



ANNUAL REPORT 2020/2021 FINANCIAL YEAR





LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
CO-OPERATIVE GOVERNANCE,
HUMAN SETTLEMENTS & TRADITIONAL AFFAIRS

**DEPARTMENT OF CO-OPERATIVE GOVERNANCE,
HUMAN SETTLEMENTS AND TRADITIONAL
AFFAIRS**

PROVINCE OF LIMPOPO

VOTE NO. 11

ANNUAL REPORT

2020/2021 FINANCIAL YEAR

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PART A: GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

AFS	Annual Financial Statements
AGSA	Auditor General of South Africa
APP	Annual Performance Plan
B2B	Back to Basics
BBBEE	Broad Based Black Economic Empowerment
CDP	Community Development Programme
CDW	Community Development Worker
CFO	Chief Financial Officer
CIGFARO	Chartered Institute of Government Finance Audit and Risk Officers
CoGHSTA	Cooperative Governance Human Settlements and Traditional Affairs
CoE	Compensation of Employees
CRU	Community Residential Units
CWP	Community works Programme
DBSA	Development Bank of Southern Africa
DDG	Deputy Director General
DDM	District Development Model
DORA	Division of Revenue Act
DPCI	Directorate for Priority Crime Investigation
DWS	Department of Water and Sanitation
EAP	Employee Assistance Programme
EEDBS	Enhanced Extended Discount Benefit scheme
EXCO	Executive Council
FLISP	Financed-Linked Individual Subsidy

	Programme
FY	Financial Year
GITO	Government Information Technology Office
GTAC	Government Technical Advisory Centre
HDA	Housing Development Agency
HDI	Historically Disadvantaged Individuals
HOD	Head of Department
HSDG	Human Settlements Development Grant
HSS	Housing Subsidy System
HR	Human Resources
ICT	Information Communication Technology
IDP	Integrated Development Plan
IGR	Intergovernmental Relations
IP	Internet Protocol
IRDP	Integrated Residential Development Programme
ISHS	Integrated Sustainable Human Settlements
LED	Local Economic Development
LUMS	Land Use Management Scheme
MEC	Member of the Executive Council
MIG	Municipal Infrastructure Grant
MISA	Municipal Infrastructure Support Agency
MMS	Middle Management Service

MPAC	Municipal Public Accounts Committee
MTEF	Medium Term Expenditure Framework
MTSF	Medium-Term Strategic Framework
NDoHS	National Department of Human Settlements
NDP	National Development Plan
NHFC	National Housing Finance Corporation
NHBRC	National Home Builders Registration Council
NUSP	National Upgrading Support Programme
OHS	Occupation Health and safety
OSD	Occupation Specific Dispensation
PFMA	Public Finance Management Act
PMU	Project Management Unit
PPMT	Provincial Personnel Management Team
PPE	Personal Protective Equipment
POA	Programme of Action
PRT	Profession Resource Team
PSETA	Public Service Education and Training Authority
PSG's	Provincial Strategic Goals
RDP	Reconstruction Development Programme
R&E	Registration and Endorsement
SISP	Strategic Information Systems Plan

SDF	Spatial Development Framework
SCM	Supply Chain Management
SMME	Small Medium and Micro Enterprises
SAIGA	Southern African Institute of Government Auditors
SALGA	South African Local Government Association
SCOPA	Standing Committee on Public Accounts
SCM	Supply Chain Management
SDIP	Service Delivery Improvement Plan
SIU	Special Investigations Unit
SITA	State Information Technology Agency
SH	Social Housing
SLA	Service Level Agreement
SOP	Standard Operating Procedure
SPLUMA	Spatial Planning and Land Use Management Act
STL	Senior Traditional Leaders
TAMIS	Traditional Affairs Management Information System
TR	Treasury Regulations
USDG	Urban Settlement Development Grant
WHO	World Health Organisation
WSA	Water Services Authority
WSDP	Water Service Development Plan
WSP	Workplace Skills Plan

3. FOREWORD BY THE MEC



Makamu RB
Member of Executive Council

We are all accountable for our actions, their effect and influence on our lives and the lives of others. This fact equally applies to government and its institutions tasked to give concrete expression to its overall mandate to citizens.

Through this annual report, we give account of how the department acquitted itself in delivering to the citizens on its key performance areas of Co-operative Governance, Human Settlements and Traditional Affairs during the year under review. Drawing from the National Development Plan (NDP), Medium-Term Strategic Framework (MTSF) and provincial outcomes the department attained the following milestones informed by government policy directives and outcome-based goals.

Through focused municipal support, we are at a point where we can confidently report that we no longer have municipalities that are in distress, and therefore not fully capable to discharge their duties in line with the dictates of the Constitution and relevant pieces of legislation governing the local sphere of government. Much as the Mogalakwena local municipality remains under administration, this intervention is beginning to bear fruits and soon the municipality will revert to normal to assume its full powers and functions. Municipal Audit Outcomes bear testimony to

remarkable recovery of municipalities across the province. Continued support by the Municipal Finances Support Unit is beginning to bear fruits with much improved audit outcomes.

There were two clean audit opinions received in the province in the past five financial years. The 2019/20 financial year audit opinions were issued as follows: 1 (one) clean audit opinion, 15 (fifteen) unqualified audit opinions, 10 (ten) qualified and 1 (one) adverse audit opinion. Also, there is an improvement in respect of audit outcomes in 10 (ten) municipalities, 6 (six) municipalities maintained unqualified. Going into the future we expected improved audit outcomes to continue in our municipalities as we stabilise and professionalise local government.

As the innovative District Development Model gains traction, we expect a more impactful and sustainable delivery of services to citizens. We officially inaugurated all District Development Models, and each has adopted a District Development Plan. We are now fully set to revolutionise service delivery to citizens.

On the realm of integrated sustainable human settlements, the Freedom Charter clause of, "There shall be houses, security and comfort", remains our clarion call. In this area, we seek to address housing needs of vulnerable citizens. This is achieved through research and planning, setting targets to impact on spatial transformation and managing housing assets and property.

As in the previous reporting period, the department in the period under review managed to review and table a multi-year housing development plan in an effort to improve households living in informal settlements.

Covid-19 challenges notwithstanding, the department managed to deliver 4 486 houses of the 5 039 annual target through programmes in the housing code. Also implemented upgrading of informal settlements programme by providing serviced sites to households. The challenges of housing our military veterans are receiving

attention in collaboration with the national department. On the acceleration of the delivery of housing opportunities, we focussed on rural and urban housing, issuing of title deeds, community residential units (CRUs), Finance-Linked Individual Subsidy Programme (FLISP), intervention in mining towns and upgrading of informal settlements.

The department supported municipalities to maintain functional disaster management centres to ensure readiness when disaster struck. District disaster management centres were crucial when the Tropical Storm Eloise struck various parts of the province, and heavy rainfall in its aftermath.

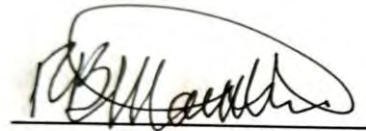
On traditional affairs, the department continued to support the institution of traditional leadership to operate within the context of cooperative governance. In this regard, all traditional councils in the province performed to full capacity. The Limpopo Provincial House of Traditional Leaders sat as much as was expected.

The reconstitution and constitution of traditional councils will begin in earnest in the coming financial year after the President's signing of the Traditional and Khoisan Act.

In conclusion, I register my indebtedness to Premier Stanley Chupu Mathabatha for not only trusting me with the mandate of the Limpopo Department of Cooperative Governance, Human Settlements (L-CoGHSTA), being there for guidance and leadership. The Portfolio Committee on CoGHSTA, Standing Committee on Public Accounts, Standing Committee on Petitions and Public Participation, Auditor-General of South Africa, Limpopo Legislature and other oversight bodies have kept us on the narrow path.

Most importantly, I owe a word of gratitude to the Head of Department and the entirety of Team CoGHSTA for making this annual report possible through their daily chores.

It pleases me to present the 2020-21 Annual Report of the Department of CoGHSTA. The Annual Report covers the work of the Department as spelt in the National Development Plan and the other policy scripts of government.



Makamu R.B, MPL

**MEC of the Department of Co-operative
Governance, Human Settlements and
Traditional Affairs**

31 July 2021

4. REPORT OF THE ACCOUNTING OFFICER



Dumalisile N
Head of Department

Overview of the operations of the department:

Operating through a disaster such as the Covid-19 pandemic has been one of the challenging years in the democratic South Africa. As if the pandemic was not enough, the province experienced one of the heavy rainfalls in the same year "Eloise Storm" early in January 2021. Saving lives and maintaining operations has been the modus operandi for every Accounting Officer to date. During the beginning of the pandemic most staff operated from home and industries were closed. The construction industry resumed work around June 2020 with safety requirements like most of the sectors. Full operations were restored at around October 2020.

The department as the custodian of disaster management activities in the province, led intervention for disaster management. These include coordinating activities of the Provincial Command Councils on Covid-19 with its support structure both at provincial and local government levels. Disaster Management Forum coordinated relief initiatives for victims "Eloise Storm".

During the year under review, the Department reviewed the Annual Performance Plan in accordance with the priorities of managing the Covid-19 pandemic as the budget allocation was decreased significantly by R251,479 million, of

which R114,308 million was from Equitable Share and R137,171 from Conditional Grants.

Vacancies were mainly due to positions that became vacant through resignations, natural attritions and retirement, Covid-19 budget cuts as well as organisational review process. As a result, the department recorded a vacancy rate of 16.2% for the year under review.

In accordance with DPSA Directive on disclosure of financial interest all identified groups (SMS, MMS and OSD) of officials have disclosed their financial interest. Disciplinary action has been instituted for instances of contravention of Code of Conduct in line with applicable regulations.

In ensuring responsiveness to community concerns, all calls lodged through the departmental, Premier and Presidential hotlines have been attended and feedback has been provided to the complainants.

The following were some of the highlights by the department in an effort of delivering against the mandate and strategic objectives:

For the year under review, the department continued to provide all municipalities with support, in terms of human settlements planning. This support includes the development of housing plans, the development and review of housing projects pipelines, as well as town planning and project packaging within the housing and spatial planning units of municipalities. In ensuring that resources are maximized, District development Model (DDM) has been launched in all districts and support has also been provided to the districts to develop One Plan. The department also assisted with inputs into the Integrated Development Plans (IDP's), and ensured alignment with the Department's Business Plan, and ultimately, its Provincial Strategic Goals (PSG's) and DDM, to enable a resilient, sustainable, quality and inclusive living environment.

Through upgrading of informal settlements programme general plans have been approved in Lephalale, Fetakgomo Tubatse and Greater Tzaneen municipalities, which paves a way for township establish processes to be concluded.

During the 2020/21 financial year, the department delivered 4 486 units against a target of 5 039 and 2 835 sites delivered against a target of 2 839. Registered 1 414 title deeds against the target of 6039. The main challenge in title deeds is incomplete township establishment processes.

Community Residential Units (CRU) programme continues to perform below desired expectations. This programme is largely affected by unavailability of bulk infrastructure to connect the rental units and project completion.

The Rental Tribunal has assisted the department in promoting compliance with regards to Housing Act 107 of 1997 and Rental Housing Act 50 of 1999. In case management, the Tribunal achieved 43% (132 of 305 cases) resolution rate after commencing their work from July 2020.

The local government sector continues to operate under slow economic growth, budget cut and stringent austerity measures. The challenges encountered in the period under review involve but not limited to financial viability, governance and institutional instability. The department has

made strides by partnering with DBSA to support municipalities in several areas such as assets care, township establishment, development of master plans, alternative energy sources, and others. DBSA is also supporting municipalities with lending and non-lending products.

Institutions of Traditional Leadership played a significant role in managing the disaster that has befallen the Nation by postponing the Initiation seasons and assisting families that were affected by storms. On a sad note, some of the Traditional Leaders including the King of Bapedi nation lost their lives during this period. Traditional councils were provided with administrative support, construction of Traditional Councils, payment of salaries, machinery, furniture and coordinating workshops for the traditional surgeons and protocols. The Limpopo Provincial Government has thus far managed to construct twenty (20) new Traditional Councils offices. Funding for this crucial community infrastructure is being stalled also by fiscus constraint and a new model will be developed together with Department of Public Works, Roads and Infrastructure. This will be achieved by developing a criterion and differentiated designs for offices to ensure maximum utilization of provided office space and financial sustainability of the Traditional Councils.

Overview of the departmental financial results:

Departmental receipts

Departmental receipts	2019/2020			2020/2021		
	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
Tax Receipts	0	0	0	0	0	0
Casino taxes	0	0	0	0	0	0
Horse racing taxes	0	0	0	0	0	0
Liquor licences	0	0	0	0	0	0
Motor vehicle licences	0	0	0	0	0	0
Sale of goods and services other than capital assets	1,528	1,292	236	1,499	1,228	(271)

Departmental receipts	2019/2020			2020/2021		
	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
Transfers received	0	0	0	0	0	0
Fines, penalties and forfeits	0	0	0	0	0	0
Interest, dividends and rent on land	1,820	21,939	(21,752)	4,578	5,074	496
Sale of capital assets	892	0	892	746	385	(361)
Financial transactions in assets and liabilities	1,533	2,056	(523)	880	11,331	10,451
Total	5,773	25,287	(19,514)	7,703	18,018	10,315

The original revenue budget estimate was revised upwards to R7.7 million (2020: R5.8 million) and actual collection amounted to R18 million (2020: R8.2million) resulting in an over collection by R10.3 million (2020: R2.4 million deficit).

The over collection was as a result of recoveries from a service provider that did not perform in line with the service level agreement entered into with the Department.

Revenue Tariff Policy

There were no free services rendered by the department that would have yielded significant revenue.

The department made use of transversal tariffs as determined and approved by the Provincial Treasury

Free Services Rendered

Irrecoverable debts written off

A total amount of R0.880 million (2020: R6.1 million) was written off as irrecoverable during the year under review. The debts were written off in terms of the transversal debt management policy by the Provincial Treasury

Programme Expenditure

Programme	2019/2020			2020/2021		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	376,043	370,822	5,221	367,318	346,880	20,438
Human Settlements	1,539,716	1,346,214	193,502	1,029,705	940,913	88,792
Cooperative Governance	310,255	290,779	19,476	278,879	263,612	15,267
Traditional Institutional Development	541,524	502,081	39,443	517,400	488,349	29,051
Total	2,767,538	2,509,896	257,642	2,193,302	2,039,754	153,548

The Department spent 93% (2020: 91%) of the allocated budget. The underspending in 2020/21

financial year is attributed to incomplete township proclamation processes, challenges experienced

during procurement and construction of Traditional Council offices as well as vacant positions which could not be filled due to Covid-19. Service providers appointed to complete the proclamation process, construction of Traditional Council offices are proceeding well as challenges with contractors and procurement processes are now resolved. The Departmental structure review process is concluded, and the draft structure has been submitted to Office of the Premier for further processing. EPWP grant allocation was R3.2 million with expenditure totalling R1.2 million under expenditure was mainly delayed recruitment process for participants due to Covid-19 restrictions.

Virements/roll overs

Provincial Treasury approved one virement that was applied for. The virement was mainly to cater •
for purchase of the MEC's vehicle as well as •
addressing anticipated shortfall of legal fees and •
audit costs. Internal budget reprioritization to •
address anticipated shortfall within programmes •
such as leave gratuity and writing-off of debts was addressed through shifting.

Rollover application amounting to R8.488 million was submitted to Provincial Treasury consisting of both equitable share (R2,363m) and Conditional Grants - Title Deed Restoration Grant (R6,125m).

Unauthorised, fruitless and wasteful expenditure

During 2020\21 the department reported a total of R403.8 million of Irregular Expenditure with regard to procurement process for low-cost housing projects due to non-compliance with BBBEE policy. This brings the cumulative amount to R3,366 billion. A request was made to Provincial Treasury for condonement and was approved. The whole amount of R2,932 billion will be cleared from the records as at 31 March 2021. This was done to ensure compliance with applicable prescripts and accountability.

Cumulative Fruitless and Wasteful Expenditure as at 2020/21 financial year was disclosed in a note to the financial statements amounting to R109,386 million. The bulk of which, was for acquisition of land in Tubatse at inflated price valued R108 million during 2017/18. An Amount of R642 thousand has been written off. The department commissioned a forensic investigation on the transaction with the assistance of National Treasury. The final report indicated that there was no evidence detected that departmental officials acted improperly. On the same matter, the investigation conducted by the DPCI is still ongoing. Condonation of the expenditure will be applied for as soon as all investigations are concluded.

Strategic focus over the short to medium term period

Public Private Partnerships

The department did not enter into any Public Private Partnerships in the previous financial year.

Discontinued key activities

Assessment of functionality of fire brigade services in municipalities, this activity seeks to ensure that there is appropriate resource to deal with fire eventualities during prone seasons. Non-functional fire service has impact on infrastructure, social protection and disaster response to protect life and property. Limited personnel and Covid-19 pandemic restrictions had an effect on the assessment. This does not have direct financial implications as its funded from operation costs of the budget. There were no new/proposed activities during the year.

Supply chain management

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

There are SCM processes and systems which are in place to prevent irregular expenditure.

There is no Contract Management Unit and as a result there is shortage of staff. Efforts have been made to request the establishment of Contract Management Unit and prioritisation of post within SCM more especially the post of Director Demand and Acquisition.

Gifts and Donations received in kind from non-related parties

The Department received donation of school PPE donated by Old Mutual valued at R5000

Exemptions and deviations received from the National Treasury

There were no exemptions from the PFMA and TR or deviation from the financial reporting requirements received for the current and/or previous financial year.

Events after the reporting date

None

Payment of invoices

The department has achieved 92% payment of undisputed claims/invoices within 30 days from date of receipt in compliance with the relevant prescripts. On average, suppliers are paid within 10.3 days.

Employment Equity

On the overall staff establishment, female representation is at 57% while males are at 43%. This representation is still skewed as the bulk of the female representation is at lower levels not in management. To improve the scenario a total of three females were appointed at senior management level during the period under review. The appointments improved representation to 46% in 2020\21 from 43% in 2019\20.

Risk Management

A Risk Management Committee has been established and have considered the following during the year:

- Risk assessment process and tracked progress on mitigation measures
- Approved Risk management policy and Charter
- Impact of Covid-19 on operations
- Monitored implementation of AG Audit Action Plan to improve audit outcomes

Acknowledgement

This report reflects the efforts made by various branches in improving performance of the department and ensuring that the mandate of the department is fulfilled. Indeed, teamwork is the corner stone of achieving desired results.



Dumalisile NR

Accounting Officer
Department of Co-operative Governance,
Human Settlements and Traditional Affairs

Date: 31 May 2021

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

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

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

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

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

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

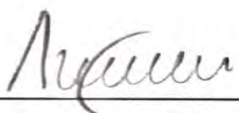
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2021.

Yours faithfully



Accounting Officer

Dumalisile NR

Date: 31 May 2021

6. STRATEGIC OVERVIEW

6.1 Vision

'Integrated Sustainable Human settlements'

6.2 Mission

To be an effective agent of change that delivers quality services to citizens of Limpopo through:

☐ Promoting developmental local governance,

- ☐ Supporting municipalities and Traditional Leadership Institutions, and
- ☐ Optimally deliver integrated and sustainable human settlements.

6.3 Values

Our values are underpinned by the Batho Pele Principles.

☐ **Service Excellence:**

We shall strive to attain recognised standards of service quality, and maintain continuous improvement in service delivery.

