The implications for safety when fires happen broke out in informal settlements, littering, the contamination of rivers and climate change were also highlighted as concerns.
22 October 2019	<ul style="list-style-type: none"> • Questions were asked raised by the Committee to understand and explore possible the impact of the new District Development Model (DDM) on local government. Members asked about the possible additional contributions it could make besides the services delivered within the Integrated Development Framework (IUDF). • Members noted poor service delivery and corruption at local government level and asked how this the model would help to address these the two challenges. They asked if Was an accountability mechanism was contained in the model.? Some members expressed a lack of confidence in the model due to lack of implementation of the Auditor-General's recommendations.
06 November 2019	<ul style="list-style-type: none"> • The Chairperson asked why MISA had allowed Amathole to participate in the procurement contract when there was no due diligence done. <p>The Committee referred to the payment made by Amathole and the involvement of the National Prosecuting Authority (NPA), the Hawks and the Special Investigating Unit (SIU). The Committee agreed that the Amathole should be invited to appear before the Committee.</p>
05 December 2019	<ul style="list-style-type: none"> • The Chairperson indicated that provinces had been inconsistent in applying for declaratory orders, and to some extent, some MECs had abused it them. For instance, the Northern Cape Province municipalities were actually defying the law, but in the Eastern Cape Province, instead of issuing a declaratory order, the MEC would put municipalities under Section 139.

Committee Dates	Matters raised by the Portfolio Committee
25 February 2020	<ul style="list-style-type: none"> • The Chairperson indicated that the Department provided a clear performance plan. The Chairperson appreciated the Minister's commitment to addressing COGTA's weaknesses. The Chairperson also asked Members to perform their oversight function in accordance with the plan provided in the presentation. • Two Members said that it was unacceptable for a department to have received two consecutive disclaimer audit opinions. They suggested that the Committee should be getting receiving monthly progress reports from the Department, as well as a concrete time frame for the turnaround strategy that has had been developed. • The Chairperson agreed that a monthly progress report is required from the Department.
26 February 2020	<ul style="list-style-type: none"> • The Ministry also had authority over the MEC, except in Section 100 of the Constitution where a province is not acting in line with their executive obligations. Constitutional provisions that did not have specific regulations as yet would have to be invoked. <p>So far, the practice has had been to try and resolve matters in an amicable way – as opposed to a situation where instructions are were issued to MECs. This appreciation of the government and the constitutional framework created the necessary checks and balances and held them both accountable for decisions made. This was not suggested as because this the matter was now of concern, as there were mechanisms to deal with them.</p>
03 March 2020	<ul style="list-style-type: none"> • The Chairperson said the Committee would schedule quarterly meetings with the law enforcement agencies in order for them to give provide updates on the investigations. • The Chairperson agreed confirmed the arrangement that this would indeed be the case. She emphasized that working together was the key to ensuring that the fight against corruption in the country was successful.
04 March 2020	<ul style="list-style-type: none"> • The province proposed that the acting period for municipal officials should be extended for a period of up to nine months, compared to the current three months. • The proposed acting period of three months was not sufficient for municipalities to start recruiting and complete the selection processes. • It also pointed out that, in terms of the proposed amendment, an acting municipal manager was not required to have "skills, expertise and competencies." The province also called for municipalities to be compelled to respond timeously to directives from Ministers or Members of Executive Committees (MECs). • Members felt that most of the proposed amendments were not substantive, and referred mainly to time extensions. These were discussed at length, but there was eventually consensus that the timelines proposed in the bill were appropriate.
10 March 2020	<ul style="list-style-type: none"> • The South African Municipal Worker's' Union (SAMWU) submitted made a verbal submission to the Committee on how the Municipal Systems Amendment Bill would affect municipal workers. • The amendment, as it stood, had two areas of concerns -- the restrictions on the holding of political office, as well as the effect on the collective bargaining agreement. • The union questioned why someone in the public service would be barred from holding political office. This They argued that the amendment was prejudicial to municipal workers, as it applied only to them. The state should not be used to suppress political rights. • SAMWU also contended that the amendment gave the Minister powers to determine conditions of service, salaries and wages of workers, rendering the Bargaining Council obsolete. The amendment undermined worker's rights, collapsed the South African Local Government Association (SALGA), and concentrated too much power in the Office of the Minister.

3.7 SCOPA RESOLUTIONS

The following table indicates the dates and resolutions of SCOPA meetings

Resolution No.	Subject	Details	Response by the Department	Resolved (Yes/No)
Date: 22 October 2019	IMTT Eskom Postponed	However, the Committee decided that the meeting would not continue because the task team, especially its chairperson, Minister Nkosazana Dlamini-Zuma, was not present, even though it had been communicated to the Committee that the Minister would be present.	Not applicable	Not applicable
Date: 03 December 2019	COGTA plans to resolve municipal debt to Eskom: with Deputy Ministers	Plans to resolve the problem of municipal debt to Eskom.	A Multi-Disciplinary Team has been established to deal with municipal debts. This team would report on progress to the Task Team that is chaired by the Deputy President.	The SCOPA resolved as follows: a) The SCOPA's view is that the IMTT has failed because even after it was established, the municipal debts to Eskom continued to escalate. b) SALGA should submit the input they have prepared so that the Committee can consider all the inputs. c) The Department of Public Works and Infrastructure should be requested to appear before SCOPA because this Department owe municipality a significant amount of money.
Date: 04 March 2020	Inter-Ministerial Task Team & stakeholders on Eskom debt: with COGTA Minister	ESKOM debt	The SCOPA was informed that the IMTT on Constitutional Matters relating to Electricity Reticulation, Distribution and Supply was not revived in the 6th administration. The work of this IMTT was taken over by the Task Team on Eskom that is chaired by the Deputy President. A Multi-Disciplinary Task Team comprising of the National Treasury, SALGA, COGTA, Department of Public Works and Infrastructure, Eskom, etc. has been established under the Task Team chaired by the President to come up with mechanisms to deal with municipal debts to Eskom.	The SCOPA resolved that they would invite the Task Team on Eskom to brief the Committee on progress made in solving municipal debts to Eskom.

3.8 PRIOR MODIFICATIONS TO AUDIT REPORTS

During the 2019/20, the Department put the following mechanisms in place by to resolve the matters reported by the AGSA in the previous financial year 2018/19:

Nature of qualification on and matters of non-compliance	Financial year in which it first arose	Progress made in clearing/resolving the matter
The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40 (1) (a) and (b) of the PFMA.	2016/17	Facilitated, supported and monitored compliance to the integrated, comprehensive and complete checklist on all financial information to be disclosed in the Interim and Annual Financial Statements as per MCS, supported by the Financial Statement Template issued by National Treasury, as amended.
Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3.	2013/14	Enforce the implementation of the Action Plan with turn-around times to ensure that invoices are paid within the 30 days. Plans are in place to implement and invoice tracking system during 2020/21 Financial year.
Insufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 38 (1) (h) (iii) of the PFMA were not provided.	2016/17	Letters were sent to the supervisors of the officials who incurred /permitted irregular expenditure to implement the necessary consequence management actions.
Leadership was not always effective in positively influencing good governance as there was insufficient oversight to ensure compliance with key laws and regulations, effective action plans to address prior year finding and reliable financial and performance reporting supported by appropriate audit evidence.	2016/17	Management monitored the implementation of the identified actions through meetings with the Branch, Internal Control Committee and the Top Management Committee (TMC).
<p>Management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.</p> <p>Management did not implement controls over daily and monthly processing and reconciling of transactions.</p> <p>Management did not prepare regular, accurate and complete financial and performance report that are supported and evidenced by reliable information.</p>	2015/16	<p>Progressive strengthening the monitoring and oversight over daily, monthly processing and reconciling of transactions.</p> <p>Progressive strengthening the monitoring and accurate quarterly Interim and Annual Financial Statements and Performance Reports are timeously completed.</p> <p>Reconciliation being performed on processed transactions.</p> <p>Financial performance reports are prepared monthly.</p>
Management did not appropriately review and monitor compliance with applicable laws and regulations.	2016/17	Progressively strengthening the capacity to monitor and enforce compliance to legislation, policies and delegations of authority through investigation of irregularities as well as the facilitation of consequence management action, as required.

Nature of qualification on and matters of non-compliance	Financial year in which it first arose	Progress made in clearing/resolving the matter
Transfer payment to incorrect receipt for Municipality Infrastructure Grant (MIG).	2018/19	The Accounting Officer requested the Internal Audit to perform investigations to identify implicated officials who approved the payment and apply consequence management. Disciplinary hearings were done to an extent with one remaining and consequences management has been applied where relevant. The process on recovering the financial loss is currently in court as the HAWKS, State Attorney and Special Investigating Unit have taken the Greater Sekhukhune District to court.
Payments for services not received – Deceased participants on CWP.	2018/19	The Accounting Officer appointed the services provider to perform investigations and quantify the financial loss incurred. Investigations has been performed and it was determined that some of the participants were captured on the CWP MIS with the incorrect ID numbers and some were indeed deceased. The financial losses as the results for deceased participants was quantified and the monies will be recovered from the NPOs. Deceased participants were removed from the CWP MIS and participants captured with wrong ID numbers were removed from the system and recaptured with the correct ID numbers.
Payments to non-qualifying government employees on CWP.	2018/19	The Accounting Officer appointed the services provider to perform investigations and quantify the financial loss incurred. Management confirmed the financial loss as a result of participants that are on PERSAL and not eligible to participant on the programme. Participants that were deemed to be eligible have been de-activated from the CWP MIS and the financial loss will be recovered from the NPOs. Management did not provide the supporting documents to confirm that the financial losses have been recouped from the NPOs.
Prepayment for goods and services that were not received at CWP sites.	2018/19	The department has received the supporting documents from the NPOs to clear the advances amount that was paid relating to the prior period CWP prepayment, however amount of R12 258 732 has not been cleared relating to the prior period advance paid. In the current year the prepayment resumed and the amount that was not clear at year end was R225 726 268 (R237 985 000 – R12 258 732) for the current financial year.

Nature of qualification on and matters of non-compliance	Financial year in which it first arose	Progress made in clearing/resolving the matter
Project management fees paid to implementing agents for services not received	2018/19	The Accounting Officer appointed an investigation institution. The investigation is being conducted to assess the exact magnitude of the loss that resulted from payments for project management over the contract period and recover the financial losses from implementing agents. Appointment of the investigators was finalised on 31 October 2019 and interim investigations report has been issued. The investigation is still on going and the financial loss has not yet been determined. The department will also institute the disciplinary steps against the relevant officials where applicable.
The department did not have adequate systems and controls in place to ensure that all invoices received from implementing agents relating to the current year are cleared timeously.	2018/19	<ul style="list-style-type: none"> a) Relevant NPOs are continuously engaged regarding the batches which are not adequately supported as and when required. b) The process of clearing the Suspense Account unfolds in two phases: c) Verification and validation of supporting documents submitted by NPOs at CWP Finance; and d) Capturing of validated documents into the BAS System by DCoG Finance.
Insufficient appropriate audit evidence for Movable tangible assets could not be provided.	2018/19	<ul style="list-style-type: none"> a) Orientation on Asset Management Policy was conducted with NPOs in Q2 as recommended. b) The consolidated Asset Register for Quarters 1 & 2 is updated. There are gaps identified for 2/9 NPOs and have implemented SLA consequence management. Currently following up on the matters identified to be resolved. c) Conducted 90% Q3 review and reconciliations on BAS additions with source documents. <p>Awaiting appointment of the Asset Management Service provider who will conduct asset verification across more than 4500 sites and sub-sites.</p>

3.9 INTERNAL CONTROL UNIT

The Internal Control Unit facilitated, to the extent possible, that the Department maintains an effective, efficient, and transparent internal control system, the hosting of the Audit Steering Committee and the Internal Control Committee meetings during the year under review. The main functions performed by the Internal Control Unit covered facilitation of the audit process, management of the Loss Control activities, safeguarding of financial documents, development and monitoring of the Audit Implementation Action Plans (Integrated Management Tool) as well as consequence management on matters relating to non-compliance with policies and prescripts. Work performed by internal control unit during the year

3.10 INTERNAL AUDIT AND AUDIT COMMITTEES

3.10.1 Internal Audit

The Internal Audit Activity (IAA) is responsible for evaluating the control environment and assisting the Audit Committee (AC) to fulfil its responsibilities. During the financial year under review, the IAA provided the AC and the Director-General (DG) with assurance on whether the department's internal controls, risk management and governance processes are adequate and effective. The purpose, authority and responsibility of IAA is stated in the Internal Audit Charter, which was endorsed by the accounting officer and approved by the AC. The Chief Audit Executive reports administratively to the DG and functionally to the AC.

a. Internal Audit Objective

The objective of the IAA is to provide independent and, objective assurance and as well as consulting services designed to add value and improve the Department's operations. It assists the Department to accomplish its objectives by bringing a systematic and, disciplined approach to evaluate and improve the effectiveness of risk management, internal controls, and governance processes.

b. Internal Audit Key Activities

The IAA, through engagement with internal stakeholders and Audit Committee, developed a comprehensive three-year rolling plan, incorporating an annual plan that was approved by the AC.

The IAA executed the risk-based audits assignment as per the annual plan. Included in areas audited are Performance Information, Financial Statements, Procurement processes, Contract management, Assets management, Community Work Programme, Recruitment & Selection processes, Occupational health & safety, Information Communication Technology, Integrated Management Tool, Municipal Disaster Recovery Grant, Municipal Infrastructure Grant, Local Government Equitable Shares and Municipal Systems Improvement Grant. The results of those audits indicated overall control weaknesses and Management undertook to address those identified weaknesses, through a comprehensive action plan.

IAA provides recommendations to management with regard to internal controls, risk management and governance processes. IAA also provides management advisory services when requested by management as and when necessary. IAA reports quarterly to the AC progress against the approved annual plan.

3.10.2 Audit Committee

The Audit Committee (AC) plays an important role in ensuring that an entity functions according to good governance, accounting, and audit standards. It also monitors the adoption of appropriate risk management arrangements.

The AC mandate and responsibilities are clearly defined in the AC charter and for the period under review, nine (9) AC meetings were convened. The AC approved the Three Year Strategic Rolling Plan for the period of 2019/20-2021/22 and the Annual Plan for Internal Audit.

3.1 | AUDIT COMMITTEE REPORT

We are pleased to present the Annual Audit Committee Report for DCOG for the financial year ended 31st March 2020. The Audit Committee is an independent statutory Committee appointed by the Accounting Officer in consultation with the Executive Authority. The duties are delegated to the Audit Committee as per the approved Audit Committee Terms of Reference. This report includes these duties and responsibilities.

Audit Committee Responsibility

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

Effectiveness of internal control systems

In line with the Public Finance Management Act, 1999, internal audit provides the Committee and management with assurance that the internal controls are appropriate and effective. This is achieved by evaluating internal controls to determine their adequacy and efficiency, and by developing recommendations for enhancement or improvement. The accounting officer retains responsibility for implementing such recommendations as per Treasury Regulation 3.1.12.

From the various reports of internal audit and the audit of the Auditor-General South Africa (AGSA), it was noted that matters were reported indicating deficiencies in the areas pertaining to financial reporting, Community Work Programme (CWP), ICT and cyber security, supply chain management, consequence management, reporting on pre-determined objectives and compliance with laws and regulations. Through our analysis of audit reports and engagement with the Department it is concluded that the system on internal control for the period under review was not adequate nor effective.

Compliance with laws and regulations

The Committee is concerned with the status of compliance with laws and regulations. If the department does not implement an adequate and effective compliance framework and system, non-compliance resulting in irregular and fruitless and wasteful expenditure will continue to occur.

The Committee remains concerned with the slow progress in the finalization of unauthorized, irregular, and fruitless and wasteful expenditure. The status of the implementation of the guideline(s) as issued by National Treasury to resolve unauthorized, irregular, and fruitless and wasteful expenditure is inadequate.

Management and Monthly/Quarterly Report

The quality of the in-year financial and performance reporting including interim financial statements are however a concern to the Committee.

The Committee has engaged with management to remedy shortcomings, especially relating to interim financial statements and reports on performance against predetermined objectives.

The Committee has recommended that the department prepare interim financial statements that comply with the financial reporting framework (Modified Cash Standard (MCS)). This will assist in performing reconciliations timeously and in eliminating year-end adjustments.

Evaluation of Annual Financial Statements

The Committee has reviewed the draft annual financial statements prepared by the Department and has advised the Accounting Officer to ensure that all the review notes of Internal Audit and Committee are fully addressed prior to submission of the annual financial statements to the AGSA.

Subsequently the material misstatements corrected were also reviewed when the management report of the AGSA was discussed with the Committee.

Evaluation of Annual Performance information

The Committee has reviewed the information on predetermined objectives to be included in the annual report prepared by the Department and has advised the Accounting Officer to ensure that review notes and comments of the Internal Audit and Committee are fully addressed prior to submission to the AGSA.

The Committee has discussed the external audit outcomes and the misstatements corrected on the reporting on pre-determined objectives to be included in the annual report with the AGSA and the Accounting Officer.

Internal Audit

The Internal Audit Activity (IAA) is responsible for evaluating the control environment and assisting the Committee to fulfil its responsibilities. The IAA has been operating satisfactorily during the 2019/2020 financial year. The function has remained effective and independent of the management.

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

The internal audit work conducted during the year focused on Interim and Annual Financial Statements, Quarterly and Annual Performance Information, Consolidated follow-up audits, Data Analytics, Procurement Process, ICT Penetration Testing, ICT General Controls, CWP Prepayments, CWP Compliance with SLA, CWP Training of Participants, CWP Site Visits, Integrated Management Tool, Occupational Health and Safety and CWP Performance Audit. The results of those audits indicated an overall control weaknesses and Management undertook to address those identified weaknesses, through a comprehensive action plan.

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

The Committee is satisfied that the internal audit function has properly discharged its functions and responsibilities during the year under review.

Risk management

The Committee continues to note Management's efforts towards improving the risk management process in the Department. The strategic risk register was presented during the first quarter of the period under review for consideration. Progress on the implementation of the strategic risk action plans as well as emerging risks were monitored on a quarterly basis. Such results were presented to the Committee for noting and consideration. However, the Committee notes that the management of such risks was still partially effective and did not translate into substantial improved departmental performance at the end of the financial year.

Although the Committee notes that there have been regular reports on risk management, there are areas that still need improvement in terms of integrating risk management into the business processes of the department, identification of the appropriate risks and mitigation thereof. Management should take full responsibility for the entire risk management process by institutionalising risk management in all the key processes of the department and continue to support the risk management function in order to enhance the performance of the department.

Auditor General South Africa

We have reviewed the Department's implementation plan for audit issues raised in the previous year and based on the interaction with the Department, internal audit reports and the AGSA audit report, all matters have not been adequately addressed. To effectively address and prevent repeat audit outcomes, there must be a high priority for the Department in the 2020/21 financial year.

The Committee is not aware of any unresolved issues with respect to the current audit. The Committee concurs and accepts the conclusions of the Auditor-General on the Annual Financial Statements and is of the opinion that the Audited Annual Financial Statements should be accepted and read together with the report of the Auditor-General.

COVID 19

As a result of the President declaring a national state of disaster on the 26th March 2020, the due date for reporting was postponed from the 31st of May 2020 to 31st of July 2020.

General

The Committee strongly recommends that the Department must ensure adequate and effective implementation and frequent monitoring of the audit action plans for both internal and external audits to obtain an unqualified audit opinion.



Ms. P Mzizi CA(SA)
Chairperson of the Audit Committee
Department of Cooperative Governance
Date: 14 November 2020

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Mr F Sinthumule	DIP: Financial Accounting BCom Accounting MBA (with special project on PFMA)	External	N/A	Chairperson appointed on 1 August 2016	N/A	9/9
Ms P Mzizi	CA (SA) BBusSci Finance (UCT) BCompt (Honours) CTA (UNISA) BCom (Honours) in Transport Economics (UNISA)	External	N/A	Member appointed on 1 February 2018	N/A	9/9
Ms D Dondur	CA (SA) BCompt (Honours) Certificate in Theory of Accounting (CTA) MBA Executive Development Programme	External	N/A	Member appointed on 9 September 2017	N/A	8/9
Adv RR Dehal	B. PROC (UNISA) LLB (UNISA) Certificate in Constitutional Litigation (NADEL – Prof Guto) Certificate in Maritime Law (University of Natal) Admitted as an Advocate in SA on 17-08-07.	External	N/A	Member appointed on 1 August 2016	31 July 2019	4/9
Mr. E Cousins	BCom (Accounting) BCom (HONS) (AUD) Advanced Diploma in Public Administration.	External	N/A	Member appointed on 1 August 2016	31 July 2019	3/9

3.12 B-BBEE Compliance Performance Information

The following table has been completed in accordance with the compliance to the B-BBEE requirements as required by the B-BBEE Act and as determined by the Department of Trade and Industry.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	Not applicable	Not applicable
Developing and implementing a preferential procurement policy?	Yes	The SCM policy and Standard Operating Procedures are in line with the Preferential Procurement Policy.
Determining qualification criteria for the sale of state-owned enterprises?	Not applicable	Not applicable
Developing criteria for entering into partnerships with the private sector?	Not applicable	Not applicable
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad- Based Black Economic Empowerment?	Not applicable	Not applicable

CONTRACTOR



PART D:
HUMAN
RESOURCE
MANAGEMENT

4. INTRODUCTION

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

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

a. Human resource priorities for the year under review and the impact of these: Implementation of the approved organisational structure – the organisational structure was approved by the Minister of Cooperative Governance and Traditional Affairs in October 2019 and, its implementation is monitored through the development of job profiles and job evaluation processes, which assist and guide on how the work is being performed. The aim is to improve on effective utilisation of resources, elimination of functional duplication and role clarification and location.

b. Employee performance management: In the 2019/20 financial year, staff members were assessed and subsequently moderated for the 2018/19 financial year. Highly effective and effective staff members on salary levels 1-12 were paid performance incentives. Staff members submitted their 2019/20 performance agreements.

c. Training and Development: The Workplace Skills Plan for the 2019/20 financial year, including the 2018/19 Annual Training Implementation Plan as well as the 2018/19 Expenditure Report, were submitted to the PSETA on 17 April 2019 within the stipulated time-frame. Ten (10) generic training programmes emanating from the Workplace Skills Plan were implemented during this financial year, and three (3) quarterly monitoring reports emanating from the training programmes implemented were submitted to the PSETA by the due date.

d. Workforce planning and key strategies to attract and recruit a skilled and capable workforce: Due to financial constraints, the Department is still challenged by the recruitment and selection of a skilled resources workforce to meet its strategic priorities and goals due to financial constraints. The current Human Resource Plan contains funded posts only and recruitment is based on only vacated funded posts.

e. Employee Wellness Programmes: The Diversity and Employee Health and Wellness programme continued to provide employee Health and Wellness support in line with the Employee Health and Wellness Framework of the Department of Public Service and Administration. Services such as voluntary health screening (e.g. blood pressure, cholesterol, stress and heart disease) health promotion, financial wellness as well as HIV and AIDS voluntary counselling and testing were provided. Partnered with health care providers such as South African National Blood Services (SANBS), GEMS and independent providers to ensure quality wellness services to employees.

The programme renewed recreational activities such as walking and running, to encourage physical activity amongst employees. It also strengthened the implementation of the Job Access Strategic Framework on the Recruitment and Retention of Persons with Disabilities. The 8 Principles Action Plan for Promoting Women Empowerment and Gender Equality were institutionalised to foster gender transformation in the Department.

f. Highlight achievements and challenges faced by the Department, as well as future human resource plans goals: The Chief Directorate has met all operational targets, but remained challenged in acquiring skills for the Department due to financial constraints in the Compensation of Employees budget owing to cost-cutting measures applicable in the total Public Service.

HUMAN RESOURCES OVERSIGHT STATISTICS

4.1 PERSONNEL- RELATED EXPENDITURE

The following tables summarise the final audited personnel- related expenditure by programme and by salary bands. They provides an indication of the amount spent on personnel, salaries, overtime, homeowners' allowance and medical aid.

Table 4.1.1 Personnel expenditure by programme for the period between 1 April 2019 and 31 March 2020

Programme	Total expenditure	Personnel expenditure	Training expenditure	Professional and special services expenditure	Personnel expenditure as a % of total expenditure	Average personnel cost per employee
	(R'000)	(R'000)	(R'000)	(R'000)	%	(R'000)
Administration	300 728	145 704	922	5 604	48.45	252
Regional and Urban Development and Rural Support	965 408	23 233	0	4 985	2.41	33
Institutional Development	65 964 690	37 437	1 737	88 770	0.06	51
National Disaster Management Centre	646 337	23 938	2 289	5 224	3.70	31
Local Government Support and Interventions Management	15 241 071	62 346	30	7 016	0.41	78
Community Work Programme	3 827 060	29 112	144 052	260 768	0.76	36
Total	86 945 294	321 770	149 030	372 367	0.37	484

Table 4.1.2 Personnel costs by salary band for the period between 1 April 2019 and 31 March 2020

Salary band	Personnel expenditure	% of total personnel cost	No. of employees	Average personnel cost per employee
	(R'000)	%	(R'000)	(R'000)
Lower skilled (levels 1-2)	16 742	5.21	68	246
Skilled (levels 3-5)	47 683	14.83	118	404
Highly skilled production (levels 6-8)	103 643	32.22	141	735
Highly skilled supervision (levels 9-12)	130 110	40.45	106	1 227
Senior and top management (levels 13-16)	241	0.07	2	121
Contract (levels 1-2)	963	0.30	6	161
Contract (levels 3-5)	2 271	0.71	6	379
Contract (levels 6-8)	6 626	2.06	10	663
Contract (levels 9-12)	11 371	3.54	9	1 263
Contract (levels >=13)	1 013	0.31	10	101
Periodical remuneration	962	0.30	6	160
Total	321 625	100	48	665

Table 4.1.3 Salaries, Overtime, Homeowners' Allowance and Medical Aid by programme for the period between 1 April 2019 and 31 March 2020

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount	Salaries as a % of personnel costs	Amount	Overtime as a % of personnel costs	Amount	HOA as a % of personnel costs	Amount	Medical aid as a % of personnel costs
	(R'000)	%	(R'000)	%	(R'000)	%	(R'000)	%
Administration	121 918	84.30	3 009	2.10	2 895	2.00	3 934	2.70
Regional and Urban Development and Rural Support	20 729	84.90	30	0.20	362	1.50	520	2.10
Institutional Development	33 506	86.40	57	0.10	641	1.70	628	1.60
National Disaster Management Centre	21 118	86.10	42	0.20	308	1.30	392	1.60
Local Government Support and Interventions Management	55 210	85.60	39	0.10	695	1.10	1 160	1.60
Community Work Programme	23 629	80.90	1 149	3.90	802	2.70	482	1.70
Total	276 110	84.40	4 326	1.30	5 703	1.70	7 116	2.20

Table 4.1.4 Salaries, Overtime, Home Owners' Allowance and Medical Aid by salary band for the period between 1 April 2019 and 31 March 2020

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount	Salaries as a % of personnel costs	Amount	Overtime as a % of personnel costs	Amount	HOA as a % of personnel costs	Amount	Medical aid as a % of personnel costs
	(R'000)	%	(R'000)	%	(R'000)	%	(R'000)	%
Skilled (levels 1-2)	11 712	69.70	1 337	8.00	986	5.90	1 216	7.20
Skilled (levels 3-5)	36 167	75.40	1 967	4.10	1 768	3.70	3 224	6.70
Highly skilled production (levels 6-8)	89 498	85.50	1 000	1.00	1 224	1.20	1 972	1.90
Highly skilled supervision (levels 9-12)	116 708	87.20	0	0	1 724	1.30	704	0.50
Senior management (levels 13-16)	236	95.50	5	2.00	0	0	0	0
Contract (levels 1-2)	956	98.80	7	0.70	0	0	0	0

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount	Salaries as a % of personnel costs	Amount	Overtime as a % of personnel costs	Amount	HOA as a % of personnel costs	Amount	Medical aid as a % of personnel costs
	(R'000)	%	(R'000)	%	(R'000)	%	(R'000)	%
Contract (levels 3-5)	2 249	98.60	9	0.40	0	0	0	0
Contract (levels 6-8)	6 456	96.10	0	0	0	0	0	0
Contract (levels 9-12)	11 119	97.2	0	0	0	0	0	0
Contract (levels >=13)	1 010	97.10	1	0.10	0	0	0	0
Periodical Remuneration	0	0	0	0	0	0	0	0
Total	276 110	84.40	4 326	1.30	5 703	1.70	7 116	2.20

4.2 EMPLOYMENT AND VACANCIES

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

Table 4.2.1 Employment and vacancies by programme as on 31 March 2020

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration	242	232	4%	29
Community Work Programme	17	15	12%	0
Institutional Development	55	53	4%	2
Local Government Support and Interventions	108	103	5%	0
National Disaster Management Centre	31	30	6%	0
Total	453	433	4%	31

Table 4.2.3 Employment and vacancies by critical occupations as on 31 March 2020

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Senior Management Service	113	105	7%	6
Total	113	105	7%	6

4.3 FILLING OF SMS POSTS

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

Table 4.3.1 SMS post information as on 31 March 2020

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	0	0	1	100
Salary Level 16	0	0	0	0	0
Salary Level 15	5	4	80%	1	20%
Salary Level 14	31	28	90%	3	10%
Salary Level 13	76	73	96%	4	4%
Total	113	105	93%	8	7%

Table 4.3.2 SMS post information as on 30 September 2019

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	0	0%
Salary Level 16	0	0	0	0	0
Salary Level 15	5	3	60%	2	40%
Salary Level 14	31	28	90%	3	10%
Salary Level 13	75	71	95%	4	5%
Total	112	103	92%	9	8%

Table 4.3.3 Advertising and filling of SMS posts for the period between 1 April 2019 and 31 March 2020

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Director-General/ Head of Department	1	0	0
Salary Level 16	0	0	0
Salary Level 15	0	0	0
Salary Level 14	3	0	1
Salary Level 13	2	1	0
Total	6	1	1

Table 4.3.4 Reasons for not having complied complying with the filling of funded vacant SMS posts - Advertised within 6 months and filled within 12 months after becoming vacant for the period between 1 April 2019 and 31 March 2020

Reasons for vacancies not advertised within six months
Not applicable

Reasons for vacancies not filled within twelve months

The post of Director-General was vacated on 31 December 2019 and advertised in February 2020, with a closing date of 21 February 2020. The post is in the process of being filled. The post of Chief Director in the Office of the Director-General was vacated in October 2019 and advertised in October 2019, with a closing date of November 2019. The process of filling the post is currently underway. The post of Chief Director: Municipal Infrastructure Grant was vacated in April 2019 and advertised in June 2019, with a closing date of July 2019. The and the delay in filling the post was due to the nominee declining the offer, which resulted in other processes being pursued towards the filling of the post. The post of Director: Financial Accounting Services was vacated in October 2019 and advertised in October 2019, with a closing date of November 2019. The nominated candidate was to assume duty in April 2020.

Table 4.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period between 1 April 2019 and 31 March 2020

Reasons for vacancies not advertised within six months

Not Applicable

Reasons for vacancies not advertised within six months

Not Applicable

4.4 JOB EVALUATION

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

Table 4.4.1 Job Evaluation by Salary band for the period between 1 April 2019 and 31 March 2020

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)	70	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	122	21	17%	0	0	0	0
Highly skilled supervision (Levels 9-12)	148	29	20%	0	0	0	0
Senior Management Service Band A	76	6	8%	0	0	0	0
Senior Management Service Band B	31	6	19%	0	0	0	0
Senior Management Service Band C	5	1	20%	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	453	63	14%	0	0	0	0

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

Table 4.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period between 1 April 2019 and 31 March 2020

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

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

Table 4.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period between 1 April 2019 and 31 March 2020

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None	0	0	0	N/A
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 4.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period between 1 April 2019 and 31 March 2020

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

4.5 EMPLOYMENT CHANGES

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

Table 4.5.1 Annual turnover rates by salary band for the period between 1 April 2019 and 31 March 2020

Salary band	Number of employees at the beginning of period-1 April 2019	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)	65	8	0	0
Highly skilled production (Levels 6-8)	119	4	4	3

Salary band	Number of employees at the beginning of period-1 April 2019	Appointments and transfers into the Department	Terminations and transfers out of the department	Turnover rate
Highly skilled supervision (Llevels 9-12)	136	12	10	7
Senior Management Service Band A	71	6	2	3
Senior Management Service Band B	27	3	3	11
Senior Management Service Band C	3	1	0	0
Senior Management Service Band D	1	0	1	100
Contracts	23	29	20	87
Total	445	63	40	9

Table 4.5.2 Annual turnover rates by critical occupation for the period between 1 April 2019 and 31 March 2020

Occupation	Employees 1 April 2019	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Senior Management Service	102	9	10	10	10
Total	102	9	10	10	10

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

Table 4.5.3 Reasons why staff left the Department for the period between 1 April 2019 and 31 March 2020

Termination Type	Number	% of Total resignations
Death	0	0
Resignation	12	30
Expiry of contract	20	50
Dismissal – operational changes	0	0
Dismissal – misconduct	1	2.5
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	3	7.5
Transfer to other Public Service Departments	4	10
Other	0	0
Total	40	100
Total number of employees who left as a % of total employment	40	100

Table 4.5.4 Promotions by critical occupation for the period between 1 April 2019 and 31 March 2020

Occupation	Employees 1 April 2019	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Senior Management Service	102	1	1	0	0
Total	102	1	1	0	0

Table 4.5.5 Promotions by salary band for the period between 1 April 2019 and 31 March 2020

Salary band	Employees 1 April 2019	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)	65	0	0	0	0
Highly skilled production (Levels 6-8)	119	1	1	92	78
Highly skilled supervision (Levels 9-12)	136	2	6	96	71
Senior Management (Levels 13-16)	102	1	1	0	0
Total	422	4	1	188	45

4.6 EMPLOYMENT EQUITY

Table 4.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2019

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	117	3	5	8	116	1	2	10	262
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	61	2	0	1	96	2	1	10	173
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	16	0	0	0	13	0	0	0	29
Total	194	5	5	9	225	3	3	20	464
Employees with disabilities	2	0	0	1	2	0	0	2	7

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

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	0	0	0	0	0	0
Senior management	7	0	1	0	8	0	0	0	16
Professionally qualified, experienced specialists and mid-management	3	0	0	0	8	0	0	1	12

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	6	0	0	0	0	2	0	0	8
Semi-skilled and discretionary decision making	4	0	0	0	5	0	0	0	9
Unskilled and defined decision making	9	0	0	0	9	0	0	0	18
Total	29	0	1	0	30	2	0	1	63
Employees with disabilities	2	0	0	1	2	0	0	2	7

Table 4.6.4 Promotions for the period between 1 April 2019 and 31 March 2020

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	0	0	0	0	0	0	0	0	0
Senior management	0	0	0	0	1	0	0	0	1
Professionally qualified, experienced specialists and mid-management	0	0	0	0	1	0	0	0	1
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	0	0	0	0	0	0	0	1
Semi-skilled and discretionary decision making	0	0	0	0	1	0	0	0	1
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	1	0	0	0	3	0	0	0	4
Employees with disabilities	2	0	0	1	2	0	0	2	7

Table 4.6.5 Terminations for the period between 1 April 2019 to 31 March 2020

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	1	0	0	0	0	0	0	0	1
Senior management	6	0	0	0	3	0	0	2	11
Professionally qualified, experienced specialists and mid-management	5	0	0	0	6	0	0	0	11
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3	0	0	0	0	0	1	0	4
Semi-skilled and discretionary decision making	3	0	0	0	6	0	0	0	9
Unskilled and defined decision making	2	1	0	0	1	0	0	0	4
Total	20	1	0	0	16	0	1	2	40
Employees with disabilities	0	0	0	0	1	0	0	0	1

Table 4.6.6 Disciplinary action for the period between 1 April 2019 and 31 March 2020

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Negligence	2	0	0	0	3	0	0	1	6
Sexual harrassment	3	0	0	0	5	0	0	0	3

Table 4.6.7 Skills development for the period between 1 April 2019 and 31 March 2020

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	11	0	0	0	13	0	0	0	24
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	19	0	0	0	16	0	0	0	35
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	26	0	0	0	27	0	0	0	53
Total	56	0	0	0	56	0	0	0	112
Employees with disabilities	0	0	0	0	0	0	0	0	0

4.7 SIGNING OF PERFORMANCE AGREEMENTS BY SMS MEMBERS

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

Table 4.7.1 Signing of Performance Agreements by SMS members as on 31 May 2019

SMS level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	100
Salary level 16	0	0	0	0
Salary level 15	5	3	3	100
Salary level 15	31	28	28	100
Salary level 15	76	76	76	100
Total	113	108	108	100

Table 4.7.2 Reasons for not having concluded performance agreements for all SMS members as on 31 May 2019

Reasons
Not Applicable

Table 4.7.3 Disciplinary steps taken against SMS members for not having concluded completed performance agreements as on 31 May 2019

Reasons
Not Applicable

4.8 PERFORMANCE REWARDS

To encourage good performance, the Department has granted the following performance rewards during the year under review for employees performance of 2018/19 financial year. The information is presented in terms of race, gender, disability, salary bands and critical occupations (see definition in notes below).