☐ **Innovation:**

We shall toil in the pursuit of excellence and innovation on the use of information and communication technology to enhance public service delivery.

☐ **Integrity:**

We shall conduct our business with integrity at all times to inculcate a culture of honesty and accountability among all our employees.

☐ **Prudence:**

We shall exercise prudence and economy in running the business of the department and in pursuance of its goals and the objectives of government.

☐ **Transparency:**

We shall always ensure transparency in everything we do in order to build trust and confidence with all our stakeholders.

☐ **Fairness and consistency:**

We shall treat all our beneficiaries, suppliers and employees with fairness and equity at all times.

☐ **Professionalism**

We shall ensure that employees demonstrate high level of professionalism when interacting with all stakeholders

☐ **Ethical**

We shall strive for high standard of professional ethics and conduct

7. LEGISLATIVE AND OTHER MANDATES

Constitutional mandate

Section of the Constitution	Direct responsibility in ensuring compliance
Chapter 2, section 26	This section puts direct responsibility on the department in ensuring that everyone has access to adequate housing, a

	responsibility carried out through the ISHS sub-Department.
Chapter 6, Section 139	The MEC as per the directives of the Provincial Executives (EXCO) may intervene in the affairs of a municipality
Chapter 7, section 154	This section directs the provincial government to support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their

	functions.
Chapter 12, Section 212	Departmental responsibility: To acknowledge the role for Traditional Leadership as an institution at local level on matters affecting local communities and to deal with matters relating to traditional leadership, the role of traditional leaders, customary law and customs of communities observing a system of customary law by the establishment of houses of traditional leaders.

Legislature and policy mandates

Relevant Act	Key Responsibilities
A. Public Service Act of 1994 (as amended) and Regulations	To provide for the organization and administration of the public service of the Republic, the regulation of the conditions of employment, terms of office, discipline, retirement and discharge of members of the public service.
B. Public Finance Management Act 1 of 1999 (as amended) and Regulations	To regulate financial management in the national government and provincial government, to ensure all revenue, expenditure, assets and liabilities of the government are managed efficiently.
C. Municipal Finance Management Act of 2003 (as amended)	To secure sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government.
D. Division of Revenue Act of 2012 (as amended).	Section 214(1) of the Constitution requires that every year a Division of Revenue Act

Relevant Act	Key Responsibilities
	determine the equitable division of nationally raised revenue between national government, the nine provinces and 278 municipalities. This budget process takes into account the powers and functions assigned to each sphere of government. The division of revenue process fosters transparency and is at the heart of constitutional cooperative governance.
E. Housing Act of 1997	The Department in consultation with provincial organization must do everything in its power to promote and facilitate the provision of adequate housing in its province within the framework of the national housing policy.
F. Local Government Municipal Structures Act of 1998	The MEC for local government in a province, by notice in the Provincial Gazette must establish a municipality in each municipal area which the Demarcation Board demarcates in terms of the Demarcation Act.
G. Local Government Municipal Systems Act of 2000	The MEC for local government in the province may, subject to any other law regulating provincial supervision of local government, assist a municipality with the planning, drafting, and adoption of mid review

Relevant Act	Key Responsibilities
	of its 5 year integrated development plan.
H. Disaster Management Act 2002	To provide for- an integrated and coordinated disaster management policy that 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; and - Matters incidental thereto.
I. Development Facilitation Act of 1995	To facilitate and speed up the implementation of reconstruction and development programmes and projects in relation to land; and in so doing, to lay down general principles governing land development throughout the Republic.
J. Municipal Systems Act of 2000	The MEC for local government in the province may, subject to any other law regulating provincial supervision of local government, assist a municipality with the planning, drafting, and adoption of mid review

Relevant Act	Key Responsibilities
	of its 5-year integrated development plan.
K. Municipal Structures Act of 1998	The MEC for local government in a province, by notice in the Provincial Gazette must establish a municipality in each municipal area which the Demarcation Board demarcates in terms of the Demarcation Act.
L. Local Government Municipal Property Rates Act No. 6 of 2004	The MEC to support municipalities with the process to impose rates on property; to assist municipalities to make provision to implement a transparent and fair system of exemptions, reductions and rebates through their rating policies; to make provision for an objections and appeals process and to provide for matters connected therewith.
M. Spatial Planning and Land Use Management Act, 2013	To provide a framework for spatial planning and land use management in the Republic; and to specify the relationship between the spatial planning and the land use management system and other kinds of planning.
N. Intergovernmental Relations Framework Act No.13 of 2005	The Act requires the department to acknowledge the framework for the three spheres of government, namely national, provincial and local government, to promote

Relevant Act	Key Responsibilities
	and facilitate intergovernmental relations between the three spheres of government, which are distinctive, interdependent and interrelated; to provide mechanisms and procedures to facilitate the settlement on intergovernmental disputes and matters incidental thereto.
O. Traditional Leadership and Governance Framework Act No.41 of 2003.	To provide for the recognition of traditional communities; to provide for the establishment and recognition of traditional councils as well as providing for a statutory framework for leadership positions within institutions of traditional leadership.
P. Limpopo Traditional Leadership and Institutions Act No.6 of 2005	To provide for the recognition of traditional communities; the recognition of traditional councils, the election and appointment of members of traditional councils, recognition of traditional leaders, their removal from office, their roles and functions, recognition of acting traditional leaders and regents, to provide for funds of traditional councils and management thereof; to provide for payment of allowances for travelling expenses of members of traditional councils; to

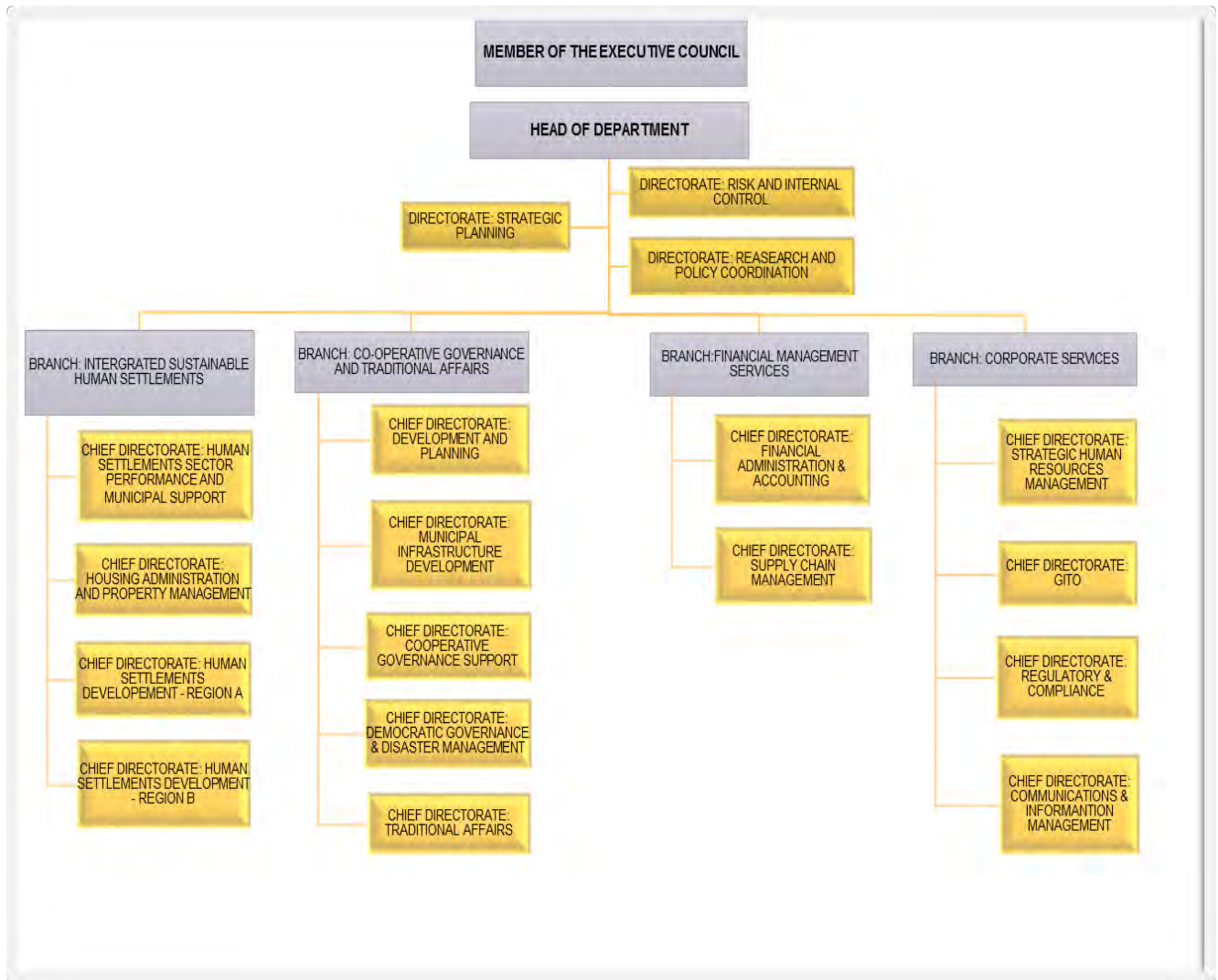
Relevant Act	Key Responsibilities
	provide for meetings of royal family and traditional councils; to provide for code of conduct; and for matters connected therewith.

Policy	Key Responsibility
1. National Development Plan	The NDP, which outlines a plan to address issues in the country, provides a road map to where government would like South Africa to be in 2030.
2. Community Residential Units Policy	Building and management of residential units for the beneficiaries of income up to R3500 per month. Mostly targets all hostels, old buildings and green field sites.
3. Housing Code	To provide an easy – to-understand overview of the various housing subsidy instruments available to assist low-income households to access adequate housing. The detailed description of the policy principles, guidelines, qualification criteria and norms and standards are available in the National Housing Code.
3. Breaking New Ground	The state gives subsidy housing to qualifying beneficiaries to bring dignity to them. The policy emphasizes on the need to achieve a nonracial integrated society through the development of sustainable settlements and quality housing.
4. Provincial LED Strategy	Planned actions aimed at creating an impetus and a critical mass in the local economic environment in order to generate momentum in the economy.
5. Local	Roadmap that outlines what

Policy	Key Responsibility
Government Strategic Agenda	needs to be done by local government during the term 2006-2011, The roadmap outlines priority actions and proposes intervention to be implemented by critical stakeholders-municipalities, SALGA, traditional leaders etc.
6. Multi-year Housing Development Plan	To provide a strategic context for the implementation of housing development plan over the next five years. The plan is aimed at ensuring that the council's enabling role and its forward development programme help deliver against core council and housing priorities.
7. Integrated Development Plan	This is a plan which indicates how the municipality will spend its money for the next five years. It is a plan to help set budget priorities.
8. Provincial Growth Point Plan of Action	Identify economic growth points in all the district municipalities.
9. Provincial Municipal Capacity Building Strategy	Capacitating, monitoring and co-ordination of all efforts by the local government aimed at assisting municipalities to

Policy	Key Responsibility
	achieve optimal performance.
10. Limpopo Economic Growth Development Plan	- It assists the province to be able to make strategic choices in terms of prioritizing catalytic and high impact initiatives as a way of responding to the MTSF strategic thrusts. - The LEGDP is designed to form a solid base line such that it is constructed as an Implementable plan which will culminate into a long term strategy. Therefore, the Plan will make every effort to move towards the development of the 2030 provincial growth and development strategy and The Limpopo Vision 2030.

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MINISTER/MEC

None

PART B: PERFORMANCE INFORMATION

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 136 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The department is central to coordination of services that improve the livelihoods and conditions of citizens, by providing housing subsidies to qualifying applicants, monitoring provision of services by municipalities to ensure development of their respective areas as well as supporting Institutions of Traditional Leadership to participate in the development and uplifting of their respective communities. The period under review operated largely under various lockdown levels since declaration of state of disaster by the President on 27 March 2020. The state of disaster has negatively affected departments' performance across all service delivery programmes. In order to align departmental programmes and projects with budgets cuts that were enforced by National Treasury, the department reviewed the 2020/21 Annual Performance Plan as directed by the DPME which was implemented from third quarter onwards.

The construction sector was allowed to operate under level 3 in June 2020, but not all contractors could commence on site. The old contractors had to ensure that OHSA regulations are implemented in line with Covid-19 Regulations before they could be allowed to go back on site. Most re-commenced with construction towards the end of August 2020. New contractors were also delayed by site

compliance with Covid-19 regulation which also had financial implication. Due to revised targets for the year, some of the external processes were negatively affected such as the reallocation of development areas, amendment of beneficiary lists and delays in NHBRC enrolment due to changes in development areas. In addition, R50 million was withheld by National Human Settlements due to performance.

2.1.1 Human Settlements

The programme is mandated to ensure provision of housing development, access to adequate accommodation in relevant well-located areas, access to basic services and access to social infrastructure and economic opportunities. This is realised through implementation of the Human Settlements Development Grant (HSDG) and Title Deeds Restoration Grants (TDRG) which amounted to R 914,517 million including R3, 276 million for EPWP for the 2020/21 financial year. Expenditure amounted to R 834,546 million as at 31st March 2021 translating to 91%, delivery on various programmes is detailed below. It is worth noting that targets were revised significantly as budget cuts affected also conditional grants.

The department in the period under review managed to review the multi-year housing development plan in an effort of improving conditions for all households. In informal settlements formalisation has been achieved in 2 informal settlements (Lephalale Ext 256 Skierlik) and Marapong Ext 1 in Lephalale LM. Housing

units delivered as at end March 2021 are 4 486 against a target of 5 039 units translating to 89%. There were 2 835 sites delivered by the end of March 2021 against an annual target of 2 839. Approved subsidies for Financed Linked Individual Subsidies (FLISP), targeting the "Gap market" i.e. those that earn too much or little for low cost housing subsidies or obtaining bonds with private financiers.

The department did not perform as expected on rental units due to unavailability of bulk infrastructure for connection, job opportunities created through construction of houses and servicing of sites which was due to non-submission of monthly data by some contractors. Title Deeds registered and issued to approved beneficiaries due to incomplete proclamation process of other of township finally delivery of houses due to Delay in finalization of enrolment of projects with NHBRC and due to Change of developmental areas in line with budget cut.

2.1.2 Co-operative Governance

The programme is mainly focused in ensuring that municipalities are capacitated to deliver on their mandates, monitored and evaluated, as well as providing hands on support. Support to municipalities is mainly focused on development planning, municipal infrastructure development, democratic governance and disaster management.

On financial management, there were 2 (two) clean audit opinions received in the province in the past 5 financial years. Audit opinions for 2019/20 financial year were issued as follows: 1 (one) Clean audit opinion, 15 (fifteen) unqualified audit opinions, 10 (ten) qualified audit opinions, 1 (one) adverse audit opinion. There is an improvement in respect of audit outcomes in 10 (ten) municipalities, 6 (six) municipalities maintained unqualified audit opinions.

Municipal Infrastructure Grant (MIG) continue to be the main infrastructure fund for provision of

basic service in the province. Over the past 4 financial years, Municipalities have in the main prioritized Water and Roads in their allocation of resources. A sizeable investment is in water and roads projects in the Province, i.e. 52% of the allocation (R 6.471 billion) has been spent on Water projects and 28% on Roads. The balance is mainly allocated to sanitation and community services. A critical sector such as Solid Waste (refuse removal) has received very minimal allocation. Although a sizeable investment is in water and roads projects, the province continues to be plagued with community protests for water and roads. The Provincial allocation for 2020/2021 financial year is R2,952,699,000. As at end of March 2021 R1.933 billion has been spent, this translates to 65.5%. During the same period in 2019/2020, expenditure was at 63%. Performance on spending is mainly impacted by delay in procurement of service provider as well as poor performance by service providers which leads to termination.

The Department provided support to all 22 local municipalities through meetings with respective municipalities, assessment of land development applications to ensure alignment with SDF, participation in respective municipal planning tribunals to ensure that decisions taken are in line with the SDF, workshops to municipal officials and traditional council and key stakeholders on land use management & SDF, assessment and reporting to the municipalities on the status of the identified nodal points and the support in the review of the SDFs. All 27 municipalities with the development and review of the respective IDPs as well as the development draft one plans. This resulted from launching all District Development Model (DDM) in all districts. The support provided to the municipalities was through meetings of the IDP Steering Committees, IDP Representative Forum and the DDM working groups of relevant municipalities.

All 27 municipalities were supported in the implementation of SPLUMA, the support was through meetings with respective municipalities,

assessment of SPLUMA By-laws to ensure quality assurance, participation in respective municipal planning tribunals.

There are five (5) District Disaster Centres in the province and are all-functional and were all supported by the provincial disaster management advisory. The Provincial Disaster Management Centre responded to Covid - 19 pandemic that was classified as a national disaster in March 2020 through the crafting of the integrated contingency plan. The intergovernmental disaster management forum managed to convene 11 meetings in response to the state of disaster caused by cyclone Eloise during January/February 2021.

2.1.3 Traditional Institutional Development

Traditional leaders continue playing a role in the development and growth of communities in the province. Traditional councils are provided with administrative support that include payment of salaries, provision of trading tools, furniture and conducting workshops for traditional surgeons and protocol. During the period under review the sector was severely affected by the pandemic whereby initiations season was postponed indefinitely, and sittings of both Local and provincial houses were held virtually.

The increase in the number of traditional councils and subsequently traditional leaders is going to put more pressure on the financial resources, especially provision of tools of trade such as offices, support staff, vehicles. The demand surpasses the available resources.

The sector is characterized by disputes among royal family members, leading to instability and in some instances damage to property (traditional council offices). The recent disputes emanating from the work of the Kgatla Commission might lead to community infighting, and instability in such areas.

The sector does not receive any direct funding from the national fiscus, and thereby funded from the Provincial Equitable share. This is putting a lot of pressure on the available budget.

2.2 Service Delivery Improvement Plan

Main services and standards

Main services	Beneficiaries	Current / actual standard of service	Desired standard of service	Actual achievement
Number of rental units (CRU)	Hostel Dwellers	0	150	0 - The project was halted for six months due to non-compliance to health and safety regulations and delay to extend the contract of Principal Agent by HDA.

Batho Pele arrangements with beneficiaries (Consultation access, etc.)

Current / actual arrangements	Desired arrangements	Actual achievements
B2B Pillar 1 Community engagement	MEC'S Imbizo held	1 Imbizo was held Musina

Service delivery information tool

Current / actual information tools	Desired information tools	Actual achievements
CoGHSTA news	Print media, electronic	Vutivi, CoGHSTA today/ news

Complaints mechanism

Current / actual complaints mechanism	Desired complaints mechanism	Actual achievements
Departmental toll-free number	Short messaging system (sms)	The department managed to resolve 100% of all complaints received

2.3 Organisational environment

2.3.1 Organisational environment

The Department continued to face the ongoing challenge of executing its statutory mandates within an increasingly constrained fiscal environment, growing provincial population, challenging social ills and increasing demand for services. To this end, building an efficient Department is essential. Key elements in this drive are improvements to its organisational structure, stringent cost containment measures, effective departmental governance systems, business processes and strategies to improve the delivery of its services. Covid – 19 has also impacted negatively in internal process as the budget was reprioritised to the fiscus.

2.3.1 Review of Organisational Structure

The department is in the process of reviewing the organisational structure in an effort of advocating the President and minister of public service administration's call of providing curbing compensation of employees. The proposed organisational structure will take into consideration the change of organisational culture, improvement of productivity, development of leadership capability and repositioning of the National Department of CoGHSTA as an employer of choice, whereby only candidates who meet the profile desired by department will be considered for appointment. To date all branches were consulted by the Organisational Development directorate for inputs and presentations.

2.3.2 Information Communication Technology

The "new normal" of working was successfully managed through the roll-out of electronic collaboration tools to ensure staff members work from home. Meetings were held through the means of electronic communication. A secure Virtual Private Network (VPN) was launched which allows staff secure access to Emails, folders and

files stored within the servers of the Department. Developed a blueprint for servers with the aim of enhancing storage space and access to data electronically.

For the year under review, the automated ICT Disaster Recovery solution was used to store all the Departmental electronic data on a system. Network uptime of 98.10% was achieved at the Departmental Head Office and 5 District Offices. The Department continuously managed and maintain its ICT Infrastructure environment through monitoring and regular maintenance of the servers, air conditioners, Uninterruptable Power Supply units and fire/smoke detector system. Through this the Department managed to store and safeguard electronic data. Thus, ICT services were always available.

The Department also through an approved ICT Security Awareness Plan continues to create awareness on cyber security through means of email tips and posters. Supported 27 Municipalities based on individual requests for IT support and participated in 27 various Municipal and District ICT Forums.

2.3.3 Human Resource Management

Human Resources (HR) Plan for the 2020-2023 has been implemented. The department in 2020/2021 financial year embarked on a recruitment process of filling all prioritised and funded vacant posts in an effort of reducing vacancy rate. A total of 6 posts mainly at SMS level were filled across all four (4) programmes of the departments, on the other hand, key management positions were vacated due to promotions, natural attritions and transfers to other departments.

The budget cut due to Covid 19 and its related challenges impacted on recruitment processes during the year. The vacancy rate is at 16.20 % from 9.14% in 2019\20.

In skills development, a total of 207 officials were trained in line with the Departmental Workplace

Skills plan. The objective was to enhance the employees' skills for improved service delivery. In addition, the learnership programme was enhanced by submission of all prescribed Quarterly and Annual Training reports and expenditure reports to the Public Service Sector Education (PSETA).

2.4 Key policy developments and legislative changes

There were no key policy and legislative developments that would affect the operations of the department

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

In measuring institutional performance as mandated by the 2019-2024 MTSF, the department has aligned itself with the following impacts statements, Capable, Ethical and Developmental Department, spatially transformed sustainable Human Settlements in cities and in productive rural regions by 2025, improved quality of life for the people of the province and a diverse, socially cohesive society with a common identity. The aforementioned impact statements will be realized through the following set of outcomes which the department will be embarking on achieving until 2024 calendar year. (i) Professional, Meritocratic and Ethical Department (ii) Improved governance and efficient financial management systems (iii) Spatial transformation through multi-priority development areas (iv) Adequate housing and improved quality living environments, (v) Security of tenure (vi) Improved capacity to deliver basic services, quality infrastructure to increase household access to basic services, (vii) Improved support and oversight in all municipalities, (viii) Improved perception (Community based) on governance in municipalities, and (ix) Developmental Traditional Institutions.

The following major achievements were recorded during 2020/21 financial year.

Capable, Ethical and Developmental Department

- ❖ 100% of bids awarded to black, youth, and women owned SMMEs was achieved

Spatially transformed sustainable Human Settlements in cities and in productive rural regions by 2025

- ❖ 5 Informal settlements were formalized during the 2020/21 financial year at Greater Tzaneen, Fetakgomo Tubatse, Lephalale municipalities.
- ❖ 1417 title deeds were issued through the R&E and EEDBS programmes to ensure secure tenure for beneficiaries

Improved quality of life for the people of the province.

- ❖ 27 Municipalities were supported in submission of AFS, guided through implementation of municipal property rates, maintaining functionality of District IGR Structures
- ❖ All municipalities were supported in developing legally compliant IDP's.
- ❖ District municipalities were supported to maintain functional disaster management centers.
- ❖ All local municipalities were supported in the implementation of service programmes to improve access to basic service by households

4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

ALIGNMENT OF INDICATORS DEVELOPED IN 2019/2020 AND 2020/21 FINANCIAL YEARS

In 2009, to improve government-wide planning and to align planning with other government processes, the MTSF 2014-2019 was produced that resulted in the specific outcomes for delivery. The Framework provided a standardised approach to strategic and annual performance planning; and promoted accountability for performance and service delivery, and alignment between the planning, budgeting and reporting processes. Government's contribution to the MTSF is measured through a monitoring framework with related indicators and targets. Measuring, monitoring and managing performance are integral to improving service delivery.

All government institutions were encouraged to pay attention to developing indicators that measure economy, efficiency, effectiveness and equity using data collected through these and other direct indicators.

- To evaluate whether an institution is acting economically, efficiently, effectively and equitably; all indicators need to be compared to similar measures in other state institutions or in the private sector, either in South Africa or abroad. Such indicators can also be compared over time.

In 2020/2021 delivery period, the Revised Framework introduced a slightly differentiated approach to the method of planning to further improve government planning systems and processes and to institutionalise development planning in government. The purpose of the Revised Framework was to build on the foundation of the 2010 Framework for Strategic Plans and Annual Performance Plans, reaffirm the planning logic and institutionalise planning to enable better service delivery. The planning principles to be implemented through the Revised Framework aim to focus the planning approach towards achieving results; standardise the concepts used in short- and medium-term planning instruments; streamline the planning, monitoring and evaluation processes; and increase learning and innovation through improved use of evidence and the findings from monitoring and evaluation.

During crafting of the outcomes, outputs and output indicators with alignment with the revised Framework, some indicators from MTSF 2014-2019 cycle were revised. Planning and budgeting processes were aligned so that development priorities can be tracked and are kept consistent for traceability of performance during the planning cycle; and implementation of plans to achieve developmental results, using the allocated resources.

4.1 Programme 1: Administration

Purpose: Capable, Ethical and Developmental Department

Sub-Programmes:

Corporate Services: To provide professional support services to the department

Financial Management: To give financial management support and advisory services for effective accountability

Outcomes, outputs, output indicators, targets and actual achievements

Even with challenging environment due to Covid-19, cases reported in relation to wellness were attended to in response to ensuring that wellness of employees is always attained. This was achieved, in recognition of some anxieties that might be experienced due to the pandemic. Financial performance of the department was monitored to ensure compliance with applicable regulations and directives with attention to payment of invoices timeously and prioritising designated groups for services recipients.

Skills development is a priority for developmental state targets, a total of 64 females and 30 received bursaries for further their studies, of which 4 were youth while only one person with disability benefited. Representation of females in senior management has improved from 43% in 2019\20 to 46% in 2020\21 financial year. Designated groups benefitted greatly during appointment of service providers in the year under review. Allocation for service providers considered females as well as youth companies.

Tables 2.4.4.1: Administration Report against the originally tabled Annual Performance Plan until date of re-tabling

Programme: Administration									
Sub-Programme: Corporate Services									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until 30 September 2020	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
1.1 Professional, Meritocratic and Ethical	Professional and ethical conduct by employees	1.1.1. Compliance to Batho Pele principles in provision of services	New indicator	New indicator	Compliance to Batho Pele principles in provision of	90% compliance to Batho Pele in provision of services	Non-compliance to all Batho Pele principles	Some officials do not have name tags	N/A

Programme: Administration Sub-Programme: Corporate Services									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 <u>until 30 September 2020</u>	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Department					services				
	Service delivery queries and complaints resolved	1.1.2. Percentage of resolved service delivery queries and complaints logged through Presidential, Premier and Departmental Hotline	100%	100%	100% Compliance to constitutional values and principles/Batho Pele principles	100%	None	N/A	N/A
	Network available for all ICT infrastructure	1.1.3. Percentage of network available for all ICT infrastructure	New indicator	New indicator	98% ICT network infrastructure availability	98% network infrastructure availability achieved	None	None	The revised budget not sufficient to refresh ICT infrastructure and sustain the recommended best practise network uptime of 98%
	Workshops conducted on fraud and corruption practices in the Department	1.1.4. Number of workshops conducted to reduce corruption practices in the department	New indicator	New indicator	6	0	6	Lockdown regulations and unavailability of budget due to budget cuts	Reduction of the departmental budget due to Covid-19
	Employees appointed	1.1.5. Number of employees appointed	45	9	20	3	17	Lockdown regulations and	Reduction of the departmental CoE budget by 10% due

Programme: Administration Sub-Programme: Corporate Services									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	* Actual Achievement 2020/2021 <u>until 30 September 2020</u>	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
								unavailability of budget due to budget cuts	to Covid-19
	Employees trained	1.1.6. Number of employees trained as per WSP	1 431	863	700	64	636	Lockdown regulations and unavailability of budget due to budget cuts	Reduction of the departmental budget due to Covid-19
	Attended to Employee Wellness cases	1.1.7. Percentage of employee wellness cases attended	100%	100%	100%	100%	None	N/A	N/A
	Equity targets attained	1.1.8. Percentage of women in SMS represented	38.8%	43%	50% women in SMS	43%	7%	2020\21 recruitment plan not approved by PPMT	Reduction of the departmental CoE budget by 10% due to Covid-19
		1.1.9. Percentage of people with disabilities represented	1.6%	1.1%	2 % of People with disabilities	1%	1%	2020\21 recruitment plan not approved by PPMT	N/A

Programme: Administration									
Sub-Programme: Financial Management									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until 30 September 2020	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
1.2 Improved governance an efficient financial management	All undisputed invoices paid within days	1.2.1 Percentage of undisputed invoices paid within 30 days	96%	100% undisputed invoices paid within 30 days	100%	95%	5%	Shifting of funds from non-performing programs to performing programs and relocation of projects from one municipality to the next.	N/A
	Bids awarded to pre-qualified designated groups	1.2.2 Percentage bids awarded to pre-qualified designated groups	New Indicator	30% of bids awarded to pre-qualified designated groups	30%	0%	30%	There were no qualifying bids that conformed to the pre-qualification of designated groups	N/A
	Monitored budget expenditure of programmes	1.2.3 Percentage of allocated budget spent	96%	100% of allocated budget spent	100%	37%	63%	Covid19 pandemic, all normal government services were temporarily suspended	N/A
	Zero material audit findings	1.2.4 Type of audit opinion achieved	Unqualified with matters of emphasis	Unqualified audit opinion without matters of emphasis	Unqualified audit opinion without matters of	N/A	N/A	N/A	N/A

Programme: Administration Sub-Programme: Financial Management									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until 30 September 2020	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
					emphasis				

*Actual achievement in relation to the performance information reflected in the originally tabled Annual Performance Plan until date of re-tabling

*Deviation is as a result of the report being accounted for the period April – September 2020.

Tables 2.4.4.2: Administration Report against the re-tabled Annual Performance Plan

Programme: Administration Sub-programme: Corporate Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
1.1 Professional, Meritocratic and Ethical Department	Professional and ethical conduct by employees	1.1.1. Compliance to Batho Pele principles in provision of services	100%	100%	Compliance to Batho Pele principles in provision of services	Directorates Comply to Batho Pele principles in provision of services	None	None
	service delivery queries and complaints resolved	1.1.2. Percentage of resolved service delivery queries and complaints logged through Presidential, Premier and	100%	100%	100%	100%	0	None

Programme: Administration Sub-programme: Corporate Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	** Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
		Departmental Hotline						
	Employees appointed	1.1.3. Number of employees appointed	45	9	3	6	3	Process for filling of posts rolled over from 2019/20
	Employees trained	1.1.4. Number of employees trained as per WSP	1 431	863	0	94 Bursary holders administered	94	64 bursary holders were initially omitted when the target was revised to 0. Another 30 Bursaries awarded for the 2021 financial year.
	Attended to Employee Wellness cases	1.1.5. Percentage of employee wellness cases attended	100%	100%	100%	100%	0	None
	Equity targets attained	1.1.6. Percentage of women in SMS represented	38.8%	43%	42% women in SMS	46%	4%	Appointment of 3 females SMS during the year
		1.1.7. Percentage of people with disabilities represented	N/A%	1.1%	2% of People with disabilities	1%	1%	Posts could not be filled due to Budgetary constraints. Funds were diverted to deal with COVID 19 pandemic.

Programme: Administration								
Sub-programme: Financial Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
1.2. Improved governance and efficient financial management systems	All undisputed invoices paid within 30 days	1.2.1. Percentage of undisputed invoices paid within 30 days	97.5%	99.3%	100% undisputed invoices paid within 30 days	92%	8%	Shifting of funds from non-performing programs to performing programs and relocation of projects from one municipality to the next.
	Bids awarded to pre-qualified designated groups	1.2.2. Percentage bids awarded to pre-qualified designated groups	New Indicator	New Indicator	30% bids awarded to pre-qualified designated groups	100%	70%	All bids awarded to pre-qualified designated groups
	Monitored budget expenditure of programmes	1.2.3. Percentage of allocated budget spent	95.80%	96%	100% of allocated budget spent	96%	4%	Delay in filling of funded vacant positions due to review of organizational structure taking longer and delay by some service providers to deliver services on time.
	Zero material audit findings	1.2.4. Type of audit opinion achieved	Achieved Unqualified audit opinion with matters of emphasis	Achieved Unqualified audit opinion with matters of emphasis	Unqualified audit opinion without matters of emphasis	Unqualified audit opinion with matters of emphasis	Unqualified audit opinion without matters of emphasis	- Impairment provision amounting to R16m were made in the books. - Uncertainties regarding the litigation cases from service providers and third parties.

Programme: Administration Sub-programme: Financial Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	** Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
								Restatement of prior period amounts in the financial statements.

***Actual achievement relation to the performance information reflected in the re-tabled Annual Performance Plan.*

Strategy to overcome areas of under performance

- ✚ Fill posts when funds are available and to consider people with disabilities
- ✚ Finalise the review of the organisational structure in accordance with available financial resources
- ✚ Continuous alignment of budget allocation with programme performance during the year
- ✚ Recovery of the debts through the courts
- ✚ Confirmation of litigation cases to determine the probability of payments.

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

None of the departmental Sector's were customised during the period under review. The report includes provincial specific indicators only.

Reporting on the Institutional Response to the COVID-19 Pandemic

Departments must provide a report on the external and internal interventions that were implemented in response to the COVID-19 pandemic. This section should reflect performance of COVID-19 interventions and highlight achievements of interventions funded through the various relief packages (where applicable).

Progress on Institutional Response to the COVID-19 Pandemic

Budget Programme	Intervention	Geographic location (Province / District / local municipality)	No. of beneficiaries	Disaggregation of Beneficiaries	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP	Immediate outcomes
Administration	Covid-19 materials to protect staff	Province	On average 1 953 employees	On average: 54% females 46% males 1% employees with disabilities	0	1,974	Attended to employee Wellness cases	Safe working environment

Linking performance with budgets

The programme spent 94% of the adjusted appropriation compared to 99% in 2019\20. Significant under expenditure in Corporate service is as a result of delayed filling of vacant posts, challenges experienced during purchasing of protective clothing, fixing of water and sewer pipes in departmental buildings, funding for early retirement penalty which was not fully utilized and Leave Gratuity and Subsidies for Traditional Council staff. An amount of R880 thousand has been utilised to write off irrecoverable debts within Administration programme.

Sub-programme expenditure

Sub- Programme Name	2019 / 2020			2020 / 2021		
	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
Corporate Services	374 065	368 882	5 183	365 340	344 902	20 438
Member of Executive Council	1 978	1 940	38	1 978	1 978	-
Total	376 043	370 822	5 221	367 318	346 880	20 438

4.2 Programme 2: Human Settlements

Purpose: To ensure the provision of housing development, access to adequate accommodation in relevant well located areas, access to basic services and access to social infrastructure and economic opportunities.

The programme is mainly responsible for upgrading informal settlements and facilitates a process that provides equitable access to adequate housing in an integrated and sustainable manner.

To achieve the above mention objectives, the program is divided into three sub-programmes

- ✚ Housing Needs, Research and Planning
- ✚ Housing Development, Implementation Planning and Targets
- ✚ Housing Assets Management and property Managements

Outcomes, outputs, output indicators, targets and actual achievements

To ensure spatial transformation a multiyear human settlements development has been reviewed with emphasis on priority development areas as identified during the strategic focus of the current electoral cycle. Feasibility Study, Project Design and Packaging were commissioned for Talana Community Residential Units and construction will commence in 2021\22 financial year. Formalisation of informal settlements has been boosted by additional 3 informal settlements include completing the once that were rolled over to 2020\21 financial year. Housing subsidies approved amounted to 3 069, of which 1 934 beneficiaries are females.

Over 7 000 households have benefited through various programme of human settlements i.e., construction of houses through individual subsidy, sites connected to basic services such as water and sewer as well as finance linked induvial subsidy programme. Secure of tenure to promote economic activity and ensure dignity had an injection of additional 1 417 households being issued with title deeds.

Tables 2.4.4.3: Human Settlements report against the originally tabled Annual Performance Plan until date of re-tabling

Programme: Human Settlements Sub-Programme: Housing Needs, Research and Planning									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	* Actual Achievement 2020/2021 until 30 September 2020	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
2.1. Spatial transformation through multi-priority development areas	Multiyear Housing Development Plan available	2.1.1. Multiyear Housing Development Plan Developed	Reviewed Multiyear of the Limpopo MYHDP has been submitted to NDHS	MYHSDP approved & submitted	Multiyear human settlements Development plan reviewed	None	Multiyear human settlements Development plan reviewed	Targeted for 3 rd quarter of the year	N/A

Programme: Human Settlements Sub-Programme: Housing Development, Implementation and Planning									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	* Actual Achievement 2020/2021 until 30 September 2020	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
2.2. Adequate housing and improved quality living environments	Projects approved for human settlements	2.2.1. Number of projects approved for human settlements	New Indicator	New Indicator	99	None	99	Targeted for 3 rd quarter of the year	HSDG Budget cut. Reduction on number of projects to be implemented.