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

Salary band	Beneficiary profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost	Average cost per employee
				(R'000)	
African	74	288	25.6	1 687 723	
Male	32	117	27.40	735 872	22 996
Female	42	161	26.10	946 860	22 544
Asian	2	3	66.0	55 280	
Male	1	1	100	33 058	33 058
Female	1	2	50.00	22 150	22 150
Coloured	1	7	20.00	34 057	
Male	1	5	20.00	34 057	34 057
Female	0	2	0.00	0	0
White	5	17	29.4	83 994	
Male	1	4	25.00	28 737	
Female	4	13	30.80	55 257	13 814
Total	82	302	27.10	1 855 991	22 634

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

Salary band	Beneficiary profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost	Average cost per employee	
				(R'000)		
Lower skilled (levels 1-2)	0	0	0	0	0	0
Skilled (levels 3-5)	5	55	9.10	50 547	10 109	5
Highly skilled production (levels 6-8)	36	118	30.50	593 873	16 496	3

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	Average cost per employee	
				(R'000)		
Highly skilled supervision (levels 9-12)	41	132	31.10	1 211 569	29 550	4
Total	82	305	26.90	1 855 989	22 634	8

Table 4.8.3 Performance Rewards by critical occupation for the period between 1 April 2018 and 31 March 2019

Critical occupation	Beneficiary profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within occupation	Total cost	Average cost per employee	
				(R'000)		
Senior Manager *	0	98	0	0	0	0
Total	0	98	0	0	0	0

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

Salary band	Beneficiary profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total cost	Average cost per employee	
				(R'000)		
Band A	0	68	0	0	0	0
Band B	0	26	0	0	0	0
Band C	0	3	0	0	0	0
Band D	0	1	0	0	0	0
Total	0	98	0	0	0	0

4.9 FOREIGN WORKERS

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

Table 4.9.1 Foreign workers by salary band for the period between 1 April 2019 and 31 March 2020

Major occupation	01 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	Change
Professionals and managers	1	100	1	100	0	0
Total	1	100	1	100	0	0

Table 4.9.2 Foreign workers by major occupation for the period between 1 April 2019 and 31 March 2020

Major occupation	01 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	Change
Professionals and managers	1	100	1	100	0	0
Total	1	100	1	100	0	0

4.10 LEAVE UTILISATION

The Public Service Commission identified the need for careful monitoring of sick leave within the public service. The following tables provide an indication of the use of sick leave and disability leave. In both cases, the estimated cost of the leave is also provided. It should also be noted that leave is granted per calendar year not per financial year.

Table 4.10.1 Sick leave for the period between 1 January 2019 to 31 December 2019

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 Ccost
						(R'000)
Lower skills (Levels 1-2)	0	0	0	0	0	0
Skilled (levels 3-5)	455	79.30	52	13.90	9	401
Highly skilled production (levels 6-8)	998.50	83.3	109	29.20	8	1 428
Highly skilled supervision (levels 9 -12)	960	78	123	32.90	7	2 620
Top and Ssenior management (levels 13-16)	570	91	77	20.70	5	2 595
Total	2 983.50	82.90	361	100	7.2	7 044

Table 4.10.2 Disability leave (temporary and permanent) for the period between 1 January 2019 to 31 December 2019

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 Ccost
						(R'000)
Lower skills (Levels 1-2)	0	0	0	0	0	0
Skilled (levels 3-5)	41	100	2	22	21	40
Highly skilled production (levels 6-8)	99	100	4	44	25	138
Highly skilled supervision (levels 9 -12)	84	100	3	33.30	28	249
Top and Ssenior management (levels 13-16)	0	0	0	0	0	0
Total	224	100	9	100	25	427

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

Table 4.10.3 Annual Leave for the period between 1 January 2019 to 31 December 2019

Salary band	Total days taken	Number of employees using annual leave	Average per employee
Lower skills (Levels 1-2)	12	2	6
Skilled (levels 3-5)	1 490	77	26
Highly skilled production (levels 6-8)	3 043.25	134	32
Highly skilled supervision (levels 9 -12)	3 688	164	32
Top and senior management (levels 13-16)	2 620.50	120	29
Total	10 853.75	497	25

Table 4.10.4 Capped leave for the period between 1 January 2019 to 31 December 2019

Salary band	Total days taken	Number of employees using annual leave	Average per employee	Average capped leave per employee as on 31 March 2020
Lower skills (Levels 1-2)	0	0	0	0
Skilled (levels 3-5)	3	1	3	33
Highly skilled production (levels 6-8)	0	0	0	10
Highly skilled supervision (levels 9 -12)	13.32	4	3	45
Top and senior management (levels 13-16)	46	4	12	44
Total	62.32	9	6	33

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

Table 4.10.5 Leave pay-outs for the period between January and 31 December 2019

Reason	Total amount	Number of employees	Average per employee
	(R'000)		(R'000)
Leave pay-out for 2019/2020 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave pay-outs on termination of service for 2019/20	30	1	30 000
Current leave pay-out on termination of service for 2019/20	581	16	93 786
Total	611	17	123 786

4.1 | HIV/AIDS AND HEALTH PROMOTION PROGRAMMES

Table 4.1.1.1 Steps taken to reduce the risk of occupational exposure

Units/ categories of employees identified to be at high risk of contracting HIV & and related diseases (if any)	Key steps taken to reduce the risk
All employees	Bi-annual HIV and AIDS awareness raising sessions, voluntary counselling and testing through GEMS services as well as condom distribution in all the bathrooms of the department.

Table 4.1.1.2 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.	X		Mr Sonwabo Shibane: Position: Director
2. Does the Ddepartment 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	X		Three officials at the level of Director, Deputy Director and Assistant Director. Budget is provided in the Chief Directorate: Human Capital Management when required. Responsibility code has been allocated for the programme.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	X		The department has availed the following prevention programmes to its employees: <ul style="list-style-type: none"> • Health screening (blood pressure, TB, cancer, glucose, eye testing, ear testing and weight). • HIV and AIDS awareness and voluntary testing • Financial wellness session • Blood donation Physical activities such as football and athletics (walking/running activities)
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.	X		The department has established the Human Resource committee that addresses all the human capital management matters. Members of the committee are: The Chief Director: Human Capital management as a chairperson. Representatives from PSA and NEHAU, and representatives from each branch of the department.
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		The following policies were reviewed for inclusivity <ul style="list-style-type: none"> • HIV & and AIDS Policy • Funeral and Bereavement Policy • Health And and Productivity Policy • Wellness Management Policy • Employment Equity Policy • Sexual Harassment Policy • Job Evaluation Policy • Sports and Recreation Policy • Bursary Policy • Training Education & and Development Policy • Occupational Health & and Safety Policy • Special Leave Policy • Working Hours Policy

Question	Yes	No	Details, if yes
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	X		The Department protects employees through the following measures: <ul style="list-style-type: none"> • HIV & AIDS Policy which prohibits discrimination on the basis of HIV status. • Grievance and disciplinary procedure processes that afford employees opportunity to lodge a complaint. • Awareness sessions addressing the HIV and AIDS stigma. • Care, support and referral to support centres.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	X		Opportunity for voluntary counselling and testing is created twice a year during the health screening. An additional platform is created during a the blood donation drive. About 143 employees were exposed to voluntary counselling and testing during wellness sessions and 68 during the blood donation sessions.
8. Has the department developed measures/ indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/ indicators.	X		The impact of the programme is monitored through the following measures: <ul style="list-style-type: none"> • EHW annual report. • Employee Health and Wellness operational plan with annual indicators. • Evaluation form by employees. • System Monitoring Tool.

4.12 LABOUR RELATIONS

Table 4.12.1 Collective agreements for the period between 1 April 2019 and 31 March 2020

Subject matter	Date
None	Not applicable
Total number of Collective agreements	None

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

Table 4.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2019 and 31 March 2020

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0%
Verbal warning	0	0%
Written warning	0	0%
Final written warning	4	57%
Suspended without pay	2	29%
Fine	0	0%
Demotion	0	0%
Dismissal	1	14%
Not guilty	0	0%
Case withdrawn	0	0%
Total	7	100%

Table 4.12.3 Types of misconduct addressed at disciplinary hearings for the period between 1 April 2019 and 31 March 2020

Type of misconduct	Number	% of total
Negligence	6	100%
Sexual harassment	3	0
Total	9	100%

Table 4.12.4 Grievances lodged for the period between 1 April 2019 and 31 March 2020

Grievances	Number	% of total
Number of grievances resolved	3	100%
Number of grievances not resolved	0	0
Total number of grievances lodged	3	100%

Table 4.12.5 Disputes lodged with Councils for the period between 1 April 2019 and 31 March 2020

Disputes	Number	% of total
Number of disputes upheld	1	33%
Number of disputes dismissed	2	67%
Total number of grievances lodged	3	100%

Table 4.12.6 Strike actions for the period between 1 April 2019 and 31 March 2020

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

Table 4.12.6 Strike actions for the period between 1 April 2019 and 31 March 2020

Number of people suspended	1
Number of people whose suspension exceeded 30 days	
Average number of days suspended	1
Cost of suspension (R'000)	130

4.13 SKILLS DEVELOPMENT

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

Table 4.13.1 Training needs identified for the period between 1 April 2019 and 31 March 2020

Occupational category	Gender	Number of employees as at 1 April 2019	Training needs identified at start of the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	51	0	200	0	200
	Male	60	0	166	0	166
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0

Occupational category	Gender	Number of employees as at 1 April 2019	Training needs identified at start of the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	85	0	187	12	199
	Male	37	0	76	11	87
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	27	0	72	0	72
	Male	24	0	68	0	68
Sub- Total	Female	163	0	459	12	471
	Male	121	0	310	11	321
Total		284	0	769	23	792

Table 4.13.2 Training provided for the period between 1 April 2019 and 31 March 2020

Occupational category	Gender	Number of employees as at 1 April 2019	Training needs identified at start of the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	51	0	13	11	24
	Male	60	0	11	12	23
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	85	0	16	17	33
	Male	37	0	19	18	37
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0

Occupational category	Gender	Number of employees as at 1 April 2019	Training needs identified at start of the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	27	0	27	3	30
	Male	24	0	26	2	28
Sub- Total	Female	0	0	0	0	0
	Male	0	0	0	0	0
Total		284	0	112	63	175

4.14 INJURY ON DUTY

The following tables provide basic information on injury on duty.

Table 4.14.1 Injury on duty for the period between 1 April 2019 and 31 March 2020

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

4.15 UTILISATION OF CONSULTANTS

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

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

Table 4.15.1 Report on consultant appointments using appropriated funds for the period between 1 April 2019 and 31 March 2020

Project title	Total number of consultants that who worked on project	Duration (work days)	Contract value in Rand
Appointment of service provider for maintenance and Call Center support to MIG-MIS for a period of thirty-six (36) months.	Four (4)	753	R 2 649 600
Appointment of a service provider to review and benchmark the remuneration and conditions of employment of municipal managers and managers directly accountable to municipal managers for a period of six (6) months.	Eight (8)	126	R 4 553 425
Appointment of consultant to develop the National Integrated Drought Risk Reduction and Management Plan for a period of twelve (12) months.	Eight (8)	252	R 997 539

Total number of projects	Total individual consultants	Total duration (work days)	Total contract value in Rand
Three (3)	Four (4)	753	R 2 649 600

Table 4.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period between 1 April 2019 and 31 March 2020

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

Total number of projects	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Not applicable	0	0	0

Table 4.15.3 Report on consultant appointments using donor funds for the period between 1 April 2019 and 31 March 2020

No tenders were awarded using donor funding.

Project title	Total number of consultants that who worked on project	Duration (work days)	Contract value in Rand
Not applicable	0	0	0

Table 4.15.4 Analysis of consultant appointments using donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period between 1 April 2019 and 31 March 2020

No tenders were awarded using donor funding.

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Not applicable	0	0	0

4.16 SEVERANCE PACKAGES

Table 4.16.1 Granting of employee employee-initiated severance packages for the period between 1 April 2019 and 31 March 2020

Salary band	Number of applications received	% Days with Medical certification	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by department
Lower skills (Levels 1-2)	0	0	0	0	0
Skilled (levels 3-5)	0	0	0	0	0
Highly skilled production (levels 6-8)	0	0	0	0	0
Highly skilled supervision (levels 9 -12)	0	0	0	0	0
Top and senior management (levels 13-16)	0	0	0	0	0
Total	0	0	0	0	0



PART E: FINANCIAL INFORMATION

ANNUAL FINANCIAL STATEMENTS FOR THE DEPARTMENT OF COOPERATIVE GOVERNANCE

**For the year ended
31 March 2020**

Table of contents

APPROPRIATION STATEMENT	144
NOTES TO THE APPROPRIATION STATEMENT	174
STATEMENT OF FINANCIAL PERFORMANCE	176
STATEMENT OF FINANCIAL POSITION	177
CASH FLOW STATEMENT	178
NOTES TO THE FINANCIAL STATEMENTS (INCLUDING ACCOUNTING POLICIES)	179
ANNEXURES	248

Report of the Auditor-General to Parliament on vote no. 4: Department of Cooperative Governance

Report on the audit of the financial statements

Qualified Opinion

1. I have audited the financial statements of the Department of Cooperative Governance set out on pages 145 to 286, which comprise the appropriation statement, statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects of the matters described in the basis for the qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Department of Cooperative Governance as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with Modified Cash Standard (MCS) prescribed by National Treasury (NT) and the requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2019 (Act No. 16 of 2019) (Dora).

Basis for qualified opinion

Goods and Services

3. I was unable to obtain sufficient appropriate audit evidence for payments made to Community Work Programme (CWP) implementing agents as the department could not provide accurate and complete substantiating records for payments made for project management fees, as required by the contracts signed with implementing agents. The department did not have adequate systems and controls in place to ensure that all invoices received from implementing agents relating to the current year were processed within the current financial year. I was unable to confirm the amount for Consultants: Business and advisory services by alternative means. Consequently, I was unable to determine whether any adjustment to Consultants: Business and advisory services stated at R372 365 000 (2019: R401 738 000) in note 4 to the financial statements was necessary.
4. I was unable to obtain sufficient appropriate audit evidence for the completeness of payments made for CWP participants as I was unable to access the implementing agent's premises due to the lockdown restrictions imposed by the government as per the Disaster Management Regulations to reduce the spread of Covid-19. Consequently, I was unable to determine whether any adjustment to Contractors: Casual labourers stated at R2 931 682 000 (2019: R2 585 490 000) in note 4 to the financial statements was necessary.

Movable tangible capital assets

5. I was unable to obtain sufficient appropriate audit evidence for movable tangible capital assets as I was not provided with an accurate asset register. I was unable to obtain sufficient appropriate audit evidence about the assets by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to movable tangible capital assets for CWP stated at R287 217 000 (2019: R227 970 000) and minor assets stated at R59 420 000 (2019: R49 853 000) in note 27 of the annual financial statements.

Prepayment and advances

6. The department did not have adequate systems to maintain records of prepayments (not expensed), for goods and services received. This resulted in prepayments being overstated by R159 380 429. In addition, I was unable to obtain sufficient appropriate audit evidence for the amounts disclosed as prepayments (not expensed). I could not confirm prepayments (not expensed) by alternative means. Consequently, I was unable to determine whether any further adjustments were necessary to such prepayments as stated at R237 985 000 in note 10 of the financial statements.
7. During 2018-19 financial year, the department did not recognise expenditure where goods and services were received in respect of prepayments made, in accordance with the Chapter 09 of the MCS, *General Departmental Assets and Liabilities*. The invoices received from CWP implementing agents for the 2018-19 financial year were expensed in the current financial year, instead of the prior year. Consequently, the balance as at 31 March 2019 for prepayments not expensed was overstated by R170 688 000 and the related goods and services was understated by the same amount. This also has an impact on the prior year's surplus and voted funds to be surrendered to the revenue funds.

Context for the opinion

8. 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.
9. I am independent of the department in accordance with sections 290 and 291 of the *Code of ethics for professional accountants* and parts 1 and 3 of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* of the International Ethics Standards Board for Accountants (IESBA codes) as well as 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 codes.
10. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Other matter

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

Unaudited supplementary schedules

12. The supplementary information set out on pages 248 to 286 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

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

14. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations or has no realistic alternative but to do so.

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

15. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance. However, it 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.
16. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

17. In accordance with the Public Audit Act of South Africa 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for a selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
18. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
19. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the annual performance report of the department for the year ended 31 March 2020:

Programme	Pages in the annual performance report
Programme 3 - Institutional development	63-70

20. I performed procedures to determine whether the reported performance information was properly presented and whether the performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
21. I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected programme.

Other matters

22. I draw attention to the matters below.

Achievement of planned targets

23. Refer to the annual performance report on pages 32 to 92 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a number of targets.

Adjustment of material misstatements

24. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of programme 3 - institutional development. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

25. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the department's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
26. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements, performance and annual reports

27. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40 (1) (a) and (b) of the PFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were corrected, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified opinion.

Expenditure management

28. Effective steps were not taken to prevent fruitless and wasteful expenditure amounting to R7 537 000, as disclosed in note 23 to the annual financial statements, as required by section 38 (1) (c) (ii) of the PFMA and treasury regulation 9.1.1. The majority of the fruitless and wasteful expenditure was caused by payments made to deceased and employees employed by government CWP participants.

29. Effective internal controls were not in place for approval and processing of payments, as required by treasury regulation 8.1.1.
30. I was unable to obtain sufficient appropriate audit evidence that payments were made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3.

Consequence management

31. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 38 (1) (h) (iii) of the PFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into irregular expenditure.
32. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure as required by section 38 (1) (h) (iii) of the PFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into fruitless and wasteful expenditure.

Procurement and contract management

33. Some of the contracts were awarded to bidders who did not submit a declaration on whether they are employed by the state or connected to any person employed by the state, which is prescribed to comply with PN7 of 2009/10.

Other Information

34. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programme presented in the annual performance report that has been specifically reported in this auditor's report.
35. My opinion on the financial statements and findings on the reported performance information and compliance with legislation does not cover the other information, and I do not express an audit opinion or any form of assurance conclusion thereon.
36. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
37. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected, this will not be necessary.

Internal control deficiencies

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

Material irregularities

44. In accordance with the PAA and the Material Irregularity Regulations, I have a responsibility to report on material irregularities identified during the audit. I also report on the status of the material irregularities reported in the previous year's auditor's report.

Status of previously reported material irregularities

Transfer payment to the incorrect recipient for Municipality Infrastructure Grant (MIG)

45. The department incorrectly made a Municipal Infrastructure Grant payment total of R183 450 000 to a supplier on the central payment system with a similar name instead of Greater Sekhukhune District Municipality in July and August 2018 as effective internal controls were not in place for the approval and processing of payments as required by treasury regulations 8.1.1. The department is likely to incur a material financial loss of R102 991 000 as the amount was still not recovered at year-end, as disclosed in note 11.5 of the financial statements. The accounting officer was notified of the material irregularity on 24 July 2019.

46. On request of the accounting officer, the internal audit unit conducted an investigation to identify officials who approved the payments and initiate consequence management. The investigation was completed during the 2019-20 financial year; and except for one instance, disciplinary hearings were conducted, and consequences management has been implemented, where relevant. The process of recovering the financial loss is currently in court as the Special Commercial Crimes Unit (HAWKS), State Attorney and the Special Investigating Unit have taken the incorrectly paid service provider to court. The accounting officer committed to strengthening controls, and we have not noted any similar incorrect payment in the current year.
47. I will follow up on the progress made on the recovery of the financial loss, the outstanding disciplinary actions and the criminal cases arising from the outcome of the court ruling during my next audit.

Payments for services not received - Deceased participants on CWP

48. Payments were made in 2018-19 through the CWP to deceased participants, as effective internal controls were not in place for the approval and processing of payments, as required by treasury regulations 8.1.1. The non-compliance is likely to result in a material financial loss, if not recovered. The accounting officer was notified of the suspected material irregularity on 13 August 2019.
49. The accounting officer appointed the service provider to perform an investigation and quantify the financial loss incurred. Current year follow up revealed that some of the participants' ID numbers were incorrectly captured on the CWP Management Information System (MIS). It also revealed that some participants were indeed deceased. The financial losses for deceased participants have been quantified, and the money will be recovered from the NPOs. Deceased participants and participants with incorrect ID numbers were removed from the CWP MIS and recaptured with the correct ID numbers. Disciplinary actions will follow the outcome of the investigation if so recommended. This external investigation is ongoing. It is expected to be finalised in the coming financial year.
50. I will follow up on the progress and the implementation of the planned actions taken including disciplinary steps and financial recovery arising from the outcome of the investigation and implementation of the recommendation therein, during my next audit.

Payments to non-qualifying government employees on the CWP

51. Payments were made in 2018-19 through the CWP to non-qualifying government employees who were further paid by their relevant departments where they are employed, as effective internal controls were not in place for the approval and processing of payments, as required by treasury regulations 8.1.1. The non-compliance is likely to result in a material financial loss, if not recovered. The accounting officer was notified of the suspected material irregularity on 13 August 2019.

52. The accounting officer appointed the service provider to perform an investigation and quantify the financial loss incurred. Management confirmed the financial loss as a result of participants that are employed by the government and not eligible participants of the programme. Non eligible participants have been de-activated from the CWP MIS, and the financial loss as disclosed under fruitless and wasteful note amounting to R7 058 000 will be recovered for non eligible participants. The accounting officer also committed to implementing preventative controls to ensure that the recurrence of these payments is prevented by the implementation of a participant validation process against the government PERSAL payroll system.
53. I will follow up on the implementation of the actions taken, including disciplinary steps and the recovery of the financial losses as well as ensuring the investigation recommendations are implemented, during my next audit.

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

54. The department made quarterly advance payments to implementing agents on the CWP without the required evidence that previous advance payments were spent correctly resulting in payments being made for goods and services that were not received at the CWP sites, as effective internal controls were not in place for the approval and processing of payments as required by treasury regulations 8.1.1. The non-compliance is likely to result in a material financial loss, if not recovered. The accounting officer was notified of the suspected material irregularity on 13 August 2019.
55. As committed by the accounting officer, the evidence that goods and services were provided pertaining to prior year advance payments was provided by NPOs, except for an amount of R12 258 732. Some NPOs that were not complying were referred to internal audit for investigation, and subsequently, some of their contracts were terminated. The follow up on the remaining outstanding invoices are currently being done to determine if any amount should be recovered for NPOs.
56. During my next audit, I will follow up on the amounts that need to be cleared and the implementation of the planned actions taken, including the financial loss recovery arising from the outcome of the process. The implementation of disciplinary action will also be followed up in the next audit cycle.

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

57. The department made project management fees payments to the implementing agents for the CWP whose contract started on 1 April 2014 and ended on 31 March 2018 with inadequate evidence to justify such payments since the inception of the contract and resulting in payments for services not received, as effective internal controls were not in place for the approval and processing of payments as required by treasury regulations 8.1.1. The non-compliance is likely to result in a material financial loss, if not recovered. The accounting officer was notified of the suspected material irregularity on 26 August 2019.
58. The accounting officer appointed an investigator. The investigation is being conducted to assess the magnitude of the loss that resulted from payments for project management over the contract period. The appointment of the investigator was finalised on 31 October 2019. The financial loss has not yet been determined. The investigation is still ongoing and will be finalised in the next financial year. The department will institute the disciplinary steps against the relevant officials, where applicable.

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

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

60. The department made a project management payment to the implementing agents for the CWP whose contract started on 1 April 2018 and will end in March 2021 with inadequate evidence to justify such payments and resulted in payments for services not received, as effective internal controls were not in place for the approval and processing of payments as required by treasury regulations 8.1.1. The non-compliance is likely to result in a material financial loss, if not recovered. The accounting officer was notified of the suspected material irregularity on 26 August 2019.

61. The accounting officer appointed an investigator. This investigation is being conducted to assess the magnitude of the loss that resulted from payments of project management fees to the NPOs under the current contract. The loss will be recouped from the relevant parties after the conclusion of the investigation. The appointment of the investigators was finalised on 31 October 2019. The financial loss has not yet been determined. The investigation is still ongoing and is expected to be finalised in the next financial year. The department will institute the disciplinary steps against the relevant officials, where applicable.

62. I will follow up on the investigation and the implementation of the actions taken, including disciplinary steps and financial loss recovery arising from the outcome of the investigation, during my next audit. The design and implementation of internal controls to prevent a recurrence of similar matters will be followed up in the next audit cycle.

Auditor General

Pretoria

13 November 2020



AUDITOR - GENERAL
SOUTH AFRICA

Annexure - Auditor-General's responsibility for the audit

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

Financial statements

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

Communication with those charged with governance

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

Appropriation per programme									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
Administration	280 644	-	23 405	304 049	300 729	3 320	98,9%	298 986	293 785
Regional and Urban Development and Legislative support	969 993	-	(3 800)	966 193	965 408	785	99,9%	99 875	99 739
Institutional Development	69 370 827	-	(19 137)	69 351 690	65 964 690	3 387 000	95,1%	63 117 938	61 120 171
National Disaster Management Centre	696 298	-	(48 418)	647 880	646 337	1 543	99,8%	1 962 716	1 370 257
Local Government Support and Intervention Management	15 309 663	-	(67 209)	15 242 454	15 241 071	1 383	100,0%	15 706 373	15 705 790
Community Work Programme	3 719 129	-	115 159	3 834 288	3 832 115	2 173	99,9%	3 851 123	3 328 642
Subtotal	90 346 554	-	-	90 346 554	86 950 349	3 396 205	96,2%	85 037 011	81 918 384
Statutory Appropriation									
President and Deputy President salary									
Members' remuneration									
Debt service costs									
Provincial equitable share									
General fuel levy sharing with metropolitan municipalities									
National Revenue Fund payments									
Skills levy and sector education and training authorities									
Judges' and magistrates' salaries									
TOTAL	90 346 554	-	-	90 346 554	86 950 349	3 396 205	96,2%	85 037 011	81 918 384

	2019/20		2018/19	
	Final Appropriation R'000	Actual Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000
TOTAL (brought forward)				
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	1 577		44 580	
NRF Receipts	-		-	
Aid assistance	-		-	
Actual amounts per statement of financial performance (total revenue)	90 348 131		85 081 591	
ADD				
Aid assistance		-		-
Prior year unauthorised expenditure approved without funding				
Actual amounts per statement of financial performance (total expenditure)		86 950 349		81 918 384

Appropriation per economic classification									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	4 457 419	(36 829)	(23 252)	4 397 338	4 358 707	38 631	99,1%	4 452 279	3 901 829
Compensation of employees	326 354	-	-	326 354	321 511	4 843	98,5%	310 025	306 841
Salaries and wages	287 794	3 956	-	291 750	287 771	3 979	98,6%	277 068	275 459
Social contributions	38 560	(3 956)	-	34 604	33 740	864	97,5%	32 957	31 382
Goods and services	4 131 065	(36 829)	(23 252)	4 070 984	4 037 196	33 788	99,2%	4 142 254	3 594 988
Administrative fees	10 966	6 054	-	17 020	17 020	-	100,0%	20 513	18 656
Advertising	6 658	(4 484)	-	2 174	1 966	208	90,4%	4 883	4 529
Minor assets	2 139	8 415	73	10 627	10 348	279	97,4%	4 075	3 998
Audit costs: External	15 659	2 232	-	17 891	17 891	-	100,0%	12 845	12 492
Bursaries: Employees	2 126	(1 024)	-	1 102	1 102	-	100,0%	6 272	1 223
Catering: Departmental activities	14 688	(1 174)	1 716	15 230	14 893	337	97,8%	7 997	6 524
Communication	12 600	(4 592)	(3 949)	4 059	3 400	659	83,8%	4 521	3 807
Computer services	43 214	(25 536)	11 689	29 367	29 321	46	99,8%	62 894	28 677
Consultants: Business and advisory services	1 170 963	(744 105)	(27 097)	399 761	372 367	27 394	93,1%	424 560	401 738
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	11	-	11	11	-	100,0%	-	-
Scientific and technological services	1 217	1 883	(3 100)	-	-	-	-	-	-
Legal services	3 160	2 529	-	5 689	5 689	-	100,0%	12 595	11 037
Contractors	1 892 658	1 042 279	(2 678)	2 932 259	2 931 685	574	100,0%	2 920 629	2 585 456

Agency and support / outsourced services	1 665	(1 551)	-	114	100	14	87,7%	77	35
Entertainment	2	(2)	-	-	-	-	-	18	-
Fleet services	4 026	4 085	(840)	7 271	7 240	31	99,6%	4 819	4 793
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	(24)	24	-	-	-	-	1 712	1 712
Inventory: Farming supplies	-	(178)	178	-	-	-	-	9 323	9 323
Inventory: Food and food supplies	13	(13)	-	-	-	-	-	222	222
Inventory: Fuel, oil and gas	100	(100)	-	-	-	-	-	3 041	3 022
Inventory: Learner and teacher support material	608	(608)	-	-	-	-	-	181	181
Inventory: Materials and supplies	594 391	(594 492)	101	-	-	-	-	135 523	11 689
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	5	5
Inventory: Other supplies	855	(814)	-	41	3	38	7,3%	316	119
Consumable supplies	113 427	(224 238)	88	337 753	337 746	7	100,0%	231 234	227 438
Consumable: Stationery, printing and office supplies	20 797	(13 811)	(875)	6 741	5 365	1 376	79,6%	12 537	4 327
Operating leases	48 515	(9 185)	6 100	45 432	45 185	247	99,5%	48 399	46 745
Property payments	7 807	17 561	-	25 368	25 334	34	99,9%	25 317	25 317
Transport provided:									
Departmental activity	344	(344)	-	-	-	-	-	476	476
Travel and subsistence	52 358	9 108	(4 573)	56 893	55 086	1 807	96,8%	61 125	57 122
Training and development	104 022	45 298	(109)	149 211	149 029	182	99,9%	118 663	117 799
Operating payments	1 935	2 139	-	4 074	3 959	115	97,2%	3 223	3 120
Venues and facilities	4 121	(1 315)	-	2 806	2 366	440	84,3%	4 055	3 202
Rental and hiring	31	59	-	90	90	-	100,0%	204	204
Interest and rent on land	-	-	-	-	-	-	-	-	-

Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	85 877 947	504	-	85 878 451	82 521 208	3 357 243	96,1%	80 535 711	77 971 531
Provinces and municipalities	85 246 187	(83)	-	85 246 104	81 899 900	3 346 204	96,1%	79 922 083	77 359 186
Provinces	130 904	335 497	-	466 401	466 401	-	100,0%	339 901	138 988
Provincial Revenue Funds	130 904	335 494	-	466 398	466 398	-	100,0%	339 901	138 988
Provincial agencies and funds	-	3	-	3	3	-	100,0%	-	-
Municipalities	85 115 283	(335 580)	-	84 779 703	81 433 499	3 346 204	96,1%	79 582 182	77 220 198
Municipal bank accounts	85 115 283	(335 580)	-	84 779 703	81 433 499	3 346 204	96,1%	79 582 182	77 220 198
Municipal agencies and funds	610 474	-	-	610 474	610 474	-	100,0%	594 430	594 430
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	610 474	-	-	610 474	610 474	-	100,0%	594 430	594 430
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	2 032	-	-	2 032	314	1 718	15,4%	1 572	289
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-

Other transfers to private enterprises									
Non-profit institutions	13 594	-	-	13 594	7 864	5 730	57,8%	15 252	15 252
Households	5 660	587	-	6 247	2 656	3 591	42,5%	2 374	2 374
Social benefits	5 360	392	-	5 752	2 461	3 291	42,8%	1 984	1 984
Other transfers to households	300	195	-	495	195	300	39,4%	390	390
Payments for capital assets	11 188	35 888	23 252	70 328	70 301	27	100,0%	48 519	44 522
Buildings and other fixed structures	-	4 262	309	4 571	4 571	-	100,0%	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	4 262	309	4 571	4 571	-	100,0%	-	-
Machinery and equipment	11 188	31 626	22 943	65 757	65 730	27	100,0%	48 519	44 522
Transport equipment	101	2 695	807	3 603	3 603	-	100,0%	2 732	2 286
Other machinery and equipment	11 087	28 931	22 136	62 154	62 127	27	100,0%	45 787	42 236
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	437	-	437	135	302	30,8%	502	502
TOTAL	90 346 554	-	-	90 346 554	86 950 349	3 396 205	96,2%	85 037 011	81 918 384