Programme: Human Settlements Sub-Programme: Housing Development, Implementation and Planning									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until 30 September 2020	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
	Assessed Municipalities for human settlements accreditation	2.2.2. Number of municipalities assessed for human settlements accreditation	6 Municipalities were prepared for level 1 accreditation, two municipalities were assessed (Greater Tzaneen and Bela-Bela) for level 1 accreditation	0	4 municipalities supported on level 1 accreditation support	0	4 municipalities supported on level 1 accreditation support	Targeted for 3 rd quarter of the year	HSDG Budget cut.
	Workshops conducted on human settlements programmes for beneficiaries	2.2.3. Number of workshops conducted on human settlements programmes for beneficiaries	N/A	59	35 workshops conducted for human settlements programmes for beneficiaries	0	35 workshops conducted for human settlements programmes for beneficiaries	The workshops could not be conducted as a result of declaration of the State of Disaster due to Covid-19 pandemic	The delivery of the output required close contact with beneficiaries in all municipalities of the province. This indicator was removed as a result of the risk of spreading the Covid-19 pandemic and uncertainty over the lifting of the state of disaster as declared.
	Land	2.2.4. Hectares of land acquired	0	0	30ha	0	30ha	Targeted for 3 rd quarter of	HSDG Budget cut

Programme: Human Settlements									
Sub-Programme: Housing Development, Implementation and Planning									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until 30 September 2020	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
	acquired							the year	
	Informal settlements with approved layouts	2.2.5. Number of informal settlements with approved layouts	2 Draft General plans submitted to Surveyor General Office for approval	0	3 informal settlements with approved layouts	0	3 informal settlements with approved layouts	Targeted for 3 rd quarter of the year	HSDG Budget cut.
	Houses delivered through programmes in the housing code	2.2.6. Number of houses delivered through programmes in the housing code	10 566	8 182	8 142	1 747	6 395	Delay in finalisation of enrolment of units for 2020/2021 financial year projects with NHBRC.	HSDG Budget reduction
	Sites serviced	2.2.7. Number of sites serviced	N/A	N/A	1 687	1 471	216	The service provider in Makhado Municipality cannot test the water due to unavailability of water on the existing pipeline.	HSDG Budget reduction
	Rental units completed	2.2.8. Number of rental units	0	0	150	0	150	Projects sites were closed due to COVID-	N/A

Programme: Human Settlements Sub-Programme: Housing Development, Implementation and Planning									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until 30 September 2020	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
		completed						19 Disaster Management Regulations	
	Job opportunities created	2.2.9. Number of job opportunities created through construction of houses and servicing of sites	288	667	3 600	94	3 506	Projects sites were closed due to COVID-19 Disaster Management Regulations and not all contractors resumed with construction	HSDG Budget reduction

Programme: Human Settlements Sub-Programme: Housing Asset Management									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until 30 September 2020	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
2.3 Security of Tenure	Title Deeds issued to approved beneficiaries	2.3.1 Number of Title Deeds issued to approved beneficiaries	3 454	2 677	2 682	927	1 755	Shortage / Replacement of properties	Utilization of TDRG and HSDG to deliver more title deeds.
	Beneficiaries issued with title deeds through the EEDBS (Enhanced Expanded Discount Benefit Scheme)	2.3.2 Number of beneficiaries issued with title deeds through the EEDBS (Enhanced Expanded Discount Benefit Scheme)	109	39	80	2	78	Conveyancer is struggling to get beneficiaries to sign the relevant documents exemption certificates outstanding from municipalities	N/A
	Reports compiled by Rental Disputes Tribunal and Housing Advisory Panel	2.3.3 Number of reports compiled by Rental Disputes Tribunal and Housing Advisory Panel	N/A	N/A	1	0	1	Targeted for 4 th quarter of the year	N/A
	Subsidies approved and disbursed through Finance Linked Individual Subsidy	2.3.4 Number of subsidies approved and disbursed through Finance Linked Individual Subsidy Programme	6	32	126	7	119	The service's offices closed and accessible by the beneficiaries	HSDG Budget reduction

Programme: Human Settlements Sub-Programme: Housing Asset Management									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until 30 September 2020	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
	Programme								
	Approved beneficiary Subsidy Applications	2.3.5 Number of Housing Subsidy Applications approved through Housing Subsidy System	6 182	6 584	8 142	1 413	6 729	Change of development areas due to cut of budget.	HSDG Budget reduction

**Actual achievement in relation to the performance information reflected in the originally tabled Annual Performance Plan until date of re-tabling.*

**Deviation is as a result of the report being accounted for the period April – September 2020.*

Tables 2.4.4.4: Human Settlements report against the re-tabled Annual Performance Plan

Programme: Human Settlements								
Sub-programme: Housing Needs, Research and Planning								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
2.1 Spatial transformation through multi-priority development areas	Multiyear Housing Development Plan available	2.1.1. Multiyear Housing Development Plan Developed	Reviewed Multiyear of the Limpopo of MYHDP has been submitted to NDHS	MYHSDP approved & submitted	Reviewed Multiyear human settlements Development plan	Reviewed Multiyear human settlements Development plan	None	None

Programme: Human Settlements								
Sub-programme: Housing Development, Implementation and Planning								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
2.2. Adequate housing and improved quality living environments	Projects approved for human settlements	2.2.1. Number of projects approved for human settlements	New indicator	New indicator	52	5	47	Old projects were still running due to Covid -19 disruptions. New project procurement took longer than anticipated
	Assessed Municipalities for human settlements accreditation	2.2.2. Number of municipalities assessed for human settlements accreditation	6 municipalities were prepared for level 1 accreditation, two municipalities were assessed	0	1 municipality supported on level 1 accreditation Support	0	1	Delay in appointment of service provider to support Municipalities due to lockdown.

Programme: Human Settlements								
Sub-programme: Housing Development, Implementation and Planning								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
			(Greater Tzaneen and Bela-Bela) municipalities for level 1					
	Land acquired	2.2.3. Hectares of land acquired	0	0	8ha	0	8ha	Delay in approval of acquisition of land by Provincial Treasury
	Informal settlements with approved layouts	2.2.4. Number of informal settlements with approved layouts	2 Draft General Plans submitted to Surveyor General Plan office for approval	0	2 informal settlements with approved layouts	2 informal settlements with approved layouts	None	N/A
	Houses delivered through programmes in the housing code	2.2.5. Number of houses delivered through programmes in the housing code	10 566	8 182	5 039	4 486	553	Delay in finalization of enrolment of projects with NHBRC and also due to Change of developmental areas in line with budget cut
	Sites serviced	2.2.6. Number of sites serviced	N/A	N/A	2 839	2 835	4	Change of allocated sites in Tzaneen affected the approved designs
	Rental units completed	2.2.7. Number of rental units completed	0	0	150	0	150	The project was halted for six months due to non-compliance to health

Programme: Human Settlements								
Sub-programme: Housing Development, Implementation and Planning								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
								and safety regulations and delay to extend the contract of Principal Agent by HDA.
	Job opportunities created	2.2.8. Number of job opportunities created through construction of houses and servicing of sites	228	667	2 500	471	2 029	Non-submission of monthly data by some contractors for EPWP requirements

Programme: Human Settlements								
Sub-programme: Housing Asset Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
2.3. Security of Tenure	Title Deeds issued to approved beneficiaries	2.3.1. Number of Title Deeds issued to approved beneficiaries	3 454	2 677	6 039	1 414	4 625	Some of township proclamation are incomplete.
	Beneficiaries issued with title deeds through the EEDBS (Enhanced	2.3.2. Number of beneficiaries issued with title deeds through the EEDBS (Enhanced Expanded Discount Benefit	109	39	80	3	77	Service providers could locate beneficiaries due to Covid-19 restrictions

Programme: Human Settlements								
Sub-programme: Housing Asset Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
	Expanded Discount Benefit Scheme)	Scheme)						
	Reports compiled by Rental Disputes Tribunal and Housing Advisory Panel	2.3.3. Number of reports compiled by Rental Disputes Tribunal and Housing Advisory Panel	1	2	1	1	0	None
	Subsidies approved and disbursed through Finance Linked Individual Subsidy Programme	2.3.4. Number of subsidies approved and disbursed through Finance Linked Individual Subsidy Programme	6	32	25	35	10	Marketing of programme to beneficiaries
	Approved beneficiary Subsidy Applications	2.3.5. Number of Housing Subsidy Applications approved through Housing Subsidy System	6 182	6 584	5 000	3 069	1 931	Delay by municipalities to align the development areas with the reduced. Target as a result of budget cut.

***Actual achievement relation to the performance information reflected in the re-tabled Annual Performance Plan.*

Strategy to overcome areas of under performance

✚ The HDA is in the process of appointing service provider and allocation has been set aside to cater for accreditation in 2021/22 financial year.

- ✚ Extension of time was granted to complete the projects that were affected by lock down regulations and NHBRC enrolments.
- ✚ Housing Development Agency for bulk infrastructure in Marapong CRU.
- ✚ Service providers appointed to complete townships proclamations.
- ✚ Engagements held with the affected service provide to resolve the beneficiary tracing for EEDBS and municipalities are being engaged to release exemption certificates in line with EEDBS programme.

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

None of the departmental Sector's were customised during the period under review. The report includes provincial specific indicators only.

Reporting on the Institutional Response to the COVID-19 Pandemic

Progress on Institutional Response to the COVID-19 Pandemic

Budget Programme	Intervention	Geographic location (Province/ District/local municipality)	No. of beneficiaries	Total allocation budget per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP	Immediate outcomes
Human Settlements Development Grant	Establishment of Temporary Residential Areas	Greater Tzaneen Municipality – Talana Informal Settlement	40	R2 557	R2 557	None	Adequate housing and improved quality living environments
		Fetakgomo Tubatse Burgersfort Ext 10 -	152	R12 812	R0. 00	None	Adequate housing and improved quality living environments
Water and Sanitation Department	Provision of interim services (water and sanitation) in highly populated informal settlements	Greater Tzaneen Municipality- Talana Informal Settlement	200	Funded by the Department of Water and Sanitation	Funded by the Department of Water and Sanitation	None	Adequate housing and improved quality living environments
		Fetakgomo Tubatse Municipality - Burgersfort Ext 10	2 000	Funded by the Department of Water and Sanitation	Funded by the Department of Water and Sanitation	None	Adequate housing and improved quality living environments

	Elias Motsoaledi Municipality – Masakaneng	1 200	Funded by the Department of Water and Sanitation	Funded by the Department of Water and Sanitation	None	Adequate housing and improved quality living environments
	Thabazimbi Municipality - Smashblock	3 000	Funded by the Department of Water and Sanitation	Funded by the Department of Water and Sanitation	None	Adequate housing and improved quality living environments
	Lephalale Municipality – Mamojela Park	600	Funded by the Department of Water and Sanitation	Funded by the Department of Water and Sanitation	None	Adequate housing and improved quality living environments

Linking performance with budgets

Programmes overall spending amounted to 91% of the revised allocation compared to 87% in 2019\20. Significant under spending was recorded in Title Deed Restoration Grant and EPWP, this is affirmed by the actual achievements as for both outputs is below 50% of the targeted numbers. Human Settlement Development Grant was fully expended with significant deliveries in houses built as well as site serviced with basic water and sewer.

Sub-programme expenditure

Sub- Programme Name	2019/2020			2020/2021		
	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
Housing Needs, Research and Planning	58 995	58 864	131	38 057	36 678	1 379
Housing Developments, Implementation and Targets	1 392 812	1 237 779	155 033	943 187	864 644	78 543

Sub- Programme Name	2019/2020			2020/2021		
	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
Housing Asset Management and Property Management	87 909	49 571	38 338	48 461	39 591	8 870
Total	1 539 716	1 346 214	193 502	1 029 705	940 913	88 792

4.3 Programme 3: Co-operative Governance

Purpose: The Programme aims to provide technical and oversight support to municipalities on terms of implementing their mandates. This is pursued through the following sub-programmes:

- ✚ Municipal Infrastructure Delivery: To coordinate municipal infrastructure development
- ✚ Co-operative Governance Support: To monitor and evaluate performance of municipalities
- ✚ Democratic Governance and Disaster Management: To coordinate intergovernmental relations, public participation and governance
- ✚ Development Planning: To provide and facilitate provincial development and planning

Outcomes, outputs, output indicators, targets and actual achievements

On capacity to deliver on basic service, municipalities have been supported on infrastructure delivery programmes through implementation of MIG. All 25 municipalities have been monitored on performance and interventions plans coordinated through GTAC, MISA and DWS programmes on Covid-19. Basic service delivery has been monitored on a quarterly basis, however, there is a decline in water and electricity access (though electricity is above the target) with negligible increase in sanitation and refuse removal. The decrease in water supply is mainly due to areas previously with access but now affected by either ageing infrastructure no longer able to provide water or infrastructure being poorly maintained. Access to water and refuse removal is below the 2020 provincial target.

Oversight to municipalities have been coordinated through workshops that seek to capacitate local government sphere on compliance with applicable legislations i.e., MSA, MPRA and MFMA. Support has been coordinated in instance where there are gaps such as Mogalakwena being put under Section 139 (b) of the Constitution, facilitate capacity development programmes with DBSA and development municipal finance collaboration framework with Provincial Treasury. A joint training was organized by SALGA, Treasury, Provincial Legislature, Office of the Auditor General and CoGHSTA to empower MPAC's on their oversight role.

Disaster management in the year under review focused on supporting disaster management activities towards management of Covid-19 pandemic. Provincial framework was developed and adopted by EXCO for implementation at both Provincial and Local Government. Most of public participation programmes were interrupted by Disaster regulations and new ways of community participation are being explored.

All the District Municipalities in the province have developed the IDP Review Frameworks and IDP Process Plans. The local municipalities have also developed the IDP Process Plans aligned to the District IDP Review Frameworks. All municipalities in the province have adopted their Draft IDPs and are currently conducting public consultations on the Draft IDPs prior to the final adoption by end May 2021. District Development Model (DDM) has been launched in all the districts in the province and all the district municipalities have developed their Draft One Plans. All the activities are geared to ensure that the principles of integrated planning are achieved, and development is coordinated throughout government systems.

Tables 2.4.4.5: Co-operative Governance report against the originally tabled Annual Performance Plan until date of re-tabling

Programme: Co-operative Governance Sub-Programme: Municipal Infrastructure Delivery									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until 30 September 2020	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
3.1 Improved capacity to deliver basic services, quality infrastructure to increase household access to basic services	Report on additional households provided with basic services	3.1.1 Number of reports on additional households provided with basic services	New Indicator	New Indicator	1	1	None	N/A	N/A
	3 water service authorities supported.	3.1.2 Number of water service authorities (WSA) monitored and supported to receive acceptable scores on functional assessment compliance with water services development plan (WSDP)	New Indicator	New Indicator	3	0	3	WSDP assessment reports not yet provided.	DWS not ready with the report
	Service delivery projects implemented	3.1.3 Number of municipalities monitored and supported with the	27	26	25	25	None	None	N/A

Programme: Co-operative Governance Sub-Programme: Municipal Infrastructure Delivery									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until 30 September 2020	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
		implementation of infrastructure service delivery programs							
	Municipalities compliant with Blue and green drop regulatory requirements	3.1.4 Number of water service authority (WSA) monitored and supported for compliant with Blue and Green Drop regulatory requirements	New Indicator	New Indicator	10	0	10	Green and Blue drop outcomes not available	DWS not ready with the report

Programme: Co-operative Governance Sub-Programme: Co-operative Governance Support									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until 30 September 2020	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
3.2 Improved support and oversight in all	Report	3.2.1 Number of Section 47 reports compiled as prescribed by the	1	1	01	0	1	Targeted for 4 th quarter of the year	N/A

Programme: Co-operative Governance									
Sub-Programme: Co-operative Governance Support									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	* Actual Achievement 2020/2021 until 30 September 2020	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
municipalities		MSA							
	Report	3.2.2 Number of reports on municipalities complying with MSA regulations on the appointment of Senior Managers	N/A	4	04	2	2	None	Operational challenges in relation to budget constraints and human resource capacity
	Report	3.2.3 Number of reports on municipalities supported to institutionalize the Performance Management System	27	27	4	2	2	None	Operational challenges in relation to budget constraints and human resource capacity
	Report	3.2.4 Number of reports on the implementation of Back-to-Basics action plans by municipalities	4	4	04	2	2	None	N/A
	Report (Inclusive of 22	3.2.5 Number of municipalities guided to comply with the MPRA	22	22	22	22	None	N/A	N/A

Programme: Co-operative Governance									
Sub-Programme: Co-operative Governance Support									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until 30 September 2020	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
	municipalities)								
	Report (Inclusive of 27 municipalities)	3.2.6 Number of municipalities supported with compilation of annual financial statements for submission to Office of the Auditor-General	27	27	27	27	None	N/A	N/A
	Report	3.2.7 Number of reports compiled on capacity building interventions conducted in municipalities	N/A	4	4	02	02	None	N/A
	Report	3.2.8 Number of reports compiled on the review and implementation of staff establishment	New Indicator	New Indicator	4	02	02	None	N/A

Programme: Co-operative Governance Sub-Programme: Democratic Governance and Disaster Management									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until 30 September 2020	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
3.3 Improved perception on governance in municipalities	Municipalities with database on community concerns	3.3.1 Number of municipalities supported to maintain community concerns database	11	27	22 municipalities with database on community concerns	0	22	Covid-19 disaster management regulations	Budget cuts due to COVID-19 pandemic.
	22 Municipalities with functional ward committees	3.3.2 Number of municipalities with functional ward committees	22	22	22	0	22	Covid-19 disaster management regulations	Budget cuts due to COVID-19 pandemic.
	Reports on functionality of District IGR Structures	3.3.3 Number of reports on functionality of District IGR Structures	4	4	22	2	20	The error in the targeted reports is corrected in the revised APP of 2020/2021	N/A
	Municipalities supported to maintain functional disaster management centers	3.3.4 Number of municipalities supported to maintain functional disaster management centers	5	5	5	5	0	None	N/A
	Intergovernmental disaster management forum	3.3.5 Number of meetings of the intergovernmental disaster	4	4	4	17	13	Overachievement was as a result of the provincial response to	N/A

Programme: Co-operative Governance Sub-Programme: Democratic Governance and Disaster Management									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until 30 September 2020	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
		management forum						Covid-19	
	Reports on functionality of fire brigade services	3.3.6 Number of reports on functionality of fire brigade services	New Indicator	New Indicator	1	0	1	Covid-19 disaster management regulations	Personnel redeployment to Covid-19 pandemic management and support

Programme: Co-operative Governance Sub-Programme: Development Planning									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until 30 September 2020	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
3.4 Improved governance, oversight an intergovernmental Planning	5 District Municipalities supported in creating an enabling environment for LED	3.4.1 Number of municipalities supported in creating an enabling environment for LED	New Indicator	New Indicator	5	5	0	None	To facilitate for impact of LED interventions
	27 Municipalities	3.4.2 Number of	27	27	27	27	0	None	N/A

Programme: Co-operative Governance Sub-Programme: Development Planning									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until 30 September 2020	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
	supported with development of credible and implementable IDPs	municipalities supported with the development of implementable IDP							
	Municipalities supported with implementation of SDF	3.4.3 Number of Municipalities supported with implementation of SDFs in line with SPLUMA	22	22	27	8	19	Covid-19 regulations and budget cuts	Targeted for 4 th quarter of the year
	22 Municipalities supported with demarcation of sites	3.4.4 Number of Municipalities supported with demarcation of sites	22	22	22	6	16	Covid-19 regulations and budget cuts	Targeted for 4 th quarter of the year
	22 municipalities supported to implement LUS in line with guidelines	3.4.5 Number of municipalities supported with implementation of LUS	22	22	22	22	0	None	Targeted for 4 th quarter of the year
	22 municipalities supported with the readiness to implement SPLUMA	3.4.6 Number of municipalities supported with Implementation of	22	22	22	22	0	None	Targeted for 4 th quarter of the year

Programme: Co-operative Governance Sub-Programme: Development Planning									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until 30 September 2020	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
		SPLUMA							

**Actual achievement in relation to the performance information reflected in the originally tabled Annual Performance Plan until date of re-tabling*

**Deviation is as a result of the report being accounted for the period April – September 2020.*

Tables 2.4.4.6: Co-operative Governance report against the re-tabled Annual Performance Plan

Programme: Co-operative Governance Sub-programme: Municipal Infrastructure Delivery								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
3.1 Improved capacity to deliver basic services, quality infrastructure to increase household access to basic services	Report on additional households provided with basic services	3.1.1. Number of reports on additional households provided with basic services	New Indicator	New Indicator	1	0	1	Report at draft stage
	3 water service authorities supported.	3.1.2. Number of water service authorities (WSA) monitored and supported to receive acceptable scores on functional assessment	New Indicator	New Indicator	3	0	3	Report from DWS not available. Target dependent on work of another sector department

Programme: Co-operative Governance Sub-programme: Municipal Infrastructure Delivery								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
		compliance with water services development plan (WSDP)						
	Service delivery projects implemented	3.1.3. Number of municipalities monitored and supported with the implementation of infrastructure service delivery programs	27	26	25	25	0	None
	Municipalities compliant with Blue and green drop regulatory requirements	3.1.4. Number of water service authority (WSA) monitored and supported for compliant with Blue and Green Drop regulatory requirements	New Indicator	New Indicator	10	0	10	Report from DWS not available. Target dependent on work of another sector department