Programme 1: Administration									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. MINISTRY	36 441	7 433	-	43 874	41 036	2 838	93,5%	42 071	42 071
2. MANAGEMENT	19 775	(2 414)	-	17 361	17 361	-	100,0%	19 138	18 995
3. CORPORATE SERVICES	121 095	(1 638)	17 305	136 762	136 462	300	99,8%	135 618	135 171
4. FINANCIAL SERVICES	39 347	(2 029)	-	37 318	37 137	181	99,5%	33 671	30 797
5. INTERNAL AUDIT AND RISK MANAGEMENT	14 555	(677)	-	13 878	13 878	0	100,0%	14 424	12 687
6. OFFICE ACCOMMODATION	49 431	(675)	6 100	54 856	54 855	1	100,0%	54 064	54 064
Total for sub programmes	280 644	-	23 405	304 049	300 729	3 320	98,9%	298 986	293 785
Economic classification									
Current payments	273 058	(6 107)	22 605	289 556	289 373	183	99,9%	289 172	286 127
Compensation of employees	144 200	-	1 505	145 705	145 705	-	100,0%	135 905	135 350
Salaries and wages	129 606	(847)	1 505	130 264	130 264	-	100,0%	121 575	121 020
Social contributions	14 594	847	-	15 441	15 441	-	100,0%	14 330	14 330
Goods and services	128 858	(6 107)	21 100	143 851	143 668	183	99,9%	153 267	150 777
Administrative fees	1 044	975	-	2 019	2 019	-	100,0%	1 881	1 870
Advertising	1 950	(135)	-	1 815	1 750	65	96,4%	1 225	1 145
Minor assets	1 147	(710)	-	437	436	1	99,8%	415	403
Audit costs: External	9 960	274	-	10 234	10 234	-	100,0%	6 668	6 315
Bursaries: Employees	2 126	(1 024)	-	1 102	1 102	-	100,0%	850	850
Catering: Departmental activities	5 450	(4 311)	-	1 139	1 139	-	100,0%	2 375	1 445
Communication	5 282	(3 506)	-	1 776	1 776	-	100,0%	2 040	1 925
Computer services	5 432	(4 366)	15 000	16 066	16 066	-	100,0%	18 990	18 884

Consultants: Business and advisory services	9 555	(3 951)	-	5 604	5 604	-	100,0%	10 099	9 625
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	111	(111)	-	-	-	-	-	-	-
Legal services	3 160	1 770	-	4 930	4 930	-	100,0%	8 257	8 257
Contractors	1 284	2 547	-	3 831	3 831	-	100,0%	3 153	3 150
Agency and support / outsourced services	1 665	(1 650)	-	15	1	14	6,7%	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	3 103	1 676	-	4 779	4 779	-	100,0%	3 983	3 983
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	100	(100)	-	-	-	-	-	342	330
Inventory: Learner and teacher support material	608	(608)	-	-	-	-	-	-	-
Inventory: Materials and supplies	22	(22)	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	39	(39)	-	-	-	-	-	23	3
Consumable supplies	435	582	-	1 017	1 017	-	100,0%	1 040	1 029
Consumable: Stationery, printing and office supplies	4 324	(1 910)	-	2 414	2 400	14	99,4%	2 124	2 062
Operating leases	45 896	(9 515)	6 100	42 481	42 480	1	100,0%	40 992	40 992
Property payments	7 773	16 537	-	24 310	24 310	-	100,0%	24 910	24 910

Transport provided:	344	(344)	-	-	-	-	-	-	-
Departmental activity									
Travel and subsistence	14 523	1 709	-	16 232	16 232	-	100,0%	21 318	21 071
Training and development	1 535	(613)	-	922	922	-	100,0%	897	891
Operating payments	1 389	637	-	2 026	1 995	31	98,5%	1 209	1 209
Venues and facilities	570	104	-	674	617	57	91,5%	375	327
Rental and hiring	31	(3)	-	28	28	-	100,0%	101	101
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	5 048	38	-	5 086	2 246	2 840	44,2%	1 566	1 566
Provinces and municipalities	112	(92)	-	20	18	2	90,0%	20	20
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	112	(92)	-	20	18	2	90,0%	20	20
Municipal bank accounts	112	(92)	-	20	18	2	90,0%	20	20
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-

Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	4 936	130	-	5 066	2 228	2 838	44,0%	1 546	1 546
Social benefits	4 936	130	-	5 066	2 228	2 838	44,0%	1 546	1 546
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	2 538	5 654	800	8 992	8 992	0	100,0%	7 824	5 668
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 538	5 654	800	8 992	8 992	0	100,0%	7 824	5 668
Transport equipment	101	706	-	807	807	-	100,0%	446	-
Other machinery and equipment	2 437	4 948	800	8 185	8 185	0	100,0%	7 378	5 668
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	415	-	415	118	297	28,4%	424	424
TOTAL	280 644	-	23 405	304 049	300 729	3 320	98,9%	298 986	293 785

Programme 2: REGIONAL AND URBAN DEVELOPMENT AND LEGISLATIVE SUPPORT									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Sub programme									
1. MANAGEMENT: REGIONAL AND URBAN DEVELOPMENT AND LEGISLATIVE SUPPORT	3 653	(2 582)	(1 000)	71	4	67	5,6%	70	1
2. LOCAL GOVERNMENT LEGISLATIVE SUPPORT AND INSTITUTIONAL ESTABLISHMENT	6 382	(199)	(1 000)	5 183	4 691	492	90,5%	5 030	4 973
3. URBAN DEVELOPMENT PLANNING	7 309	6 944	-	14 253	14 252	1	100,0%	14 010	14 010
4. SPATIAL PLANNING DISTRICTS AND REGIONS	12 268	606	-	12 874	12 808	66	99,5%	9 872	9 862
5. INTERGOVERNMENTAL POLICY AND PRACTICE	11 453	(4 769)	(1 800)	4 884	4 725	159	96,7%	5 972	5 972
6. MUNICIPAL DEMARCATION BOARD	64 268	-	-	64 268	64 268	-	100,0%	-	-
7. SOUTH AFRICAN CITIES NETWORK	7 765	-	-	7 765	7 765	-	100,0%	55 568	55 568
8. INTEGRATED URBAN DEVELOPMENT GRANT	856 895	-	-	856 895	856 895	-	100,0%	9 353	9 353
Total for sub programmes	969 993	-	(3 800)	966 193	965 408	785	99,9%	99 875	99 739
Economic classification									
Current payments	41 011	(5)	(3 800)	37 206	36 421	785	97,9%	34 940	34 804
Compensation of employees	25 682	-	(1 800)	23 882	23 232	650	97,3%	21 997	21 939
Salaries and wages	23 022	(106)	(1 800)	21 116	20 626	490	97,7%	19 355	19 618
Social contributions	2 660	106	-	2 766	2 606	160	94,2%	2 642	2 321
Goods and services	15 329	(5)	(2 000)	13 324	13 189	135	99,0%	12 943	12 865
Administrative fees	81	158	-	239	239	-	100,0%	234	234
Advertising	175	(103)	-	72	58	14	80,6%	44	-

Minor assets	177	(174)	-	3	3	-	100,0%	-	-
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	977	(2 539)	2 000	438	438	-	100,0%	169	169
Communication	1 433	(1 220)	-	213	213	-	100,0%	217	217
Computer services	837	2 160	-	2 997	2 997	-	100,0%	37	37
Consultants: Business and advisory services	3 595	1 389	-	4 984	4 984	-	100,0%	6 121	6 121
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	7	-	-	7	-	7	-	-	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	2	(2)	-	-	-	-	-	-	-
Fleet services	37	29	-	66	55	11	83,3%	21	10
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	36	36
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	2	(2)	-	-	-	-	-	-	-

Consumable supplies	28	(13)	-	15	12	3	80,0%	9	6
Consumable: Stationery, printing and office supplies	1 910	(1 715)	-	195	195	-	100,0%	248	248
Operating leases	109	(43)	-	66	-	66	-	-	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	5 174	2 425	(4 000)	3 599	3 599	-	100,0%	4 135	4 135
Training and development	361	(361)	-	-	-	-	-	46	39
Operating payments	220	(27)	-	193	193	-	100,0%	38	25
Venues and facilities	204	33	-	237	203	34	85,7%	1 588	1 588
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	928 982	4	-	928 986	928 986	0	100,0%	64 921	64 921
Provinces and municipalities	856 895	-	-	856 895	856 895	-	100,0%	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	856 895	-	-	856 895	856 895	-	100,0%	-	-
Municipal bank accounts	856 895	-	-	856 895	856 895	-	100,0%	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	64 268	-	-	64 268	64 268	-	100,0%	55 568	55 568
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	64 268	-	-	64 268	64 268	-	100,0%	55 568	55 568
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-

Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
//Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	7 765	-	-	7 765	7 765	-	100,0%	9 353	9 353
Households	54	4	-	58	58	0	99,8%	-	-
Social benefits	54	(50)	-	4	4	0	97,3%	-	-
Other transfers to households	-	54	-	54	54	-	100,0%	-	-
Payments for capital assets	-	-	-	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	1	-	1	1	0	90,5%	14	14
Total	969 993	-	(3 800)	966 193	965 408	785	99,9%	99 875	99 739

Programme 3: INSTITUTIONAL DEVELOPMENT									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. MANAGEMENT: INSTITUTIONAL DEVELOPMENT	1 637	298	(10)	1 925	1 121	804	58,2%	1 545	1 242
2. MUNICIPAL HUMAN RESOURCES MANAGEMENT SYSTEMS	16 419	1 356	(6 500)	11 275	10 634	641	94,3%	13 683	13 455
3. MUNICIPAL FINANCE	31 154	(4 407)	(12 054)	14 693	13 137	1 556	89,4%	28 055	27 433
4. CITIZEN ENGAGEMENT	7 526	2 558	(573)	9 511	7 839	1 672	82,4%	7 574	7 265
5. ANTI-CORRUPTION AND GOOD GOVERNANCE	7 678	1 137	-	8 815	6 847	1 968	77,7%	8 051	8 051
6. MUNICIPAL PROPERTY RATES	12 494	(942)	-	11 552	10 184	1 368	88,2%	8 881	8 881
7. LOCAL GOVERNMENT EQUITABLE SHARE	68 973 465	-	-	68 973 465	65 627 263	3 346 202	95,1%	62 731 845	60 757 889
8. SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION	33 879	-	-	33 879	33 879	-	100,0%	33 100	33 100
9. MUNICIPAL SYSTEMS IMPROVEMENT GRANT	111 062	-	-	111 062	85 435	25 627	76,9%	115 116	93 749
10. DEPARTMENTAL OF TRADITIONAL AFFAIRS	168 351	-	-	168 351	168 351	-	100,0%	163 306	163 306
11. UNITED CITIES AND LOCAL GOVERNMENT OF AFRICA	7 162	-	-	7 162	-	7 162	-	6 782	5 800
Total for sub programmes	69 370 827	-	(19 137)	69 351 690	65 964 690	3 387 000	95,1%	63 117 938	61 120 171
Economic classification									
Current payments	187 359	(128)	(19 137)	168 094	134 771	33 323	80,2%	158 921	136 401
Compensation of employees	39 017	-	(105)	38 912	37 177	1 735	95,5%	36 021	35 399

Salaries and wages	34 438	679	(105)	35 012	33 325	1 687	95,2%	32 333	31 711
Social contributions	4 579	(679)	-	3 900	3 852	48	98,8%	3 688	3 688
Goods and services	148 342	(128)	(19 032)	129 182	97 594	31 588	75,5%	122 900	101 002
Administrative fees	101	196	-	297	297	-	100,0%	250	249
Advertising	169	(82)	-	87	-	87	-	198	198
Minor assets	195	(30)	-	165	9	156	5,5%	60	15
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	1 205	(105)	(284)	816	502	314	61,5%	660	549
Communication	1 866	(207)	(940)	719	298	421	41,4%	336	332
Computer services	-	-	-	-	-	-	-	-	-
Consultants: Business and advisory services	125 919	(753)	(9 000)	116 166	88 773	27 395	76,4%	110 838	89 451
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	2 180	2 180
Contractors	6 878	(18)	(6 600)	260	5	255	1,9%	51	-
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	867	27	(840)	54	38	16	70,4%	29	14
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	100,0%	42	37
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-

Inventory: Materials and supplies	2	(2)	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	38	(10)	-	28	-	28	-	35	-
Consumable supplies	-	15	-	15	15	-	100,0%	15	15
Consumable: Stationery, printing and office supplies	2 532	(461)	(686)	1 385	315	1 070	22,7%	132	44
Operating leases	66	-	-	66	-	66	-	-	-
Property payments	34	-	-	34	-	34	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	6 873	601	(573)	6 901	5 585	1 316	80,9%	7 497	7 384
Training and development	335	1 608	(109)	1 834	1 736	98	94,7%	232	215
Operating payments	125	(36)	-	89	21	68	23,6%	330	319
Venues and facilities	1 137	(871)	-	266	-	266	-	15	-
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	69 183 457	91	-	69 183 548	65 829 898	3 353 650	95,2%	62 958 839	60 983 600
Provinces and municipalities	68 973 465	-	-	68 973 465	65 627 263	3 346 202	95,1%	62 755 061	60 781 105
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	68 973 465	-	-	68 973 465	65 627 263	3 346 202	95,1%	62 755 061	60 781 105
Municipal bank accounts	68 973 465	-	-	68 973 465	65 627 263	3 346 202	95,1%	62 755 061	60 781 105
Municipal agencies and funds	-	-	-	-	-	-	-	-	-

Departmental agencies and accounts	202 230	-	-	202 230	202 230	-	100,0%	196 406	196 406
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	202 230	-	-	202 230	202 230	-	100,0%	196 406	196 406
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	2 032	-	-	2 032	314	1 718	15,4%	1 572	289
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	5 730	-	-	5 730	-	5 730	-	5 800	5 800
Households	-	91	-	91	91	-	100,0%	-	-
Social benefits	-	91	-	91	91	-	100,0%	-	-
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	11	30	-	41	14	27	34,1%	150	142
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	11	30	-	41	14	27	34,1%	150	142
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	11	30	-	41	14	27	34,1%	150	142
Heritage assets	-	-	-	-	-	-	-	-	-

Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	7	-	7	7	-	100,0%	28	28
TOTAL	69 370 827	-	(19 137)	69 351 690	65 964 690	3 387 000	95,1%	63 117 938	61 120 171

Programme 4: NATIONAL DISASTER MANAGEMENT CENTRE									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. MANAGEMENT: HEAD OF DISASTER	4 370	394	-	4 764	4 218	546	88,5%	3 654	3 176
2. DISASTER RISK REDUCTION, CAPACITY BUILDING AND INTERVENTION	51 485	832	(37 500)	14 817	14 590	227	98,5%	46 411	45 401
3. LEGISLATION AND POLICY MANAGEMENT	6 785	38	-	6 823	6 728	95	98,6%	6 211	6 010
4. INTEGRATED PROVINCIAL DISASTER MANAGEMENT SUPPORT, MONITORING AND EVALUATION	4 834	(1 408)	-	3 426	3 302	124	96,4%	3 244	3 243
5. FIRE SERVICES	3 512	139	-	3 651	3 651	0	100,0%	3 585	3 585
6. INFORMATION TECHNOLOGY, INTELLIGENCE AND INFORMATION MANAGEMENT SYSTEMS	25 700	5	(10 918)	14 787	14 237	550	96,3%	20 300	18 472
7. DISASTER RELIEF GRANT	466 392	-	-	466 392	466 392	-	100,0%	672 871	122 678
8. MUNICIPAL DISASTER RECOVERY GRANT	133 220	-	-	133 220	133 220	-	100,0%	1 206 440	1 167 692
Total for sub programmes	696 298	-	(48 418)	647 880	646 337	1 543	99,8%	1 962 716	1 370 257
Economic classification									
Current payments	93 648	(223)	(47 400)	46 025	44 783	1 242	97,3%	80 793	79 103
Compensation of employees	22 384	-	1 800	24 184	23 938	246	99,0%	22 883	22 448
Salaries and wages	18 409	1 319	1 800	21 528	21 500	28	99,9%	20 409	20 173
Social contributions	3 975	(1 319)	-	2 656	2 438	218	91,8%	2 474	2 275
Goods and services	71 264	(223)	(49 200)	21 841	20 845	996	95,4%	57 910	56 655
Administrative fees	40	187	-	227	227	-	100,0%	199	198

Advertising	69	46	-	115	92	23	80,0%	205	170
Minor assets	203	(79)	-	124	4	120	3,2%	167	147
Audit costs: External	-	-	-	-	-	-	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	373	373
Catering: Departmental activities	497	124	-	621	598	23	96,3%	302	302
Communication	614	(60)	-	554	401	153	72,4%	444	444
Computer services	8 177	(504)	(3 311)	4 362	4 316	46	98,9%	4 199	4 199
Consultants: Business and advisory services	55 326	(4 402)	(45 700)	5 224	5 223	1	100,0%	37 178	36 261
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	312	30	-	342	30	312	8,8%	31	31
Agency and support / outsourced services	-	-	-	-	-	-	-	77	35
Entertainment	-	-	-	-	-	-	-	6	-
Fleet services	7	85	-	92	88	4	95,7%	116	116
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	36	36
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-

Inventory: Other supplies	546	(546)	-	-	-	-	-	10	10
Consumable supplies	31	61	-	92	88	4	95,7%	103	103
Consumable: Stationery, printing and office supplies	650	307	(189)	768	669	99	87,1%	1 207	1 038
Operating leases	233	2 310	-	2 543	2 431	112	95,6%	5 416	5 416
Property payments	-	-	-	-	-	-	-	317	317
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	3 968	(199)	-	3 769	3 769	-	100,0%	3 654	3 654
Training and development	346	1 943	-	2 289	2 289	-	100,0%	2 321	2 321
Operating payments	74	343	-	417	401	16	96,2%	969	968
Venues and facilities	171	131	-	302	219	83	72,5%	580	516
Rental and hiring	-	-	-	-	-	-	-	-	-
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	600 011	221	-	600 232	599 932	300	100,0%	1 879 416	1 290 475
Provinces and municipalities	599 612	6	-	599 618	599 618	-	100,0%	1 879 317	1 290 376
Provinces	130 904	335 494	-	466 398	466 398	-	100,0%	339 901	138 988
Provincial Revenue Funds	130 904	335 494	-	466 398	466 398	-	100,0%	339 901	138 988
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	468 708	(335 488)	-	133 220	133 220	-	100,0%	1 539 416	1 151 388
Municipal bank accounts	468 708	(335 488)	-	133 220	133 220	-	100,0%	1 539 416	1 151 388
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-

Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	99	-	-	99	99	-	100,0%	99	99
Households	300	215	-	515	215	300	41,7%	-	-
Social benefits	-	74	-	74	74	-	100,0%	-	-
Other transfers to households	300	141	-	441	141	300	32,0%	-	-
Payments for capital assets	2 639	-	(1 018)	1 621	1 621	0	100,0%	2 499	671
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 639	-	(1 018)	1 621	1 621	0	100,0%	2 499	671
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	2 639	-	(1 018)	1 621	1 621	0	100,0%	2 499	671
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-

Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	826	301	-	1 127	1 127	-	100,0%	1 602	1 602
Communication	2 382	1 192	(3 009)	565	480	85	85,0%	550	529
Computer services	-	1 058	-	1 058	1 058	-	100,0%	1 105	1 105
Consultants: Business and advisory services	69 932	(1 516)	(61 400)	7 016	7 016	-	100,0%	1 035	991
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	1 106	1 994	(3 100)	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	83	(83)	-	-	-	-	-	28	28
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	-	127	-	127	127	-	100,0%	45	45
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	13	(13)	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	98	98
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	5	5
Inventory: Other supplies	80	(67)	-	13	3	10	23,1%	106	106
Consumable supplies	-	25	-	25	25	-	100,0%	57	57
Payments for financial assets	-	2	-	2	1	1	60,4%	8	8
TOTAL	696 298	-	(48 418)	647 880	646 337	1 543	99,8%	1 962 716	1 370 257

Programme 5: LOCAL GOVERNMENT SUPPORT AND INTERVENTION MANAGEMENT									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. MANAGEMENT: LOCAL GOVERNMENT SUPPORT AND INTERVENTIONS	3 715	(307)	-	3 408	3 367	41	98,8%	3 271	2 937
2. MUNICIPAL PERFORMANCE MONITORING	12 267	3 388	(1 300)	14 355	13 852	503	96,5%	12 280	12 280
3. LOCAL GOVERNMENT IMPROVEMENT PROGRAMME	90 866	(1 289)	(59 800)	29 777	29 774	3	100,0%	25 183	25 167
4. LITIGATIONS AND INTERVENTIONS	8 001	(4 666)	(3 100)	235	-	235	-	499	499
5. MUNICIPAL INFRASTRUCTURE ADMINISTRATION	34 735	2 874	(3 009)	34 600	33 999	601	98,3%	34 999	34 766
6. MUNICIPAL INFRASTRUCTURE GRANT	14 816 103	-	-	14 816 103	14 816 103	-	100,0%	15 287 685	15 287 685
7. MUNICIPAL INFRASTRUCTURE SUPPORT AGENT	343 976	-	-	343 976	343 976	-	100,0%	342 456	342 456
Total for sub programmes	15 309 663	-	(67 209)	15 242 454	15 241 071	1 383	100,0%	15 706 373	15 705 790
Economic classification									
Current payments	149 224	(151)	(67 209)	81 864	80 806	1 058	98,7%	75 789	75 206
Compensation of employees	62 218	-	300	62 518	62 346	172	99,7%	60 647	60 147
Salaries and wages	56 326	(834)	300	55 792	55 791	1	100,0%	54 117	53 951
Social contributions	5 892	834	-	6 726	6 555	171	97,5%	6 530	6 196
Goods and services	87 006	(151)	(67 509)	19 346	18 460	886	95,4%	15 142	15 059
Administrative fees	700	(225)	-	475	475	-	100,0%	447	447
Advertising	56	(37)	-	19	-	19	-	-	-
Minor assets	104	(37)	-	67	65	2	97,0%	2	2
Audit costs: External	-	-	-	-	-	-	-	-	-

Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	826	301	-	1 127	1 127	-	100,0%	1 602	1 602
Communication	2 382	1 192	(3 009)	565	480	85	85,0%	550	529
Computer services	-	1 058	-	1 058	1 058	-	100,0%	1 105	1 105
Consultants: Business and advisory services	69 932	(1 516)	(61 400)	7 016	7 016	-	100,0%	1 035	991
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	-	-	-	-	-	-	-	-
Scientific and technological services	1 106	1 994	(3 100)	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	-
Contractors	83	(83)	-	-	-	-	-	28	28
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	-	127	-	127	127	-	100,0%	45	45
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	-	-
Inventory: Farming supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	13	(13)	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	98	98
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	-
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	5	5
Inventory: Other supplies	80	(67)	-	13	3	10	23,1%	106	106
Consumable supplies	-	25	-	25	25	-	100,0%	57	57

Consumable: Stationery, printing and office supplies	979	(584)	-	395	202	193	51,1%	234	234
Operating leases	111	(55)	-	56	54	2	96,4%	2	-
Property payments	-	-	-	-	-	-	-	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	476	476
Travel and subsistence	9 610	(1 836)	-	7 774	7 283	491	93,7%	8 659	8 659
Training and development	564	(450)	-	114	30	84	26,3%	11	11
Operating payments	19	316	-	335	335	-	100,0%	449	449
Venues and facilities	441	(261)	-	180	180	-	100,0%	215	199
Rental and hiring	-	-	-	-	-	-	-	16	16
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	15 160 439	-	-	15 160 439	15 160 114	325	100,0%	15 630 561	15 630 561
Provinces and municipalities	14 816 103	-	-	14 816 103	14 816 103	-	100,0%	15 287 685	15 287 685
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	14 816 103	-	-	14 816 103	14 816 103	-	100,0%	15 287 685	15 287 685
Municipal bank accounts	14 816 103	-	-	14 816 103	14 816 103	-	100,0%	15 287 685	15 287 685
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	343 976	-	-	343 976	343 976	-	100,0%	342 456	342 456
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	343 976	-	-	343 976	343 976	-	100,0%	342 456	342 456
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-

Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	360	-	-	360	35	325	9,8%	420	420
Social benefits	360	-	-	360	35	325	9,8%	30	30
Other transfers to households	-	-	-	-	-	-	-	390	390
Payments for capital assets	-	144	-	144	144	-	100,0%	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	-	144	-	144	144	-	100,0%	-	-
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	-	144	-	144	144	-	100,0%	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	7	-	7	7	-	100,0%	23	23
TOTAL	15 309 663	-	(67 209)	15 242 454	15 241 071	1 383	100,0%	15 706 373	15 705 790

Programme 6: COMMUNITY WORK PROGRAMME									
	2019/20							2018/19	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. MANAGEMENT: COMMUNITY WORK PROGRAMME	3 659 900	53 263	116 859	3 830 022	3 827 849	2 173	99,9%	3 810 435	3 325 295
2. PROGRAMME COORDINATION	45 260	(41 588)	(1 700)	1 972	1 972	-	100,0%	29 812	1 456
3. PARTNERSHIPS, NORMS, STANDARDS AND INNOVATION	13 969	(11 675)	-	2 294	2 294	-	100,0%	10 876	1 891
Total for sub programmes	3 719 129	-	115 159	3 834 288	3 832 115	2 173	99,9%	3 851 123	3 328 642
Economic classification									
Current payments	3 713 119	(30 215)	91 689	3 774 593	3 772 552	2 041	99,9%	3 812 664	3 290 188
Compensation of employees	32 853	-	(1 700)	31 153	29 112	2 041	93,4%	32 572	31 558
Salaries and wages	25 993	3 745	(1 700)	28 038	26 265	1 773	93,7%	29 279	28 986
Social contributions	6 860	(3 745)	-	3 115	2 847	268	91,4%	3 293	2 572
Goods and services	3 680 266	(30 215)	93 389	3 743 440	3 743 440	-	100,0%	3 780 092	3 258 630
Administrative fees	9 000	4 763	-	13 763	13 763	-	100,0%	17 502	15 658
Advertising	4 239	(4 173)	-	66	66	-	100,0%	3 211	3 016
Minor assets	313	9 445	73	9 831	9 831	-	100,0%	3 431	3 431
Audit costs: External	5 699	1 958	-	7 657	7 657	-	100,0%	6 177	6 177
Bursaries: Employees	-	-	-	-	-	-	-	5 049	-
Catering: Departmental activities	5 733	5 356	-	11 089	11 089	-	100,0%	2 889	2 457
Communication	1 023	(791)	-	232	232	-	100,0%	934	360
Computer services	28 768	(23 884)	-	4 884	4 884	-	100,0%	38 563	4 452
Consultants: Business and advisory services	906 636	(734 872)	89 003	260 767	260 767	-	100,0%	259 289	259 289

Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Laboratory services	-	11	-	11	11	-	100,0%	-	-
Scientific and technological services	-	-	-	-	-	-	-	-	-
Legal services	-	759	-	759	759	-	100,0%	2 158	600
Contractors	1 884 094	1 039 803	3 922	2 927 819	2 927 819	-	100,0%	2 917 366	2 582 247
Agency and support / outsourced services	-	99	-	99	99	-	100,0%	-	-
Entertainment	-	-	-	-	-	-	-	12	-
Fleet services	12	2 141	-	2 153	2 153	-	-	625	625
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	(24)	24	-	-	-	-	1 712	1 712
Inventory: Farming supplies	-	(178)	178	-	-	-	-	9 323	9 323
Inventory: Food and food supplies	-	-	-	-	-	-	-	222	222
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	2 487	2 485
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	181	181
Inventory: Materials and supplies	594 367	(574 468)	101	-	-	-	-	135 523	11 689
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Medicine	-	-	-	-	-	-	-	-	-
Medsas Inventory Interface	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	150	(150)	-	-	-	-	-	142	-
Consumable supplies	112 933	223 568	88	336 589	336 589	-	100,0%	230 010	226 228
Consumable: Stationery, printing and office supplies	10 402	(8 818)	-	1 584	1 584	-	100,0%	8 592	701
Operating leases	2 100	(1 880)	-	220	220	-	100,0%	1 989	337
Property payments	-	1 024	-	1 024	1 024	-	100,0%	90	90
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	12 210	6 408	-	18 618	18 618	-	100,0%	15 862	12 219
Training and development	100 881	43 171	-	144 052	144 052	-	100,0%	115 156	114 322

Operating payments	108	906	-	1 014	1 014	-	100,0%	228	150
Venues and facilities	1 598	(451)	-	1 147	1 147	-	100,0%	1 282	572
Rental and hiring	-	62	-	62	62	-	100,0%	87	87
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	10	150	-	160	32	128	19,9%	408	408
Provinces and municipalities	-	3	-	3	3	-	100,0%	-	-
Provinces	-	3	-	3	3	-	100,0%	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	3	-	3	3	-	100,0%	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Social security funds	-	-	-	-	-	-	-	-	-
Departmental agencies	-	-	-	-	-	-	-	-	-
Higher education institutions	-	-	-	-	-	-	-	-	-
Foreign governments and international organisations	-	-	-	-	-	-	-	-	-
Public corporations and private enterprises	-	-	-	-	-	-	-	-	-
Public corporations	-	-	-	-	-	-	-	-	-
Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to public corporations	-	-	-	-	-	-	-	-	-
Private enterprises	-	-	-	-	-	-	-	-	-

Subsidies on products and production	-	-	-	-	-	-	-	-	-
Other transfers to private enterprises	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	10	147	-	157	29	128	18,4%	408	408
Social benefits	10	147	-	157	29	128	18,4%	408	408
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	6 000	30 060	23 470	59 530	59 530	-	100,0%	38 046	38 041
Buildings and other fixed structures	-	4 262	309	4 571	4 571	-	100,0%	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	4 262	309	4 571	4 571	-	100,0%	-	-
Machinery and equipment	6 000	25 798	23 161	54 959	54 959	-	100,0%	38 046	38 041
Transport equipment	-	1 989	807	2 796	2 796	-	100,0%	2 286	2 286
Other machinery and equipment	6 000	23 809	22 354	52 163	52 163	-	100,0%	35 760	35 755
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Land and subsoil assets	-	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	5	-	5	1	5	10,0%	5	5
TOTAL	3 719 129	-	115 159	3 834 288	3 832 115	2 173	99,9%	3 851 123	3 328 642

DEPARTMENT OF COOPERATIVE GOVERNANCE, VOTE 4
 NOTES TO THE APPROPRIATION STATEMENT
 for the year end 31 MARCH 2020

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	304 049	300 729	3 320	1,1%
In line with expenditure				
Regional and Urban Development and Legislative Support	966 193	965 408	785	0,1%
In line with expenditure				
Institutional Development	69 355 612	65 964 690	3 390 922	4,9%
The under-spending is mainly due to the with-holding of the Equitable Share Grant due to non-compliance of the DORA requirements.				
National Disaster Management Centre	647 880	646 337	1 543	0,2%
In line with expenditure				
Local government Support and Intervention Management	15 242 454	15 241 071	1 383	0,0%
In line with expenditure				
Community Work Programme	3 830 366	3 828 193	2 173	0,1%
In line with expenditure				

4.2 Per Economic Classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	326 354	321 513	4 841	1,5%
Goods and services	4 073 675	4 035 958	37 717	0,9%
Interest and rent on land	-	-	-	-
Transfers and subsidies				
Provinces and municipalities	85 246 104	81 899 900	3 346 204	3,9%
Departmental agencies and accounts	610 474	610 474	-	0,0%
Higher education institutions	-	-	-	-
Public corporations and private enterprises	-	-	-	-
Foreign governments and international organisations	2 032	314	1 718	84,6%
Non-profit institutions	13 594	7 864	5 730	42,2%
Households	6 247	2 656	3 591	57,5%
Payments for capital assets				
Buildings and other fixed structures	4 571	4 571	-	0,0%

DEPARTMENT OF COOPERATIVE GOVERNANCE, VOTE 4
 NOTES TO THE APPROPRIATION STATEMENT
 for the year end 31 MARCH 2020

Machinery and equipment	63 066	63 044	22	0,0%
Heritage assets	-	-	-	-
Specialised military assets	-	-	-	-
Biological assets	-	-	-	-
Land and subsoil assets	-	-	-	-
Intangible assets	-	-	-	-
Payments for financial assets	437	135	302	69,1%

Compensation of Employees: In line with expenditure
Goods and Services: In line with expenditure.
Transfers and Subsidies: The under-spending is mainly due to the with-holding of the Equitable Share Grant due to non-compliance of the DORA requirements.
Payment for capital assets: In line with expenditure

4.3 Per Conditional Grant	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Disaster Relief Grant	466 392	466 392	-	0,0%
Disaster Recovery Grant	133 220	133 220	-	0,0%
Municipal Systems Improvement Grant	111 062	85 435	25 627	23,1%
Municipal Infrastructure Grant	14 816 103	14 816 103	-	0,0%
Integrated Urban Development Grant	856 895	856 895	-	0,0%

DEPARTMENT OF COOPERATIVE GOVERNANCE, VOTE 4
STATEMENT OF FINANCIAL PERFORMANCE
for the year end 31 MARCH 2020

	<i>Note</i>	2019/20 R'000	2018/19 R'000
REVENUE			
Annual appropriation	<u>1</u>	90 346 554	85 037 011
Statutory appropriation		-	-
Departmental revenue	<u>2</u>	1 577	44 580
NRF Receipts		-	-
Aid assistance		-	-
TOTAL REVENUE		90 348 131	85 081 591
EXPENDITURE			
Current expenditure			
Compensation of employees	<u>3</u>	321 511	306 842
Goods and services	<u>4</u>	4 037 196	3 594 988
Interest and rent on land		-	-
Aid assistance		-	-
Total current expenditure		4 358 707	3 901 830
Transfers and subsidies			
Transfers and subsidies	<u>6</u>	82 521 206	77 971 530
Aid assistance		-	-
Total transfers and subsidies		82 521 206	77 971 530
Expenditure for capital assets			
Tangible assets	<u>7</u>	70 301	44 522
Intangible assets		-	-
Total expenditure for capital assets		70 301	44 522
Unauthorised expenditure approved without funding	<u>8</u>	-	-
Payments for financial assets	<u>5</u>	135	502
TOTAL EXPENDITURE		86 950 349	81 918 384
SURPLUS/(DEFICIT) FOR THE YEAR		3 397 782	3 163 207
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		3 396 205	3 118 627
Annual appropriation		3 370 578	2 508 319
Conditional grants		25 627	610 308
Departmental revenue and NRF Receipts	<u>13</u>	1 577	44 580
Aid assistance		-	-
SURPLUS/(DEFICIT) FOR THE YEAR		3 397 782	3 163 207

DEPARTMENT OF COOPERATIVE GOVERNANCE, VOTE 4
STATEMENT OF FINANCIAL POSITION
for the year end 31 MARCH 2020

	<i>Note</i>	2019/20 R'000	2018/19 R'000
ASSETS			
Current assets			
		3 399 671	3 166 495
Unauthorised expenditure	<u>8</u>	1 123	1 123
Cash and cash equivalents	<u>9</u>	2 996 188	2 864 577
Other financial assets		-	-
Prepayments and advances	<u>10</u>	290 872	188 720
Receivables	<u>11</u>	111 488	112 075
Loans		-	-
Aid assistance prepayments		-	-
Aid assistance receivable		-	-
Non-current assets			
		78	28
Investments		-	-
Receivables	<u>11</u>	78	28
Loans		-	-
Other financial assets		-	-
TOTAL ASSETS			
		3 399 749	3 166 523
LIABILITIES			
Current liabilities			
		3 399 749	3 166 523
Voted funds to be surrendered to the Revenue Fund	<u>12</u>	3 374 925	3 097 347
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>13</u>	21 666	63 930
Bank overdraft		-	-
Payables	<u>14</u>	3 158	5 246
Aid assistance repayable		-	-
Aid assistance unutilised		-	-
Non-current liabilities			
Payables		-	-
TOTAL LIABILITIES			
		3 399 749	3 166 523
NET ASSETS			
		-	-

DEPARTMENT OF COOPERATIVE GOVERNANCE, VOTE 4
 CASH FLOW STATEMENT
 for the year end 31 MARCH 2020

	<i>Note</i>	2019/20 R'000	2018/19 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		90 347 878	85 080 970
Annual appropriated funds received	<u>1.1</u>	90 346 554	85 037 011
Statutory appropriated funds received		-	-
Departmental revenue received	<u>2</u>	704	42 827
Interest received	2.2	620	1 132
NRF Receipts		-	-
Aid assistance received		-	-
Net (increase)/decrease in working capital		(103 653)	(282 563)
Surrendered to Revenue Fund		(3 162 468)	(2 104 183)
Surrendered to RDP Fund/Donor		-	-
Current payments		(4 358 707)	(3 901 830)
Interest paid		-	-
Payments for financial assets		(135)	(502)
Transfers and subsidies paid		(82 521 206)	(77 971 530)
Net cash flow available from operating activities	<u>15</u>	201 709	820 362
CASH FLOWS FROM INVESTING ACTIVITIES			
Distribution/dividend received		-	-
Payments for capital assets	<u>7</u>	(70 301)	(44 522)
Proceeds from sale of capital assets	<u>2.3</u>	253	621
(Increase)/decrease in loans		-	-
(Increase)/decrease in investments		-	-
(Increase)/decrease in other financial assets		-	-
(Increase)/decrease in non-current receivables	<u>11</u>	(50)	-
Net cash flows from investing activities		(70 098)	(43 901)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		-	-
Increase/(decrease) in non-current payables		-	-
Net cash flows from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		131 611	776 461
Cash and cash equivalents at beginning of period		2 864 577	2 088 116
Unrealised gains and losses within cash and cash equivalents		-	-
Cash and cash equivalents at end of period	<u>9</u>	2 996 188	2 864 577

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies

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

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

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

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

	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.
7.2	Departmental revenue Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
7.3	Accrued departmental revenue Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: <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. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy
8	Expenditure
8.1	Compensation of employees
8.1.1	Salaries and wages Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	Social contributions Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	Other expenditure Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.
8.3	Accruals and payables not recognised Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.
8.4	Leases
8.4.1	Operating leases Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements.
8.4.2	Finance leases Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.