Programme: Co-operative Governance Sub-programme: Co-operative Governance Support								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
3.2 Improved support and oversight in all	Report	3.2.1. Number of section 47 reports compiled as	1	1	1	1	0	None

Programme: Co-operative Governance Sub-programme: Co-operative Governance Support								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
municipalities		prescribed by the MSA						
	Report	3.2.2. Number of reports on the implementation of Back to Basics action plans by municipalities	4	4	4	4	0	None
	Report (Inclusive of 22 municipalities)	3.2.3. Number of municipalities guided to comply with the MPRA	22	22	22	22	0	None
	Report (Inclusive of 27 municipalities)	3.2.4. Number of municipalities supported with compilation of annual financial statements for submission to Office of the Auditor-General	27	27	27	27	0	None
	Report	3.2.5. Number reports compiled on capacity building interventions conducted in municipalities	N/A	4	4	4	0	None
	Report	3.2.6. Number of reports compiled on the review and implementation of staff establishment	New Indicator	New Indicator	1	1	0	None

Programme: Co-operative Governance								
Sub-programme: Democratic Governance and Disaster Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	** Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
3.3 Improved perception on governance in municipalities	Reports on functionality of District IGR Structures	3.3.1. Number of reports on functionality of District IGR Structures	4	4	4	4	0	None
	Municipalities supported to maintain functional disaster management centers	3.3.2. Number of municipalities supported to maintain functional disaster management centers	5	5	5	5	0	None
	Intergovernmental disaster management forum	3.3.3. Number of meetings of the intergovernmental disaster management forum	4	4	4	26	22	Overachievement was as a result of the provincial response to Covid-19 and Tropical Cyclone Eloise

Programme: Co-operative Governance								
Sub-programme: Development Planning								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	** Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
3.4 Improved governance,	Municipalities supported on Local	3.4.1. Number of LED initiatives /	New Indicator	New Indicator	6	6	0	None

Programme: Co-operative Governance Sub-programme: Development Planning								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	** Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
oversight an intergovernmental Planning	Economic Development (LED)	interventions implemented in municipalities						
	27 Municipalities supported with development of credible and implementable IDPs	3.4.2. Number of municipalities supported with the development of implementable IDPs	27	27	27	27	0	None
	Municipalities supported with implementation of SDF	3.4.3. Number of municipalities supported with implementation of SDFs in line with SPLUMA	22	22	27	27	0	None
	22 Municipalities supported with demarcation of sites	3.4.4. Number of municipalities supported to demarcate sites	22	22	22	22	0	None
	22 municipalities supported to implement LUS in line with guidelines	3.4.5. Number of municipalities supported with implementation of LUS	22	22	22	22	0	None
	22 municipalities supported with the readiness to implement SPLUMA	3.4.6. Number of municipalities supported with Implementation of SPLUMA	22	22	22	22	0	None

***Actual achievement in relation to the performance information reflected in the re-tabled Annual Performance Plan.*

Strategy to overcome areas of under performance

- ✚ Engage the sector department responsible

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

None of the departmental Sector's were customised during the period under review. The report includes provincial specific indicators only.

Reporting on the Institutional Response to the COVID-19 Pandemic

Progress on Institutional Response to the COVID-19 Pandemic

Budget Programme	Intervention	Geographic location (Province/ District/local municipality)	Total budget per allocation intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP	Immediate outcomes
Local Governance Reprioritization of MIG for COVID-19 (98 projects)	Improved provision of water to communities	Fund was allocated to Mogalakwena, Mopani, Vhembe, Modimolle- Mookgophong and Sekhukhune	R243, 085 Prioritized for 98 projects to (MIG funded projects).	R64,838,732	Municipalities supported to maintain functional disaster management centers	Reduction of COVID-19 infections
Local Governance MISA / DBSA projects to respond to COVID-19 (40 projects)	Improved provision of water to communities	Fund was allocated to Mopani, Greater Letaba, Fetakgomo Tubatse and Greater Giyani Municipalities	R14,000 Funded through MISA/DBSA	R9 050 490,93		Reduction of COVID-19 infections

Local Governance Municipal Disaster Relief Grant	Improved provision of water to communities including supply of PPEs, disinfection of surfaces and sanitisers.	Fund was allocated to all municipalities	R14 579 Municipal Disaster relief grant	R14 579		Reduction of COVID-19 infections
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Linking performance with budgets

Actual expenditure in comparison to the adjusted appropriation for 2020\21 is at 95% compared to 94% in the 2019\20 financial year. Underspending was as a result of consultants for planning and surveyor service providers could not go to site due to Disaster regulations and delay in procurement of CDW's laptops.

Sub-programme expenditure

Sub- Programme Name	2019/2020			2020/2021		
	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
Local Governance	240 517	228 896	11 621	219 855	210 645	9 210
Development Planning	69 738	61 883	7 855	59 024	52 966	6 058
Total	310 255	290 779	19 476	278 879	263 611	15 268

4.4 Programme 4: Traditional Institutional Development

Purpose: The Programme aims to support institution of Traditional Leadership to operate within the context of Co-operative Governance. This is pursued through the following sub-programmes:

- Traditional Institutional Administration and Administration of Houses of Traditional Leaders: To promote the affairs of Traditional Leadership and institutions

Outcomes, outputs, output indicators, targets and actual achievements

On the overall the Provincial Government has been providing significant support to the sector. Provision of support in the form of construction of offices, support staff to assist with administration in Traditional Councils, vehicles for Senior Traditional Leaders, and others have been appreciated by the sector. The demand however surpasses the available resources. The increase in the number of traditional councils and subsequently traditional leaders is going to put more pressure on the financial resources, especially provision of tools of trade such as offices, support staff, vehicles.

The sector is characterized by disputes among royal family members, leading to instability and in some instances damage to property (traditional council offices). Initiation schools programme was put on hold due to the Covid-19 pandemic.

Table 2.4.4.7: Traditional Institutional Development report against the originally tabled Annual Performance Plan until date of re-tabling

Programme: Traditional Institutional Development Sub-Programme: Traditional Institutional Development									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until 30 September 2020	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
4.1 Developmental Institutional	Reports on Traditional Councils supports to	5.4.3 Number of reports on traditional councils	N/A	N/A	4	2	2	None	The department does not offer uniform support but responds

Programme: Traditional Institutional Development									
Sub-Programme: Traditional Institutional Development									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until 30 September 2020	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
Institutions	perform their functions	supported to perform their functions.							the needs per traditional council.
	Reports on Traditional leadership disputes/claims lodged and processed	5.4.4 Number of reports on Traditional Leadership disputes / claims lodged and processed	3	3	4	1	3	Due to lockdown meetings to resolve disputes, cases could not be arranged adhering to covi-19 regulations.	Alignment to outcomes frameworks
	Reports for the sittings of the Provincial House	5.4.5 Number of reports on the sittings of the Provincial House.	N/A	N/A	2	0	2	Due to lockdown Provincial House could not hold its sitting as per the EXCO decision taken during its meeting on the 20 March 2020	N/A
	Reports on the sittings of the local Houses	5.4.6 Number of reports on the sittings of the Local Houses.	N/A	N/A	10	0	10	Due to lockdown, local Houses could not resume their activities within quarter 2 as expected.	Removed in order to comply with the Disaster Management Regulations as the meetings would have been physical due to lack of

Programme: Traditional Institutional Development Sub-Programme: Traditional Institutional Development									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	*Actual Achievement 2020/2021 until 30 September 2020	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
									ICT resources.
	Reports on Initiation Schools	5.4.7 Number of reports on Initiation Schools.	3	3	4	1	3	None	Initiation schools cancelled due to COVID 19.

**Actual achievement in relation to the performance information reflected in the originally tabled Annual Performance Plan until date of re-tabling*

**Deviation is as a result of the report being accounted for the period April – September 2020.*

Table 2.4.4.8: Traditional Institutional Development report against the re-tabled Annual Performance Plan

Programme / Sub-programme: Traditional Institutional Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	**Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
4.1 Developmental Traditional Institutions	Traditional council which are able to perform their functions.	4.1.1. Percentage of traditional councils supported to perform their functions.	N/A	N/A	100%	100%	0	None
	Sittings of the Provincial House of Traditional	4.1.2. Number of reports for the sittings of the Provincial House of Traditional Leaders.	N/A	N/A	2	2	0	None

Programme / Sub-programme: Traditional Institutional Development								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	** Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations
	Leaders.							
	Processed traditional leadership disputes referred to the house by the Premier.	4.1.3. Percentage of traditional leadership dispute processed and resolved.	N/A	N/A	100%	80%	20%	Lack of cooperation from royal families

***Actual achievement in relation to the performance information reflected in the re-tabled Annual Performance Plan.*

Strategy to overcome areas of under performance

- ✚ The House of Traditional Leaders to use roadshows to communicate messages to Traditional Leaders and Royal Families about the use of internal government mechanisms to resolve disputes

Performance in relation to Standardised Outputs and Output Indicators for Sectors with Concurrent Functions

None of the departmental Sector's were customised during the period under review. The report includes provincial specific indicators only.

Reporting on the Institutional Response to the COVID-19 Pandemic

Progress on Institutional Response to the COVID-19 Pandemic

Budget Programme	Intervention	Geographic location (Province / District / local municipality)	No. of beneficiaries	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP	Immediate outcomes
Traditional affairs: House of Traditional Leaders	Providing members of community with food parcels (Funded by solidarity fund)	Supply of food parcels to 185 traditional councils in the Limpopo province	3 350 beneficiaries	2 345	0	N/A	Backup with regard to shortage of income during lockdown (Poverty relief)
	Providing small scale farmer with inputs products for farming	Supply of farmer inputs products to 185 traditional councils.	The programme targeted 10 576 beneficiaries in the province	21 152	0	N/A	Sustainability of small-scale farmers in rural areas

Linking performance with budgets

The programme has spent 94% of the adjusted allocation compared to 93% in 2019\20 financial year. However, there was significant underspending in capital assets that was earmarked for construction of Traditional Councils in the province. This has affected completion of two Traditional Councils that commenced in 2019, mainly due to contractor performance challenges.

Sub-programme expenditure

Sub- Programme Name	2019/2020			2020/2021		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Traditional Institutional Admin	533 897	495 512	38 385	511 538	483 210	28 328
Administration of Houses of Traditional Leaders	7 627	6 569	1 058	5 862	5 139	723
Total	541 524	502 081	39 443	517 400	488 349	29 51

5. TRANSFER PAYMENTS

5.1 Transfer payments to public entities

Name of Public Entity	Key Outputs of the public entity	Amount transferred to the public entity (R'000)	Amount spent by the public entity	Achievements of the public entity
Housing Development Agency	Construction and completion of 616 in Bendor Ext 100C	R11 000	Nil	Nil
Housing Development Agency	Disaster Project for areas in Elias Motswaledi, Mogalakwena, Seshego and Greater Letaba	R46 200	Nil	Nil
	Marapong CRU-Bulk water and sewerage	R16 500	Nil	nil
	Design and Installation of internal services of 1000 sites and construction of 215 of top structures at Vingerkraal Informal Settlement in Bela-Bela	R46 820	Nil	Nil
	Implementation of Human Settlements programs to support MTEF Planning	R14 949	Nil	Nil
	Revitalisation of distressed mining towns	R29 226	Nil	Nil
	Rural Housing Programme	R54 397	Nil	Nil
	MTOP	R7 000	Nil	Nil

5.2 Transfer payments to all organisations other than public entities

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

The table below reflects the transfer payments made for the period 1 April 2020 to 31 March 2021

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
Polokwane Municipality	Municipality	Rates & Taxes	Yes	360	360	N/A

Name of transferee	Type of organisation	Purpose for which funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity (R'000)	Reasons for the funds unspent by the entity
SABC	Agency	Licence	Yes	6	6	N/A
Traditional Councils	Traditional Councils	Salaries	Yes	4 445	4 445	N/A

Spending on these entities occurred after they provide an invoice or demand for payment. Not much monitoring is done on these entities except at the stage of effecting a payment demanded or due.

The table below reflects the transfer payments which were budgeted for in the period 1 April 2020 to 31 March 2021, but no transfer payments were made.

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

6. CONDITIONAL GRANTS

6.1 Conditional grants and earmarked funds paid

- Not Applicable

6.2 Conditional grants and earmarked funds received

The tables below details the conditional grants and ear marked funds received during for the period 1 April 2020 to 31 March 2021.

Conditional Grant 1: Human Settlements Development Grant

Department who transferred the grant	National Department of Human Settlements
Purpose of the grant	To facilitate the creation of sustainable human settlements and the improvement to household quality of life
Expected outputs of the grant	Upgrading of informal settlements Improved quality of household life and access to basic services Increased delivery of housing opportunities
Actual outputs achieved	2835 serviced sites 4486 housing units delivered
Amount per amended DORA (R'000)	R914,516
Amount received (R'000)	R 914,516
Reasons if amount as per DORA was not received	None
Amount spent by the department (R'000)	R834,546
Reasons for the funds unspent by the entity	None

Reasons for deviations on performance	Delay in finalization of enrolment of projects with NHBRC and due to Change of developmental areas in line with budget cut
Measures taken to improve performance	Extension of time was granted to complete the projects
Monitoring mechanism by the receiving department	Quarterly performance reviews, monthly reports

Conditional Grant 2: Title Deeds Restoration Grant

Department who transferred the grant	National Department of Human Settlements
Purpose of the grant	To provide funding for the eradication of the pre-2014 title deeds registration backlog and the professional fees associated with it, including beneficiary verification.
Expected outputs of the grant	• Tenure security for all recipients of government-subsidised houses • Improved functioning of the secondary property market • Improved quality of life
Actual outputs achieved	1414 Beneficiaries issued with endorsed title deeds 3 Beneficiaries issued with title deeds through EEDBS
Amount per amended DORA	R13,080
Amount received (R'000)	R 13080
Reasons if amount as per DORA was not received	None
Amount spent by the department (R'000)	R4 962
Reasons for the funds unspent by the entity	None
Reasons for deviations on performance	• Some of township proclamation are incomplete. • Poor performance by the service provider
Measures taken to improve performance	• Service provider appointed to complete townships proclamation. • Service provider to be terminated and replaced
Monitoring mechanism by the receiving department	• Quarterly performance reviews, monthly reports

Conditional Grant 3: Expanded Public Works Programme

Department who transferred the grant	National Department of Public Woks
Purpose of the grant	To incentivise the department to expand work creation effort though the use unemployed community member on housing
Expected outputs of the grant	Deliver 2 500 work opportunities
Actual outputs achieved	45 work opportunities were created
Amount per amended DORA	R3,276
Amount received (R'000)	R3,276
Reasons if amount as per DORA was not received	None
Amount spent by the department (R'000)	R1,231
Reasons for the funds unspent by the entity	Delay in appointment of participants
Reasons for deviations on performance	Other work opportunities were created through other programmes
Measures taken to improve performance	An extension was sought for appointment of participants
Monitoring mechanism by the receiving department	Quarterly EPWP reports

7. DONOR FUNDS

7.1 Donor Funds Received

No donor funds were received during the year under review

8. CAPITAL INVESTMENT

8.1 Capital investment, maintenance and asset management plan

Infrastructure projects	2019/2020			2020/21		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
New and replacement assets	1 362 947	1 362 599	348	898 161	828 353	69 808
- Current	46 621	10 245	36 376	13 080	4 962	8 118
- Capital	-	-	-	-	-	-
Total	1 409 568	1 372 844	36 724	911 241	833 315	77 926

Note: The 2019/20 financial year total on column (over)/Under Expenditure was erroneously captured as R38,750 instead of R36,724

PART C: GOVERNANCE

1. INTRODUCTION

Commitment by the department to maintain the highest standards of governance is fundamental to the management of public finances and resources. Users want assurance that the department has good governance structures in place to effectively, efficiently and economically utilize the state resources, which is funded by the taxpayer.

2. RISK MANAGEMENT

- The departmental risk management policy was due for review in September 2020 but due to unforeseen circumstances emanating from COVID-19, it is currently a draft still in the process of consultation prior approval and the strategy in place and is reviewed annually. The risk management strategy is adopted by the Risk Management Committee and approved by the Head of Department.
- Risk assessment is conducted on an annual basis to identify new and emerging risks and to set the tone for risk management activities. Risks are identified consistent with the mandate and outcomes of the department to ensure relevance. Management develop risk mitigating measures to deal with the risks identified during risk assessment and the progress in mitigating the risks is reported on quarterly basis.
- The department has a Risk Management Committee appointed by the Accounting Officer with a responsibility to advice management on the overall system of risk management, especially the mitigation of unacceptable levels of risk. The Risk Management Committee meets at least once per quarter to perform duties as stated in the Risk Management Committee Charter and consider progress made with regard to mitigation of significant risks towards achievement of Departmental Outcomes as well as the overall system of risk management.
- The Audit Committee considers quarterly progress on implementation of mitigation measures to address the significant risks and advises the department on risk management and independently monitors the effectiveness of the system of risk management. The Audit Committee further submit their recommendations on issues that needs specific attention by the department.
- The department sees progress in the management of risks, as this has transmitted into improvements in the department's performance.

3. FRAUD AND CORRUPTION

Anti-Fraud and cases of logged and detected within the department are investigated. Mechanisms in place to report fraud and corruption and how these operate. Whistle blowing policy is developed and implemented. Fraud prevention strategy and Whistle blowing policy in place to guide on the process and implementations. The procedure manual is functional in reporting fraud and corruption in the Department and those found in the wrong side of the laws disciplinary action is taken upon them.

4. MINIMISING CONFLICT OF INTEREST

There is an application form which is electronically issued every month, reminding officials to utilise the form for the purpose of making applications for RWOPS. There are awareness workshops conducted annually on the Code

of Conduct and its implications, there is also a Disciplinary Code and Procedure policy which serves as guidance to the Department in the management of Discipline.

DPSA has also over and above the obligation imposed on members of SMS, issued a Directive in 2017, directing that designated officials (MMS, OSD, officials in Finance and Supply Chain Management disclose their financial interest as a result 100% compliance has been achieved on both the SMS members and the designated officials.

Two ethics officers have been appointed to oversee the following:

- (a) Promote integrity and ethical behaviour in the department;
- (b) Advise employees on ethical matters;
- (c) Identify and report unethical behaviour and corrupt activities to the head of department;
- (d) Manage the financial disclosure system; and
- (e) Manage the processes and systems relating to remunerative work performed by employees outside their employment in the relevant department.

The process is underway for finalization on appointment of ethics committee.

5. CODE OF CONDUCT

Disciplinary Proceedings

There is an approved Disciplinary Code and Procedure policy which serves as guidance to the department in the management of Discipline. The policy is in line with Resolution 1 of 2003 and various other pieces of legislations including but not limited to the Constitution, Labour Relations Act, and Code of Conduct for Public Servants and Public Service Act and Regulations. The department conducts advocacy workshops every year to ensure that officials are made aware of the existence of the policy.

The breach of conduct occurs when an official is found to have committed a misconduct which warrants disciplinary action. In most instances, an investigation is conducted and if there are sufficient grounds implicating an official for wrongdoing, then action will be taken against such official. The disciplinary process is initiated by Labour Relations at the behest of the Head of Department. When the misconduct is of a serious nature and there are reasonable suspicions that the implicated officials may tamper with evidence, then such official may be put on precautionary suspension pending finalisation of an investigation.