	<p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> • 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	<p>Aid assistance received</p> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p>
9.2	<p>Aid assistance paid</p> <p>Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p>
10	<p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p>
11	<p>Prepayments and advances</p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p>
12	<p>Loans and receivables</p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.</p>
13	<p>Investments</p> <p>Investments are recognised in the statement of financial position at cost.</p>
14	Financial assets
14.1	<p>Financial assets (not covered elsewhere)</p> <p>A financial asset is recognised initially at its cost-plus transaction costs that are directly attributable to the acquisition or issue of the financial asset.</p> <p>At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>

14.2	<p>Impairment of financial assets</p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>
15	<p>Payables</p> <p>Payables recognised in the statement of financial position are recognised at cost.</p>
16	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>
16.2	<p>Movable capital assets</p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Biological assets are subsequently carried at fair value.</p> <p>Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.3	<p>Intangible assets</p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at 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>
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>Capital commitments</p> <p>Capital commitments are recorded at cost in the notes to the financial statements.</p>
18	<p>Unauthorised expenditure</p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
19	<p>Fruitless and wasteful expenditure</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off.</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.
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, not condoned and removed or written-off.</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 estimates and errors</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
22	<p>Events after the reporting date</p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
23	<p>Principal-Agent arrangements</p> <p>The department is party to a principal-agent arrangement with a number of institutions. In terms of the arrangements the department is the principal and is responsible for providing funding and monitoring the implementation of the agreements. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.</p>
24	<p>Departures from the MCS requirements</p> <p>Management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard and there was no departure from the MCS requirements.</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>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>

	The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.
28	<p>Inventories <i>(Effective from date determined in a Treasury Instruction)</i></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>
31	<p>Transfers of functions</p> <p>Transfers of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer.</p> <p>Transfers of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.</p>
32	<p>Mergers</p> <p>Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger.</p> <p>Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.</p>

1. Annual Appropriation

1.1 Annual Appropriation

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

	2019/20			2018/19		
	Final Appropriation	Actual Funds Received	Funds not requested/not received	Final Appropriation	Appropriation received	Funds not requested/not received
	R'000	R'000	R'000	R'000	R'000	
Administration	304 049	304 049	-	298 986	298 986	-
Regional and Urban Development and legislative support	966 193	966 193	-	99 875	99 875	-
Institutional Development	69 351 690	69 351 690	-	63 117 938	63 117 938	-
National Disaster Management Centre	647 880	647 880	-	1 962 716	1 962 716	-
Local Government Support and Intervention Management	15 242 454	15 242 454	-	15 706 373	15 706 373	-
Community Work Programme	3 834 288	3 834 288	-	3 851 123	3 851 123	-
Total	90 346 554	90 346 554	-	85 037 011	85 037 011	-

The funds for the 2019/20 financial year were requested according to the cash flow projections

1.2 Conditional grants

	Note	2019/20 R'000	2018/19 R'000
Total grants received	47	16 358 045	17 282 112
Provincial grants included in Total Grants received		466 392	138 982

2. Departmental revenue

	Note	2019/20 R'000	2018/19 R'000
Tax revenue		-	-
Sales of goods and services other than capital assets	2.1	-	-
Interest, dividends and rent on land	2.2	620	1 132
Sales of capital assets	2.3	253	621
Transactions in financial assets and liabilities	2.4	494	42 498
Transfer received		-	-
Total revenue collected		1 577	44 580
Less: Own revenue included in appropriation		-	-
Departmental revenue collected		1 577	44 580

Revenue includes sales of wastepaper, commission on insurance and interest on bank accounts

2.1 Sales of goods and services other than capital assets

	Note 2	2019/20 R'000	2018/19 R'000
Sales of goods and services produced by the department		210	329
Sales by market establishment		210	329
Administrative fees		-	-
Other sales		-	-
Sales of scrap, waste and other used current goods		-	-
Total		210	329

2.2 Interest, dividends and rent on land

	Note 2	2019/20 R'000	2018/19 R'000
Interest		620	1 132
Dividends		-	-
Rent on land		-	-
Total		620	1 132

2.3 Sale of capital assets

	Note 2	2019/20 R'000	2018/19 R'000
Tangible assets		253	621
Buildings and other fixed structures		-	-
Machinery and equipment		253	621
Heritage assets		-	-
Specialised military assets		-	-
Land and subsoil assets		-	-
Biological assets		-	-
Intangible assets		-	-
Software		-	-
Mastheads and publishing titles		-	-
Patents, licences, copyright, brand names, trademarks		-	-
Recipes, formulae, prototypes, designs, models		-	-
Services and operating rights		-	-
Total		253	621

2.4 Transactions in financial assets and liabilities

	Note 2	2019/20 R'000	2018/19 R'000
Loans and advances		-	-
Receivables		-	-
Forex gain		-	-
Stale cheques written back		-	-
Other Receipts including Recoverable Revenue		494	42 498
Gains on GFECRA		-	-
Total		494	42 498

The decrease in transactions in Financial Assets and Liabilities is due to less money recovered from the previous financial year's expenditure

3. Compensation of employees

3.1 Salaries and Wages

	Note	2019/20 R'000	2018/19 R'000
Basic salary		215 489	204 225
Performance award		1 921	3 832
Service Based		206	331
Compensative/circumstantial		6 999	6 453
Periodic payments		-	-
Other non-pensionable allowances		63 156	60 620
Total		287 771	275 461

3.2 Social contributions

	Note	2019/20 R'000	2018/19 R'000
Employer contributions			
Pension		26 616	24 873
Medical		7 080	6 438
UIF		-	-
Bargaining council		44	70
Official unions and associations		-	-
Insurance		-	-
Total		33 740	31 381
Total compensation of employees		321 511	306 842
Average number of employees		455	452

DEPARTMENT OF COOPERATIVE GOVERNANCE, VOTE 4
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS
 for the year end 31 MARCH 2020

4. Goods and services

	Note	2019/20 R'000	2018/19 R'000
Administrative fees		17 023	18 659
Advertising		1 966	4 529
Minor assets	4.1	10 351	3 999
Bursaries (employees)		1 102	1 223
Catering		14 891	6 526
Communication		3 400	3 808
Computer services	4.2	29 321	28 676
Consultants: Business and advisory services		372 365	401 738
Infrastructure and planning services		-	-
Laboratory services		11	-
Scientific and technological services		-	-
Legal services		5 689	11 036
Contractors (Casual Labourers)		2 931 682	2 585 490
Agency and support / outsourced services		100	-
Entertainment		-	-
Audit cost – external	4.3	17 891	12 493
Fleet services		7 238	4 792
Inventory		-	-
Consumables	4.4	343 119	258 001
Housing		-	-
Operating leases		45 185	46 787
Property payments	4.5	25 334	25 316
Rental and hiring		89	204
Transport provided as part of the departmental activities		-	-
Travel and subsistence	4.6	55 083	57 596
Venues and facilities		2 366	3 200
Training and development		149 029	117 796
Other operating expenditure	4.7	3 961	3 119
Total		4 037 196	3 594 988

4.1 Minor assets

	Note	2019/20 R'000	2018/19 R'000
	4		
Tangible assets		10 283	3 999
Buildings and other fixed structures		-	-
Biological assets		871	-
Heritage assets		-	-
Machinery and equipment		9 226	3 999
Transport assets		186	-
Specialised military assets		-	-
Intangible assets		68	-
Software		68	-
Mastheads and publishing titles		-	-
Patents, licences, copyright, brand names, trademarks		-	-
Recipes, formulae, prototypes, designs, models		-	-
Services and operating rights		-	-
Total		10 351	3 999

DEPARTMENT OF COOPERATIVE GOVERNANCE, VOTE 4
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS
 for the year end 31 MARCH 2020

4.2 Computer services

	Note 4	2019/20 R'000	2018/19 R'000
SITA computer services		13 351	14 953
External computer service providers		15 970	13 723
Total		29 321	28 676

4.3 Audit cost – External

	Note 4	2019/20 R'000	2018/19 R'000
Regularity audits		17 891	12 493
Performance audits		-	-
Investigations		-	-
Environmental audits		-	-
Computer audits		-	-
Total		17 891	12 493

4.4 Consumables

	Note 4	2019/20 R'000	2018/19 R'000
Consumable supplies		337 753	253 873
Uniform and clothing		247 00	168 278
Household supplies		14 861	8 903
Building material and supplies		-	-
Communication accessories		-	-
IT consumables		76	69
Other consumables		75 816	76 623
Stationery, printing and office supplies		5 366	4 128
Total		343 119	258 001

4.5 Property payments

	Note 4	2019/20 R'000	2018/19 R'000
Municipal services		13 726	14 098
Property management fees		-	-
Property maintenance and repairs		-	-
Other		11 608	11 218
Total		25 334	25 316

4.6 Travel and subsistence

	Note 4	2019/20 R'000	2018/19 R'000
Local		51 004	53 477
Foreign		4 079	4 119
Total		55 083	57 596

4.7 Other operating expenditure

	Note 4	2019/20 R'000	2018/19 R'000
Professional bodies, Membership and subscription fees		1 535	515
Resettlement costs		27	111
Other		2 399	2 493
Total		3 961	3 119

5. Payments for financial assets

	Note	2019/20 R'000	2018/19 R'000
Material losses through criminal conduct			
Theft		-	-
Other material losses		-	-
Purchase of equity		-	-
Extension of loans for policy purposes		-	-
Other material losses written off	5.1	135	502
Debts written off		-	-
Forex losses		-	-
Debt take overs		-	-
Losses on GFECRA		-	-
Total		135	502

5.1 Other material losses written off

	Note 5	2019/20 R'000	2018/19 R'000
Nature of losses			
Air Tickets Cancellations		39	165
Debt Write Off		96	337
Total		135	502

6. Transfers and subsidies

		2019/20 R'000	2018/19 R'000
Provinces and municipalities	<i>Note</i> 34, 35	81 899 899	77 359 186
Departmental agencies and accounts	<i>Annexure</i> 1B	610 474	594 430
Higher education institutions	<i>Annexure</i> 1C	-	-
Foreign governments and international organisations	<i>Annexure</i> 1E	314	289
Public corporations and private enterprises	<i>Annexure</i> 1D	-	-
Non-profit institutions	<i>Annexure</i> 1F	7 864	15 252
Households	<i>Annexure</i> 1G	2 655	2 373
Total		82 521 206	77 971 530

7. Expenditure for capital assets

	<i>Note</i>	2019/20 R'000	2018/19 R'000
Tangible assets		70 301	44 522
Buildings and other fixed structures	30	4 571	-
Heritage assets		-	-
Machinery and equipment	28	65 730	44 522
Specialised military assets		-	-
Land and subsoil assets		-	-
Biological assets		-	-
Intangible assets		-	-
Software		-	-
Mastheads and publishing titles		-	-
Patents, licences, copyright, brand names, trademarks		-	-
Recipes, formulae, prototypes, designs, models		-	-
Services and operating rights		-	-
Total		70 301	44 522
The following amounts have been included as project costs in Expenditure for capital assets			
Compensation of employees		-	-
Goods and services		-	-
Total		-	-

7.1 Analysis of funds utilised to acquire capital assets – 2019/20

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	70 301	-	70 301
Buildings and other fixed structures	4 571	-	4 571
Heritage assets	-	-	-
Machinery and equipment	65 730	-	65 730
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
Intangible assets			
Software	-	-	-
Mastheads and publishing titles	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-
Services and operating rights	-	-	-
Total	70 301	-	70 301

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

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	44 522	-	44 522
Buildings and other fixed structures	-	-	-
Heritage assets	-	-	-
Machinery and equipment	44 522	-	44 522
Specialised military assets	-	-	-
Land and subsoil assets	-	-	-
Biological assets	-	-	-
Intangible assets			
Software	-	-	-
Mastheads and publishing titles	-	-	-
Patents, licences, copyright, brand names, trademarks	-	-	-
Recipes, formulae, prototypes, designs, models	-	-	-
Services and operating rights	-	-	-
Total	44 522	-	44 522

7.3 Finance lease expenditure included in Expenditure for capital assets

	Note	2019/20 R'000	2018/19 R'000
Tangible assets			
Buildings and other fixed structures		-	-
Heritage assets		-	-
Machinery and equipment		2 686	2 715
Specialised military assets		-	-
Land and subsoil assets		-	-
Biological assets		-	-
Total		2 686	2 715

8. Unauthorised expenditure

8.1 Reconciliation of unauthorised expenditure

	Note	2019/20 R'000	2018/19 R'000
Opening balance		1 123	1 123
Prior period error		-	-
As restated		1 123	1 123
Unauthorised expenditure – discovered in current year (as restated)		-	-
Less: Amounts approved by Parliament/Legislature with funding		-	-
Less: Amounts approved by Parliament/Legislature without funding and derecognised		-	-
Capital		-	-
Current		-	-
Transfers and subsidies		-	-
Less: Amounts recoverable	15	-	-
Less: Amounts written off		-	-
Closing balance		1 123	1 123
Analysis of closing balance			
Unauthorised expenditure awaiting authorisation		1 123	1 123
Unauthorised expenditure approved without funding and not derecognised		-	-
Total		1 123	1 123

Unauthorised expenditure amounting to R1,123 million relates to prior years and it is not yet resolved. The matter has been referred to National Treasury and Parliament. The department is still making follow ups with the National Treasury.

8.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

	2019/20 R'000	2018/19 R'000
Current	1 123	1 123
Capital	-	-
Transfers and subsidies	-	-
Total	1 123	1 123

8.3 Analysis of unauthorised expenditure awaiting authorisation per type

	2019/20 R'000	2018/19 R'000
Unauthorised expenditure relating to overspending of the vote or a main division within a vote	1 123	1 123
Unauthorised expenditure incurred not in accordance with the purpose of the vote or main division	-	-
Total	1 123	1 123

The matter has been referred to National Treasury and Parliament

9. Cash and cash equivalents

Note	2019/20 R'000	2018/19 R'000
Consolidated Paymaster General Account	2 996 157	2 864 547
Cash receipts	-	-
Disbursements	-	-
Cash on hand	31	30
Investments (Domestic)	-	-
Investments (Foreign)	-	-
Total	2 996 188	2 864 577

An amount of R20 million is held in a separate Standard bank account. The amount is solely for the payment of CWP participants which did not disburse as at 31 March 2020. The amount will be cleared in the subsequent months.

DEPARTMENT OF COOPERATIVE GOVERNANCE, VOTE 4
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS
 for the year end 31 MARCH 2020

10. Prepayments and advances

	Note	2019/20 R'000	2018/19 R'000
Staff advances		-	5
Travel and subsistence		57	16
Prepayments (Not expensed)	10.2	237 985	182 688
Advances paid (Not expensed)	10.1	52 830	6 011
SOCPEN advances		-	-
Total		290 872	188 720

Portion of prepayments and advances relates to advance payments that were made to the CWP Implementing Agents and they will be cleared upon receipt and confirmation of proof of expenditure. T&S advances not cleared as yearend.

10.1 Advances paid (Not expensed)

Note	Balance as at 1 April 2019	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2020
	R'000	R'000	R'000	R'000	R'000
10					
National departments	84	(710)	-	1 713	1 087
Provincial departments	-	-	-	-	-
Public entities	5 927	(14 184)	-	60 000	51 743
Other entities	-	-	-	-	-
Total	6 011	(14 894)	-	61 713	52 830

Note	Balance as at 1 April 2018	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year advances	Balance as at 31 March 2019
	R'000	R'000	R'000	R'000	R'000
10					
Advances paid					
National departments	6 683	(6 599)	-	-	84
Provincial departments	-	-	-	-	-
Public entities	-	-	-	5 927	5 927
Other entities	-	-	-	-	-
Total	6 683	(6 599)	-	5 927	6 011

10.2 Prepayments (Not expensed)

Note	Balance as at 1 April 2019	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year prepayments	Balance as at 31 March 2020
10	R'000	R'000	R'000	R'000	R'000
Goods and services	182 688	(855 154)	-	910 451	237 985
Interest and rent on land	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-
Capital assets	-	-	-	-	-
Other	-	-	-	-	-
Total	182 688	(855 154)	-	910 451	237 985

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

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

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

11 Receivables

	Note	2019/20			2018/19		
		Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable		3 002	-	3 002	2 917	-	2 917
Trade receivables	11.1	-	-	-	-	-	-
Recoverable expenditure	11.2	2 179	-	2 179	1 896	-	1 896
Staff debt	11.3	920	-	-	1 661	28	1 689
Fruitless and wasteful expenditure		-	-	-	-	-	-
Other receivables	11.4	105 387	78	105 465	105 601	-	105 601
Total		111 488	78	111 566	112 075	28	112 103

11.1 Claims recoverable

	Note 15 and Annex 4	2019/20 R'000	2018/19 R'000
National departments		2 670	2 607
Provincial departments		42	20
Foreign governments		-	-
Public entities		290	290
Private enterprises		-	-
Higher education institutions		-	-
Households and non-profit institutions		-	-
Local governments		-	-
Total		3 002	2 917

11.2 Recoverable expenditure (disallowance accounts)

	Note 11	2019/20 R'000	2018/19 R'000
Disallowance: Damages and Losses		2 166	1 895
Sal: Reversal		-	-
Sal: Tax Debt		13	1
Total		2 179	1 896

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

11.3 Staff debt

	Note 11	2019/20 R'000	2018/19 R'000
Debt Account		920	1 689
Sal: GEHS Refund Control Account		-	-
Total		920	1 689

Included in the staff Debts are debts relating to salary overpayments and bursary breach of contracts

11.4 Other receivables

	Note 11	2019/20 R'000	2018/19 R'000
(Group major categories, but list material items)			
Vat Input Account		2 399	2 399
Sal: Medical Aid		5	12
Sal: Pension Fund		38	49
Sal: Income Tax		32	150
Wrongful Payment		102 991	102 991
Total		105 465	105 601

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

11.5 Impairment of receivables

	Note	2019/20 R'000	2018/19 R'000
Estimate of impairment of receivables		6 278	5 090
Total		6 278	5 090

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

12. Voted funds to be surrendered to the Revenue Fund

	Note	2019/20 R'000	2018/19 R'000
Opening balance		3 097 347	2 080 321
Prior period error	12.2		
As restated		3 097 347	2 080 321
Transfer from statement of financial performance (as restated)		3 396 205	3 118 627
Add: Unauthorised expenditure for current year	11	-	-
Voted funds not requested/not received	1.1	-	-
Transferred to retained revenue to defray excess expenditure (PARLIAMENT/LEGISLATURES ONLY)	12.1	-	-
Paid during the year		(3 118 627)	(2 101 601)
Closing balance		3 374 925	3 097 347

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

	Note	2019/20 R'000	2018/19 R'000
Opening balance		63 930	21 932
Prior period error	13.1		
As restated		63 930	21 932
Transfer from Statement of Financial Performance (as restated)		1 577	44 580
Own revenue included in appropriation		-	-
Transfer from aid assistance	4	-	-
Transfer to voted funds to defray expenditure (Parliament/Legislatures ONLY)	13.1	-	-
Paid during the year		(43 841)	(2 582)
Closing balance		21 666	63 930

14. Payables – current

	Note	2019/20 R'000	2018/19 R'000
Amounts owing to other entities		-	-
Advances received		-	-
Clearing accounts		2 504	3 909
Other payables		654	1 337
Total		3 158	5 246

DEPARTMENT OF COOPERATIVE GOVERNANCE, VOTE 4
 NOTES TO THE ANNUAL FINANCIAL STATEMENTS
 for the year end 31 MARCH 2020

14.1 Clearing accounts

	Note 14	2019/20 R'000	2018/19 R'000
Sal: GEHS Refund Control Account		15	34
Disallowance Miscellaneous		2 472	3 875
Sal: Reversal		17	-
Total		2 504	3 909

14.2 Other payables

	Note 14	2019/20 R'000	2018/19 R'000
Debt Receivable Interest		26	23
Debt Receivable Income		628	1 314
Total		654	1 337

15. Net cash flow available from operating activities

	Note	2019/20 R'000	2018/19 R'000
Net surplus/(deficit) as per Statement of Financial Performance		3 397 782	3 163 207
Add back non-cash/cash movements not deemed operating activities		(3 196 073)	(2 342 845)
(Increase)/decrease in receivables		587	(97 446)
(Increase)/decrease in prepayments and advances		(102 152)	(181 961)
(Increase)/decrease in other current assets		-	-
Increase/(decrease) in payables – current		(2 088)	(3 156)
Proceeds from sale of capital assets		(253)	(621)
Proceeds from sale of investments		-	-
(Increase)/decrease in other financial assets		-	-
Expenditure on capital assets		70 301	44 522
Surrenders to Revenue Fund		(3 162 468)	(2 104 183)
Surrenders to RDP Fund/Donor		-	-
Voted funds not requested/not received		-	-
Own revenue included in appropriation		-	-
Other non-cash items		-	-
Net cash flow generated by operating activities		201 709	820 362

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

	Note	2019/20 R'000	2018/19 R'000
Consolidated Paymaster General account		2 996 157	2 864 547
Fund requisition account		-	-
Cash receipts		-	-
Disbursements		-	-
Cash on hand		31	30
Cash with commercial banks (Local)		-	-
Cash with commercial banks (Foreign)		-	-
Total		2 996 188	2 864 577

An amount of R20 million is held in a separate Standard bank account. The amount is solely for the payment of CWP participants which did not disburse of at 31 March 2020. The amount will be cleared in the subsequent months.

17. Contingent liabilities and contingent assets

17.1 Contingent liabilities

	Note	2019/20 R'000	2018/19 R'000
Liable to Nature			
Motor vehicle guarantees Employees	Annex 3A	-	-
Housing loan guarantees Employees	Annex 3A	-	-
Other guarantees	Annex 3A	-	-
Claims against the department	Annex 3B	2 594	-
Intergovernmental payables (unconfirmed balances)	Annex 5	67	51
Environmental rehabilitation liability	Annex 3B	-	-
Other	Annex 3B	-	-
Total		2 661	51

Seriti Institute NPC issued summons to the department for the payment of retention fee amounting R2,352,926.15 plus interest of 10.25%.

18. Capital Commitments

	Note	2019/20 R'000	2018/19 R'000
Computers Equipment		23	1 333
Furniture and Office Equipment		14	48
Other Machine and Equipment		53	-
Total		90	1 381

The note has been changed from Commitments to Capital commitments. Only commitments of capital nature are disclosed

19. Accruals and payables not recognised

19.1 Accruals

			2019/20 R'000	2018/19 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	19 091	22 597	41 688	73 992
Interest and rent on land	-	-	-	-
Transfers and subsidies	-	-	-	-
Capital assets	-	-	-	-
Other	-	-	-	-
Total	19 091	22 597	41 688	73 992

	Note	2019/20 R'000	2018/19 R'000
Listed by programme level			
Programme 1: Administration		2 460	15 165
Programme 2: Regional and Urban Development		603	341
Programme 3: Institutional Development		387	5 617
Programme 4: National Disaster Management Centre		1 141	789
Programme 5: Local Government Support and Intervention		678	1 107
Programme 6: Community Works Programme		36 418	50 973
Total		41 688	73 992

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

19.2 Payables not Recognized

			2019/20 R'000	2018/19 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	7 060	3 005	10 065	3 677
Interest and rent on land	-	-	-	-
Transfers and subsidies	-	-	-	-
Capital assets	-	-	-	-
Other	-	-	-	-
Total	7 060	3 005	10 065	3 677

	Note	2019/20 R'000	2018/19 R'000
Listed by programme level			
Programme 1: Administration		3 375	3 451
Programme 2: Regional and Urban Development		4	49
Programme 3: Institutional Development		6 479	136
Programme 4: National Disaster Management Centre		189	9
Programme 5: Local Government Support and Intervention		5	1
Programme 6: Community Works Programme		13	31
Total		10 065	3 677

	Note	2019/20 R'000	2018/19 R'000
<i>Included in the above totals are the following:</i>			
Confirmed balances with other departments	Annex 5	-	2
Confirmed balances with other government entities	Annex 5	-	-
Total		-	2

20. Employee benefits

	Note	2019/20 R'000	2018/19 R'000
Leave entitlement		13 718	11 190
Service bonus		7 645	7 069
Performance awards		2 448	5 480
Capped leave		6 447	6 275
Other		149	163
Total		30 407	30 177

Included in the leave entitlement balance is a negative leave amount of R291 thousand relating to leave days that were used before they were accrued. 'Other' relate to long service awards and it amounts to R149 000

21. Lease commitments

21.1 Operating leases

2019/20	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	32 686	2 165	34 851
Later than 1 year and not later than 5 years	-	-	22 585	1 119	23 704
Later than five years	-	-	-	-	-
Total lease commitments	-	-	55 271	3 284	58 555

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

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

21.2 Finance leases **

2019/20	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	1 557	1 557
Later than 1 year and not later than 5 years	-	-	-	437	437
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	1 994	1 994

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

Finance Leases relates to rented photocopier machines and Contract Pool

22. Irregular expenditure

22.1 Reconciliation of irregular expenditure

	Note	2019/20 R'000	2018/19 R'000
Opening balance		1 318 241	1 861 883
Prior period error			57 709
As restated		1 318 241	1 919 592
Add: Irregular expenditure – relating to prior year		-	-
Add: Irregular expenditure – relating to current year	22.2	11 993	151 782
Less: Prior year amounts condoned		-	(753 133)
Less: Current year amounts condoned		-	-
Less: Prior year amounts not condoned and removed		-	-
Less: Current year amounts not condoned and removed		-	-
Less: Amounts recoverable (current and prior year)		-	-
Less: Amounts written off		-	-
Closing balance		1 330 234	1 318 241

Analysis of closing balance

Current year	11 993	151 782
Prior years	1 318 241	1 166 459
Total	1 330 234	1 318 241

The Irregular Expenditure relates payments made on expired office lease contract for NDMC

22.2 Details of current and prior year irregular expenditure – added current year (under determination and investigation)

Incident	Disciplinary steps taken/criminal proceedings	2019/20 R'000
Payments made on expired contracts	under Investigation	11 820
SCM processes not followed	under Investigation	173
Total		11 993

The Irregular Expenditure relates payments made on expired office lease contract for NDMC

22.3 Prior period error

	Note	2018/19 R'000
Nature of prior period error		
Relating to 2017/18 [affecting the opening balance]		57 709
Relating to 2018/19		-
Total prior period errors		57 709

The irregular expenditure for 2017/18 financial year was revised and the opening balance for 2018/19 was restated

23. Fruitless and wasteful expenditure

23.1 Reconciliation of fruitless and wasteful expenditure

	Note	2019/20 R'000	2018/19 R'000
Opening balance		2 167	496
Prior period error			-
As restated		2 167	496
Fruitless and wasteful expenditure – relating to prior year		-	-
Fruitless and wasteful expenditure – relating to current year	23.2	7 537	104 662
Less: Amounts recoverable		-	(102 991)
Less: Amounts written off		-	-
Closing balance		9 704	2 167

Included in the fruitless and wasteful expenditure is the deceased and PERSAL CWP participants that were paid during the financial year. The Department has incurred possible fruitless and wasteful expenditure relating to payments of project management fees, deceased and PERSAL participants that cannot be quantified and are currently under investigation to determine the amount. Prior year fruitless and wasteful expenditure includes an amount that was erroneously paid over to the service provider. The amount was subsequently classified as a debt.

23.2 Details of current and prior year fruitless and wasteful expenditure – added current year (under determination and investigation)

Incident	Disciplinary steps taken/criminal proceedings	2019/20 R'000
No show	in progress	1
Interest on overdue Account	in progress	14
Airline Cancellation	in progress	40
Deceased Participants	in progress	424
Persal Participants	in progress	7 058
		7 537

Included in the fruitless and wasteful expenditure is the deceased and PERSAL CWP participants that were paid during the financial year

23.3 Prior period error

Note	2018/19 R'000
Nature of prior period error	
Relating to 2017/18 <i>[affecting the opening balance]</i>	906
Relating to 2018/19	
Total prior period errors	906

The prior period error relates to Deceased and PERSAL Participants that were omitted in the previous financial year

24. Related party transactions

Entity	Mandate	Relationship
CRL Rights Commission	The Commission is a Chapter 9 Constitutional institution. Promote and protect cultural, religious and linguistic rights. The Commission focuses on conflict resolution, research, advocacy and community engagement on conflicts pertaining cultural, religious and linguist rights within communities.	The Commission is an Entity of the Department and receives its funding through a transfer payment.
Department of Traditional Affairs	Develop and monitor the implementation of national policy and legislation seeking to transform and strengthen key institutions and mechanism of governance to fulfil their developmental role.	The relationship is that we report to one Minister and share a Vote. Due to inadequate funding and limited human capacity, DCoG performs some of the corporate functions through a signed MoU by the two Accounting Officers.
Municipal Infrastructure Support Agency	Provides immediate support to the Municipalities that are struggling with infrastructure delivery by facilitating the deployment of engineers, scientists and technicians to Municipalities and oversees them.	There were no related party transactions with MISA, however, it suffices 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)	Transforms local government to enable it to fulfil its developmental mandate. SALGA essentially protects and represents the interest of local government and acts as an employer body for its municipal members.	There were no related party transactions with MISA, however, it suffices to state that we share a Minister.

The DCoG incurred cost on behalf of the DTA for shared services in terms of the Memorandum of Understanding. The nature of the transactions resulted in difficulties in reliably determining the value of the costs paid by DCoG on behalf of the DTA due to the operational structure and functions between the two Departments. The shared services include the following areas:

- Human Resources Management
- Risk Management
- Communication and Marketing Services
- ICT services
- Legal services
- Security management
- Facilities management
- Labour relations

25. Key management personnel

	No. of Individuals	2019/20 R'000	2018/19 R'000
Political office bearers (provide detail below)	4	4 182	4 379
Officials:			
Level 15 to 16	7	9 941	10 280
Level 14 (including CFO if at a lower level)	32	39 791	40 321
Family members of key management personnel		-	-
Total		53 914	54 980

26. Provisions

	Note	2019/20 R'000	2018/19 R'000
Retention Fee		40 266	43 961
Total		40 266	43 961

The Department agreed with the Implementing Agents to retain 5% of their Project Management Fees as security until the end of their contracts. The retention fee will be paid at the end of the contract provided all the deliverables of the contract are satisfactorily met.

24. Related party transactions

Entity	Mandate	Relationship
CRL Rights Commission	The Commission is a Chapter 9 Constitutional institution. Promote and protect cultural, religious and linguistic rights. The Commission focuses on conflict resolution, research, advocacy and community engagement on conflicts pertaining cultural, religious and linguist rights within communities.	The Commission is an Entity of the Department and receives its funding through a transfer payment.
Department of Traditional Affairs	Develop and monitor the implementation of national policy and legislation seeking to transform and strengthen key institutions and mechanism of governance to fulfil their developmental role.	The relationship is that we report to one Minister and share a Vote. Due to inadequate funding and limited human capacity, DCoG performs some of the corporate functions through a signed MoU by the two Accounting Officers.
Municipal Infrastructure Support Agency	Provides immediate support to the Municipalities that are struggling with infrastructure delivery by facilitating the deployment of engineers, scientists and technicians to Municipalities and oversees them.	There were no related party transactions with MISA, however, it suffices 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)	Transforms local government to enable it to fulfil its developmental mandate. SALGA essentially protects and represents the interest of local government and acts as an employer body for its municipal members.	There were no related party transactions with MISA, however, it suffices to state that we share a Minister.

The DCoG incurred cost on behalf of the DTA for shared services in terms of the Memorandum of Understanding. The nature of the transactions resulted in difficulties in reliably determining the value of the costs paid by DCoG on behalf of the DTA due to the operational structure and functions between the two Departments. The shared services include the following areas:

- Human Resources Management
- Risk Management
- Communication and Marketing Services
- ICT services
- Legal services
- Security management
- Facilities management
- Labour relations

Reconciliation of movement in provisions – 2019/20

	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	R'000	R'000	R'000
Opening balance	43 961	-	-	43 961
Increase in provision	11 241	229	-	11 470
Settlement of provision	-	-	-	-
Unused amount reversed	(15 165)	-	-	(15 165)
Reimbursement expected from third party	-	-	-	-
Change in provision due to change in estimation of inputs	-	-	-	-
Closing balance	40 037	229	-	40 266

The Department agreed with the Implementing Agents to retain 5% of their Project Management Fees as security until the end of their contracts. The retention fee will be paid at the end of the contract provided all the deliverables of the contract are satisfactorily met

Reconciliation of movement in provisions – 2018/19

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

The Department agreed with the Implementing Agents to retain 5% of their Project Management Fees as security until the end of their contracts. The retention fee will be paid at the end of the contract provided all the deliverables of the contract are satisfactorily met.

27. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
HERITAGE ASSETS	137	-	-	-	137
Heritage assets	137				137
MACHINERY AND EQUIPMENT	227 833	-	63 044	(3 797)	287 080
Transport assets	20 793	-	3 602	(2 830)	21 565
Computer equipment	69 669	-	11 476	(734)	80 411
Furniture and office equipment	16 827	-	3 338	(160)	20 005
Other machinery and equipment	120 544	-	44 628	(73)	165 099
SPECIALISED MILITARY ASSETS	-	-	-	-	-
Specialised military assets	-	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-	-	-	-	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	227 970	-	63 044	(3 797)	287 217

27.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Cash*	Non-cash**	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
MACHINERY AND EQUIPMENT	65 730	-	(2 686)	-	63 044
Transport assets	3 602	-	-	-	3 602
Computer equipment	11 476	-	-	-	11 476
Furniture and office equipment	4 335	-	(997)	-	3 338
Other machinery and equipment	46 317	-	(1 689)	-	44 628
SPECIALISED MILITARY ASSETS	-	-	-	-	-
Specialised military assets	-	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-	-
Biological assets	-	-	-	-	-
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	65 730	-	(2 686)	-	63 044

27.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
HERITAGE ASSETS	-	-	-	-
Heritage assets	-	-	-	-
MACHINERY AND EQUIPMENT	-	3 797	(3 797)	253
Transport assets	-	2 830	(2 830)	253
Computer equipment	-	734	(734)	-
Furniture and office equipment	-	160	(160)	-
Other machinery and equipment	-	73	(73)	-
SPECIALISED MILITARY ASSETS	-	-	-	-
Specialised military assets	-	-	-	-
BIOLOGICAL ASSETS	-	-	-	-
Biological assets	-	-	-	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	3 797	(3 797)	253

27.3 Movement for 2018/19

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

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

27.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2020

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	564	49 287	2	49 853
Value adjustments	-	-	-	-	-	-
Additions	-	68	-	9 412	871	10 351
Disposals	-	-	-	784	-	784
TOTAL MINOR ASSETS	-	68	564	57 915	873	59 420

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

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	564	42 684	-	43 248
Prior period error	-	-	-	-	-	-
Additions	-	-	-	6 234	2	6 236
Disposals	-	-	-	(369)	-	(369)
TOTAL MINOR ASSETS	-	-	564	49 287	2	49 853

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	-	-	-
Number of minor assets at cost	-	6	-	3 663	5	3 674
TOTAL NUMBER OF MINOR ASSETS	-	6	-	3 663	5	3 674

28. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	813	-	-	-	-
MASTHEADS AND PUBLISHING TITLES	-	-	-	-	813
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-	-
TOTAL INTANGIBLE CAPITAL ASSETS	813	-	-	-	813

28.1 Movement for 2018/19

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

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	813	-	-	-	813
MASTHEADS AND PUBLISHING TITLES	-	-	-	-	-
PATENTS, LICENCES, COPYRIGHT, BRAND NAMES, TRADEMARKS	-	-	-	-	-
RECIPES, FORMULAE, PROTOTYPES, DESIGNS, MODELS	-	-	-	-	-
SERVICES AND OPERATING RIGHTS	-	-	-	-	-
TOTAL INTANGIBLE CAPITAL ASSETS	813	-	-	-	813

29. Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000		R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	315	-	4 571	-	4 886
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	-	-	-
Other fixed structures	315	-	4 571	-	4 886
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
LAND AND SUBSOIL ASSETS	-	-	-	-	-
Land	-	-	-	-	-
Mineral and similar non-regenerative resources	-	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	315	-	4 571	-	4 886

29.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	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
BUILDING AND OTHER FIXED STRUCTURES	4 571	-	-	-	4 571
Dwellings					-
Non-residential buildings					-
Other fixed structures	4 571	-	-	-	4 571
HERITAGE ASSETS	-	-	-	-	-
Heritage assets	-	-	-	-	-
LAND AND SUBSOIL ASSETS	-	-	-	-	-
Land					-
Mineral and similar non-regenerative resources	-	-	-	-	-
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	4 571	-	-	-	4 571

29.2 Movement for 2018/19

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

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

30. Principal-agent arrangements

30.1 Department acting as the principal

	2019/20 R'000	2018/19 R'000
CWP Implementing Agency	227 813	
Development Bank of Southern Africa	1 273	235 735
Total	229 086	235 735

The Department has entered into an agreement with the Development Bank of Southern Africa to assist in providing IUDF programme management services on behalf of the Department. The Department has entered into an agreement with the Development Bank of Southern Africa to assist in providing IUDF programme management services on behalf of the Department

31. Prior period errors

	Note	Amount bef error correction R'000	Prior period error 2018/19 R'000	Restated Amount R'000
Liabilities				
Accruals	27.1	143 487	(69 495)	73 992
Payables not recognised	27.2	3 991	(314)	3 677
Net effect		147 478	(69 809)	77 669

	Note	Amount bef error correction R'000	Prior period error 2018/19 R'000	Restated Amount R'000
Other:				
Irregular Expenditure		765	906	1 671
Net effect		765	906	1 671

32. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	GRANT ALLOCATION					SPENT				2018/19	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjust- ments	Other Adjust- ments	Total Available	Amount received by department	Amount spent by department	Under / (Overspe nding)	% of available funds spent by department	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Disaster Relief Transfers	466 392	-	-	-	466 392	466 392	466 392	-	100%	672 871	122 678
Disaster Recovery Grant	133 220	-	-	-	133 220	133 220	133 220	-	100%	1 206 440	1 167 692
Municipal Systems Improvement Grant	111 062	-	-	-	111 062	85 435	85 435	25 627	100%	115 116	99 547
Municipal Infrastructure Grant	14 816 103	-	-	-	14 816 103	14 816 103	14 816 103	-	100%	15 287 685	15 287 685
Integrated Urban Development Grant	856 895	-	-	-	856 895	856 895	856 895	-	100%	-	-
	<u>16 383 672</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16 383 672</u>	<u>16 358 045</u>	<u>16 358 045</u>	<u>25 627</u>	<u>-</u>	<u>17 282 112</u>	<u>16 677 602</u>

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

33. STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT				2018/19
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by department	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000
Summary by province												
Eastern Cape	44 551	-	-	44 551	44 551	-	-	44 551	44 551	-	100%	-
Free State	12 429	-	-	12 429	12 429	-	-	12 429	12 429	-	100%	-
Gauteng	115 996	-	-	115 996	115 996	-	-	115 996	115 996	-	100%	-
Kwazulu-Natal	138 918	-	-	138 918	138 918	-	-	138 918	138 918	-	100%	16 304
Limpopo	42 449	-	-	42 449	42 449	-	-	42 449	42 449	-	100%	-
Mpumalanga	33 993	-	-	33 993	33 993	-	-	33 993	33 993	-	100%	-
Northern Cape	6 224	-	-	6 224	6 224	-	-	6 224	6 224	-	100%	84 768
North West	18 540	-	-	18 540	18 540	-	-	18 540	18 540	-	100%	-
Western Cape	53 292	-	-	53 292	53 292	-	-	53 292	53 292	-	100%	38 000
TOTAL	466 392	-	-	466 392	466 392	-	-	466 392	466 392	-		139 072
Summary by grant												
Disaster Relief Grant	466 392	-	-	466 392	466 392	-	-	466 392	466 392	-	100%	122 768
Disaster Recovery Grant	-	-	-	-	-	-	-	-	-	-		16 304
	466 392	-	-	466 392	466 392	-	-	466 392	466 392	-		139 072

1. [Disaster Relief Grant]												
Eastern Cape	44 551	-	-	44 551	44 551	-	-	44 551	44 551	-	100%	-
Free State	12 429	-	-	12 429	12 429	-	-	12 429	12 429	-	100%	-
Gauteng	115 996	-	-	115 996	115 996	-	-	115 996	115 996	-	100%	-
Kwazulu-Natal	138 918	-	-	138 918	138 918	-	-	138 918	138 918	-	100%	-
Limpopo	42 449	-	-	42 449	42 449	-	-	42 449	42 449	-	100%	-
Mpumalanga	33 993	-	-	33 993	33 993	-	-	33 993	33 993	-	100%	-
Northern Cape	6 224	-	-	6 224	6 224	-	-	6 224	6 224	-	100%	84 768
North West	18 540	-	-	18 540	18 540	-	-	18 540	18 540	-	100%	-
Western Cape	53 292	-	-	53 292	53 292	-	-	53 292	53 292	-	100%	38 000
	466 392	-	-	466 392	466 392	-	-	466 392	466 392	-	-	122 768
2. [Disaster Recovery Grant]												
Eastern Cape	-	-	-	-	-	-	-	-	-	-	-	-
Free State	-	-	-	-	-	-	-	-	-	-	-	-
Gauteng	-	-	-	-	-	-	-	-	-	-	-	-
Kwazulu-Natal	-	-	-	-	-	-	-	-	-	-	-	16 304
Limpopo	-	-	-	-	-	-	-	-	-	-	-	-
Mpumalanga	-	-	-	-	-	-	-	-	-	-	-	-
Northern Cape	-	-	-	-	-	-	-	-	-	-	-	-
North West	-	-	-	-	-	-	-	-	-	-	-	-
Western Cape	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	16 304

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

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

NAME OF MUNICIPALITY	2019/20							2018/19	
	GRANT ALLOCATION				TRANSFER			Division of Revenue Act	Actual transfer
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department		
	R'000	R'000	R'000	R'000	R'000	R'000	%		

Municipal Infrastructure Grant

EASTERN CAPE									
Buffalo City	-	-	-	-	-	-	-	-	-
Nelson Mandela Bay	-	-	-	-	-	-	-	-	-
Dr Beyers Naude	20 608	-	-	20 608	20 608	-	-	16 267	16 267
Blue Crane Route	14 320	-	-	14 320	14 320	-	-	14 117	14 117
Makana	24 399	-	-	24 399	24 399	-	-	-	-
Ndlambe	27 295	-	-	27 295	27 295	-	-	26 809	26 809
Sundays River Valley	25 612	-	-	25 612	25 612	-	-	22 662	22 662
Kouga	37 996	-	-	37 996	37 996	-	-	31 186	31 186
Kou-Kamma	15 396	-	-	15 396	15 396	-	-	15 170	15 170
Sarah Baartman District Municipality	-	-	-	-	-	-	-	36 776	36 776
Mbhashe	59 992	-	-	59 992	59 992	-	-	70 192	70 192
Mnquma	62 609	-	-	62 609	62 609	-	-	61 352	61 352
Great Kei	11 253	-	-	11 253	11 253	-	-	11 116	11 116
Amahlathi	40 139	-	-	40 139	40 139	-	-	18 934	18 934
Ngqushwa	22 504	-	-	22 504	22 504	-	-	32 922	32 922
Raymond Mhlaba	39 233	-	-	39 233	39 232	-	-	38 486	38 486
Amathole District Municipality	428 472	-	-	428 472	428 472	-	-	399 232	399 232
Inxuba Yethemba	16 104	-	-	16 104	16 104	-	-	27 562	27 562

Intsika Yethu	43 020	-	-	43 020	43 020	-	-	42 190	42 190
Emalahleni	33 524	-	-	33 524	33 524	-	-	43 902	43 902
Engcobo	38 525	-	-	38 525	38 525	-	-	33 794	33 794
Sakhisizwe	18 200	-	-	18 200	18 200	-	-	32 912	32 912
Enoch Mgijima	54 112	-	-	54 112	54 112	-	-	53 040	53 040
Chris Hani District Municipality	287 034	-	-	287 034	287 034	-	-	270 880	270 880
Elundini	38 948	-	-	38 948	38 948	-	-	38 207	38 207
Senqu	38 485	-	6 500	44 985	44 985	-	6 500	37 755	37 755
Walter Sisulu	18 872	-	-	18 872	18 872	-	-	18 570	18 570
Joe Gqabi District Municipality	156 868	-	-	156 868	156 868	-	-	153 554	153 554
Ngquza Hill	54 506	-	-	54 506	54 506	-	-	54 976	54 976
Port St Johns	34 345	-	-	34 345	34 345	-	-	33 705	33 705
Nyandeni	60 844	-	-	60 844	60 844	-	-	59 625	59 625
Mhlontlo	55 250	-	-	55 250	55 250	-	-	43 394	43 394
King Sabata Dalindyebo	86 279	-	-	86 279	86 279	-	-	84 506	84 506
O.R.Tambo District Municipality	633 395	-	-	633 395	633 395	-	-	619 684	619 684
Matatiele	49 255	-	9 000	58 255	58 255	-	9 000	45 507	45 507
Umzimvubu	46 411	-	-	46 411	46 411	-	-	59 690	59 690
Mbizana	48 362	-	-	48 362	48 362	-	-	59 416	59 416
Ntabankulu	27 164	-	-	27 164	27 164	-	-	41 681	41 681
Alfred Nzo District Municipality	376 009	-	-	376 009	376 009	-	-	347 914	347 914
TOTAL EASTERN CAPE	3 045 340	-	15 500	3 060 840	3 060 839	-	15 500	2 997 685	2 997 685

FREE STATE									
Mangaung	-	-	-	-	-	-	-	-	-
Letsemeng	17 149	-	-	17 149	17 149	-	-	29 949	29 949
Kopanong	20 540	-	-	20 540	20 540	-	-	15 501	15 501
Mohokare	17 991	-	-	17 991	17 991	-	-	17 708	17 708
Xhariep District Municipality	-	-	-	-	-	-	-	-	-
Masilonyana	32 421	-	-	32 421	32 421	-	-	-	-
Tokologo	16 553	-	-	16 553	16 553	-	-	16 301	16 301
Tswelopele	16 488	-	-	16 488	16 488	-	-	23 837	23 837
Matjhabeng	119 070	-	-	119 070	119 070	-	-	116 581	116 581

Nala	29 645	-	-	29 645	29 645	-	-	29 107	29 107
Lejweleputswa District Municipality	-	-	-	-	-	-	-	23 019	23 019
Setsoto	47 203	-	-	47 203	47 203	-	-	57 782	57 782
Dihlabeng	38 648	-	10 000	48 648	48 648	-	10 000	37 914	37 914
Nketoana	38 372	-	6 000	44 372	44 372	-	6 000	24 927	24 927
Maluti-a-Phofung	162 763	-	-	162 763	162 764	-	-	159 321	159 321
Phumelela	21 048	-	-	21 048	21 048	-	-	20 698	20 698
Mantsopa	19 971	-	-	19 971	19 971	-	-	32 759	32 759
Thabo Mofutsanyana District Municipality	-	-	-	-	-	-	-	-	-
Moghaka	40 178	-	-	40 178	40 178	-	-	43 410	43 410
Ngwathe	41 971	-	-	41 971	41 971	-	-	41 164	41 164
Metsimaholo	51 652	-	-	51 652	51 652	-	-	49 786	49 786
Mafube	22 444	-	-	22 444	22 444	-	-	22 064	22 064
Fezile Dabi District Municipality	-	-	-	-	-	-	-	-	-
TOTAL FREE STATE	754 107	-	16 000	770 107	770 108	-	16 000	761 828	761 828

GAUTENG									
Ekurhuleni	-	-	-	-	-	-	-	-	-
City of Johannesburg	-	-	-	-	-	-	-	-	-
City of Tshwane	-	-	-	-	-	-	-	-	-
Emfuleni	168 967	-	-81 745	87 222	87 222	-81 745	-	165 389	165 389
Midvaal	41 786	-	-	41 786	41 786	-	-	31 201	31 201
Lesedi	26 404	-	-	26 404	26 404	-	-	25 937	25 937
Sedibeng District Municipality	-	-	-	-	-	-	-	-	-
Mogale City	-	-	-	-	-	-	-	118 300	118 300
Merafong City	66 275	-	-	66 275	66 275	-	-	67 638	67 638
Rand West City	91 155	-	-	91 155	91 155	-	-	91 975	91 975
West Rand District Municipality	-	-	-	-	-	-	-	-	-
TOTAL GAUTENG	394 587	-	-81 745	312 842	312 842	-81 745	-	500 440	500 440

KWAZULU NATAL									
eThekwini	-	-	-	-	-	-	-	-	-
uMdoni	30 678	-	-	30 678	30 678	-	-	30 118	30 118
Umzumbe	34 077	-	-	34 077	34 077	-	-	37 392	37 392
uMuziwabantu	23 340	-	-	23 340	23 340	-	-	22 940	22 940
Ray Nkonyeni		-	-			-	-	60 317	60 317
Ugu District Municipality	241 038	-	-	241 038	241 038	-	-	235 888	235 888
uMshwathi	27 591	-	-	27 591	27 591	-	-	27 098	27 098
uMngeni	34 039	-	-	34 039	34 039	-	-	22 646	22 646
Mpofana	12 031	-	4 000	16 031	16 031	-	4 000	13 878	13 878
Impendle	11 719	-	-	11 719	11 719	-	-	11 572	11 572
Msunduzi	197 516	-	-	197 516	197 516	-	-	193 316	193 316
Mkhambathini	16 076	-	-	16 076	16 076	-	-	19 385	19 385
Richmond	18 442	-	-3 400	15 042	15 042	-3 400	-	18 149	18 149
Umgungundlovu District Municipality	101 944	-	-	101 944	101 944	-	-	99 828	99 828
Okhahlamba	28 304	-	-	28 304	28 304	-	-	32 295	32 295
iNkosi Langalibalele	37 661	-	-	37 661	37 661	-	-	36 949	36 949
Alfred Duma	61 683	-	-	61 683	61 683	-	-	69 946	69 946
Uthukela District Municipality	183 937	-	-	183 937	183 937	-	-	180 033	180 033
Endumeni	15 210	-	-	15 210	15 210	-	-	24 487	24 487
Nqutu	31 198	-	-	31 198	31 198	-	-	30 627	30 627
Msinga	49 422	-	-	49 422	49 422	-	-	36 715	36 715
Umvoti	29 802	-	-	29 802	29 802	-	-	33 261	33 261
Umzinyathi District Municipality	188 488	-	-	188 488	188 488	-	-	184 485	184 485
Newcastle	112 580	-	-	112 580	112 580	-	-	56 232	56 232
Emadlangeni	9 342	-	-	9 342	9 342	-	-	9 247	9 247
Dannhauser	21 766	-	-	21 766	21 766	-	-	21 400	21 400
Amajuba District Municipality	41 039	-	-	41 039	41 039	-	-	40 253	40 253
eDumbe	18 047	-	-	18 047	18 047	-	-	26 762	26 762

uPhongolo	28 302	-	-	28 302	28 302	-	-	27 794	27 794
Abaqulusi	37 135	-	-	37 135	37 135	-	-	36 434	36 434
Nongoma	31 873	-	-	31 873	31 873	-	-	31 286	31 286
Ulundi	30 900	-	-	30 900	30 900	-	-	36 335	36 335
Zululand District Municipality	225 574	-	-	225 574	225 574	-	-	220 762	220 762
Umhlabuyalingana	34 918	-	-	34 918	34 918	-	-	34 265	34 265
Jozini	37 394	-	-	37 394	37 394	-	-	36 687	36 687
Mtubatuba	31 750	-	-	31 750	31 750	-	-	31 166	31 166
Big Five Hlabisa	21 357	-	-	21 357	21 357	-	-	21 000	21 000
Umkhanyakude District Municipality	214 959	-	-	214 959	214 959	-	-	210 378	210 378
Mfolozi	26 224	-	-	26 224	26 224	-	-	25 761	25 761
uMhlathuze		-	-	-	-	-	-	104 604	104 604
uMlalazi	40 380	-	-	40 380	40 380	-	-	49 108	49 108
Mthonjaneni	18 033	-	-	18 033	18 033	-	-	21 749	21 749
Nkandla	22 834	-	-	22 834	22 834	-	-	34 945	34 945
King Cetshwayo District Municipality	170 818	-	-	170 818	170 818	-	-	167 200	167 200
Mandeni	35 369	-	-9 100	26 269	26 269	-9 100	-	34 706	34 706
KwaDukuza	51 684	-	-	51 684	51 684	-	-	53 966	53 966
Ndwedwe	29 809	-	5 000	34 809	34 809	-	5 000	32 767	32 767
Maphumulo	22 320	-	6 500	28 820	28 820	-	6 500	21 942	21 942
iLembe District Municipality	192 596	-	-	192 596	192 596	-	-	188 503	188 503
Greater Kokstad	17 318	-	4 000	21 318	21 318	-	4 000	22 549	22 549
Ubuhlebezwe	26 917	-	-	26 917	26 917	-	-	26 439	26 439
Umzimkhulu	55 373	-	-	55 373	55 373	-	-	42 536	42 536
Dr Nkosazana Dlamini Zuma	27 149	-	-	27 149	27 149	-	-	26 666	26 666
Harry Gwala District Municipality	200 860	-	-	200 860	200 860	-	-	196 587	196 587
TOTAL KWAZULU NATAL	3 208 816		7 000	3 215 816	3 215 816	-12 500	19 500	3 311 354	3 311 354

LIMPOPO									
Greater Giyani	60 688	-	-	60 688	60 688	-	-	59 473	59 473
Greater Letaba	57 608	-	-	57 608	57 608	-	-	76 460	76 460
Greater Tzaneen	94 263	-	-	94 263	94 263	-	-	92 315	92 315
Ba-Phalaborwa	32 026	-	-	32 026	32 026	-	-	46 437	46 437
Maruleng	26 812	-	-	26 812	26 812	-	-	41 337	41 337
Mopani District Municipality	454 295	-	-	454 295	454 295	-	-	444 492	444 492
Musina	29 016	-	-	29 016	29 016	-	-	22 494	22 494
Thulamela	99 383	-	-	99 383	99 383	-	-	112 823	112 823
Makhado	89 577	-	-	89 577	89 577	-	-	87 732	87 732
LIM345	94 031	-	-	94 031	94 031	-	-	101 850	101 850
Vhembe District Municipality	514 768	-	-	514 768	514 768	-	-	503 646	503 646
Blouberg	44 350	-	-	44 350	44 350	-	-	43 491	43 491
Molemole	35 151	-	-	35 151	35 151	-	-	46 493	46 493
Polokwane		-	-			-	-	330 877	330 877
Lepele-Nkumpi	54 074	-	-	54 074	54 074	-	-	42 003	42 003
Capricorn District Municipality	230 788	-	30 000	260 788	260 788	-	30 000	225 862	225 862
Thabazimbi	33 228	-	-	33 228	33 228	-	-	9 784	9 784
Lephalale	43 643	-	-	43 643	43 643	-	-	50 800	50 800
Bela-Bela	25 911	-	-	25 911	25 911	-	-	37 530	37 530
Mogalakwena	156 417	-	-	156 417	156 417	-	-	132 858	132 858
LIM368	38 558	-	-	38 558	38 558	-	-	27 826	27 826
Waterberg District Municipality		-	-			-	-		
Ephraim Mogale	33 443	-	-	33 443	33 443	-	-	32 823	32 823
Elias Motsoaledi	54 921	-	-	54 921	54 921	-	-	61 832	61 832
Makhuduthamaga	62 122	-	-	62 122	62 122	-	-	73 000	73 000
Tubatse/Fetakgomo	84 369	-	-	84 369	84 369	-	-	49 412	49 412
Sekhukhune District Municipality	475 195	-	-10 000	465 195	465 195	-10 000	-	464 936	464 936
TOTAL LIMPOPO	2 924 637	-	20 000	2 944 637	2 944 637	-10 000	30 000	3 218 586	3 218 586

MPUMALANGA									
Albert Luthuli	87 072	-	-	87 072	87 072	-	-	85 281	85 281
Msukaligwa	52 710	-	-	52 710	52 710	-	-	51 669	51 669
Mkhondo	78 336	-	-	78 336	78 336	-	-	76 735	76 735
Pixley Ka Seme	26 424	-	-	26 424	26 424	-	-	25 956	25 956
Lekwa	28 844	-	-	28 844	28 844	-	-	28 034	28 034
Dipaleseng	18 816	-	-	18 816	18 816	-	-	35 480	35 480
Govan Mbeki	68 803	-	-	68 803	68 803	-	-	56 651	56 651
Gert Sibande District Municipality		-	-			-	-		
Victor Khanye	24 912	-	-	24 912	24 912	-	-	24 477	24 477
Emalahleni	119 975	-	-	119 975	119 975	-	-	120 967	120 967
Steve Tshwete	49 716	-	-	49 716	49 716	-	-	52 240	52 240
Emakhazeni	29 235	-	-	29 235	29 235	-	-	19 946	19 946
Thembisile Hani	123 429	-	-	123 429	123 429	-	-	124 345	124 345
Dr JS Moroka	125 111	-	-	125 111	125 111	-	-	122 491	122 491
Nkangala District Municipality	-	-	-	-	-	-	-	-	-
Thaba Chweu	47 382	-	-	47 382	47 382	-	-	43 851	43 851
Nkomazi	225 063	-	-	225 063	225 063	-	-	220 261	220 261
Bushbuckridge	374 040	-	-	374 040	374 040	-	-	365 988	365 988
City of Mbombela	333 753	-	-	333 753	333 753	-	-	336 980	336 980
Ehlanzeni District Municipality	-	-	-	-	-	-	-	-	-
TOTAL MPUMALANGA	1 813 621	-	-	1 813 621	1 813 621	-	-	1 791 352	1 791 352

NORTHERN CAPE									
Richtersveld	7 338	-	-	7 338	7 338	-	-	2 429	2 429
Nama Khoi	14 593	-	-	14 593	14 593	-	-	11 497	11 497
Kamiesberg	7 553	-	4 000	11 553	11 553	-	4 000	11 867	11 867
Hantam	9 760	-	-	9 760	9 760	-	-	7 436	7 436
Karoo Hoogland	8 087	-	-	8 087	8 087	-	-	18 020	18 020
Khâi-Ma	7 773	-	-	7 773	7 773	-	-	7 712	7 712

Namakwa District Municipality	-	-	-	-	-	-	-	-	-
Ubuntu	9 970	-	-	9 970	9 970	-	-	-	-
Umsobomvu	11 490	-	-	11 490	11 490	-	-	9 348	9 348
Emthanjeni	25 657	-	-3 947	21 710	21 710	-3 947	-	9 900	9 900
Kareeberg	8 038	-	-	8 038	8 038	-	-	7 972	7 972
Renosterberg	7 480	-	-	7 480	7 480	-	-	5 213	5 213
Thembelihle	9 449	-	-	9 449	9 449	-	-	14 352	14 352
Siyathemba	9 829	-	10 000	19 829	19 829	-	10 000	29 724	29 724
Siyancuma	16 608	-	-	16 608	16 608	-	-	16 355	16 355
Pixley Ka Seme District Municipality	-	-	-	-	-	-	-	9 862	9 862
!Kai !Garib	22 416	-	-	22 416	22 416	-	-	16 822	16 822
!Kheis	10 691	-	-	10 691	10 691	-	-	10 567	10 567
Tsantsabane	15 542	-	-	15 542	15 542	-	-	11 312	11 312
Kgatelopele	8 042	-	12 000	20 042	20 042	-	12 000	27 975	27 975
Dawid Kruiper	34 090	-	-	34 090	34 090	-	-	19 702	19 702
Z.F. Mgcawu District Municipality	-	-	-	-	-	-	-	-	-
Sol Plaatjie	-	-	-	-	-	-	-	48 816	48 816
Dikgatlong	19 527	-	6 187	25 714	25 714	-	6 187	14 709	14 709
Magareng	28 163	-	-2 000	26 163	26 163	-2 000	-	11 029	11 029
Phokwane	26 265	-	-11 980	14 285	14 285	-11 980	-	27 092	27 092
Frances Baard District Municipality	-	-	-	-	-	-	-	-	-
Joe Morolong	60 025	-	-	60 025	60 025	-	-	58 824	58 824
Ga-Segonyana	53 302	-	-	53 302	53 302	-	-	52 793	52 793
Gamagara	11 853	-	-	11 853	11 853	-	-	8 963	8 963
John Taolo Gaetsewe District Municipality	-	-	-	-	-	-	-	-	-
TOTAL NORTHERN CAPE	443 541	-	14 260	457 801	457 801	-17 927	32 187	470 291	470 291

NORTH WEST									
Moretele	114 780	-	-	114 780	114 780	-	-	82 922	82 922
Madibeng	281 797	-	-	281 797	281 797	-	-	225 258	225 258
Rustenburg	235 107	-	-	235 107	235 107	-	-	260 086	260 086
Kgetlengrivier	25 847	-	-	25 847	25 847	-	-	37 392	37 392
Moses Kotane	149 692	-	-	149 692	149 692	-	-	174 535	174 535
Bojanala Platinum District Municipality		-	-			-	-		
Ratlou	29 400	-	-	29 400	29 400	-	-	18 867	18 867
Tswaing	29 274	-	-	29 274	29 274	-	-	26 700	26 700
Mafikeng	81 230	-	-	81 230	81 230	-	-	40 000	40 000
Ditsobotla	36 540	-	-	36 540	36 540	-	-	50 851	50 851
Ramotshere Moiloa	37 154	-	-	37 154	37 154	-	-	47 504	47 504
Ngaka Modiri Molema District Municipality	299 499	-	-	299 499	299 499	-	-	293 074	293 074
Naledi	16 979	-	-	16 979	16 979	-	-	23 218	23 218
Mamusa	15 696	-	-	15 696	15 696	-	-		
Greater Taung	47 604	-	-	47 604	47 604	-	-	46 675	46 675
Lekwa-Teemane	14 793	-	10 000	24 793	24 793	-	10 000	14 579	14 579
Kagisano-Molopo	39 568	-	-	39 568	39 568	-	-	29 521	29 521
Dr Ruth Segomotsi Mompati District Municipality	138 393	-	-	138 393	138 393	-	-	150 944	150 944
City of Matlosana	87 489	-	-	87 489	87 489	-	-	119 689	119 689
Maquassi Hills	28 209	-	-	28 209	28 209	-	-	25 052	25 052
Ventersdorp/Tlokwe	78 690	-	-	78 690	78 690	-	-	56 840	56 840
Dr Kenneth Kaunda District Municipality	-	-	-	-	-	-	-	-	-
TOTAL NORTH WEST	1 787 741		10 000	1 797 741	1 797 741	-	10 000	1 723 707	1 723 707

Beaufort West	13 972	-	-	13 972	13 972	-	-	25 611	25 611
Central Karoo District Municipality	-	-	-	-	-	-	-	-	-
TOTAL WESTERN CAPE	443 713		-1 015	442 698	442 698	-4 574	3 559	512 442	512 442

TOTAL MIG	14 816 103		-	14 816 103	14 816 103	-		15 287 685	15 287 685
------------------	-------------------	--	----------	-------------------	-------------------	----------	--	-------------------	-------------------

Local Government Equitable Share

EASTERN CAPE									
(BUF) Buffalo City	847 431	-	-	847 431	847 431	-	-	778 048	736 456
(NMA) Nelson Mandela Bay	1 021 661	-	291 846	729 815	729 815	291 846	-	939 530	880 284
(EC101) Dr Beyers Naude	90 876	-	70	90 806	90 806	70	-	83 278	55 519
(EC 102) Blue Crane Route	53 519	-	-	53 519	53 519	-	-	49 012	32 675
(EC 104) Makana	93 494	-	-	93 494	93 494	-	-	85 578	85 578
(EC 105) Ndlambe	96 716	-	-	96 716	96 716	-	-	88 241	88 241
(EC 106) Sundays River Valley	79 777	-	57	79 720	79 720	57	-	71 971	69 881
(EC 108) Kouga	124 938	-	-	124 938	124 938	-	-	113 151	113 151
(EC 109) Kou-kamma	49 376	-	3 593	45 783	45 783	3 593	-	45 406	45 252
(DC 10) Sarah Baartman District Municipality	93 464	-	-	93 464	93 464	-	-	88 342	88 342
(EC 121) Mbhashe	249 464	-	-	249 464	249 464	-	-	225 391	225 391
(EC 122) Mnquma	258 930	-	2 665	256 265	256 265	2 665	-	234 368	227 171
(EC 123) Great Kei	42 659	-	350	42 309	42 309	350	-	38 154	37 484
(EC 124) Amahlathi	105 863	-	529	105 334	105 334	529	-	97 114	96 491
(EC 126) Ngqushwa	82 696	-	1 368	81 328	81 328	1 368	-	75 488	75 488
(EC 129) Raymond Mhlaba	174 140	-	-	174 140	174 140	-	-	156 192	156 192
(DC 12) Amathole District Municipality	833 685	-	1 508	832 177	832 177	1 508	-	785 546	782 308
(EC 131) Inxuba Yethemba	42 907	-	-	42 907	42 907	-	-	39 507	35 852