There are various sanctions that can be imposed on an official after a disciplinary hearing: that includes counselling, written warning, final written warning, and suspension without pay, demotion or dismissal. In certain instances (where the alleged misconduct is of a less serious nature) an informal disciplinary mechanism can be utilised and a sanction of verbal warning, written warning or final written warning may be imposed without a formal disciplinary hearing. However, such warnings are considered in the event an employee is later charged with a similar misconduct within a period of six months of receipt of the warning.

Financial Disclosures

The DPSA has issued a Directive in 2017, directing that designated officials over and above SMS, be required to disclose their financial interest. The designated officials are MMS, OSD, officials in Finance and Supply Chain Management. The disclosures take place in June and July. The Department has achieved 100% compliance.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Covid-19 RESPONSE

The president declared state of disaster on the 27th of March 2020, the department established the Covid-19 steering committee chaired by the chief risk officer and compliance officer as the secretariat. The department ensured that employees work on rotational basis to reduce the risk of high infection as per DPSA guidelines. A total of 17 employees had contracted Covid-19 during the period under review and the matter was reported to the Departmental steering committee. Dedicated budget was allocated to procure PPE for Covid-19. The following materials were procured during 2020/21 Financial year:

- Temperature screening
- Sanitizers
- Soaps to wash hands
- Face Mask for all employees
- Two Evacuation chairs

Deputy Director: Employee Wellness Programme left the Department last financial year (2019/20) and her position was never filled and no one is acting on the position. Currently the Employee Wellness Division is led by Assistant Director who was appointed as Compliance officer and Secretariat for COVID-19 Steering committee.

OCCUPATIONAL HEALTH AND SAFETY MATTERS

The Departmental health & safety committee is not active because members were never trained on coordinating OHS matters due to shortage of budget. During the period under review, no meetings were held due to Covid 19 restrictions and lack of internet connectivity at district offices.

7. PORTFOLIO COMMITTEES

The Department met with Portfolio Committee to discuss departmental performance in accordance with Annual Performance Plan 2020/21, Annual report 2019/20 and other matters that arose. The dates of meetings are as follows:-

- 26 May 2020 – the main issues raised were in relation to investigations conducted by the department and consequence management as a result of these investigations.
- 18 August 2020 – the session focused on 2020\21 performance for quarter one and management of the declared disaster within the Province. In addition, clarity was sort on the temporary residential units in relation Covid-19 interventions.
- 20 November 2020 – briefing on quarter two performance as well as revised Annual Performance Plan for 2020\21

In all instance detailed reports were provided and the Committee updated in issues that are still on-going especially on consequence management initiatives.

8. SCOPA RESOLUTIONS

Summary 2015/2016: Financial year

Total number of resolutions = 4

Status of the resolutions: Resolved = 3

Not resolved = 1

Unresolved matters

- Audit related services and special audits

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
1.	Audit related services and special audits	The committee recommends that the Executive Authority must provide progress report regarding the two investigations	The matter is with the Hawks for further investigation.	No

Summary 2016/2017: Financial year

Total number of resolutions = 10

Status of the resolutions: Resolved = 8

Not resolved = 2

Unresolved matters

- Fruitless and wasteful expenditure
- Irregular Expenditure

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
2.	Fruitless and wasteful expenditure	The executing Authority must take action against the Accounting Officer for failing to take effective steps to prevent fruitless and wasteful expenditure amounting to R 108 687 000 as disclosed in note 25 to the annual financial statements in contravention of section 38 (1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1? The Committee further recommends that the Executive Authority must appoint Provincial Treasury to appoint a forensic investigation into all circumstances surrounding the purchase of land in Tubatse as a matter of urgency	Action will be taken once the process of investigation is finalised.	No
3.	Irregular expenditure	The committee recommends that the Accounting Officer must take effective steps to prevent irregular expenditure as required by section 38	Treasury condoned R61 962 238 out of R111 670 454. The closing	No

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		(1)(c)(ii) of the PFMA and Treasury regulation 9.1.1. Furthermore, The Executing Authority must conduct investigations into all allegations of financial misconduct committed by officials and take action which is commensurate with the offence committed against responsible officials.	balance of R49 708 216 is before Court. The Department is still awaiting for the declaratory order.	

Summary 2017/2018: Financial year

Total number of resolutions = 7

Status of the resolutions: Resolved = 3

Not resolved = 4

Unresolved matters

- Key audit findings
- Annual financial statements, performance reports and annual report
- Achievement of planned targets
- Venda Building Society

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
4.	Key audit findings	The Committee recommends that the Accounting Officer must develop a comprehensive audit plan to deal with expenditure management, material underspending of the budget, material misstatements in the preparation of the Annual Financial Statements (AFS) in order to obtain a clean audit.	Irregular Expenditure not disclosed. The SLA that formed the basis of the Principal Agent Relationships will be scrutinized to acquire and extract the necessary information to be used for the notes as well as payments made. Bid documents that formed the basis of the irregular expenditure will be scrutinized thoroughly so as to be able to identify the nature of the irregular expenditure as well as the payments made. The audit reports as well as the management reports will be reviewed to ensure that there is not repeat of the audit findings and to ensure that all recommendations of the AG are implemented. Internal Audit reports will also be taken into account to ensure that all their reasonable recommendations are implemented.	No

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			On a quarterly basis Interim financial statements will be compiled with the necessary appropriate notes and supporting information. This will be submitted to Treasury for their review. Their recommendation after the review will also be implemented. Regular expenditure reports compared with budgets are issued for management to track their respective spending	
5.	Annual financial statements, performance reports and annual report	The Committee recommends that the Executing Authority must take appropriate action against the Accounting Officer and the Chief Financial Officer for submitting the financial statements that 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. The Committee further recommends that the Executing Authority must take appropriate action against the Accounting Officer and the Chief Financial Officer for failing to exercise oversight responsibility regarding performance reporting and compliance before the financial statements could be submitted to the Auditor General.	The compilation of financial statements was delegated to the Chief Director Financial Services in line with paragraph 22 of the financial delegation in the absence of the CFO and he left the department on the 31 January 2021. The Chief Financial Officer was appointed on the 01 December 2020 CFO and she will ensure accuracy before approval by the Accounting Officer and submission to the Auditor General and Treasury. All SMS members within the Financial Management Branch are required to sign a pledge to the effect that information submitted for supporting financial statements is accurate and complete. The department has submitted financial statements that were prepared in accordance with the prescribed reporting framework together with a working paper file supporting figures disclosed in the financial statements. These financial statements were reviewed by the Provincial Treasury with a view to ensure compliance to Section 40(1)(a) of the PFMA prior to submission to the Auditor General for auditing. All the matters raised by the Provincial Treasury to ensure compliance to section 40(1)(a) were addressed prior to submission to the Auditor General. No action was taken against the Accounting Officer. The Executing Authority will consult to determine an appropriate action in this regard.	No
6.	Achievement of planned targets	The committee recommends that the Accounting Officer must take appropriate action commensurate with the offence committed against responsible officials for failing to achieve planned targets.	Accounting Officer terminated 12 poor performing contracts. The units held by these contractors were earmarked for re-allocation to other performing contractors in the database. Besides the terminations, the Accounting Officer also reduced units allocated to the other 16 contractors who also performed slowly, but not as worse as those who were ultimately terminated. This	No

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		Furthermore, the committee recommends that the Executing Authority must ensure that the Accounting Officer must develop a comprehensive audit action plan to ensure that all planned targets are implemented as reflected in the Annual Performance Plan.	was done to ensure that these medium slow contractors are allowed to complete the units they had already started and surrender those units they had not touched, as they would require much more to complete them given their slow pace. These management actions taken by the Accounting Officer have proven to be more effective as contractors who are allocated units have now internalized the notion of 'rewarding good performance' and 'sanctioning poor performance'.	
7.	Venda Building Society	The Committee recommends that the Accounting Officer must provide a report on the role played by CoGHSTA officials during VBS saga	In terms of section 13 (4) (a) (b) and section 71 of the MFMA, the responsibility for financial management (including investments) is assigned to Limpopo Provincial Treasury. It should however be noted that both National Treasury and Provincial had issued several correspondences to municipalities regarding investments. Provincial Treasury has on 12 August 2016 issued a circular to municipalities requesting them to submit investment registers. Upon discovering that some municipalities were investing money with VBS, National Treasury issued a correspondence to all municipalities indicating that investments with VBS Mutual Bank were contrary to the Municipal Finance Management Act and the Municipal Investment Regulations. Municipalities were requested to review their investments to ensure compliance with applicable legislation. Provincial Treasury issued a further circular in November 2017 to this effect.	No

Summary 2018/2019: Financial year

Total number of resolutions = 6

Status of the resolutions: Resolved = 2 (33%)
Not resolved = 4 (67%)

Unresolved matters

- Stagnant in the audit report
- Significant uncertainties
- Achievement of planned target
- Irregular Expenditure

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
8.	Stagnant in the audit report	The Committee recommends that the Accounting Officer must develop a comprehensive plan to obtain a clean audit.	Bid documents that formed the basis are scrutinized thoroughly to identify the irregular expenditure as well as the payments made. The audit reports as well as the management reports are reviewed to ensure that there are not repeated audit findings and to ensure that all recommendations of the AG are implemented. Internal Audit reports will also be taken into account to ensure that all their reasonable recommendations are implemented. On a quarterly basis Interim financial statements are compiled with the necessary appropriate notes and supporting information. This are submitted to Treasury for their review. Their recommendation after the review are implemented.	No
9.	Significant uncertainties	The Committee recommends that the Executive Authority must brief the house on the implementation of the recommendations of the lawsuit once the matter has been finalised	The Accounting Officer addresses the claims made against the department on time. The claims are defended on time however legal processes are taking too long to be finalised.	No
11.	Achievement of planned target	The committee recommends that the Accounting Officer must take appropriate action commensurate with the offence committed against responsible officials for failing to achieve planned targets. Further the committee recommends	The disciplinary action was initiated against the DDG but he resigned before action could be taken against him.	

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		that the Accounting Officer must develop an action plan to ensure that all planned targets are implemented as reflected in the Annual Performance Plan.	There was that placement of SMS to take officials back to positions they previous occupied, especially in ISHS. It happened around October 2019. Reasons for non-achievement of some targets was beyond the control of officials as it involved 3rd parties outside the department e.g. municipalities, contractors and communities. The accounting officer issues letters of mora and termination as well as the reduction of units to poor performing contractors.	
12.	Irregular expenditure	The Committee recommends that the Executing Authority must take appropriate action against the Accounting Officer and the Chief Financial Officer for failing to take steps to prevent irregular expenditure of R844 887 million as disclosed in note 24 to the annual statements as required by section 38 (1) (c) (ii) of PFMA and treasury regulations 9.1. Furthermore, the Committee recommends that the Accounting Officer must take appropriate action against responsible officials for awarding of contracts in the 2016/2017 financial year without applying the preference points principal and for awarding bids for procurement of commodities designated for local content and production, did not meet the stipulated minimum threshold for local production and content as required by the 2017 preferential procurement regulation 8 (2). The Committee further recommends that the Accounting Officer must conduct an investigation into all irregular expenditure incurred and recover any loss due to negligence from responsible officials. Furthermore, the Committee recommends that the Accounting Officer must take appropriate action against officials who procured goods and services from suppliers who did	The irregular expenditure was condoned by LPT and the department did not suffer any loss	

Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		not meet the prescribed minimum threshold for local production and content, as required by the 2017 preferential procurement regulation 8(5). Recurring since 2014/15.		

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

The department received unqualified audit opinion with matters of emphasis and therefore has no prior modifications to audit reports.

10. INTERNAL CONTROL UNIT

Internal Control unit is established within the Risk and Internal Control headed by the Chief Risk Officer to coordinate work of assurance providers with a view to improve internal controls within the department. The unit further performs the following functions:

- Coordination of assurance provider's activities within the department
- Ensure availability of Accounting Officer's report
- Secretariat to the Financial Misconduct Board
- Consolidate internal control universe and monitor its implementation
- Manage stakeholder relations between the department and assurance providers

11. INTERNAL AUDIT AND AUDIT COMMITTEES

1. Key activities and objectives of the internal audit

Provincial Internal Audit provides an independent, objective assurance and consulting services that are designed to add value and improve CoGHSTA's operations. It assists the Department accomplish its strategic, control and operations goals and objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of Governance, Risk Management and Internal Control processes.

Q1	Q2	Q3	Q4
Risk Based Audit			
	- Annual Financial Statements - Construction Contract Management - Annual Report Performance	- Budget Management - Interim Financial Statement - Expenditure Management	- Municipal Support - Follow Up - Supply Chain Management - Reliability and Integrity

Q1	Q2	Q3	Q4
	Information Chain Management - Supply Chain Management - Business Continuity Plan - Monitoring of COVID-19 Protocols implementation - Follow Up	- Effectiveness of Governance Process - Follow Up	of Performance Information Monitoring of COVID-19 Protocols implementation
Fraud Audit			
	Expenditure Management		
Information Systems Audit			
	- Financial statements – CAATs - SCM CAATs		- General control review - Follow up audit

Despite the challenges posed by the National Regulations as a direct consequence of Covid-19, Audit Committee (AC) has satisfactorily performed its mandate as enshrined in Sections 76 (4) (d) and 77 of the Public Finance Management Act (Act No. 1 of 1999) read in conjunction with Treasury Regulations 3.1 which states that AC must, amongst others, review the following:

- I. the effectiveness of the internal control systems;
- II. the effectiveness of the internal audit function;
- III. the risk areas of the institution's operations to be covered in the scope of internal and external audits;
- IV. the adequacy, reliability and accuracy of the financial information provided to management and other users of such information;
- V. any accounting and auditing concerns identified as a result of internal and external audits;
- VI. the institution's compliance with legal and regulatory provisions; and
- VII. the activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations.

1.1. Impact of COVID-19 on Audit Committee Activities

During 2020/2021 financial year, the AC was unable to hold its AC Meetings as planned due to difficulties posed by the Covid-19. As a result, the AC Annual Schedule of meetings was amended during 19 May 2020 from the original AC Annual Schedule of 22 January 2020 to pave a way-forward for AC Meetings to take place under Covid-19 National Regulations. The impact of Covid-19 further affected the special AC Meetings to consider Draft Annual Reports, AC Meetings to consider Draft Audit & Management Reports as we all as First Quarterly AC Meetings to consider AC First Quarterly Reports. All the aforementioned AC Meetings were pushed forward in a

month or two to allow time for Departments, Shared Internal Audit Service (SIAS), and Auditor General (Limpopo) to prepare and finalise all the reports to be considered during the AC Meetings.

Nevertheless, all the AC activities have been taking place through virtual platforms (Microsoft Teams) as a direct consequence of Covid-19. The need for all the AC activities to take place through virtual platforms had actually emphasised the vulnerability of our servers, connectivity, Data allocation and poor networks across the country. Poor connectivity ranging from myriad of issues remains a problem hampering Provincial Accountant General's (PAG) office through AC Secretariat to facilitate smooth AC activities / meetings.

1.2. Audit Committee Meetings

During the financial year 2020/2021, the AC has met five (5) times to perform its roles and responsibilities as stipulated in the AC Charter. This was in addition to the special meetings to consider both Three Year Internal Audit Plans Plus Annual Plans and Auditor General Audit Coverage Strategy held during June 2020. As per National Treasury guidance on review of audit cycle, AC Meetings to consider Draft Annual Report including Annual Financial Statements (AFS) were held during July 2020. AC Meetings to consider Draft Audit and Management Reports were subsequently held during September 2020. First and second quarter AC meetings were combined and held during November 2020 to ensure that the AC was able to cover the scope of its work and advise the Accounting Officers accordingly.

1.3. 2020/2021 Audit Committee Annual Strategic Planning Workshop

For the first time in the history of the Limpopo AC Annual Strategic Planning Workshop, the AC held its Annual Strategic Planning Workshop virtually during 15 – 16 February 2021. This was, however, not spared by the connectivity challenges outlined in paragraph 1.1 above. Connectivity to such a huge number of officials and AC Members (AC Stakeholders) during AC Annual Strategic Planning Workshop remains a big challenge. This often affects many other fundamental areas such as participation by AC members as well as active engagement by the Accounting Officers thus slightly failing the session to achieve its objectives. The CEO of the Institute of Internal Auditors South Africa (IIASA) was invited to present on the topic titled: *"The Dynamics around Drafting, Finalisation and Reviewing of Internal Audit Plans and the role of AC, Internal Audit and Management (Departments)"*. Other notable presenters included National Treasury Accountant General's office on the topic titled: *"Carrying out specialised audit: oversight of the Audit Committee on Forensic Audits"*. The CAC assumes the responsibility to coordinate all the AC resolutions taken during the AC Annual Strategic Planning Workshop.

1.4. Meetings Between EA's of Departments and AC Chairpersons

During the financial year 2020/2021, only two Chairpersons (Cluster 02 & 03) were able to meet with Executive Authorities (EAs) of their respective Departments although not for all the Departments. Cluster 01 and 04 Chairpersons were not able to meet the EAs of the respective Departments they are responsible for due to poor logistical arrangements within the offices of the Accounting Officers (AOs) of the Departments they are responsible for. The meetings between AC Chairpersons and EAs are very important as part of the Stakeholder Engagements as defined in the AC Charter. The AC Resolution taken during the AC Annual Strategic Planning Workshop which states that during the meeting between the AO and the EA to discuss performance review, AC Chairpersons must be slotted in to meet their respective EA's should be implemented.

1.5. CAC Chairperson Meetings

The CAC Chairperson managed to attend only one EXCO meeting. Attendance of such meetings by the CAC Chairperson are as per invite by EXCO Secretariat thus the CAC Chairperson was not invited to most of the EXCO meetings. Moreover, the CAC Chairperson managed to attend the HOD's Forum to present the CAC Report on audit matters by AGSA.

Invitation of the CAC Chairperson to these critical governance structures is very important to ensure that the work of the AC is visible and noticed by the EA of the Departments. Engagement with EXCO Secretariat is ongoing to ensure that the AC plays a pivotal role in reshaping Service Delivery in the Province through key Stakeholder Engagements. During the execution and reporting of audit outcomes by AGSA, the CAC Chairperson met with AGSA Business Executive to discuss several concerns that emanated from the Cluster AC meetings for prompt and high-level intervention. Although the CAC chairperson managed to meet the MEC for Finance once during December 2020, this was not enough to address the afore-mentioned concerns. The CAC Chairperson and all the Cluster Chairpersons managed to meet during December 2020 to review the Performance of the Chief Audit Executive (CAE) as the standard requires.

1.6. 360 Degree Audit Committee Evaluation

National Treasury 360 Degree Evaluation model was used to evaluate the work and performance of the AC. The final evaluation yielded an average score of 4.52 (from rating of 1 – 5) when combining the average scores of all the AC Stakeholders. This represented a slight improvement from the previous evaluation period which yielded an average score of 4.50 rating. The AC stakeholders who participated in the performance evaluation of the AC included Provincial Internal Audit, External AC Members and Management (Accounting Officers, Chief Risk Officers, Chief Financial Officers, Head of Internal Controls and GITO). AGSA as an AC stakeholder could not participate in the performance review of the AC, mentioning that they do their own evaluation in the management report of each Department to protect and maintain their independence. Although the average rating of the AC was 4.52 (2019 – 4.50), the scores in respect of "Poor understanding of Business & Risks of the Departments by the external AC members" reduced from 4.46 in 2019 to 4.34 in 2020 and "Process and Procedure" which reduced from 4.63 in 2019 to 4.60 in 2020. A fundamental matter raised was the unavailability of the EAs to meet with the Chairpersons of the Clusters AC.