(EC135) Intsika Yethu	159 020	-	-	159 020	159 020	-	-	147 779	147 779
(EC 136) Emalahleni	123 739	-	-	123 739	123 739	-	-	115 774	115 774
(EC 137) Engcobo	148 281	-	-	148 281	148 281	-	-	136 131	136 131
(EC 138) Sakhisizwe	68 109	-	14 822	53 287	53 287	14 822	-	61 718	61 108
(EC 139) Enoch Mgijima	180 007	-	4 448	175 559	175 559	4 448	-	164 680	164 680
(DC 13) Chris Hani District Municipality	543 689	-	233 935	309 754	309 754	233 935	-	524 527	506 314
(EC 141) Elundini	152 511	-	-	152 511	152 511	-	-	138 382	138 064
(EC 142) Senqu	149 935	-	-	149 935	149 935	-	-	136 434	136 434
(EC 145) Walter Sisulu	58 205	-	7 454	50 751	50 751	7 454	-	52 677	45 321
(DC 14) Joe Gqabi District Municipality	273 796	-	2 185	271 611	271 611	2 185	-	258 283	255 674
(EC 153) Ngquza Hill	257 385	-	-	257 385	257 385	-	-	227 562	224 603
(EC 154) Port St Johns	153 034	-	1 286	151 748	151 748	1 286	-	135 729	127 432
(EC 155) Nyandeni	262 068	-	-	262 068	262 068	-	-	234 532	218 111
(EC 156) Mhlontlo	184 192	-	1 356	182 836	182 836	1 356	-	165 930	165 930
(EC157) King Sabata Dalindyebo	329 470	-	276	329 194	329 194	276	-	292 112	278 013
(DC 15) O.R. Tambo District Municipality	855 543	-	18 169	837 374	837 374	18 169	-	791 526	791 526
(EC 441) Matatiele	234 919	-	1 964	232 955	232 955	1 964	-	207 642	193 075
(EC 442) Umzimvubu	217 928	-	-	217 928	217 928	-	-	193 075	207 642
(EC 443) Mbizana	260 384	-	-	260 384	260 384	-	-	230 525	230 525
(EC 444) Ntabankulu	122 525	-	3 148	119 377	119 377	3 148	-	108 982	108 982
(DC 44) Alfred Nzo District Municipality	556 720	-	-	556 720	556 720	-	-	510 344	510 344

FREE STATE									
(MAN) Mangaung	735 867	-	279 988	455 879	455 879	279 988	-	683 500	467 500
(FS 161) Letsemeng	63 668	-	22 200	41 468	41 468	22 200	-	58 082	41 082
(FS 162) Kopanong	85 235	-	15 847	69 388	69 388	15 847	-	77 880	67 281
(FS 163) Mohokare	68 586	-	20 784	47 802	47 802	20 784	-	61 723	40 276
(DC 16) Xhariep District Municipality	43 542	-	-	43 542	43 542	-	-	40 544	40 544
(FS 181) Masilonyana	118 906	-	15 328	103 578	103 578	15 328	-	107 442	90 719
(FS 182) Tokologo	54 560	-	9 322	45 238	45 238	9 322	-	49 390	42 145
(FS 183) Tswelopele	74 224	-	536	73 688	73 688	536	-	67 019	66 966
(FS 184) Matjhabeng	504 417	-	18 941	485 476	485 476	18 941	-	459 037	435 732
(FS 185) Nala	122 062	-	2 391	119 671	119 671	2 391	-	111 110	111 054
(DC 18) Lejweleputswa District Municipality	128 350	-	1 000	127 350	127 350	1 000	-	121 164	121 164
(FS 191) Setsoto	192 449	-	-	192 449	192 449	-	-	173 927	173 927
(FS 192) Dihlabeng	164 487	-	-	164 487	164 487	-	-	147 861	147 861
(FS 193) Nketoana	97 090	-	2 226	94 864	94 864	2 226	-	87 543	87 543
(FS 194) Maluti-a-Phofung	599 867	-	34 412	565 455	565 455	34 412	-	538 719	491 519
(FS 195) Phumelela	75 451	-	-	75 451	75 451	-	-	68 083	67 067
(FS 196) Mantsopa	82 760	-	-	82 760	82 760	-	-	74 811	74 737
(DC 19) Thabo Mofutsanyana District Municipality	115 593	-	-	115 593	115 593	-	-	107 303	107 277
(FS 201) Moqhaka	205 660	-	-	205 660	205 660	-	-	185 144	185 144
(FS 203) Ngwathe	192 989	-	23 360	169 629	169 629	23 360	-	174 340	161 622
(FS204) Metsimaholo	183 064	-	8 361	174 703	174 703	8 361	-	163 296	159 838
(FS 205) Mafube	95 847	-	-	95 847	95 847	-	-	86 279	85 705
(DC 20) Fezile Dabi District Municipality	154 559	-	1 519	153 040	153 040	1 519	-	149 188	147 523

GAUTENG

(EKU) City of Ekurhuleni	3 478 292	-	440 071	3 038 221	3 038 221	440 071	-	3 145 138	3 145 138
(JHB) City of Johannesburg	4 689 158	-	207 157	4 482 001	4 482 001	207 157	-	4 229 919	4 173 504
(TSH) City of Tshwane	2 642 492	-	61 813	2 580 679	2 580 679	61 813	-	2 398 120	2 246 848
GT 21 Emfuleni	772 335	-	25	772 310	772 310	25	-	707 724	696 765
(GT 422) Midvaal	107 047	-	-	107 047	107 047	-	-	97 192	97 192
(GT 423) Lesedi	133 765	-	5 654	128 111	128 111	5 654	-	119 340	110 099
(DC 42) Sedibeng District Municipality	268 626	-	127	268 499	268 499	127	-	258 891	258 891
(GT 481) Mogale City	408 061	-	110	407 951	407 951	110	-	369 809	369 809
(GT 484) Merafong City	204 068	-	-	204 068	204 068	-	-	185 872	184 932
(GT 485) Rand West City Local Municipality	303 723	-	-	303 723	303 723	-	-	274 916	274 916
(DC 48) West Rand District Municipality	207 500	-	14 195	193 305	193 305	14 195	-	198 007	169 617

KWAZULU NATAL

(ETH) eThekweni	3 160 624	-	397 003	2 763 621	2 763 621	397 003	-	2 893 016	2 551 655
(KZN 212) Umdoni	132 002	-	-	132 002	132 002	-	-	118 563	117 271
(KZN 213) Umzumbe	131 115	-	-	131 115	131 115	-	-	120 566	120 566
(KZN 214) uMuziwabantu	91 211	-	-	91 211	91 211	-	-	82 521	80 740
(KZN 216) Ray Nkonyeni	205 608	-	-	205 608	205 608	-	-	185 324	185 324
(DC 21) Ugu District Municipality	462 844	-	-	462 844	462 844	-	-	435 877	435 877
(KZN 221) uMshwathi	101 901	-	-	101 901	101 901	-	-	91 820	91 820
(KZN 222) uMngeni	67 048	-	-	67 048	67 048	-	-	60 165	60 165
(KZN 223) Mpofana	35 624	-	-	35 624	35 624	-	-	32 003	31 528
(KZN 224) Impendle	35 693	-	-	35 693	35 693	-	-	32 649	32 649
(KZN 225) Msunduzi	546 052	-	29 308	516 744	516 744	29 308	-	505 853	472 238
(KZN 226) Mkhambathini	62 733	-	-	62 733	62 733	-	-	55 546	55 546
(KZN227) Richmond	69 731	-	2 760	66 971	66 971	2 760	-	62 473	62 473

(DC 22) uMgungundlovu District Municipality	526 031	-	-	526 031	526 031	-	-	483 964	476 468
(KZN 235) Okhahlamba	124 946	-	-	124 946	124 946	-	-	110 874	110 874
(KZN 237) iNkosi Langalibalele	176 729	-	7 070	169 659	169 659	7 070	-	155 907	147 088
(KZN 238) Alfred Duma	232 678	-	2 684	229 994	229 994	2 684	-	206 663	206 663
(DC 23) Uthukela District Municipality	432 409	-	4 585	427 824	427 824	4 585	-	397 482	336 334
(KZN 241) Endumeni	46 837	-	4 795	42 042	42 042	4 795	-	41 599	41 501
(KZN 242) Nquthu	137 328	-	-	137 328	137 328	-	-	122 365	119 496
(KZN 244) uMsinga	163 783	-	-	163 783	163 783	-	-	145 573	145 573
(KZN 245) Umvoti	127 889	-	74	127 815	127 815	74	-	112 887	112 873
(DC 24) Umzinyathi District Municipality	353 478	-	-	353 478	353 478	-	-	325 057	287 758
(KZN 252) Newcastle	373 648	-	8 293	365 355	365 355	8 293	-	341 408	341 408
(KZN 253) Emadlangeni	30 478	-	-	30 478	30 478	-	-	27 305	27 305
(KZN254) Dannhauser	91 758	-	-	91 758	91 758	-	-	82 343	82 343
(DC 25) Amajuba District Municipality	161 133	-	25 932	135 201	135 201	25 932	-	148 705	148 705
(KZN 261) eDumbe	74 585	-	29	74 556	74 556	29	-	66 301	65 773
(KZN 262) uPhongolo	136 387	-	-	136 387	136 387	-	-	119 730	119 730
(KZN 263) Abaqulusi	148 281	-	7 788	140 493	140 493	7 788	-	130 276	112 062
(KZN 265) Nongoma	154 506	-	-	154 506	154 506	-	-	136 733	136 391
(KZN 266) Ulundi	163 194	-	-	163 194	163 194	-	-	143 729	143 729
(DC 26) Zululand District Municipality	464 560	-	-	464 560	464 560	-	-	424 766	424 766
(KZN 271) Umhlabuyalingana	166 017	-	-	166 017	166 017	-	-	145 676	145 676
(KZN 272) Jozini	181 990	-	10 826	171 164	171 164	10 826	-	159 965	159 965
(KZN 275) Mtubatuba	164 301	-	-	164 301	164 301	-	-	143 500	143 206
(KZN 276) Big Five Hlabisa	107 783	-	-	107 783	107 783	-	-	94 296	94 296
(DC 27) Umkhanyakude District Municipality	412 178	-	-	412 178	412 178	-	-	374 748	373 583
(KZN 281) uMfolozi	130 797	-	1 055	129 742	129 742	1 055	-	115 041	114 982
(KZN 282) uMhlathuze	362 965	-	800	362 165	362 165	800	-	326 255	321 335
(KZN 284) uMlalazi	185 590	-	-	185 590	185 590	-	-	165 378	165 378

(KZN 285) Mthonjaneni	79 412	-	-	79 412	79 412	-	-	70 979	70 979
(KZN 286) Nkandla	96 903	-	-	96 903	96 903	-	-	86 797	86 797
(DC 28) King Cetshwayo District Municipality	514 940	-	-	514 940	514 940	-	-	476 842	476 842
(KZN 291) Mandeni	167 483	-	-	167 483	167 483	-	-	146 821	137 973
(KZN 292) KwaDukuza	167 408	-	-	167 408	167 408	-	-	147 876	147 876
(KZN 293) Ndwedwe	147 784	-	3 474	144 310	144 310	3 474	-	129 855	125 469
(KZN 294) Maphumulo	90 716	-	-	90 716	90 716	-	-	81 102	81 102
(DC 29) iLembe District Municipality	516 503	-	-	516 503	516 503	-	-	468 670	468 670
(KZN 433) Greater Kokstad	61 663	-	-	61 663	61 663	-	-	55 683	55 683
(KZN 434) Ubuhlebezwe	110 309	-	-	110 309	110 309	-	-	99 319	99 319
(KZN 435) Umzimkhulu	189 217	-	-	189 217	189 217	-	-	169 032	169 032
(KZN 436) Dr Nkosazana Dlamini Zuma	125 869	-	-	125 869	125 869	-	-	111 162	110 022
(DC 43) Harry Gwala District Municipality	345 309	-	43 238	302 071	302 071	43 238	-	318 074	268 808

LIMPOPO									
(LIM 331) Greater Giyani	287 217	-	2 962	284 255	284 255	2 962	-	253 351	253 351
(LIM 332) Greater Letaba	278 254	-	-	278 254	278 254	-	-	244 692	242 914
(LIM 333) Greater Tzaneen	383 693	-	126	383 567	383 567	126	-	338 344	335 619
(LIM 334) Ba-Phalaborwa	150 929	-	180	150 749	150 749	180	-	132 485	132 485
(LIM 335) Maruleng	124 492	-	-	124 492	124 492	-	-	109 416	109 126
(DC 33) Mopani District Municipality	919 537	-	69 400	850 137	850 137	69 400	-	840 762	796 984
(LIM 341) Musina	142 917	-	9 351	133 566	133 566	9 351	-	124 015	116 958
(LIM 343) Thulamela	442 452	-	-	442 452	442 452	-	-	391 032	391 032
(LIM 344) Makhado	357 528	-	-	357 528	357 528	-	-	316 259	315 759
(LIM 345) Collins Chabane Local Municipality	369 556	-	-	369 556	369 556	-	-	327 068	298 209
(DC 34) Vhembe District Municipality	996 113	-	1 495	994 618	994 618	1 495	-	910 477	861 302

(LIM 351) Blouberg	186 309	-	-	186 309	186 309	-	-	167 730	167 730
(LIM 353) Molemole	142 578	-	509	142 069	142 069	509	-	128 184	124 127
(LIM 354) Polokwane	922 589	-	113 765	808 824	808 824	113 765	-	831 436	774 165
(LIM 355) Lepelle-Nkumpi	250 041	-	18 394	231 647	231 647	18 394	-	222 970	215 890
(DC 35) Capricorn District Municipality	588 933	-	-	588 933	588 933	-	-	547 862	547 490
(LIM 361) Thabazimbi	93 580	-	-	93 580	93 580	-	-	86 028	85 841
(LIM 362) Lephalale	147 694	-	339	147 355	147 355	339	-	130 526	130 526
(LIM 366) Bela Bela	90 909	-	-	90 909	90 909	-	-	81 986	80 984
(LIM 367) Mogalakwena	436 536	-	-	436 536	436 536	-	-	395 279	379 645
(LIM 368) LIM 368	109 995	-	75 441	34 554	34 554	75 441	-	100 804	90 804
(DC 36) Waterberg District Municipality	129 990	-	-	129 990	129 990	-	-	122 853	121 274
(LIM 471) Ephraim Mogale	144 997	-	-	144 997	144 997	-	-	129 676	129 676
(LIM 472) Elias Motsoaledi	269 009	-	-	269 009	269 009	-	-	237 506	241 518
(LIM 473) Makhuduthamaga	267 931	-	-	267 931	267 931	-	-	241 518	237 506
(LIM 476) LIM 476 Fetakgomo Tubatse	415 486	-	12 202	403 284	403 284	12 202	-	361 513	361 513
(DC 47) Sekhukhune District Municipality	769 253	-	61 052	708 201	708 201	61 052	-	711 481	705 945

MPUMALANGA

(MP 301) Chief Albert Luthuli	311 205	-	-	311 205	311 205	-	-	278 934	278 934
(MP 302) Msukaligwa	172 093	-	4 469	167 624	167 624	4 469	-	154 338	153 386
(MP 303) Mkhondo	235 268	-	-	235 268	235 268	-	-	209 667	209 448
(MP 304) Dr Pixley Ka Isaka Seme	119 397	-	6 512	112 885	112 885	6 512	-	107 567	107 388
(MP 305) Lekwa	118 689	-	6 735	111 954	111 954	6 735	-	107 256	107 026
(MP 306) Dipaleseng	72 019	-	-	72 019	72 019	-	-	64 569	58 562
(MP 307) Govan Mbeki	284 504	-	3 003	281 501	281 501	3 003	-	257 245	241 558

(DC 30) Gert Sibande District Municipality	291 937	-	200	291 737	291 737	200	-	282 406	282 406
(MP 311) Victor Khanye	96 421	-	-	96 421	96 421	-	-	87 187	87 187
(MP 312) Emalahleni	360 048	-	-	360 048	360 048	-	-	325 738	325 686
(MP 313) Steve Tshwete	200 511	-	-	200 511	200 511	-	-	179 370	179 370
(MP 314) Emakhazeni	63 383	-	-	63 383	63 383	-	-	58 495	58 495
(MP 315) Thembisile Hani	404 156	-	-	404 156	404 156	-	-	364 153	364 153
(MP 316) Dr JS Moroka	379 397	-	4 194	375 203	375 203	4 194	-	345 667	344 852
(DC 31) Nkangala District Municipality	356 274	-	-	356 274	356 274	-	-	343 962	343 962
(MP 321) Thaba Chweu	143 286	-	-	143 286	143 286	-	-	132 627	132 621
(MP 324) Nkomazi	569 784	-	888	568 896	568 896	888	-	516 133	502 601
(MP 325) Bushbuckridge	788 070	-	-	788 070	788 070	-	-	720 236	719 905
(MP 326) City of Mbombela	725 225	-	40 552	684 673	684 673	40 552	-	661 329	570 776
(DC 32) Ehlanzeni District Municipality	253 324	-	-	253 324	253 324	-	-	239 132	239 132

NORTHERN CAPE									
(NC 061) Richtersveld	17 077	-	3 804	13 273	13 273	3 804	-	15 473	15 473
(NC062) Nama Khoi	47 830	-	-	47 830	47 830	-	-	43 917	43 917
(NC 064) Kamiesberg	22 790	-	579	22 211	22 211	579	-	20 768	20 768
(NC 065) Hantam	24 746	-	-	24 746	24 746	-	-	22 818	22 818
(NC 066) Karoo Hoogland	22 416	-	-	22 416	22 416	-	-	20 251	20 059
(NC 067) Khai-Ma	18 953	-	579	18 374	18 374	579	-	17 420	15 022
(DC 6) Namakwa District Municipality	49 192	-	-	49 192	49 192	-	-	47 152	47 023
(NC 071) Ubuntu	34 602	-	-	34 602	34 602	-	-	31 165	31 165
(NC 072) Umsobomvu	49 477	-	7 886	41 591	41 591	7 886	-	44 259	43 964
(NC 073) Emthanjeni	44 900	-	8 428	36 472	36 472	8 428	-	40 793	40 793
(NC 074) Kareeberg	24 348	-	13 537	10 811	10 811	13 537	-	22 024	22 024
(NC 075) Renosterberg	24 687	-	-	24 687	24 687	-	-	22 237	22 153

(NC 076) Thembelihle	25 395	-	4 134	21 261	21 261	4 134	-	22 988	22 988
(NC 077) Siyathemba	32 939	-	5 742	27 197	27 197	5 742	-	29 848	29 448
(NC 078) Siyancuma	49 714	-	9 777	39 937	39 937	9 777	-	45 402	42 143
(DC 7) Pixley Ka Seme District Municipality	51 027	-	31	50 996	50 996	31	-	47 820	47 618
(NC 082) !Kai! Garib	84 517	-	7 253	77 264	77 264	7 253	-	77 186	72 186
(NC 084) !Kheis	25 352	-	2 651	22 701	22 701	2 651	-	23 163	19 235
(NC 085) Tsantsabane	39 037	-	7 167	31 870	31 870	7 167	-	35 385	31 450
(NC 086) Kgatelopele	22 388	-	-	22 388	22 388	-	-	20 469	20 414
(NC 087) Dawid Kruiper	84 895	-	13 404	71 491	71 491	13 404	-	77 934	77 435
(DC 8) Z.F. Mgcawu Distirct Municipality	69 622	-	-	69 622	69 622	-	-	66 094	66 094
(NC 091) Sol Plaatjie	189 151	-	10 931	178 220	178 220	10 931	-	172 437	172 437
(NC 092) Dikgatlong	85 055	-	3 638	81 417	81 417	3 638	-	76 057	76 057
(NC 093) Magareng	46 340	-	3 929	42 411	42 411	3 929	-	41 743	39 328
(NC 094) Phokwane	104 786	-	7 761	97 025	97 025	7 761	-	94 534	74 804
(DC 9) Frances Baard District Municipality	120 606	-	-	120 606	120 606	-	-	116 209	116 209
(NC 451) Joe Morolong	142 240	-	4 766	137 474	137 474	4 766	-	128 635	122 492
(NC 452) Ga-Segonyana	159 726	-	-	159 726	159 726	-	-	141 895	137 528
(NC 453) Gamagara	37 163	-	-	37 163	37 163	-	-	33 008	26 245
(DC 45) John Taolo Gaetsewe District Municipality	89 657	-	-	89 657	89 657	-	-	85 253	85 159

NORTH WEST

(NW 371) Moretele	340 474	-	1 467	339 007	339 007	1 467	-	306 721	289 104
(NW 372) Madibeng	695 606	-	16 447	679 159	679 159	16 447	-	624 943	624 943
(NW 373) Rustenburg	675 452	-	89 393	586 059	586 059	89 393	-	605 006	594 707
(NW 374) Kgetlengrivier	91 271	-	10 200	81 071	81 071	10 200	-	81 506	69 867
(NW 375) Moses Kotane	429 267	-	62 947	366 320	366 320	62 947	-	386 730	376 600

(DC 37) Bojanala Platinum District Municipality	339 278	-	1 379	337 899	337 899	1 379	-	322 202	322 202
(NW 381) Ratlou	125 655	-	2 761	122 894	122 894	2 761	-	111 525	107 105
(NW 382) Tswaing	115 359	-	-	115 359	115 359	-	-	102 431	97 532
(NW 383) Mafikeng	257 427	-	303	257 124	257 124	303	-	226 626	220 321
(NW 384) Ditsobotla	126 697	-	10 639	116 058	116 058	10 639	-	112 413	112 413
(NW 385) Ramotshere Moiloa	174 021	-	4 014	170 007	170 007	4 014	-	153 173	153 173
(DC 38) Ngaka Modiri Molema District Municipality	762 805	-	10	762 795	762 795	10	-	696 369	695 830
(NW 392) Naledi	52 554	-	15 147	37 407	37 407	15 147	-	47 260	45 616
(NW 393) Mamusa	55 905	-	2 348	53 557	53 557	2 348	-	50 209	50 209
(NW 394) Greater Taung	194 770	-	19 479	175 291	175 291	19 479	-	175 974	170 812
(NW 396) Lekwa-Teemane	49 909	-	3 548	46 361	46 361	3 548	-	44 723	42 926
(NW 397) Kagisano-Molopo	121 637	-	8 555	113 082	113 082	8 555	-	109 062	109 062
(DC 39) Dr Ruth Segomotsi Mompati District Municipality	361 316	-	101 797	259 519	259 519	101 797	-	337 205	299 705
(NW 403) City of Matlosana	429 961	-	60 561	369 400	369 400	60 561	-	392 856	392 490
(NW 404) Maquassi Hills	128 390	-	887	127 503	127 503	887	-	115 571	111 060
(NW 405) JB Marks Local Municipality	257 937	-	688	257 249	257 249	688	-	233 655	224 154
(DC 40) Dr Kenneth Kaunda District Municipality	187 599	-	112	187 487	187 487	112	-	180 033	180 033

WESTERN CAPE									
(CPT) City of Cape Town	2 815 558	-	-	2 815 558	2 815 558	-	-	2 574 650	2 574 650
(WC 011) Matzikama	56 540	-	2 831	53 709	53 709	2 831	-	52 340	52 340
(WC 012) Cederberg	49 201	-	1 255	47 946	47 946	1 255	-	45 080	42 794
(WC 013) Bergrivier	45 025	-	-	45 025	45 025	-	-	41 390	41 390
(WC 014) Saldanha Bay	88 277	-	-	88 277	88 277	-	-	80 432	80 432
(WC 015) Swartland	91 534	-	-	91 534	91 534	-	-	82 048	82 048

(DC 1) West Coast District Municipality	92 706	-	317	92 389	92 389	317	-	88 405	88 405
(WC 022) Witzenberg	92 850	-	7 068	85 782	85 782	7 068	-	84 602	84 584
(WC 023) Drakenstein	150 601	-	-	150 601	150 601	-	-	137 518	137 518
(WC 024) Stellenbosch	136 177	-	-	136 177	136 177	-	-	124 176	124 176
(WC 025) Breede Valley	117 997	-	-	117 997	117 997	-	-	108 977	108 977
(WC 026) Langeberg	79 200	-	-	79 200	79 200	-	-	73 093	73 093
(DC 2) Cape Winelands District Municipality	232 056	-	-	232 056	232 056	-	-	225 214	225 214
(WC 031) Theewaterskloof	95 587	-	28 953	66 634	66 634	28 953	-	87 385	86 475
(WC 032) Overstrand	106 697	-	-	106 697	106 697	-	-	96 068	96 068
(WC 033) Cape Agulhas	29 908	-	-	29 908	29 908	-	-	27 606	27 606
(WC 034) Swellendam	31 579	-	-	31 579	31 579	-	-	29 001	29 001
(DC 3) Overberg District Municipality	71 776	-	-	71 776	71 776	-	-	67 902	67 902
(WC 041) Kannaland	28 147	-	-	28 147	28 147	-	-	25 957	23 162
(WC 042) Hessequa	44 063	-	-	44 063	44 063	-	-	40 885	40 885
(WC 043) Mossel Bay	93 352	-	-	93 352	93 352	-	-	85 858	85 858
(WC 044) George	149 978	-	-	149 978	149 978	-	-	137 401	137 401
(WC 045) Oudtshoorn	73 525	-	-	73 525	73 525	-	-	67 861	67 861
(WC 047) Bitou	93 691	-	126	93 565	93 565	126	-	83 028	83 028
(WC 048) Knysna	86 321	-	14 666	71 655	71 655	14 666	-	78 375	78 338
(DC 4) Eden District Municipality	157 370	-	218	157 152	157 152	218	-	151 237	146 250
(WC 051) Laingsburg	16 574	-	1 557	15 017	15 017	1 557	-	15 000	15 000
(WC 052) Prince Albert	21 355	-	-	21 355	21 355	-	-	19 317	19 317
(WC 053) Beaufort West	62 434	-	2 653	59 781	59 781	2 653	-	56 655	56 543
(DC 5) Central Karoo District Municipality	30 642	-	-	30 642	30 642	-	-	28 502	28 502

LGES TOTAL	68 973 465	-	3 346 202	65 627 263	65 627 263	3 346 202	-	62 731 845	60 713 792
-------------------	-------------------	----------	------------------	-------------------	-------------------	------------------	----------	-------------------	-------------------

INTEGRATED URBAN DEVELOPMENT GRANT									
GT481 MOGALE CITY	120 599	-	-	120 599	120 599	-	-	-	-
KZN216 RAY NKONYENI	70 795	-	-	70 795	70 795	-	-	-	-
KZN282 UMHLATHUZE LOCAL MUN	139 988	-	-	139 988	139 988	-	-	-	-
LIM354 POLOKWANE LOCAL MUN	378 290	-	-	378 290	378 290	-	-	-	-
NC091 SOL PLAATJIE	51 287	-	-	51 287	51 287	-	-	-	-
WC023 DRAKENSTEIN	49 050	-	-	49 050	49 050	-	-	-	-
WC024 STELLENBOSCH	46 886	-	-	46 886	46 886	-	-	-	-
TOTAL IUDG	856 895	-	-	856 895	856 895	-	-	-	-

VEHICLE LICENCES									
CITY OF TSHWANE	27	-	-	27	27	-	-	-	-
DISASTER RECOVERY GRANT	-	-	-	-	-	-	-	-	-
ETHEKWINI	112 983	-	-	112 983	112 983	-	-	-	-
UGU DISTRICT	20 237	-	-	20 237	20 237	-	-	-	-
TOTAL DRG	133 220	-	-	133 220	133 220	-	-	-	-
TOTAL	84 779 710	-	3 346 202	81 433 508	81 433 508	3 346 202	-	78 019 530	76 001 477

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

35. BROAD BASED BLACK ECONOMIC EMPOWERMENT PERFORMANCE

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

**ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocation by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000

Municipal Infrastructure Grant

EASTERN CAPE													
Buffalo City	-	-	-	-	-	-	-	-	-	-	-	-	-
Nelson Mandela Bay	-	-	-	-	-	-	-	-	-	-	-	-	-
Dr Beyers Naude	20 608	-	-	20 608	20 608	-	-	20 608	7 288	13 320	35%	16 267	16 267
Blue Crane Route	14 320	-	-	14 320	14 320	-	-	14 320	7 964	6 356	56%	14 117	14 117
Makana	24 399	-	-	24 399	24 399	-	-	24 399	14 256	10 143	58%	-	-
Ndlambe	27 295	-	-	27 295	27 295	-	-	27 295	18 910	8 385	69%	26 809	26 809
Sundays River Valley	25 612	-	-	25 612	25 612	-	-	25 612	16 295	9 317	64%	22 662	22 662
Kouga	37 996	-	-	37 996	37 996	-	-	37 996	12 716	25 280	33%	31 186	31 186
Kou-Kamma	15 396	-	-	15 396	15 396	-	-	15 396	8 139	7 257	53%	15 170	15 170
Sarah Baartman District Municipality		-	-	-	-	-	-	-	-	-	-	36 776	36 776
Mbhashe	59 992	-	-	59 992	59 992	-	-	59 992	35 396	24 596	59%	70 192	70 192
Mnquma	62 609	-	-	62 609	62 609	-	-	62 609	39 314	23 295	63%	61 352	61 352
Great Kei	11 253	-	-	11 253	11 253	-	-	11 253	5 887	5 366	52%	11 116	11 116

Amahlathi	40 139	-	-	40 139	40 139	-	-	40 139	3 766	36 373	9%	18 934	18 934
Ngqushwa	22 504	-	-	22 504	22 504	-	-	22 504	10 716	11 788	48%	32 922	32 922
Raymond Mhlaba	39 233	-	-	39 233	39 232	-	-	39 232	7 414	31 818	19%	38 486	38 486
Amathole District Municipality	428 472	-	-	428 472	428 472	-	-	428 472	350 980	77 492	82%	399 232	399 232
Inxuba Yethemba	16 104	-	-	16 104	16 104	-	-	16 104	13 339	2 765	83%	27 562	27 562
Intsika Yethu	43 020	-	-	43 020	43 020	-	-	43 020	20 494	22 526	48%	42 190	42 190
Emalahleni	33 524	-	-	33 524	33 524	-	-	33 524	25 495	8 029	76%	43 902	43 902
Engcobo	38 525	-	-	38 525	38 525	-	-	38 525	28 900	9 625	75%	33 794	33 794
Sakhisizwe	18 200	-	-	18 200	18 200	-	-	18 200	4 451	13 749	24%	32 912	32 912
Enoch Mgijima	54 112	-	-	54 112	54 112	-	-	54 112	7 309	46 803	14%	53 040	53 040
Chris Hani District Municipality	287 034	-	-	287 034	287 034	-	-	287 034	203 962	83 072	71%	270 880	270 880
Elundini	38 948	-	-	38 948	38 948	-	-	38 948	31 450	7 498	81%	38 207	38 207
Senqu	38 485	-	6 500	44 985	44 985	-	6 500	44 985	33 736	11 249	75%	37 755	37 755
Walter Sisulu	18 872	-	-	18 872	18 872	-	-	18 872	7 533	11 339	40%	18 570	18 570
Joe Gqabi District Municipality	156 868	-	-	156 868	156 868	-	-	156 868	83 079	73 789	53%	153 554	153 554
Ngquza Hill	54 506	-	-	54 506	54 506	-	-	54 506	30 281	24 225	56%	54 976	54 976
Port St Johns	34 345	-	-	34 345	34 345	-	-	34 345	21 809	12 536	63%	33 705	33 705
Nyandeni	60 844	-	-	60 844	60 844	-	-	60 844	38 941	21 903	64%	59 625	59 625
Mhlontlo	55 250	-	-	55 250	55 250	-	-	55 250	34 486	20 764	62%	43 394	43 394
King Sabata Dalindyebo	86 279	-	-	86 279	86 279	-	-	86 279	53 114	33 165	62%	84 506	84 506
O.R.Tambo District Municipality	633 395	-	-	633 395	633 395	-	-	633 395	342 693	290 702	54%	619 684	619 684
Matatiele	49 255	-	9 000	58 255	58 255	-	9 000	58 255	44 789	13 466	77%	45 507	45 507
Umzimvubu	46 411	-	-	46 411	46 411	-	-	46 411	26 674	19 737	57%	59 690	59 690
Mbizana	48 362	-	-	48 362	48 362	-	-	48 362	24 208	24 154	50%	59 416	59 416
Ntabankulu	27 164	-	-	27 164	27 164	-	-	27 164	16 027	11 137	59%	41 681	41 681
Alfred Nzo District Municipality	376 009	-	-	376 009	376 009	-	-	376 009	221 268	154 741	59%	347 914	347 914
TOTAL EASTERN CAPE	3 045 340	-	15 500	3 060 840	3 060 839	-	15 500	3 060 839	1 853 079	1 207 760	61%	2 997 685	2 997 685

FREE STATE														
Mangaung	-	-	-	-	-	-	-	-	-	-	-	-	-	
Letsemeng	17 149	-	-	17 149	17 149			17 149	7 545	9 604	44%	29 949	29 949	
Kopanong	20 540	-	-	20 540	20 540			20 540	11 872	8 668	58%	15 501	15 501	
Xhariep District Municipality		-								-				
Masilonyana	32 421	-	-	32 421	32 421			32 421	15 393	17 028	47%			
Tokologo	16 553	-	-	16 553	16 553			16 553		16 553	0%	16 301	16 301	
Tswelopele	16 488	-	-	16 488	16 488			16 488	11 200	5 288	68%	23 837	23 837	
Matjhabeng	119 070	-	-	119 070	119 070			119 070	44 799	74 271	38%	116 581	116 581	
Nala	29 645	-	-	29 645	29 645			29 645	21 353	8 292	72%	29 107	29 107	
Lejweleputswa District Municipality		-								-		23 019	23 019	
Setsotho	47 203	-	-	47 203	47 203			47 203	27 876	19 327	59%	57 782	57 782	
Dihlabeng	38 648	-	10 000	48 648	48 648		10 000	48 648	30 258	18 390	62%	37 914	37 914	
Nketoana	38 372	-	6 000	44 372	44 372		6 000	44 372	26 850	17 522	61%	24 927	24 927	
Maluti-a-Phofung	162 763	-	-	162 763	162 764		-	162 764	104 352	58 412	64%	159 321	159 321	
Phumelela	21 048	-	-	21 048	21 048		-	21 048	14 318	6 730	68%	20 698	20 698	
Mantsopa	19 971	-	-	19 971	19 971		-	19 971	10 459	9 512	52%	32 759	32 759	
Thabo Mofutsanyana District Municipality	-	-	-	-	-		-	-	-	-	-	-	-	
Moqhaka	40 178	-	-	40 178	40 178		-	40 178	28 110	12 068	70%	43 410	43 410	
Ngwathe	41 971	-	-	41 971	41 971		-	41 971	27 486	14 485	65%	41 164	41 164	
Metsimaholo	51 652	-	-	51 652	51 652		-	51 652	26 770	24 882	52%	49 786	49 786	
Mafube	22 444	-	-	22 444	22 444		-	22 444	14 042	8 402	63%	22 064	22 064	
Fezile Dabi District Municipality		-	-	-	-		-	-	-	-	-	-	-	
TOTAL FREE STATE	754 107	-	16 000	770 107	770 108		-	16 000	770 108	430 235	339 873	56%	761 828	761 828

GAUTENG													
Ekurhuleni	-	-	-	-	-	-	-	-	-	-	-	-	-
City of Johannesburg	-	-	-	-	-	-	-	-	-	-	-	-	-
City of Tshwane	-	-	-	-	-	-	-	-	-	-	-	-	-
Emfuleni	168 967	-	-81 745	87 222	87 222	-81 745	-	87 222	3 167	84 055	4%	165 389	165 389
Midvaal	41 786	-	-	41 786	41 786	-	-	41 786	20 069	21 717	48%	31 201	31 201
Lesedi	26 404	-	-	26 404	26 404	-	-	26 404	2 319	24 085	9%	25 937	25 937
Sedibeng District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-
Mogale City	-	-	-	-	-	-	-	-	-	-	-	118 300	118 300
Merafong City	66 275	-	-	66 275	66 275	-	-	66 275	13 423	52 852	20%	67 638	67 638
Rand West City	91 155	-	-	91 155	91 155	-	-	91 155	55 960	35 195	61%	91 975	91 975
West Rand District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL GAUTENG	394 587	-	-81 745	312 842	312 842	-81 745	-	312 842	94 938	217 904	30%	500 440	500 440

KWAZULU NATAL													
eThekweni	-	-	-	-	-	-	-	-	-	-	-	-	-
uMdoni	30 678	-	-	30 678	30 678	-	-	30 678	10 554	20 124	34%	30 118	30 118
Umzumbe	34 077	-	-	34 077	34 077	-	-	34 077	17 007	17 070	50%	37 392	37 392
uMuziwabantu	23 340	-	-	23 340	23 340	-	-	23 340	10 267	13 073	44%	22 940	22 940

Ray Nkonyeni		-	-			-	-			-		60 317	60 317
Ugu District Municipality	241 038	-	-	241 038	241 038	-	-	241 038	149 732	91 306	62%	235 888	235 888
uMshwathi	27 591	-	-	27 591	27 591	-	-	27 591	20 998	6 593	76%	27 098	27 098
uMngeni	34 039	-	-	34 039	34 039	-	-	34 039	10 160	23 879	30%	22 646	22 646
Mpofana	12 031	-	4 000	16 031	16 031	-	4 000	16 031	10 921	5 110	68%	13 878	13 878
Impendle	11 719	-	-	11 719	11 719	-	-	11 719	9 177	2 542	78%	11 572	11 572
Msunduzi	197 516	-	-	197 516	197 516	-	-	197 516	102 352	95 164	52%	193 316	193 316
Mkhambathini	16 076	-	-	16 076	16 076	-	-	16 076	12 882	3 194	80%	19 385	19 385
Richmond	18 442	-	-3 400	15 042	15 042	-3 400	-	15 042	8 643	6 399	57%	18 149	18 149
Umgungundlovu District Municipality	101 944	-	-	101 944	101 944	-	-	101 944	59 403	42 541	58%	99 828	99 828
Okhahlamba	28 304	-	-	28 304	28 304	-	-	28 304	22 330	5 974	79%	32 295	32 295
iNkosi													
Langalibalele	37 661	-	-	37 661	37 661	-	-	37 661	27 519	10 142	73%	36 949	36 949
Alfred Duma	61 683	-	-	61 683	61 683	-	-	61 683	37 474	24 209	61%	69 946	69 946
Uthukela District Municipality	183 937	-	-	183 937	183 937	-	-	183 937	115 293	68 644	63%	180 033	180 033
Endumeni	15 210	-	-	15 210	15 210	-	-	15 210	5 510	9 700	36%	24 487	24 487
Nqutu	31 198	-	-	31 198	31 198	-	-	31 198	23 212	7 986	74%	30 627	30 627
Msinga	49 422	-	-	49 422	49 422	-	-	49 422	35 289	14 133	71%	36 715	36 715
Umvoti	29 802	-	-	29 802	29 802	-	-	29 802	16 781	13 021	56%	33 261	33 261
Umzinyathi District Municipality	188 488	-	-	188 488	188 488	-	-	188 488	131 467	57 021	70%	184 485	184 485
Newcastle	112 580	-	-	112 580	112 580	-	-	112 580	73 788	38 792	66%	56 232	56 232
Emadlangeni	9 342	-	-	9 342	9 342	-	-	9 342	7 095	2 247	76%	9 247	9 247
Dannhauser	21 766	-	-	21 766	21 766	-	-	21 766	11 627	10 139	53%	21 400	21 400
Amajuba District Municipality	41 039	-	-	41 039	41 039	-	-	41 039	11 224	29 815	27%	40 253	40 253
eDumbe	18 047	-	-	18 047	18 047	-	-	18 047	15 893	2 154	88%	26 762	26 762
uPhongolo	28 302	-	-	28 302	28 302	-	-	28 302	10 213	18 089	36%	27 794	27 794
Abaqulusi	37 135	-	-	37 135	37 135	-	-	37 135	19 737	17 398	53%	36 434	36 434

Nongoma	31 873	-	-	31 873	31 873	-	-	31 873	21 379	10 494	67%	31 286	31 286
Ulundi	30 900	-	-	30 900	30 900	-	-	30 900	23 667	7 233	77%	36 335	36 335
Zululand District Municipality	225 574	-	-	225 574	225 574	-	-	225 574	150 694	74 880	67%	220 762	220 762
Umhlabuyalingana	34 918	-	-	34 918	34 918	-	-	34 918	12 029	22 889	34%	34 265	34 265
Jozini	37 394	-	-	37 394	37 394	-	-	37 394	25 334	12 060	68%	36 687	36 687
Mtubatuba	31 750	-	-	31 750	31 750	-	-	31 750	29 470	2 280	93%	31 166	31 166
Big Five Hlabisa	21 357	-	-	21 357	21 357	-	-	21 357	12 199	9 158	57%	21 000	21 000
Umkhanyakude District Municipality	214 959	-	-	214 959	214 959	-	-	214 959	133 066	81 893	62%	210 378	210 378
Mfolozi	26 224	-	-	26 224	26 224	-	-	26 224	20 170	6 054	77%	25 761	25 761
uMhlathuze		-	-			-	-					104 604	104 604
uMlalazi	40 380	-	-	40 380	40 380	-	-	40 380	22 137	18 243	55%	49 108	49 108
Mthonjaneni	18 033	-	-	18 033	18 033	-	-	18 033	19 673	-1 640	109%	21 749	21 749
Nkandla	22 834	-	-	22 834	22 834	-	-	22 834	10 570	12 264	46%	34 945	34 945
King Cetshwayo District Municipality	170 818	-	-	170 818	170 818	-	-	170 818	99 200	71 618	58%	167 200	167 200
Mandeni	35 369	-	-9 100	26 269	26 269	-9 100	-	26 269	4 927	21 342	19%	34 706	34 706
KwaDukuza	51 684	-	-	51 684	51 684	-	-	51 684	32 667	19 017	63%	53 966	53 966
Ndwedwe	29 809	-	5 000	34 809	34 809	-	5 000	34 809	29 875	4 934	86%	32 767	32 767
Maphumulo	22 320	-	6 500	28 820	28 820	-	6 500	28 820	22 790	6 030	79%	21 942	21 942
iLembe District Municipality	192 596	-	-	192 596	192 596	-	-	192 596	109 740	82 856	57%	188 503	188 503
Greater Kokstad	17 318	-	4 000	21 318	21 318	-	4 000	21 318	18 795	2 523	88%	22 549	22 549
Ubuhlebezwe	26 917	-	-	26 917	26 917	-	-	26 917	19 284	7 633	72%	26 439	26 439
Umzimkhulu	55 373	-	-	55 373	55 373	-	-	55 373	22 865	32 508	41%	42 536	42 536
Dr Nkosazana Dlamini Zuma	27 149	-	-	27 149	27 149	-	-	27 149	26 438	711	97%	26 666	26 666
Harry Gwala District Municipality	200 860	-	-	200 860	200 860	-	-	200 860	140 159	60 701	70%	196 587	196 587
TOTAL KWAZULU NATAL	3 208 816	-	7 000	3 215 816	3 215 816	-12 500	19 500	3 215 816	1 993 676	1 222 140	62%	3 311 354	3 311 354

LIMPOPO													
Greater Letaba	57 608	-	-	57 608	57 608	-	-	57 608	43 403	14 205	75%	76 460	76 460
Greater Tzaneen	94 263	-	-	94 263	94 263	-	-	94 263	83 484	10 779	89%	92 315	92 315
Ba-Phalaborwa	32 026	-	-	32 026	32 026	-	-	32 026	19 863	12 163	62%	46 437	46 437
Maruleng	26 812	-	-	26 812	26 812	-	-	26 812	22 381	4 431	83%	41 337	41 337
Mopani District Municipality	454 295	-	-	454 295	454 295	-	-	454 295	187 092	267 203	41%	444 492	444 492
Musina	29 016	-	-	29 016	29 016	-	-	29 016	14 822	14 194	51%	22 494	22 494
Thulamela	99 383	-	-	99 383	99 383	-	-	99 383	98 839	544	99%	112 823	112 823
Makhado	89 577	-	-	89 577	89 577	-	-	89 577	59 293	30 284	66%	87 732	87 732
LIM345	94 031	-	-	94 031	94 031	-	-	94 031	79 986	14 045	85%	101 850	101 850
Vhembe District Municipality	514 768	-	-	514 768	514 768	-	-	514 768	289 715	225 053	56%	503 646	503 646
Blouberg	44 350	-	-	44 350	44 350	-	-	44 350	32 932	11 418	74%	43 491	43 491
Molemole	35 151	-	-	35 151	35 151	-	-	35 151	34 423	728	98%	46 493	46 493
Polokwane	-	-	-	-	-	-	-	-	-	-	-	330 877	330 877
Lepele-Nkumpi	54 074	-	-	54 074	54 074	-	-	54 074	18 642	35 432	34%	42 003	42 003
Capricorn District Municipality	230 788	-	30 000	260 788	260 788	-	30 000	260 788	228 233	32 555	88%	225 862	225 862
Thabazimbi	33 228	-	-	33 228	33 228	-	-	33 228	29 644	3 584	89%	9 784	9 784
Lephalale	43 643	-	-	43 643	43 643	-	-	43 643	27 184	16 459	62%	50 800	50 800
Bela-Bela	25 911	-	-	25 911	25 911	-	-	25 911	13 190	12 721	51%	37 530	37 530
Mogalakwena	156 417	-	-	156 417	156 417	-	-	156 417	57 706	98 711	37%	132 858	132 858
LIM368	38 558	-	-	38 558	38 558	-	-	38 558	14 612	23 946	38%	27 826	27 826
Waterberg District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-
Ephraim Mogale	33 443	-	-	33 443	33 443	-	-	33 443	16 173	17 270	48%	32 823	32 823
Elias Motsoaledi	54 921	-	-	54 921	54 921	-	-	54 921	35 189	19 732	64%	61 832	61 832
Makhuduthamaga	62 122	-	-	62 122	62 122	-	-	62 122	32 960	29 162	53%	73 000	73 000
Tubatse/Fetakgomo	84 369	-	-	84 369	84 369	-	-	84 369	38 564	45 805	46%	49 412	49 412
Sekhukhune District Municipality	475 195	-	-10 000	465 195	465 195	-10 000	-	465 195	196 064	269 131	42%	464 936	464 936
TOTAL													
LIMPOPO	2 924 637	-	20 000	2 944 637	2 944 637	-10 000	30 000	2 944 637	1 734 968	1 209 669	59%	3 218 586	3 218 586

MPUMALANGA													
Albert Luthuli	87 072	-	-	87 072	87 072	-	-	87 072	58 049	29 023	67%	85 281	85 281
Msukaligwa	52 710	-	-	52 710	52 710	-	-	52 710	25 403	27 307	48%	51 669	51 669
Mkhondo	78 336	-	-	78 336	78 336	-	-	78 336	51 051	27 285	65%	76 735	76 735
Pixley Ka Seme	26 424	-	-	26 424	26 424	-	-	26 424	16 854	9 570	64%	25 956	25 956
Lekwa	28 844	-	-	28 844	28 844	-	-	28 844	17 154	11 690	59%	28 034	28 034
Dipaleseng	18 816	-	-	18 816	18 816	-	-	18 816	13 250	5 566	70%	35 480	35 480
Govan Mbeki	68 803	-	-	68 803	68 803	-	-	68 803	32 724	36 079	48%	56 651	56 651
Gert Sibande District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-
Victor Khanye	24 912	-	-	24 912	24 912	-	-	24 912	16 458	8 454	66%	24 477	24 477
Emalahleni	119 975	-	-	119 975	119 975	-	-	119 975	85 917	34 058	72%	120 967	120 967
Steve Tshwete	49 716	-	-	49 716	49 716	-	-	49 716	35 405	14 311	71%	52 240	52 240
Emakhazeni	29 235	-	-	29 235	29 235	-	-	29 235	21 449	7 786	73%	19 946	19 946
Thembisile Hani	123 429	-	-	123 429	123 429	-	-	123 429	72 530	50 899	59%	124 345	124 345
Dr JS Moroka	125 111	-	-	125 111	125 111	-	-	125 111	20 331	104 780	16%	122 491	122 491
Nkangala District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-
Thaba Chweu	47 382	-	-	47 382	47 382	-	-	47 382	31 996	15 386	68%	43 851	43 851
Nkomazi	225 063	-	-	225 063	225 063	-	-	225 063	177 603	47 460	79%	220 261	220 261
Bushbuckridge	374 040	-	-	374 040	374 040	-	-	374 040	285 913	88 127	76%	365 988	365 988
City of Mbombela	333 753	-	-	333 753	333 753	-	-	333 753	195 699	138 054	59%	336 980	336 980
Ehlanzeni District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL MPUMALANGA	1 813 621	-	-	1 813 621	1 813 621	-	-	1 813 621	1 157 786	655 835	64%	1 791 352	1 791 352

NORTHERN CAPE													
Richtersveld	7 338	-	-	7 338	7 338	-	-	7 338	-	7 338	0%	2 429	2 429
Nama Khoi	14 593	-	-	14 593	14 593	-	-	14 593	7 520	7 073	52%	11 497	11 497
Kamiesberg	7 553	-	4 000	11 553	11 553	-	4 000	11 553	7 625	3 928	66%	11 867	11 867
Hantam	9 760	-	-	9 760	9 760	-	-	9 760	9 351	409	96%	7 436	7 436
Karoo													
Hoogland	8 087	-	-	8 087	8 087	-	-	8 087	6 067	2 020	75%	18 020	18 020
Khâi-Ma	7 773	-	-	7 773	7 773	-	-	7 773	-	7 773	0%	7 712	7 712
Namakwa District Municipality		-	-	-	-	-	-	-	-	-	-	-	-
Ubuntu	9 970	-	-	9 970	9 970	-	-	9 970	935	9 035	9%	-	-
Umsobomvu	11 490	-	-	11 490	11 490	-	-	11 490	6 205	5 285	54%	9 348	9 348
Emthanjeni	25 657	-	-3 947	21 710	21 710	-3 947	-	21 710	2 594	19 116	12%	9 900	9 900
Kareeberg	8 038	-	-	8 038	8 038	-	-	8 038	4 258	3 780	53%	7 972	7 972
Renosterberg	7 480	-	-	7 480	7 480	-	-	7 480	2 786	4 694	37%	5 213	5 213
Thembelihle	9 449	-	-	9 449	9 449	-	-	9 449	-	9 449	0%	14 352	14 352
Siyathemba	9 829	-	10 000	19 829	19 829	-	10 000	19 829	12 276	7 553	62%	29 724	29 724
Siyancuma	16 608	-	-	16 608	16 608	-	-	16 608	7 647	8 961	46%	16 355	16 355
Pixley Ka Seme District Municipality		-	-	-	-	-	-	-	231	-231	#DIV/0!	9 862	9 862
!Kai !Garib	22 416	-	-	22 416	22 416	-	-	22 416	9 795	12 621	44%	16 822	16 822
!Kheis	10 691	-	-	10 691	10 691	-	-	10 691	4 364	6 327	41%	10 567	10 567
Tsantsabane	15 542	-	-	15 542	15 542	-	-	15 542	7 649	7 893	49%	11 312	11 312
Kgatelopele	8 042	-	12 000	20 042	20 042	-	12 000	20 042	7 910	12 132	39%	27 975	27 975
Dawid Kruiper	34 090	-	-	34 090	34 090	-	-	34 090	17 912	16 178	53%	19 702	19 702
Z.F. Mgcawu District Municipality		-	-	-	-	-	-	-	-	-	-	-	-
Sol Plaatjie		-	-	-	-	-	-	-	-	-	-	48 816	48 816
Dikgatlong	19 527	-	6 187	25 714	25 714	-	6 187	25 714	14 105	11 609	55%	14 709	14 709
Magareng	28 163	-	-2 000	26 163	26 163	-2 000	-	26 163	9 947	16 216	38%	11 029	11 029
Phokwane	26 265	-	-11 980	14 285	14 285	-11 980	-	14 285	-	14 285	0%	27 092	27 092
Frances Baard District Municipality		-	-	-	-	-	-	-	-	-	-	-	-
Joe Morolong	60 025	-	-	60 025	60 025	-	-	60 025	36 133	23 892	60%	58 824	58 824
Ga-Segonyana	53 302	-	-	53 302	53 302	-	-	53 302	39 542	13 760	74%	52 793	52 793
Gamagara	11 853	-	-	11 853	11 853	-	-	11 853	8 017	3 836	68%	8 963	8 963
John Taolo Gaetsewe District Municipality		-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NORTHERN CAPE	443 541	-	14 260	457 801	457 801	-17 927	32 187	457 801	222 869	234 932	49%	470 291	470 291

NORTH WEST													
Moretele	114 780	-	-	114 780	114 780	-	-	114 780	57 714	57 066	50%	82 922	82 922
Madibeng	281 797	-	-	281 797	281 797	-	-	281 797	108 087	173 710	38%	225 258	225 258
Rustenburg	235 107	-	-	235 107	235 107	-	-	235 107	195 663	39 444	83%	260 086	260 086
Kgetlengrivier	25 847	-	-	25 847	25 847	-	-	25 847	4 587	21 260	18%	37 392	37 392
Moses Kotane	149 692	-	-	149 692	149 692	-	-	149 692	78 124	71 568	52%	174 535	174 535
Bojanala Platinum District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-
Ratlou	29 400	-	-	29 400	29 400	-	-	29 400	1 182	28 218	4%	18 867	18 867
Tswaing	29 274	-	-	29 274	29 274	-	-	29 274	12 285	16 989	42%	26 700	26 700
Mafikeng	81 230	-	-	81 230	81 230	-	-	81 230	63 022	18 208	78%	40 000	40 000
Ditsobotla	36 540	-	-	36 540	36 540	-	-	36 540	25 073	11 467	69%	50 851	50 851
Ramotshere Moiloa	37 154	-	-	37 154	37 154	-	-	37 154	16 968	20 186	46%	47 504	47 504
Ngaka Modiri Molema District Municipality	299 499	-	-	299 499	299 499	-	-	299 499	156 419	143 080	52%	293 074	293 074
Naledi	16 979	-	-	16 979	16 979	-	-	16 979	9 966	7 013	59%	23 218	23 218
Mamusa	15 696	-	-	15 696	15 696	-	-	15 696	3 889	11 807	25%	-	-
Greater Taung	47 604	-	-	47 604	47 604	-	-	47 604	28 246	19 358	59%	46 675	46 675
Lekwa- Teemane	14 793	-	10 000	24 793	24 793	-	10 000	24 793	11 367	13 426	46%	14 579	14 579
Kagisano- Molopo	39 568	-	-	39 568	39 568	-	-	39 568	20 711	18 857	52%	29 521	29 521
Dr Ruth Segomotsi Mompoti District Municipality	138 393	-	-	138 393	138 393	-	-	138 393	51 142	87 251	37%	150 944	150 944
City of Matlosana	87 489	-	-	87 489	87 489	-	-	87 489	43 503	43 986	50%	119 689	119 689
Maquassi Hills	28 209	-	-	28 209	28 209	-	-	28 209	25 151	3 058	89%	25 052	25 052
Ventersdorp/Tl okwe	78 690	-	-	78 690	78 690	-	-	78 690	46 779	31 911	59%	56 840	56 840
Dr Kenneth Kaunda District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL NORTH WEST	1 787 741	-	10 000	1 797 741	1 797 741	-	10 000	1 797 741	1 405 616	392 125	78%	1 723 707	1 723 707

WESTERN CAPE													
City of Cape Town	-	-	-	-	-	-	-	-	-	-	-	-	-
Matzikama	21 307			21 307	21 307			21 307	16 639	4 668	78%	20 951	20 951
Cederberg	15 667			15 667	15 667			15 667	3 462	12 205	22%	9 634	9 634
Bergrivier	14 548			14 548	14 548			14 548	2 879	11 669	20%	19 754	19 754
Saldanha Bay	19 415			19 415	19 415			19 415	18 019	1 396	93%	11 101	11 101
Swartland	21 301			21 301	21 301			21 301	17 112	4 189	80%	24 945	24 945
West Coast District Municipality													
Witzenberg	22 411			22 411	22 411			22 411	7 576	14 835	34%	22 031	22 031
Drakenstein												34 484	34 484
Stellenbosch												35 107	35 107
Breede Valley	34 452	-	-	34 452	34 452	-	-	34 452	1 588	32 864	5%	33 810	33 810
Langeberg	21 983	-	-	21 983	21 983	-	-	21 983	5 886	16 097	27%	21 612	21 612
Cape Winelands District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-
Theewaterskloof	26 430	-	-	26 430	26 430	-	-	26 430	15 567	10 863	59%	25 962	25 962
Overstrand	32 010	-	-	32 010	32 010	-	-	32 010	7 068	24 942	22%	21 639	21 639
Cape Agulhas	11 005	-	-	11 005	11 005	-	-	11 005	3 096	7 909	28%	13 874	13 874
Swellendam	11 937	-	-	11 937	11 937	-	-	11 937	7 075	4 862	59%	11 786	11 786
Overberg District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-
Kannaland	10 271	-	-	10 271	10 271	-	-	10 271	4 159	6 112	40%	8 392	8 392
Hessequa	13 650	-	-1 015	12 635	12 635	-1 015	-	12 635	397	12 238	3%	13 462	13 462
Mossel Bay	24 105	-	-	24 105	24 105	-	-	24 105	16 997	7 108	71%	23 688	23 688
George	40 104	-	-	40 104	40 104	-	-	40 104	6 091	34 013	15%	47 888	47 888
Oudtshoorn	21 747	-	-	21 747	21 747	-	-	21 747	9 662	12 085	44%	21 382	21 382
Bitou	20 173	-	-	20 173	20 173	-	-	20 173	9 786	10 387	49%	26 642	26 642
Knysna	25 031	-	-	25 031	25 031	-	-	25 031	11 581	13 450	46%	24 594	24 594
Eden District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-
Laingsburg	6 692	-	-	6 692	6 692			6 692	2 342	4 350	35%	6 588	6 588
Prince Albert	15 502	-	-	15 502	15 502	-3 559	3 559	15 502	804	14 698	5%	7 505	7 505
Beaufort West	13 972	-	-	13 972	13 972	-	-	13 972	1 712	12 260	12%	25 611	25 611
Central Karoo District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL													
WESTERN CAPE	443 713	-	-1 015	442 698	442 698	-4 574	3 559	442 698	169 498	273 200	38%	512 442	512 442

TOTAL MIG	14 816 103	-	14 816 103	14 816 103	-126 746	126 746	14 816 103	7 657 312	7 158 791	52%	15 287 685	15 287 685
------------------	-------------------	----------	-------------------	-------------------	-----------------	----------------	-------------------	------------------	------------------	------------	-------------------	-------------------

Local Government Equitable Share

EASTERN CAPE													
(BUF) Buffalo City	847 431	-	-	847 431	847 431	-	-	847 431	-	-	-	778 048	736 456
(NMA) Nelson Mandela Bay	1 021 661	-	291 846	729 815	729 815	-	-	729 815	-	-	-	939 530	880 284
(EC101) Dr Beyers Naude	90 876	-	70	90 806	90 806	-	-	90 806	-	-	-	83 278	55 519
(EC 102) Blue Crane Route	53 519	-	-	53 519	53 519	-	-	53 519	-	-	-	49 012	32 675
(EC 104) Makana	93 494	-	-	93 494	93 494	-	-	93 494	-	-	-	85 578	85 578
(EC 105) Ndlambe	96 716	-	-	96 716	96 716	-	-	96 716	-	-	-	88 241	88 241
(EC 106) Sundays River Valley	79 777	-	57	79 720	79 720	-	-	79 720	-	-	-	71 971	69 881
(EC 108) Kouga	124 938	-	-	124 938	124 938	-	-	124 938	-	-	-	113 151	113 151
(EC 109) Kou-kamma	49 376	-	3 593	45 783	45 783	-	-	45 783	-	-	-	45 406	45 252
(DC 10) Sarah Baartman District Municipality	93 464	-	-	93 464	93 464	-	-	93 464	-	-	-	88 342	88 342
(EC 121) Mbhashe	249 464	-	-	249 464	249 464	-	-	249 464	-	-	-	225 391	225 391
(EC 122) Mngquma	258 930	-	2 665	256 265	256 265	-	-	256 265	-	-	-	234 368	227 171
(EC 123) Great Kei	42 659	-	350	42 309	42 309	-	-	42 309	-	-	-	38 154	37 484
(EC 124) Amahlathi	105 863	-	529	105 334	105 334	-	-	105 334	-	-	-	97 114	96 491
(EC 126) Ngqushwa	82 696	-	1 368	81 328	81 328	-	-	81 328	-	-	-	75 488	75 488
(EC 129) Raymond Mhlaba	174 140	-	-	174 140	174 140	-	-	174 140	-	-	-	156 192	156 192

(DC 12) Amathole District Municipality	833 685	-	1 508	832 177	832 177	-	-	832 177	-	-	-	785 546	782 308
(EC 131) Inxuba Yethemba	42 907	-	-	42 907	42 907	-	-	42 907	-	-	-	39 507	35 852
(EC135) Intsika Yethu	159 020	-	-	159 020	159 020	-	-	159 020	-	-	-	147 779	147 779
(EC 136) Emalahleni	123 739	-	-	123 739	123 739	-	-	123 739	-	-	-	115 774	115 774
(EC 137) Engcobo	148 281	-	-	148 281	148 281	-	-	148 281	-	-	-	136 131	136 131
(EC 106) Sundays River Valley	79 777	-	57	79 720	79 720	-	-	79 720	-	-	-	71 971	69 881
(EC 108) Kouga	124 938	-	-	124 938	124 938	-	-	124 938	-	-	-	113 151	113 151
(EC 109) Kou-kamma	49 376	-	3 593	45 783	45 783	-	-	45 783	-	-	-	45 406	45 252
(DC 10) Sarah Baartman District Municipality	93 464	-	-	93 464	93 464	-	-	93 464	-	-	-	88 342	88 342
(EC 121) Mbhashe	249 464	-	-	249 464	249 464	-	-	249 464	-	-	-	225 391	225 391
(EC 122) Mquma	258 930	-	2 665	256 265	256 265	-	-	256 265	-	-	-	234 368	227 171
(EC 123) Great Kei	42 659	-	350	42 309	42 309	-	-	42 309	-	-	-	38 154	37 484
(EC 124) Amahlathi	105 863	-	529	105 334	105 334	-	-	105 334	-	-	-	97 114	96 491
(EC 126) Ngqushwa	82 696	-	1 368	81 328	81 328	-	-	81 328	-	-	-	75 488	75 488
(EC 129) Raymond Mhlaba	174 140	-	-	174 140	174 140	-	-	174 140	-	-	-	156 192	156 192
(DC 12) Amathole District Municipality	833 685	-	1 508	832 177	832 177	-	-	832 177	-	-	-	785 546	782 308
(EC 131) Inxuba Yethemba	42 907	-	-	42 907	42 907	-	-	42 907	-	-	-	39 507	35 852
(EC135) Intsika Yethu	159 020	-	-	159 020	159 020	-	-	159 020	-	-	-	147 779	147 779
(EC 136) Emalahleni	123 739	-	-	123 739	123 739	-	-	123 739	-	-	-	115 774	115 774
(EC 137) Engcobo	148 281	-	-	148 281	148 281	-	-	148 281	-	-	-	136 131	136 131

(EC 444) Ntabankulu	122 525	-	3 148	119 377	119 377	-	-	119 377	-	-	-	108 982	108 982
(DC 44) Alfred Nzo District Municipality	556 720	-	-	556 720	556 720	-	-	556 720	-	-	-	510 344	510 344

FREE STATE													
(MAN) Mangaung	735 867	-	279 988	455 879	455 879	-	-	455 879	-	-	-	683 500	467 500
(FS 161) Letsemeng	63 668	-	22 200	41 468	41 468	-	-	41 468	-	-	-	58 082	41 082
(FS 162) Kopanong	85 235	-	15 847	69 388	69 388	-	-	69 388	-	-	-	77 880	67 281
(FS 163) Mohokare	68 586	-	20 784	47 802	47 802	-	-	47 802	-	-	-	61 723	40 276
(DC 16) Xharies District Municipality	43 542	-	-	43 542	43 542	-	-	43 542	-	-	-	40 544	40 544
(FS 181) Masilonyana	118 906	-	15 328	103 578	103 578	-	-	103 578	-	-	-	107 442	90 719
(FS 182) Tokologo	54 560	-	9 322	45 238	45 238	-	-	45 238	-	-	-	49 390	42 145
(FS 183) Tswelopele	74 224	-	536	73 688	73 688	-	-	73 688	-	-	-	67 019	66 966
(FS 184) Matjhabeng	504 417	-	18 941	485 476	485 476	-	-	485 476	-	-	-	459 037	435 732
(FS 185) Nala	122 062	-	2 391	119 671	119 671	-	-	119 671	-	-	-	111 110	111 054
(DC 18) Lejweleputswa District Municipality	128 350	-	1 000	127 350	127 350	-	-	127 350	-	-	-	121 164	121 164
(FS 191) Setsoto	192 449	-	-	192 449	192 449	-	-	192 449	-	-	-	173 927	173 927
(FS 192) Dihlabeng	164 487	-	-	164 487	164 487	-	-	164 487	-	-	-	147 861	147 861

(DC 20) Fezile Dabi District Municipality	154 559		1 519	153 040	153 040			153 040				149 188	147 523
-------------------------------------------	---------	--	-------	---------	---------	--	--	---------	--	--	--	---------	---------

GAUTENG													
(EKU) City of Ekurhuleni	3 478 292		440 071	3 038 221	3 038 221			3 038 221				3 145 138	3 145 138
(JHB) City of Johannesburg	4 689 158		207 157	4 482 001	4 482 001			4 482 001				4 229 919	4 173 504
(TSH) City of Tshwane	2 642 492		61 813	2 580 679	2 580 679			2 580 679				2 398 120	2 246 848
GT 21 Emfuleni	772 335		25	772 310	772 310			772 310				707 724	696 765
(GT 422) Midvaal	107 047		-	107 047	107 047			107 047				97 192	97 192
(GT 423) Lesedi	133 765		5 654	128 111	128 111			128 111				119 340	110 099
(DC 42) Sedibeng District Municipality	268 626		127	268 499	268 499			268 499				258 891	258 891
(GT 481) Mogale City	408 061		110	407 951	407 951			407 951				369 809	369 809
(GT 484) Merafong City	204 068		-	204 068	204 068			204 068				185 872	184 932
(GT 485) Rand West City Local Municipality	303 723		-	303 723	303 723			303 723				274 916	274 916
(DC 48) West Rand District Municipality	207 500		14 195	193 305	193 305			193 305				198 007	169 617

(FS 193) Nketoana	97 090	-	2 226	94 864	94 864	-	-	94 864	-	-	-	87 543	87 543
(FS 194) Maluti-a- Phofung	599 867	-	34 412	565 455	565 455	-	-	565 455	-	-	-	538 719	491 519
(FS 195) Phumelela	75 451	-	-	75 451	75 451	-	-	75 451	-	-	-	68 083	67 067
(FS 196) Mantsopa	82 760	-	-	82 760	82 760	-	-	82 760	-	-	-	74 811	74 737
(DC 19) Thabo Mofutsanyana District Municipality	115 593	-	-	115 593	115 593	-	-	115 593	-	-	-	107 303	107 277
(FS 201) Moghaka	205 660	-	-	205 660	205 660	-	-	205 660	-	-	-	185 144	185 144
(FS 203) Ngwathe	192 989	-	23 360	169 629	169 629	-	-	169 629	-	-	-	174 340	161 622
(FS204) Metsimaholo	183 064	-	8 361	174 703	174 703	-	-	174 703	-	-	-	163 296	159 838
(FS 205) Mafube	95 847	-	-	95 847	95 847	-	-	95 847	-	-	-	86 279	85 705
(DC 20) Fezile Dabi District Municipality	154 559	-	1 519	153 040	153 040	-	-	153 040	-	-	-	149 188	147 523

GAUTENG													
(EKU) City of Ekurhuleni	3 478 292	-	440 071	3 038 221	3 038 221	-	-	3 038 221	-	-	-	3 145 138	3 145 138
(JHB) City of Johannesburg	4 689 158	-	207 157	4 482 001	4 482 001	-	-	4 482 001	-	-	-	4 229 919	4 173 504
(TSH) City of Tshwane	2 642 492	-	61 813	2 580 679	2 580 679	-	-	2 580 679	-	-	-	2 398 120	2 246 848
GT 21 Emfuleni	772 335	-	25	772 310	772 310	-	-	772 310	-	-	-	707 724	696 765
(GT 422) Midvaal	107 047	-	-	107 047	107 047	-	-	107 047	-	-	-	97 192	97 192