1.7. Audit Committee Membership

Current AC Membership was appointed with effect from 01 January 2020 and will expire on 31 December 2022. A total of 17 AC members were appointed during 2020 AC membership appointment process. Total number of female AC members are eight (8) while a total number of male AC members are nine (9) represented as: 53% males and 47% females. Although this represent a huge improvement from the previous AC composition, there is a strong need to improve female recruitment to the Limpopo AC composition.

1.8. The following table stipulate the nature and activities of each AC meeting/event held:

NO.	PERIOD	NATURE OF THE AC MEETING	INFORMATION / DOCUMENTS REVIEWED
1.	June 2020	Approval of the Three-Year Internal Audit Plan, Annual Internal Audit Plan and Auditor General Audit Coverage Strategy	a. Three Year Internal Audit Plans and Annual Internal Audit Plans b. Auditor General Audit Coverage Strategies
2.	June 2020	CAC Meeting to consider Clusters AC Reports	c. Clusters AC Reports reporting on matters pertaining to Internal Audit Plans and AGSA Audit Strategies.
3.	July 2020	Review of Fourth Quarterly Performance Information and Draft Annual Report (Including Draft Annual Financial Statements) before submission to the Auditor General	a. Annual Performance Report, b. Draft Annual Financial Statements, c. Fourth Quarterly Risk Management Report, d. Fourth Quarterly Internal Audit Progress Report.

NO.	PERIOD	NATURE OF THE AC MEETING	INFORMATION / DOCUMENTS REVIEWED
4.	August 2020	CAC Meeting to consider Clusters AC Reports	e. Clusters AC Reports on matters pertaining to Draft Annual Reports including Draft AFS.
5.	September / October 2020	Review of Draft Audit and Management Reports	a. Draft Management Reports, b. Draft Audit Reports.
6.	October 2020	CAC Meeting to consider Clusters AC Reports	c. Clusters AC Reports on matters pertaining to Draft Audit & Management Reports.
7.	November 2020	Review of First & Second Quarter Performance Reports (Financial and Non-Financial)	a. Accounting Officer's Report to the AC (Financial & Non-Financial), b. Quarterly Risk Management Report, c. SCOPA Resolutions Implementation Progress, d. Auditor General Audit Findings Implementation Progress, e. First & Second Quarterly Internal Audit Progress Reports. f. Procurement Plans of the Departments.
8.	December 2020	CAC Meeting to consider Clusters AC Reports	g. Clusters AC Reports on matters pertaining to First & Second Quarter Audit Committee Reports as per paragraph 7 above.
9.	February 2021	Review of Draft and Management Reports for DPWRI & OTP.	a. Draft Management Reports, b. Draft Audit Reports.
10.	February 2021	AC Annual Strategic Planning Workshop	a. Approval of the Audit Committee Charter, b. Approval of the Internal Audit Charter, c. Review of the Accounting Officer's Reporting Framework to the AC, d. AC Improvement Plan by Clusters AC Chairpersons e. Reflection on the Status of the Previous Year AC Resolutions, f. 360 Degree AC Evaluation Feedback.
11.	March 2021	Third Quarterly Departmental Reports and approval of the Three-Year Internal Audit Plan, Annual Internal Audit Plan and Auditor General Audit Coverage Strategy	g. All information under No. 4 except point f, h. Three Year Internal Audit Plans and Annual Internal Audit Plans for 2021/2022. i. Auditor General Audit Coverage Strategies
12.	March 2021	CAC Meeting to consider Clusters AC Reports	j. Clusters AC Reports on matters pertaining to Third Quarter AC Reports as per paragraph 11 above.

2. OBJECTIVES OF THE AUDIT COMMITTEE

The Strategic Objectives of the AC as stipulated in its approved written Terms of Reference (AC Charter) are to ensure:

- a. the availability of a well-resourced, functional and sustained internal audit function;
- b. sound relationship with all assurance providers, oversight structures and other stakeholders;
- c. effective and efficient Internal and External Audit processes;
- d. promotion of sound functional interaction between the internal audit and other assurance providers;

- e. that there is adequate and effective corporate governance, encompassing fraud and risk management, information technology, internal control, financial management and reporting systems;
- f. Accounting Officers are fully supported in fulfilling their responsibilities in terms of the PFMA;
- g. accountability in terms of financial management and performance information for effective service delivery; and
- h. Compliance with relevant laws and regulations.

Attendance of audit committee meetings by audit committee members

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

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. Meetings attended of
S.A.B NGOBENI	- University of the North – B Com Accounting - UNISA - B Compt (honours) CTA - North West University-Masters in Commerce: Taxation. - North West University – Master in Business Administration (MBA) - UNISA –Certificate in Portfolio Management & Investment Analysis. - Wits University – Higher Diploma in Computer Auditing. - UNISA: Certificate in Mining Taxation	External	N/A	01 February 2017 Reappointed 01 February 2020	To date	06
S.P MZIZI	- CSSA International Qualifying Exam - Post Grad Dip: Corporate Law - CIMA - B Com Hons - B Tech Accounting - H Diploma Education	External	N/A	01 February 2020	To Date	06
M.G MATHABATHE	- N Dip Auditing - B Tech IA - Post-Grad. Diploma: Internal Audit - CIA - Cert. Information System Auditor - Cert. Information Security Manager	External	N/A	01 February 2020	To Date	06
K.M RAMUKUMBA	CA (SA)	Internal	Working for State Owned Entity as	01 February 2017	To Date	06

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
	- IRBA - B Com: Honours (Fin. Acc.) - B Com: Financial Accounting		the CEO (CHIETA)	(Reappointed: 01 February 2020)		

2. AUDIT COMMITTEE REPORT

REPORT OF THE AUDIT COMMITTEE ON LIMPOPO DEPARTMENT OF CO-OPERATIVE GOVERNANCE HUMAN SETTLEMENT AND TRADITIONAL AUTHORITIES

We are pleased to present our report for the financial year ended 31 March 2021.

Audit Committee Structure

Limpopo Provincial Government has an Audit Committee which is two tiered consisting of 4 Cluster Audit Committees, dealing with specific departments, and a shared Central Audit Committee.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from Section 38 (1) (a) (ii) of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein and the related code of conduct, policies and practices.

Stakeholder Engagements

The committee has been able to engage with the following stakeholders:

- Limpopo Provincial Treasury senior management
- Limpopo Provincial Internal Auditors (Shared Internal Audit Services)
- Limpopo Provincial Auditor General (AGSA)

Audit Committee Skills Development

A strategic and induction session was held during the last quarter of the financial year to assist the audit committee members better understand their challenging roles and the direction of the province in general.

The Effectiveness of Internal Control

Based on the results of the formal documented review of the design, implementation and effectiveness of the department's system of internal controls conducted by the internal audit and AGSA during the financial year ended 31 March 2021, and in addition, considering information and explanations given by management plus discussions held with the external auditor on the results of their audit, the Audit Committee concluded that no material internal control breaches come to the Committee's attention.

Risk Management

The Audit committee reviewed the department's policies on risk management and strategy (including IT Governance) and monitored the implementation of risk management policy and strategy and concluded that the department's risk management maturity level is satisfactorily and improving.

In-Year Management and Monthly/Quarterly Report

Based on the quarterly review of in-year monitoring systems and reports, the Audit Committee is somewhat satisfied with the quality, accuracy, usefulness, reliability, appropriateness, and adequacy of the department in-year reporting systems. However, the year-end reporting should improve to avoid adjustment of the annual financial statements after submission to the AGSA.

Internal Audit

The Audit committee is satisfied with the performance of the internal audit based on the activities below:

- Reviewed and approved the annual Internal Audit plans and evaluated the independence, effectiveness and performance of the internal audit function;
- Considered the reports of the Internal Auditors on the department's systems of internal control;
- Reviewed issues raised by internal audit and the adequacy of corrective action taken by management in response thereto;

Combined assurance

The Audit committee reviewed the plans and reports of the external and internal auditors and other assurance providers including management and concluded that the internal audit unit and department should finalise the fully implementation of Combined assurance framework.

Compliance with the relevant laws and regulations

The Audit Committee considered reports provided by management, internal assurance providers and the independent auditors regarding compliance with legal and regulatory requirements and concluded that the department did not fully comply with the enabling laws and regulations as well as its departmental policies and standard operating procedures, especially in the areas of addressing the irregular and fruitless expenditure, quality of annual financial statement and supply chain management (including expenditure management).

Evaluation of Annual Financial Statements

Following the review by the Audit Committee of the draft annual financial statements for the year ended 31 March 2021 before the audit, the committee is of the view that, annual financial statements fairly present the financial performance of the department for the year under review and can be incorporated into the annual report.

Evaluation of Annual Performance Report

Following the review by the Audit Committee of the annual performance report for the year ended 31 March 2021 and after the audit, the committee is of the view that, draft annual performance report fairly present the non-

financial performance of the department for the year under review and can be incorporated into the annual report.

Consideration of the Final Audit report

The Audit Committee considered final audit report and concurs with the AGSA's unqualified audit opinion. Furthermore, the Audit Committee commended the department for maintaining the unqualified audit opinion.

A handwritten signature in black ink, appearing to read 'ASB', enclosed within a hand-drawn oval. The signature is positioned on a light-colored rectangular background.

Stanley Ngobeni

Chairperson of the Audit Committee

September 2021

3. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013 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 <i>(include a discussion on your response and indicate what measures have been taken to comply)</i>
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	N/A	Not applicable to the Department
Developing and implementing a preferential procurement policy?	Yes	The Department is implementing a preferential procurement policy.
Determining qualification criteria for the sale of state-owned enterprises?	N/A	Not applicable to the Department
Developing criteria for entering into partnerships with the private sector?	N/A	Not applicable to the Department
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	N/A	Not applicable to the Department

PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The information contained in this part of the annual report has been prescribed by the Minister for the Public Service and Administration for all departments in the public service. The following legislations governs Human Resource Management in Public Service:

- ❖ The Public Service Act and Regulations
- ❖ The Labour Relations Act
- ❖ The Skills Development Act
- ❖ The Skills Development Levies Act
- ❖ The Employment Equity Act

In addition to the legislations, the following prescripts govern Human Resource management in the Public service:

- ❖ Collective agreements
- ❖ DPSA directives
- ❖ DPSA Frameworks
- ❖ DPSA guidelines

2. OVERVIEW OF HUMAN RESOURCES

The department implemented its Human Resources (HR) Plan for the 2020-2023 MTEF period which comprised of the priorities:

- ❖ Employ qualified and competent staff
- ❖ Alignment of organisational structure to mandate of the department
- ❖ Implementation of the Human Resource Development Programme
- ❖ Implementation of performance management & Development system
- ❖ Improved implementation of Employee Health & Wellness Programme
- ❖ Ensure sound labour relations in the department

2.1 Filling of posts

The department in 2020/2021 financial embarked on a recruitment process of filling all prioritised and funded vacant posts in an effort of reducing vacancy rate. A total of 6 posts were filled across all four (4) programmes of the department, however, key management positions were vacated due to promotions, natural attritions, and transfers to other departments. The budget was cut due to Covid-19 and the recruitment process could not proceed. The vacancy rate is at 16.20 % as at 31st March 2021.

2.2 Review of Organisational Structure

The department has begun with the process of the organisational structure and intended to:

- a) Ensure alignment with the National Development Plan (NDP), the Medium-Term Strategic Framework (MTSF) and the Departmental Strategic Plan and Annual Performance Plan.
- b) Enhance the holistic Departmental capacity to deliver on its expanded mandate.

- c) Enhance the Department's Programme & Project implementation capability to support traditional offices and Municipalities, and

The process of reviewing the organizational structure was completed towards the end of the financial year and submitted to OTP for concurrence.

2.3 Employee Health and Wellness Programme

The department has a dedicated Employee Wellness Unit that looks into Health and Safety issues of employees.

2.3.1. Safety, health and environment issues facing the organisation

The Occupational Health and Safety division looks into the issues of health and safety. In the fourth quarter there were 2 injury on duty cases that occurred.

2.3.2. Arrangements in place to comply with OHSE

In all the departmental buildings, no one is allowed to enter without a face masks, sanitising their hands and completing the Covid-19 screening forms. The department had placed sanitisers in all the entrances and stairways and lifts for easy disinfections. All employees were provided with sanitisers, masks and hand washing soap.

2.3.3. Measures in place to deal with non-compliance

The Department has systems in place to address non-compliance issues that might arise. There are continuous awareness and information sharing sessions in place to address issues of Health and Safety.

Date	Venue	Number of Participants
11 December 2020	Hensa Towers	144

COVID-19 Screenings which are conducted weekly

Date	Venue	Number Screened
2 nd Quarter	Hensa, 28 Market and Central	4 043
3 rd Quarter	Hensa, 28 Market and Central	4 990
4 th Quarter	Hensa, 28 Market and Central	9 899

2.4 Implementation of Performance Management & Development System

The Department in the 2019/20 financial year achieved 100% compliance on submissions of performance agreements and assessments for employees on level 1-12. All performance assessments were moderated by the moderation committees and monetary rewards paid out.

2.5 Implementation of the Human Resource Development Programme

In developing staff competencies, the department achieved the following:

- ❖ Effective implementation of the Workplace Skills Plan (WSP)

- ❖ A total of 207 officials were trained in line with the Departmental WSP. The objective was to enhance the employees' skills for improved service delivery.
- ❖ Implementation of the Departmental Bursary programme to empower employees in various public service and sector disciplines.
- ❖ Awarding by PSETA of the Department a discretionary grant for a learnerships programme, due to the high quality of the Annual WSP submitted. The learners are still to graduate.
- ❖ Learners with disabilities hosted by CoGHSTA to do practical work have graduated.
- ❖ Implementation of mandatory trainings as offered by Chapter 9 Institutions
- ❖ Submission of all prescribed Quarterly and Annual Training reports and expenditure reports to the Public Service Sector Education (PSETA).

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.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel related expenditure

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

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

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2020 and 31 March 2021

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	346 880	188 718	0.00	39	54,4%	569
Human Settlements	940 913	102 790	0.00	626	10,9%	584
Co-operative Governance	263 612	255 668	0.00	600	97,0%	182
Tradition Institution Development	488 349	456 168	0.00	0.00	93,4%	184
Total	2 039 754	1 003 344	0	1 265	49,2%	524

Table 3.1.2 Personnel costs by salary band for the period 1 April 2020 and 31 March 2021

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)	43 064	4.2%	242	177 950
Skilled (level 3-5)	75 509	7.4%	301	250 860
Highly skilled production (levels 6-8)	395 963	39%	1 005	393 993

Highly skilled supervision (levels 9-12)	230 368	22.7%	278	828 662
Senior and Top management (levels 13-16)	58 001	5.7%	45	1 288 911
10 Contract (Levels 1-2)	82,00	0,00	1,00	82 000
11 Contract (Levels 3-5)	257,00	0,00	1,00	257 000
12 Contract (Levels 6-8)	305,00	0,00	1,00	305 000
13 Contract (Levels 9-12)	4 248,00	0,40	1,00	4 248 000
14 Contract (Levels >= 13)	4 317,00	0,40	4,00	1 079 250
18 Contract Other	1 813,00	0,20	39,00	46 487
20 Abnormal Appointment	195 713,00	19,30	1 652,00	118 470
Total	1 009 642,00	99,50	3 570	282 813

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2020 and 31 March 2021

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
ADMINISTRATION	160 919	85%	932	0,5%	6 061	3,2%	10 044	5,3%
PR2: CGHT: HUMAN SETTLEMENTS	90 024	88%	99	0,1%	3 238	3,2%	3 848	3,7%
PR3: CGHT: CORPORATIVE GOVERNANCE	637 836	90%	61	0,0%	22 400	3,1%	32 375	4,5%
STATUTORY	1 753	86%	0.00	0.00	0	0,0%	0	0,0%
Total	851 424	85 %	1094	0,1 %	31 705	3,2 %	45 511	4,5 %

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2020 and 31 March 2021

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	29 826	69%	0,00	0%	4 188	9,7%	5 260	12,2%
Skilled (level 3-5)	55 316	73%	4	0%	5 187	6,9%	8 063	10,7%
Highly skilled production (levels 6-8)	318 215	80%	663	0,2%	14 177	3,6%	24 951	6,3%
Highly skilled supervision (levels 9-12)	191 913	82%	427	0,2%	6 136	2,7%	6 690	2,9%
Senior	50 037	86%	0,00	0%	1 663	2,9%	547	0,9%

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
management (level 13-16)								
10 Contract (Levels 1-2)	82	100%	0,00	0%	0,00	0%	0,00	0%
11 Contract (Levels 3-5)	257	100%	0,00	0%	0,00	0%	0,00	0%
12 Contract (Levels 6-8)	305	100%	0,00	0%	0,00	0%	0,00	0%
13 Contract (Levels 9-12)	3 911	92%	0,00	0%	253,00	6,0%	0,00	0%
14 Contract (Levels >= 13)	4 037	94%	0,00	0%	100,00	2,3%	0,00	0%
18 Contract Other	1 813	100%	0,00	0%	0,00	0%	0,00	0%
20 Abnormal Appointment	195 712	100%	0,00	0%	0,00	0%	1,00	0%
Total	851 424	84,3%	1 094	0,1%	31 705	3,1%	45 511	4,5%

3.2 Employment and Vacancies

The tables in this section summarise the position with regard to employment and vacancies.

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

This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations (see definition in notes below).

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

Table 3.2.1 Employment and vacancies by programme as on 31 March 2021

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
ADMINISTRATION, Permanent	402.00	334.00	16.90	0.00
PR2: CGHT: HUMAN SETTLEMENT, Permanent	203.00	176.00	13.30	0.00
PR3: CGHT: CORPORATIVE GOVERNANCE, Permanent	1 675.00	1 402.00	16.30	0.00

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
STATUTORY, Permanent	8.00	6.00	25.00	0.00
Total	2 288.00	1 918.00	16.20	0.00

Footnote: Please note that due to Senior Traditional Leaders (STL) having been appointed as normal appointment on Persal, the Oversight Report includes them together with the Permanent employees (STL's are 187, 7 vacant and warm bodies 180).

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2021

Salary Band	Number of Posts on Approved Establishment	Number of Posts Filled	Vacancy Rate (Includes Frozen Posts)	Number of Employees Additional to the Establishment
Lower Skilled (Levels 1-2), Permanent	326,00	242,00	25,80	0,00
Skilled (Levels 3-5), Permanent	362,00	301,00	16,90	0,00
Highly Skilled Production (Levels 6-8), Permanent	1 122,00	1 005,00	10,40	0,00
Highly Skilled Supervision (Levels 9-12), Permanent	367,00	278,00	24,30	0,00
Senior Management (Levels >= 13), Permanent	64,00	45,00	29,70	0,00
Other, Permanent	39,00	39,00	0,00	0,00
Contract (Levels 1-2), Permanent	1,00	1,00	0,00	0,00
Contract (Levels 3-5), Permanent	1,00	1,00	0,00	0,00
Contract (Levels 6-8), Permanent	1,00	1,00	0,00	0,00
Contract (Levels 9-12), Permanent	1,00	1,00	0,00	0,00
Contract (Levels >= 13), Permanent	4,00	4,00	0,00	0,00
TOTAL	2 288,00	1 918,00	16,20	0,00

Footnote: Please note that due to Senior Traditional Leaders having been appointed as normal appointment on Persal, the Oversight Report includes them together with the Permanent employees (STL are 187, 7 vacant and warm bodies 180).