(GT 423) Lesedi	133 765	-	5 654	128 111	128 111	-	-	128 111	-	-	-	119 340	110 099
(DC 42) Sedibeng District Municipality	268 626	-	127	268 499	268 499	-	-	268 499	-	-	-	258 891	258 891
(GT 481) Mogale City	408 061	-	110	407 951	407 951	-	-	407 951	-	-	-	369 809	369 809
(GT 484) Merafong City	204 068	-	-	204 068	204 068	-	-	204 068	-	-	-	185 872	184 932
(GT 485) Rand West City Local Municipality	303 723	-	-	303 723	303 723	-	-	303 723	-	-	-	274 916	274 916
(DC 48) West Rand District Municipality	207 500	-	14 195	193 305	193 305	-	-	193 305	-	-	-	198 007	169 617

KWAZULU NATAL													
(ETH) eThekweni	3 160 624	-	397 003	2 763 621	2 763 621	-	-	2 763 621	-	-	-	2 893 016	2 551 655
(KZN 212) Umdoni	132 002	-	-	132 002	132 002	-	-	132 002	-	-	-	118 563	117 271
(KZN 213) Umzumbe	131 115	-	-	131 115	131 115	-	-	131 115	-	-	-	120 566	120 566
(KZN 214) uMuziwabantu	91 211	-	-	91 211	91 211	-	-	91 211	-	-	-	82 521	80 740
(KZN 216) Ray Nkonyeni	205 608	-	-	205 608	205 608	-	-	205 608	-	-	-	185 324	185 324
(DC 21) Ugu District Municipality	462 844	-	-	462 844	462 844	-	-	462 844	-	-	-	435 877	435 877
(KZN 221) uMshwathi	101 901	-	-	101 901	101 901	-	-	101 901	-	-	-	91 820	91 820
(KZN 222) uMngeni	67 048	-	-	67 048	67 048	-	-	67 048	-	-	-	60 165	60 165

(KZN 223) Mpofana	35 624	-	-	35 624	35 624	-	-	35 624	-	-	-	32 003	31 528
(KZN 224) Impendle	35 693	-	-	35 693	35 693	-	-	35 693	-	-	-	32 649	32 649
(KZN 225) Msunduzi	546 052	-	29 308	516 744	516 744	-	-	516 744	-	-	-	505 853	472 238
(KZN 226) Mkhambathini	62 733	-	-	62 733	62 733	-	-	62 733	-	-	-	55 546	55 546
(KZN227) Richmond	69 731	-	2 760	66 971	66 971	-	-	66 971	-	-	-	62 473	62 473
(DC 22) uMgungundlovu District Municipality	526 031	-	-	526 031	526 031	-	-	526 031	-	-	-	483 964	476 468
(KZN 235) Okhahlamba	124 946	-	-	124 946	124 946	-	-	124 946	-	-	-	110 874	110 874
(KZN 237) iNkosi Langalibalele	176 729	-	7 070	169 659	169 659	-	-	169 659	-	-	-	155 907	147 088
(KZN 238) Alfred Duma	232 678	-	2 684	229 994	229 994	-	-	229 994	-	-	-	206 663	206 663
(DC 23) Uthukela District Municipality	432 409	-	4 585	427 824	427 824	-	-	427 824	-	-	-	397 482	336 334
(KZN 241) Endumeni	46 837	-	4 795	42 042	42 042	-	-	42 042	-	-	-	41 599	41 501
(KZN 242) Nquthu	137 328	-	-	137 328	137 328	-	-	137 328	-	-	-	122 365	119 496
(KZN 244) uMsinga	163 783	-	-	163 783	163 783	-	-	163 783	-	-	-	145 573	145 573
(KZN 245) Umvoti	127 889	-	74	127 815	127 815	-	-	127 815	-	-	-	112 887	112 873
(DC 24) Umzinyathi	353 478	-	-	353 478	353 478	-	-	353 478	-	-	-	325 057	287 758

District Municipality													
(KZN 252) Newcastle	373 648	-	8 293	365 355	365 355	-	-	365 355	-	-	-	341 408	341 408
(KZN 253) Emadlangeni	30 478	-	-	30 478	30 478	-	-	30 478	-	-	-	27 305	27 305
(KZN254) Dannhauser	91 758	-	-	91 758	91 758	-	-	91 758	-	-	-	82 343	82 343
(DC 25) Amajuba District Municipality	161 133	-	25 932	135 201	135 201	-	-	135 201	-	-	-	148 705	148 705
(KZN 261) eDumbe	74 585	-	29	74 556	74 556	-	-	74 556	-	-	-	66 301	65 773
(KZN 262) uPhongolo	136 387	-	-	136 387	136 387	-	-	136 387	-	-	-	119 730	119 730
(KZN 263) Abaqulusi	148 281	-	7 788	140 493	140 493	-	-	140 493	-	-	-	130 276	112 062
(KZN 265) Nongoma	154 506	-	-	154 506	154 506	-	-	154 506	-	-	-	136 733	136 391
(KZN 266) Ulundi	163 194	-	-	163 194	163 194	-	-	163 194	-	-	-	143 729	143 729
(DC 26) Zululand District Municipality	464 560	-	-	464 560	464 560	-	-	464 560	-	-	-	424 766	424 766
(KZN 271) Umhlabuyaling ana	166 017	-	-	166 017	166 017	-	-	166 017	-	-	-	145 676	145 676
(KZN 272) Jozini	181 990	-	10 826	171 164	171 164	-	-	171 164	-	-	-	159 965	159 965
(KZN 275) Mtubatuba	164 301	-	-	164 301	164 301	-	-	164 301	-	-	-	143 500	143 206
(KZN 276) Big Five Hlabisa	107 783	-	-	107 783	107 783	-	-	107 783	-	-	-	94 296	94 296

(DC 27) Umkhanyakud e District Municipality	412 178	-	-	412 178	412 178	-	-	412 178	-	-	-	374 748	373 583
(KZN 281) uMfolozi	130 797	-	1 055	129 742	129 742	-	-	129 742	-	-	-	115 041	114 982
(KZN 282) uMhlathuze	362 965	-	800	362 165	362 165	-	-	362 165	-	-	-	326 255	321 335
(KZN 284) uMlalazi	185 590	-	-	185 590	185 590	-	-	185 590	-	-	-	165 378	165 378
(KZN 285) Mthonjaneni	79 412	-	-	79 412	79 412	-	-	79 412	-	-	-	70 979	70 979
(KZN 286) Nkandla	96 903	-	-	96 903	96 903	-	-	96 903	-	-	-	86 797	86 797
(DC 28) King Cetshwayo District Municipality	514 940	-	-	514 940	514 940	-	-	514 940	-	-	-	476 842	476 842
(KZN 291) Mandeni	167 483	-	-	167 483	167 483	-	-	167 483	-	-	-	146 821	137 973
(KZN 292) KwaDukuza	167 408	-	-	167 408	167 408	-	-	167 408	-	-	-	147 876	147 876
(KZN 293) Ndwedwe	147 784	-	3 474	144 310	144 310	-	-	144 310	-	-	-	129 855	125 469
(KZN 294) Maphumulo	90 716	-	-	90 716	90 716	-	-	90 716	-	-	-	81 102	81 102
(DC 29) iLembe District Municipality	516 503	-	-	516 503	516 503	-	-	516 503	-	-	-	468 670	468 670
(KZN 433) Greater Kokstad	61 663	-	-	61 663	61 663	-	-	61 663	-	-	-	55 683	55 683
(KZN 434) Ubuhlebezwe	110 309	-	-	110 309	110 309	-	-	110 309	-	-	-	99 319	99 319
(KZN 435) Umzimkhulu	189 217	-	-	189 217	189 217	-	-	189 217	-	-	-	169 032	169 032

(KZN 436) Dr Nkosazana Dlamini Zuma	125 869	-	-	125 869	125 869	-	-	125 869	-	-	-	111 162	110 022
(DC 43) Harry Gwala District Municipality	345 309	-	43 238	302 071	302 071	-	-	302 071	-	-	-	318 074	268 808

LIMPOPO													
(LIM 331) Greater Giyani	287 217	-	2 962	284 255	284 255	-	-	284 255	-	-	-	253 351	253 351
(LIM 332) Greater Letaba	278 254	-	-	278 254	278 254	-	-	278 254	-	-	-	244 692	242 914
(LIM 333) Greater Tzaneen	383 693	-	126	383 567	383 567	-	-	383 567	-	-	-	338 344	335 619
(LIM 334) Ba-Phalaborwa	150 929	-	180	150 749	150 749	-	-	150 749	-	-	-	132 485	132 485
(LIM 335) Maruleng	124 492	-	-	124 492	124 492	-	-	124 492	-	-	-	109 416	109 126
(DC 33) Mopani District Municipality	919 537	-	69 400	850 137	850 137	-	-	850 137	-	-	-	840 762	796 984
(LIM 341) Musina	142 917	-	9 351	133 566	133 566	-	-	133 566	-	-	-	124 015	116 958
(LIM 343) Thulamela	442 452	-	-	442 452	442 452	-	-	442 452	-	-	-	391 032	391 032
(LIM 344) Makhado	357 528	-	-	357 528	357 528	-	-	357 528	-	-	-	316 259	315 759
(LIM 345) Collins Chabane Local Municipality	369 556	-	-	369 556	369 556	-	-	369 556	-	-	-	327 068	298 209
(DC 34) Vhembe	996 113	-	1 495	994 618	994 618	-	-	994 618	-	-	-	910 477	861 302

District Municipality													
(LIM 351) Blouberg	186 309	-	-	186 309	186 309	-	-	186 309	-	-	-	167 730	167 730
(LIM 353) Molemole	142 578	-	509	142 069	142 069	-	-	142 069	-	-	-	128 184	124 127
(LIM 354) Polokwane	922 589	-	113 765	808 824	808 824	-	-	808 824	-	-	-	831 436	774 165
(LIM 355) Lepelle-Nkumpi	250 041	-	18 394	231 647	231 647	-	-	231 647	-	-	-	222 970	215 890
(DC 35) Capricorn District Municipality	588 933	-	-	588 933	588 933	-	-	588 933	-	-	-	547 862	547 490
(LIM 361) Thabazimbi	93 580	-	-	93 580	93 580	-	-	93 580	-	-	-	86 028	85 841
(LIM 362) Lephalale	147 694	-	339	147 355	147 355	-	-	147 355	-	-	-	130 526	130 526
(LIM 366) Bela Bela	90 909	-	-	90 909	90 909	-	-	90 909	-	-	-	81 986	80 984
(LIM 367) Mogalakwena	436 536	-	-	436 536	436 536	-	-	436 536	-	-	-	395 279	379 645
(LIM 368) LIM 368	109 995	-	75 441	34 554	34 554	-	-	34 554	-	-	-	100 804	90 804
(DC 36) Waterberg District Municipality	129 990	-	-	129 990	129 990	-	-	129 990	-	-	-	122 853	121 274
(LIM 471) Ephraim Mogale	144 997	-	-	144 997	144 997	-	-	144 997	-	-	-	129 676	129 676
(LIM 472) Elias Motsoaledi	269 009	-	-	269 009	269 009	-	-	269 009	-	-	-	237 506	241 518
(LIM 473) Makhuduthamaga	267 931	-	-	267 931	267 931	-	-	267 931	-	-	-	241 518	237 506
(LIM 476) LIM 476 Fetakgomo Tubatse	415 486	-	12 202	403 284	403 284	-	-	403 284	-	-	-	361 513	361 513
(DC 47) Sekhukhune District Municipality	769 253	-	61 052	708 201	708 201	-	-	708 201	-	-	-	711 481	705 945

MPUMALANGA													
(MP 301) Chief Albert Luthuli	311 205	-	-	311 205	311 205	-	-	311 205	-	-	-	278 934	278 934
(MP 302) Msukaligwa	172 093	-	4 469	167 624	167 624	-	-	167 624	-	-	-	154 338	153 386
(MP 303) Mkhondo	235 268	-	-	235 268	235 268	-	-	235 268	-	-	-	209 667	209 448
(MP 304) Dr Pixley Ka Isaka Seme	119 397	-	6 512	112 885	112 885	-	-	112 885	-	-	-	107 567	107 388
(MP 305) Lekwa	118 689	-	6 735	111 954	111 954	-	-	111 954	-	-	-	107 256	107 026
(MP 306) Dipaleseng	72 019	-	-	72 019	72 019	-	-	72 019	-	-	-	64 569	58 562
(MP 307) Govan Mbeki	284 504	-	3 003	281 501	281 501	-	-	281 501	-	-	-	257 245	241 558
(DC 30) Gert Sibande District Municipality	291 937	-	200	291 737	291 737	-	-	291 737	-	-	-	282 406	282 406
(MP 311) Victor Khanye	96 421	-	-	96 421	96 421	-	-	96 421	-	-	-	87 187	87 187
(MP 312) Emalahleni	360 048	-	-	360 048	360 048	-	-	360 048	-	-	-	325 738	325 686
(MP 313) Steve Tshwete	200 511	-	-	200 511	200 511	-	-	200 511	-	-	-	179 370	179 370
(MP 314) Emakhazeni	63 383	-	-	63 383	63 383	-	-	63 383	-	-	-	58 495	58 495
(MP 315) Thembisile Hani	404 156	-	-	404 156	404 156	-	-	404 156	-	-	-	364 153	364 153
(MP 316) Dr JS Moroka	379 397	-	4 194	375 203	375 203	-	-	375 203	-	-	-	345 667	344 852
(DC 31) Nkangala District Municipality	356 274	-	-	356 274	356 274	-	-	356 274	-	-	-	343 962	343 962
(MP 321) Thaba Chweu	143 286	-	-	143 286	143 286	-	-	143 286	-	-	-	132 627	132 621
(MP 324) Nkomazi	569 784	-	888	568 896	568 896	-	-	568 896	-	-	-	516 133	502 601
(MP 325) Bushbuckridge	788 070	-	-	788 070	788 070	-	-	788 070	-	-	-	720 236	719 905
(MP 326) City of Mbombela	725 225	-	40 552	684 673	684 673	-	-	684 673	-	-	-	661 329	570 776
(DC 32) Ehlanzeni District Municipality	253 324	-	-	253 324	253 324	-	-	253 324	-	-	-	239 132	239 132

NORTHERN CAPE													
(NC 061) Richtersveld	17 077	-	3 804	13 273	13 273	-	-	13 273	-	-	-	15 473	15 473
(NC062) Nama Khoi	47 830	-	-	47 830	47 830	-	-	47 830	-	-	-	43 917	43 917
(NC 064) Kamiesberg	22 790	-	579	22 211	22 211	-	-	22 211	-	-	-	20 768	20 768
(NC 065) Hantam	24 746	-	-	24 746	24 746	-	-	24 746	-	-	-	22 818	22 818
(NC 066) Karoo Hoogland	22 416	-	-	22 416	22 416	-	-	22 416	-	-	-	20 251	20 059
(NC 067) Khai- Ma	18 953	-	579	18 374	18 374	-	-	18 374	-	-	-	17 420	15 022
(DC 6) Namakwa District Municipality	49 192	-	-	49 192	49 192	-	-	49 192	-	-	-	47 152	47 023
(NC 071) Ubuntu	34 602	-	-	34 602	34 602	-	-	34 602	-	-	-	31 165	31 165
(NC 072) Umsobomvu	49 477	-	7 886	41 591	41 591	-	-	41 591	-	-	-	44 259	43 964
(NC 073) Emthanjeni	44 900	-	8 428	36 472	36 472	-	-	36 472	-	-	-	40 793	40 793
(NC 074) Kareeberg	24 348	-	13 537	10 811	10 811	-	-	10 811	-	-	-	22 024	22 024
(NC 075) Renosterberg	24 687	-	-	24 687	24 687	-	-	24 687	-	-	-	22 237	22 153
(NC 076) Thembelihle	25 395	-	4 134	21 261	21 261	-	-	21 261	-	-	-	22 988	22 988
(NC 077) Siyathemba	32 939	-	5 742	27 197	27 197	-	-	27 197	-	-	-	29 848	29 448
(NC 078) Siyancuma	49 714	-	9 777	39 937	39 937	-	-	39 937	-	-	-	45 402	42 143
(DC 7) Pixley Ka Seme District Municipality	51 027	-	31	50 996	50 996	-	-	50 996	-	-	-	47 820	47 618
(NC 082) !Kai! Garib	84 517	-	7 253	77 264	77 264	-	-	77 264	-	-	-	77 186	72 186
(NC 084) !Kheis	25 352	-	2 651	22 701	22 701	-	-	22 701	-	-	-	23 163	19 235
(NC 085) Tsantsabane	39 037	-	7 167	31 870	31 870	-	-	31 870	-	-	-	35 385	31 450
(NC 086) Kgatelopele	22 388	-	-	22 388	22 388	-	-	22 388	-	-	-	20 469	20 414

(NC 087) Dawid Kruiper	84 895	-	13 404	71 491	71 491	-	-	71 491	-	-	-	77 934	77 435
(DC 8) Z.F. Mgcawu Distirct Municipality	69 622	-	-	69 622	69 622	-	-	69 622	-	-	-	66 094	66 094
(NC 091) Sol Plaatjie	189 151	-	10 931	178 220	178 220	-	-	178 220	-	-	-	172 437	172 437
(NC 092) Dikgatlong	85 055	-	3 638	81 417	81 417	-	-	81 417	-	-	-	76 057	76 057
(NC 093) Magareng	46 340	-	3 929	42 411	42 411	-	-	42 411	-	-	-	41 743	39 328
(NC 094) Phokwane	104 786	-	7 761	97 025	97 025	-	-	97 025	-	-	-	94 534	74 804
(DC 9) Frances Baard District Municipality	120 606	-	-	120 606	120 606	-	-	120 606	-	-	-	116 209	116 209
(NC 451) Joe Morolong	142 240	-	4 766	137 474	137 474	-	-	137 474	-	-	-	128 635	122 492
(NC 452) Ga-Segonyana	159 726	-	-	159 726	159 726	-	-	159 726	-	-	-	141 895	137 528
(NC 453) Gamagara	37 163	-	-	37 163	37 163	-	-	37 163	-	-	-	33 008	26 245
(DC 45) John Taolo Gaetsewe District Municipality	89 657	-	-	89 657	89 657	-	-	89 657	-	-	-	85 253	85 159

NORTH WEST

(NW 371) Moretele	340 474		1 467	339 007	339 007			339 007				306 721	289 104
(NW 372) Madibeng	695 606		16 447	679 159	679 159			679 159				624 943	624 943

(NW 373) Rustenburg	675 452	-	89 393	586 059	586 059	-	-	586 059	-	-	-	605 006	594 707
(NW 374) Kgetlengrivier	91 271	-	10 200	81 071	81 071	-	-	81 071	-	-	-	81 506	69 867
(NW 375) Moses Kotane	429 267	-	62 947	366 320	366 320	-	-	366 320	-	-	-	386 730	376 600
(DC 37) Bojanala Platinum District Municipality	339 278	-	1 379	337 899	337 899	-	-	337 899	-	-	-	322 202	322 202
(NW 381) Ratlou	125 655	-	2 761	122 894	122 894	-	-	122 894	-	-	-	111 525	107 105
(NW 382) Tswaing	115 359	-	-	115 359	115 359	-	-	115 359	-	-	-	102 431	97 532
(NW 383) Mafikeng	257 427	-	303	257 124	257 124	-	-	257 124	-	-	-	226 626	220 321
(NW 384) Ditsobotla	126 697	-	10 639	116 058	116 058	-	-	116 058	-	-	-	112 413	112 413
(NW 385) Ramotshere Moiloa	174 021	-	4 014	170 007	170 007	-	-	170 007	-	-	-	153 173	153 173
(DC 38) Ngaka Modiri Molema District Municipality	762 805	-	10	762 795	762 795	-	-	762 795	-	-	-	696 369	695 830
(NW 392) Naledi	52 554	-	15 147	37 407	37 407	-	-	37 407	-	-	-	47 260	45 616
(NW 393) Mamusa	55 905	-	2 348	53 557	53 557	-	-	53 557	-	-	-	50 209	50 209
(NW 394) Greater Taung	194 770	-	19 479	175 291	175 291	-	-	175 291	-	-	-	175 974	170 812
(NW 396) Lekwa- Teemane	49 909	-	3 548	46 361	46 361	-	-	46 361	-	-	-	44 723	42 926

(NW 397) Kagisano-Molopo	121 637	-	8 555	113 082	113 082	-	-	113 082	-	-	-	109 062	109 062
(DC 39) Dr Ruth Segomotsi Mompoti District Municipality	361 316	-	101 797	259 519	259 519	-	-	259 519	-	-	-	337 205	299 705
(NW 403) City of Matlosana	429 961	-	60 561	369 400	369 400	-	-	369 400	-	-	-	392 856	392 490
(NW 404) Maquassi Hills	128 390	-	887	127 503	127 503	-	-	127 503	-	-	-	115 571	111 060
(NW 405) JB Marks Local Municipality	257 937	-	688	257 249	257 249	-	-	257 249	-	-	-	233 655	224 154
(DC 40) Dr Kenneth Kaunda District Municipality	187 599	-	112	187 487	187 487	-	-	187 487	-	-	-	180 033	180 033

WESTERN CAPE													
(CPT) City of Cape Town	2 815 558	-	-	2 815 558	2 815 558	-	-	2 815 558	-	-	-	2 574 650	2 574 650
(WC 011) Matzikama	56 540	-	2 831	53 709	53 709	-	-	53 709	-	-	-	52 340	52 340
(WC 012) Cederberg	49 201	-	1 255	47 946	47 946	-	-	47 946	-	-	-	45 080	42 794
(WC 013) Bergrivier	45 025	-	-	45 025	45 025	-	-	45 025	-	-	-	41 390	41 390
(WC 014) Saldanha Bay	88 277	-	-	88 277	88 277	-	-	88 277	-	-	-	80 432	80 432
(WC 015) Swartland	91 534	-	-	91 534	91 534	-	-	91 534	-	-	-	82 048	82 048

(DC 1) West Coast District Municipality	92 706	-	317	92 389	92 389	-	-	92 389	-	-	-	88 405	88 405
(WC 022) Witzenberg	92 850	-	7 068	85 782	85 782	-	-	85 782	-	-	-	84 602	84 584
(WC 023) Drakenstein	150 601	-	-	150 601	150 601	-	-	150 601	-	-	-	137 518	137 518
(WC 024) Stellenbosch	136 177	-	-	136 177	136 177	-	-	136 177	-	-	-	124 176	124 176
(WC 025) Breede Valley	117 997	-	-	117 997	117 997	-	-	117 997	-	-	-	108 977	108 977
(WC 026) Langeberg	79 200	-	-	79 200	79 200	-	-	79 200	-	-	-	73 093	73 093
(DC 2) Cape Winelands District Municipality	232 056	-	-	232 056	232 056	-	-	232 056	-	-	-	225 214	225 214
(WC 031) Theewaterskloof	95 587	-	28 953	66 634	66 634	-	-	66 634	-	-	-	87 385	86 475
(WC 032) Overstrand	106 697	-	-	106 697	106 697	-	-	106 697	-	-	-	96 068	96 068
(WC 033) Cape Agulhas	29 908	-	-	29 908	29 908	-	-	29 908	-	-	-	27 606	27 606
(WC 034) Swellendam	31 579	-	-	31 579	31 579	-	-	31 579	-	-	-	29 001	29 001
(DC 3) Overberg District Municipality	71 776	-	-	71 776	71 776	-	-	71 776	-	-	-	67 902	67 902
(WC 041) Kannaland	28 147	-	-	28 147	28 147	-	-	28 147	-	-	-	25 957	23 162
(WC 042) Hessequa	44 063	-	-	44 063	44 063	-	-	44 063	-	-	-	40 885	40 885
(WC 043) Mossel Bay	93 352	-	-	93 352	93 352	-	-	93 352	-	-	-	85 858	85 858

(WC 044) George	149 978	-	-	149 978	149 978	-	-	149 978	-	-	-	137 401	137 401
(WC 045) Oudtshoorn	73 525	-	-	73 525	73 525	-	-	73 525	-	-	-	67 861	67 861
(WC 047) Bitou	93 691	-	126	93 565	93 565	-	-	93 565	-	-	-	83 028	83 028
(WC 048) Knysna	86 321	-	14 666	71 655	71 655	-	-	71 655	-	-	-	78 375	78 338
(DC 4) Eden District Municipality	157 370	-	218	157 152	157 152	-	-	157 152	-	-	-	151 237	146 250
(WC 051) Laingsburg	16 574	-	1 557	15 017	15 017	-	-	15 017	-	-	-	15 000	15 000
(WC 052) Prince Albert	21 355	-	-	21 355	21 355	-	-	21 355	-	-	-	19 317	19 317
(WC 053) Beaufort West	62 434	-	2 653	59 781	59 781	-	-	59 781	-	-	-	56 655	56 543
(DC 5) Central Karoo District Municipality	30 642	-	-	30 642	30 642	-	-	30 642	-	-	-	28 502	28 502

LGES TOTAL	68 973 465	-	3 346 202	65 627 263	65 627 263	-	-	65 627 263	-	-	-	62 731 845	60 713 792
-------------------	-------------------	----------	------------------	-------------------	-------------------	----------	----------	-------------------	----------	----------	----------	-------------------	-------------------

INTEGRATED URBAN DEVELOPMENT GRANT

GT481 MOGALE CITY	120 599	-	-	120 599	120 599	-	-	120 599	120 599	-	-	-	-
KZN216 RAY NKONYENI	70 795	-	-	70 795	70 795	-	-	70 795	70 795	-	-	-	-
KZN282 UMHLATHUZE LOCAL MUN	139 988	-	-	139 988	139 988	-	-	139 988	139 988	-	-	-	-
LIM354 POLOKWANE LOCAL MUN	378 290	-	-	378 290	378 290	-	-	378 290	378 290	-	-	-	-
NC091 SOL PLAATJIE	51 287	-	-	51 287	51 287	-	-	51 287	51 287	-	-	-	-
WC023 DRAKENSTEIN	49 050	-	-	49 050	49 050	-	-	49 050	49 050	-	-	-	-
WC024 STELLENBOSCH	46 886	-	-	46 886	46 886	-	-	46 886	46 886	-	-	-	-
TOTAL IUDG	856 895	-	-	856 895	856 895	-	-	856 895	856 895	-	-	-	-

VEHICLE LICENCES													
CITY OF TSHWANE	27	-	-	27	27	-	-	27	27	-	-	-	-

DISASTER RECOVERY GRANT													
ETHEKWINI	112 983	-	-	112 983	112 983	-	-	112 983	112 983	-	-	-	-
UGU DISTRICT	20 237	-	-	20 237	20 237	-	-	20 237	20 237	-	-	-	-
TOTAL DRG	133 220	-	-	133 220	133 220	-	-	133 220	133 220	-	-	-	-

TOTAL	84 779 710	-	3 346 202	81 433 508	81 433 508	(126 746)	126 746	81 433 508	7 657 312	7 158 791	78 019 530	76 001 477
--------------	-------------------	----------	------------------	-------------------	-------------------	------------------	----------------	-------------------	------------------	------------------	-------------------	-------------------

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

**ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2018/19
	Adjusted Appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Municipal Demarcation Board	64 268	-	-	64 268	64 268	100%	55 568
Municipal Infrastructure Support Agent South African Local Government Association	343 976	-	-	343 976	343 976	100%	342 456
Department of Traditional Affairs	33 879	-	-	33 879	33 879	100%	33 100
TOTAL	168 351	-	-	168 351	168 351	100%	163 306
TOTAL	610 474	-	-	610 474	610 474	-	594 430

**ANNEXURE 1E
STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS**

FOREIGN GOVERNMENT/ INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	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							
Commonwealth Local Gvt Forum	314	-	-	314	314	100%	289
	314	-	-	314	314	-	289
Subsidies							
TOTAL	314	-	-	314	314	-	289

**ANNEXURE 1F
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS**

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	Adjusted Appropriation Act	Roll overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
South African Cities Network	7 765	-	-	7 765	7 765	100%	9 353
United Cities & Local Gov Of Africa	7 162	-	-	7 162	-	0%	5 800
Disaster Management Institute of South Africa	99	-	-	99	99	100%	99
	15 026	-	-	15 026	7 864		15 252
Subsidies							
	-	-	-	-	-	-	-
TOTAL	15 026	-	-	15 026	7 864	-	15 252

**ANNEXURE 1G
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2018/19
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Post-Retirement Benefits	1 979	-	-	1 979	1 979	100%	1 191
Leave Gratuity	500	-	-	500	500	100%	792
Act of Grace	35	-	-	35	35	100%	390
Non-Employee Bursaries	141	-	-	141	141	100%	-
	2 655	-	-	2 655	2 655	-	2 373
Subsidies							
TOTAL	2 655	-	-	2 655	2 655	-	2 373

**ANNEXURE 1H
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2019/20 R'000	2018/19 R'000
Received in cash			
Subtotal			
Received in kind			
German Development Cooperation (GIZ)	Municipal Finances & Planning Study Tour, GERMANY	101	-
Federation of Canadian Local Municipalities	BIGM Project on Inclusive Green Municipalities, CANADA.	55	-
Commonwealth Local Government Forum (CLGF)	Commonwealth Local Government Forum (CLGF) Regional Conference in ZAMBIA.	43	-
National School of Government	Local Government Short Programme, FRANCE.	113	-
United Nations Office for Disaster Risk Reduction (UNDRR)	Sendai Framework Monitor Peer Review Learning Workshop on Data Collection for reporting and policy making, KENYA.	29	-
Center For Local Capacity Building	EU-LA Mining Programme International Study, NETHERLANDS.	22	-
United Nations Office for Outer Space Affairs	UN-SPIDER Bonn International Conference on "Space based solutions for Disaster Management in Africa: challenges, applications, partnerships", Germany.	19	-
Oxfam South Africa	Working Session of the Core Development team to develop two DM guidelines, Centurion	5	-
German Agency for International Cooperation (GIZ) under the Governance Support Programme (GSP)	Water Governance and Service Delivery Learning Journey", Kenya	28	-
German Agency for International Cooperation (GIZ) under the Governance Support Programme (GSP)	Development of a Comprehensive Municipal Powers & Functions Database for the Eastern Cape & Mpumalanga Provinces	1 300	-

United Nations Habitat Safer Cities Programme & Guadalajara Government	Expert Group meeting on the UN system wide Guidelines on Safer Cities and Human Settlements: The Guadalajara "Cal and Orderly Implementation Model", Mexico	30	-
National School of Government France, Ecole National d'Administration (ENA)	Participation of Senior Public Sector managers in short learning Programmes. Innovation and Digital Transformation of the Public Sector Short Learning Programme. Paris, France.	113	-
GIZ (Governance Support Programme) Commonwealth Local Government Forum (CLGF)	Learning Journey on Water Governance	29	-
Commonwealth Local Government Forum (CLGF)	Printing of the National LED framework publication	66	-
Commonwealth Local Government Forum (CLGF)	Development and Piloting of Municipal Guidelines for Regional Economic Development Planning	90	-
Commonwealth Local Government Forum (CLGF)	Completion of a focused Bojanala District Municipality Regional Implementation Plan. 2. Updating of the Guidelines based on lessons from the Bojanala Plan	180	-
Subtotal		2 223	-
TOTAL		2 223	-

**ANNEXURE 1J
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE**

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2019/20 R'000	2018/19 R'000
Made in kind		
Kenya Ministry of Devolution and ASAL	2	-
Economic and Social Council of the united Nations (ECOSOC)	1	-
TOTAL	3	-

**ANNEXURE 1J
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE**

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2019/20 R'000	2018/19 R'000
Made in kind		
Kenya Ministry of Devolution and ASAL	2	
Economic and Social Council of the united Nations (ECOSOC)	1	
TOTAL	3	-

**ANNEXURE 1L
STATEMENT OF INDIRECT GRANTS BETWEEN NATIONAL DEPARTMENTS AND MUNICIPALITIES**

NAME OF GRANT	GRANT ALLOCATION				SPENT
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Amount
		R'000	R'000	R'000	R'000
Municipal Systems Improvement Grant	111 062	-	-	111 062	85 435
TOTAL	111 062	-	-	111 062	85 435

**ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2020**

**ANNEXURE 4
CLAIMS RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2019/20 *	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	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
Department								
Department of Traditional Affairs	-	-	2 638	2 612	2 638	2 612	-	-
Kwazulu Natal Premier	-	-	-	16	-	16	-	-
Gauteng Department of Community Safety	-	-	38	-	38	-	-	-
Department of Correctional Services	-	-	33	-	33	-	-	-
Eastern Cape Provincial Government	-	-	4	-	4	-	-	-
	-	-	2 713	2 628	2 713	2 628	-	-
Other Government Entities								
Municipal Infrastructure Support Agent	-	-	290	290	290	290	-	-
	-	-	290	290	290	290	-	-
TOTAL	-	-	3 003	2 918	3 003	2 918	-	-

**ANNEXURE 5
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2019/20 *	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
Department of Justice and Constitutional Development	-	-	-	3	-	3	-	-
Eastern Cape Department of Cooperative Governance and Traditional Affairs	-	-	-	48	-	48	-	-
Department of Human Settlement	-	-	30	-	30	-	-	-
Department of Telecommunications and Postal Services	-	-	27	-	27	-	-	-
Government Communication Information Systems	-	2	-	-	-	2	-	-
Subtotal	-	-	-	-	-	-	-	-
TOTAL	-	2	57	51	57	53	-	-
Non current								
OTHER GOVERNMENT ENTITY								
Current	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-
Non-current	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-
TOTAL INTERGOVERNMENT PAYABLES	-	2	57	51	57	53	-	-

DEPARTMENT OF COOPERATIVE GOVERNANCE, VOTE 4
ANNEXURES TO THE ANNUAL FINANCIAL STATEMENT
for the year end 31 MARCH 2020

ANNEXURE 8A
INTER-ENTITY ADVANCES PAID (note 14)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000
NATIONAL DEPARTMENTS						
Department of International Relations and Cooperation	-	-	274	85	274	85
Government Communication and Information System	-	-	813	-	813	-
Subtotal	-	-	1 087	85	1 087	85
PROVINCIAL DEPARTMENTS						
	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
PUBLIC ENTITIES						
South African National Roads Agency Limited	-	-	-	128	-	128
Development Bank of Southern Africa	-	-	51 743	5 798	51 743	5 798
Subtotal	-	-	51 743	5 926	51 743	5 926
OTHER ENTITIES						
	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
TOTAL	-	-	52 830	6 011	52 830	6 011



Department of Cooperative Governance
87 Hamilton Street Arcadia,
Pretoria 001 Gauteng,
South Africa

Switchboard: 012 334 0600
Contents Enquiry: Mr Seabelo Molefi
Tel: 012 395 4612
www.cogta.gov.za