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2021

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
ADMINISTRATIVE RELATED, Permanent	947.00	839.00	11.40	0.00
ARCHITECTS TOWN AND TRAFFIC PLANNERS, Permanent	13.00	8.00	38.50	0.00
AUXILIARY AND RELATED WORKERS, Permanent	21.00	14.00	33.30	0.00
CARTOGRAPHERS AND SURVEYORS, Permanent	1.00	1.00	0.00	0.00
CIVIL ENGINEERING TECHNICIANS,	1.00	1.00	0.00	0.00

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Permanent				
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC., Permanent	89.00	66.00	25.80	0.00
CLIENT INFORM CLERKS (SWITCHB RECEIPT INFORM CLERKS), Permanent	2.00	1.00	50.00	0.00
COMMUNICATION AND INFORMATION RELATED, Permanent	14.00	10.00	28.60	0.00
COMMUNITY DEVELOPMENT WORKERS, Permanent	24.00	0.00	100.00	0.00
ENGINEERING SCIENCES RELATED, Permanent	2.00	2.00	0.00	0.00
ENGINEERS AND RELATED PROFESSIONALS, Permanent	96.00	80.00	16.70	0.00
FINANCE AND ECONOMICS RELATED, Permanent	6.00	3.00	50.00	0.00
FINANCIAL AND RELATED PROFESSIONALS, Permanent	44.00	38.00	13.60	0.00
FINANCIAL CLERKS AND CREDIT CONTROLLERS, Permanent	179.00	164.00	8.40	0.00
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER, Permanent	1.00	1.00	0.00	0.00
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF, Permanent	11.00	9.00	18.20	0.00
HUMAN RESOURCES CLERKS, Permanent	12.00	12.00	0.00	0.00
HUMAN RESOURCES RELATED, Permanent	44.00	36.00	18.20	0.00
LEGAL RELATED, Permanent	7.00	5.00	28.60	0.00
LIBRARY MAIL AND RELATED CLERKS, Permanent	1.00	0.00	100.00	0.00
LIGHT VEHICLE DRIVERS, Permanent	3.00	1.00	66.70	0.00
LOGISTICAL SUPPORT PERSONNEL, Permanent	257.00	199.00	22.60	0.00
MESSENGERS PORTERS AND DELIVERERS, Permanent	6.00	6.00	0.00	0.00
MOTOR VEHICLE DRIVERS, Permanent	1.00	1.00	0.00	0.00
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS, Permanent	22.00	19.00	13.60	0.00
OTHER OCCUPATIONS, Permanent	251.00	239.00	4.80	0.00
QUANTITY SURVEYORS & RELA PROF NOT CLASS ELSEWHERE, Permanent	1.00	0.00	100.00	0.00

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
RISK MANAGEMENT AND SECURITY SERVICES, Permanent	9.00	6.00	33.30	0.00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS, Permanent	41.00	29.00	29.30	0.00
SECURITY GUARDS, Permanent	151.00	112.00	25.80	0.00
SENIOR MANAGERS, Permanent	31.00	16.00	48.40	0.00
TOTAL	2 288.00	1 918.00	16.20	0.00

Footnote: Please note that due to Senior Traditional Leaders having been appointed as normal appointment on Persal, the Oversight Report includes them together with the Permanent employees (STL are 187, 7 vacant and warm bodies 180).

Notes

- Critical occupations are defined as occupations or sub-categories within an occupation –
 - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available, or they are available but do not meet the applicable employment criteria;
 - (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

3.3 Filling of SMS Posts

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

Table 3.3.1 SMS post information as on 31 March 2021

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	4	4	100	0	0
Salary Level 14	11	11	100	0	0
Salary Level 13	28	28	100	0	0
Total	44	44	100	0	0

Table 3.3.2 SMS post information as on 30 September 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	1	100	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	2	2	100	2	50
Salary Level 14	12	12	100	0	0
Salary Level 13	29	29	100	0	0
Total	43	43	100	0	0

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2020 and 31 March 2021

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

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2020 and 31 March 2021

Reasons for vacancies not advertised within six months
Budget was cut due to Covid-19 and the Organizational Structure was being reviewed.

Reasons for vacancies not filled within twelve months
Budget was cut due to Covid-19 and the Organizational Structure was being reviewed.

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2020 and 31 March 2021

Reasons for vacancies not advertised within six months
Budget was cut due to Covid-19 and the Organizational Structure was being reviewed. No disciplinary steps were taken against any official.

Reasons for vacancies not filled within six months
Budget was cut due to Covid-19 and the Organizational Structure was being reviewed.

Notes

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A (1) or (2) of the Public Service Act.

3.4 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 3.4.1 Job Evaluation by Salary band for the period 1 April 2020 and 31 March 2021

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)	326.00	0.00	0.00	0.00	0.00	0.00	0.00
Skilled (Levels 3-5)	362.00	0.00	0.00	0.00	0.00	0.00	0.00
Highly skilled production (Levels 6-8)	1 122.00	0.00	0.00	0.00	0.00	0.00	0.00
Highly skilled supervision (Levels 9-12)	367.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management Service Band A	40.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management Service Band B	17.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management Service Band C	6.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management Service Band D	1.00	0.00	0.00	0.00	0.00	0.00	0.00
09 Other	39.00	0.00	0.00	0.00	0.00	0.00	0.00
10 Contract (Levels 1-2)	1.00	0.00	0.00	0.00	0.00	0.00	0.00
11 Contract (Levels 3-5)	1.00	0.00	0.00	0.00	0.00	0.00	0.00
12 Contract (Levels 6-8)	1.00	0.00	0.00	0.00	0.00	0.00	0.00
13 Contract (Levels 9-12)	1.00	0.00	0.00	0.00	0.00	0.00	0.00
14 Contract Band A	2.00	0.00	0.00	0.00	0.00	0.00	0.00
15 Contract Band B	1.00	0.00	0.00	0.00	0.00	0.00	0.00
17 Contract Band D	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	2 288.00	0.00	0.00	0.00	0.00	0.00	0.00

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

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2020 and 31 March 2021

Gender	African	Asian	Coloured	White	Total
Female	0.00	0.00	0.00	0.00	0.00

Gender	African	Asian	Coloured	White	Total
Male	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00

Employees with a disability	0.00
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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 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2020 and 31 March 2021

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Legislators, senior officials and managers	0.00	0.00	0.00	0.00
Professionals	0.00	0.00	0.00	0.00
Technicians and associate professionals	0.00	0.00	0.00	0.00
Clerks	0.00	0.00	0.00	0.00
Service and sales workers	0.00	0.00	0.00	0.00
Skilled agriculture and fishery workers	0.00	0.00	0.00	0.00
Craft and related trades workers	0.00	0.00	0.00	0.00
Plant and machine operators and assemblers	0.00	0.00	0.00	0.00
Elementary occupations	0.00	0.00	0.00	0.00
Total number of employees whose salaries exceeded the level determined by job evaluation				0.00
Percentage of total employed				0.00

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2020 and 31 March 2021

Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
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3.5 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 3.5.1 Annual turnover rates by salary band for the period 1 April 2020 and 31 March 2021

Salary band	Number of employees at beginning of period-1 April 2020	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	256.00	0.00	14.00	5.50
Skilled (Levels3-5)	312.00	0.00	10.00	3.20
Highly skilled production (Levels 6-8)	1 033.00	4.00	38.00	3.70
Highly skilled supervision (Levels 9-12)	293.00	0.00	13.00	4.40
Senior Management Service Bands A	31.00	0.00	4.00	12.90
Senior Management Service Bands B	12.00	0.00	1.00	8.30
Senior Management Service Bands C	2.00	2.00	0.00	0.00
Senior Management Service Bands D	1.00	0.00	0.00	0.00
Contracts	13.00	42.00	8.00	61.5
09 Other Permanent	2.00	38.00	1.00	50.00
10 Contract (Levels 1-2) Permanent	0.00	1.00	0.00	0.00
11 Contract (Levels 3-5) Permanent	1.00	0.00	0.00	0.00
12 Contract (Levels 6-8) Permanent	1.00	0.00	0.00	0.00
13 Contract (Levels 9-12) Permanent	7.00	0.00	6.00	85.70
14 Contract Band A Permanent	0.00	2.00	0.00	0.00
15 Contract Band B Permanent	1.00	1.00	1.00	100.00
17 Contract Band D Permanent	1.00	0.00	0.00	0.00
Total	1 953	48	88	4.5

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2020 and 31 March 2021

Critical occupation	Number of employees at beginning of period-April 2020	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
ADMINISTRATIVE RELATED Permanent	873.00	0.00	31.00	3.60
ARCHITECTS TOWN AND TRAFFIC PLANNERS Permanent	8.00	0.00	0.00	0.00
AUXILIARY AND RELATED WORKERS Permanent	15.00	0.00	1.00	6.70
CARTOGRAPHERS AND SURVEYORS Permanent	1.00	0.00	0.00	0.00
CIVIL ENGINEERING TECHNICIANS Permanent	1.00	0.00	0.00	0.00

Critical occupation	Number of employees at beginning of period-April 2020	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC. Permanent	72.00	1.00	7.00	9.70
CLIENT INFORM CLERKS (SWITCHB RECEIPT INFORM CLERKS) Permanent	1.00	0.00	0.00	0.00
COMMUNICATION AND INFORMATION RELATED Permanent	11.00	0.00	1.00	9.10
ENGINEERING SCIENCES RELATED Permanent	2.00	0.00	0.00	0.00
ENGINEERS AND RELATED PROFESSIONALS Permanent	88.00	0.00	8.00	9.10
FINANCE AND ECONOMICS RELATED Permanent	3.00	0.00	0.00	0.00
FINANCIAL AND RELATED PROFESSIONALS Permanent	38.00	1.00	2.00	5.30
FINANCIAL CLERKS AND CREDIT CONTROLLERS Permanent	166.00	0.00	2.00	1.20
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER Permanent	1.00	0.00	0.00	0.00
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF Permanent	11.00	0.00	1.00	9.10
HUMAN RESOURCES CLERKS Permanent	12.00	0.00	0.00	0.00
HUMAN RESOURCES RELATED Permanent	38.00	0.00	2.00	5.30
LEGAL RELATED Permanent	6.00	0.00	1.00	16.70
LIGHT VEHICLE DRIVERS Permanent	1.00	0.00	0.00	0.00
LOGISTICAL SUPPORT PERSONNEL Permanent	208.00	0.00	9.00	4.30
MESSENGERS PORTERS AND DELIVERERS Permanent	6.00	0.00	0.00	0.00
MOTOR VEHICLE DRIVERS Permanent	2.00	0.00	1.00	50.00
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS Permanent	20.00	0.00	1.00	5.00
OTHER OCCUPATIONS Permanent	202.00	42.00	12.00	5.90
QUANTITY SURVEYORS & RELA PROF NOT CLASS ELSEWHERE Permanent	1.00	0.00	1.00	100.00
RISK MANAGEMENT AND SECURITY SERVICES Permanent	6.00	0.00	0.00	0.00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS Permanent	29.00	0.00	0.00	0.00

Critical occupation	Number of employees at beginning of period-April 2020	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
SECURITY GUARDS Permanent	119.00	0.00	6.00	5.00
SENIOR MANAGERS Permanent	12.00	4.00	2.00	16.70
TOTAL	1 953.00	48.00	88.00	4.50

Notes

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
 - in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

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

Table 3.5.3 Reasons why staff left the department for the period 1 April 2020 and 31 March 2021

Termination Type	Number	% of Total Resignations
Death	15.00	15%
Resignation	6.00	6%
Expiry of contract	5.00	5%
Dismissal – operational changes	0.00	0.00
Dismissal – misconduct	0.00	0.00
Dismissal – inefficiency	0.00	0.00
Discharged due to ill-health	0.00	0.00
Retirement	55.00	54%
Transfer to other Public Service Departments	2.00	2%
Other (Early Retirement Without Reduction of Pension Benefits)	18.00	18%
Total	101.00	100%
Total number of employees who left as a % of total employment		5.3 %

Table 3.5.4 Promotions by critical occupation for the period 1 April 2020 and 31 March 2021

Occupation	Employees 1 April 2020	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
ADMINISTRATIVE RELATED	873.00	1.00	0.10	30.00	3.40
ARCHITECTS TOWN AND TRAFFIC PLANNERS	8.00	0.00	0.00	1.00	12.50
AUXILIARY AND RELATED WORKERS	15.00	0.00	0.00	0.00	0.00
CARTOGRAPHERS AND SURVEYORS	1.00	0.00	0.00	1.00	100.00
CIVIL ENGINEERING TECHNICIANS	1.00	0.00	0.00	1.00	100.00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	72.00	0.00	0.00	0.00	0.00
CLIENT INFORM CLERKS (SWITCHB RECEIPT INFORM CLERKS)	1.00	0.00	0.00	0.00	0.00
COMMUNICATION AND INFORMATION RELATED	11.00	0.00	0.00	1.00	9.10
ENGINEERING SCIENCES RELATED	2.00	0.00	0.00	0.00	0.00
ENGINEERS AND RELATED PROFESSIONALS	88.00	0.00	0.00	59.00	67.00
FINANCE AND ECONOMICS RELATED	3.00	0.00	0.00	2.00	66.70
FINANCIAL AND RELATED PROFESSIONALS	38.00	1.00	2.60	6.00	15.80
FINANCIAL CLERKS AND CREDIT CONTROLLERS	166.00	0.00	0.00	1.00	0.60
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER	1.00	0.00	0.00	0.00	0.00
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF	11.00	0.00	0.00	0.00	0.00
HUMAN RESOURCES CLERKS	12.00	0.00	0.00	0.00	0.00
HUMAN RESOURCES RELATED	38.00	2.00	5.30	1.00	2.60
LEGAL RELATED	6.00	0.00	0.00	3.00	50.00
LIBRARY MAIL AND RELATED CLERKS	0.00	0.00	0.00	1.00	0.00
LIGHT VEHICLE DRIVERS	1.00	0.00	0.00	0.00	0.00

Occupation	Employees 1 April 2020	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
LOGISTICAL SUPPORT PERSONNEL	208.00	0.00	0.00	0.00	0.00
MESSENGERS PORTERS AND DELIVERERS	6.00	0.00	0.00	0.00	0.00
MOTOR VEHICLE DRIVERS	2.00	0.00	0.00	0.00	0.00
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	20.00	0.00	0.00	1.00	5.00
OTHER OCCUPATIONS	202.00	0.00	0.00	5.00	2.50
QUANTITY SURVEYORS & RELA PROF NOT CLASS ELSEWHERE	1.00	0.00	0.00	0.00	0.00
RISK MANAGEMENT AND SECURITY SERVICES	6.00	0.00	0.00	2.00	33.30
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	29.00	0.00	0.00	0.00	0.00
SECURITY GUARDS	119.00	0.00	0.00	0.00	0.00
SENIOR MANAGERS	12.00	0.00	0.00	8.00	66.70
TOTAL	1 953.00	4.00	0.20	123.00	6.30

Table 3.5.5 Promotions by salary band for the period 1 April 2020 and 31 March 2021

Salary Band	Employees 1 April 2020	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)	256.00	0.00	0.00	0.00	0.00
Skilled (Levels 3-5)	312.00	0.00	0.00	0.00	0.00
Highly skilled production (Levels 6-8)	1 033.00	0.00	0.00	0.00	0.00
Highly skilled supervision (Levels 9-12)	293.00	3.00	1.00	97.00	33.10
Senior Management (Level 13-16)	46.00	1.00	2.20	26.00	56.50
09 Other, Permanent	2.00	0.00	0.00	0.00	0.00
11 Contract (Levels 3-5), Permanent	1.00	0.00	0.00	0.00	0.00
12 Contract (Levels 6-8), Permanent	1.00	0.00	0.00	0.00	0.00
13 Contract (Levels 9-12), Permanent	7.00	0.00	0.00	0.00	0.00

Salary Band	Employees 1 April 2020	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
12), Permanent					
14 Contract (Levels >= 13), Permanent	2.00	0.00	0.00	0.00	0.00
Total	1 953.00	4.00	3.20	123.00	6.30 %

3.6 Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2021

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	11.00	0.00	0.00	0.00	6.00	0.00	0.00	1.00	18.00
Professionals	91.00	0.00	0.00	0.00	101.00	1.00	0.00	1.00	194.00
Technicians and associate professionals	456.00	0.00	0.00	1.00	592.00	1.00	0.00	3.00	1 053.00
Clerks	53.00	0.00	0.00	0.00	171.00	1.00	0.00	0.00	225.00
Service and sales workers	84.00	1.00	0.00	0.00	33.00	0.00	0.00	0.00	118.00
Skilled agriculture and fishery workers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Craft and related trades workers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Plant and machine operators and assemblers	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00
Elementary occupations	180.00	0.00	0.00	0.00	128.00	0.00	0.00	0.00	308.00
Total	877.00	1.00	0.00	1.00	1 031.00	3.00	0.00	5.00	1 918.00
Employees with disabilities	8.00	0.00	0.00	0.00	8.00	0.00	0.00	1.00	17.00

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	4.00	0.00	0.00	0.00	3.00	0.00	0.00	0.00	7.00
Senior Management	21.00	0.00	0.00	1.00	14.00	1.00	0.00	1.00	38.00
Professionally qualified and experienced specialists and mid-management	147.00	1.00	0.00	0.00	128.00	0.00	0.00	2.00	278.00
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	458.00	0.00	0.00	0.00	543.00	2.00	0.00	2.00	1005.00
Semi-skilled and discretionary decision making	135.00	0.00	0.00	0.00	166.00	0.00	0.00	0.00	301.00
Unskilled and defined decision making	93.00	0.00	0.00	0.00	149.00	0.00	0.00	0.00	242.00
07 Not Available, Permanent	15.00	0.00	0.00	0.00	24.00	0.00	0.00	0.00	39
08 Contract (Top Management), Permanent	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	1.00
09 Contract (Senior Management), Permanent	2.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	3.00
10 Contract (Professionally Qualified), Permanent	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
11 Contract (Skilled Technical), Permanent	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	1.00
12 Contract (Semi-Skilled), Permanent	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
13 Contract (Unskilled), Permanent	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	1.00
Total	877.00	1.00	0.00	1.00	1031.00	3.00	0.00	5.00	1918.00

Table 3.6.3 Recruitment for the period 1 April 2020 to 31 March 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	2.00
Senior Management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Professionally qualified and experienced specialists and mid-management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4.00
Semi-skilled and discretionary decision making	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unskilled and defined decision making	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
07 Not Available, Permanent	13.00	0.00	0.00	0.00	25.00	0.00	0.00	0.00	38
09 Contract (Senior Management), Permanent	2.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	3.00
13 Contract (Unskilled), Permanent	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	1.00
Total	20.00	0.00	0.00	0.00	28.00	0.00	0.00	0.00	48.00
Employees with disabilities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Table 3.6.4 Promotions for the period 1 April 2020 to 31 March 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management	16.00	0.00	0.00	0.00	10.00	1.00	0.00	0.00	27.00
Professionally qualified and experienced specialists and mid-management	56.00	0.00	0.00	0.00	44.00	0.00	0.00	0.00	100.00
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Semi-skilled and discretionary decision making	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unskilled and defined decision making	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	72.00	0.00	0.00	0.00	54.00	1.00	0.00	0.00	127
Employees with	2.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.00

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
<i>disabilities</i>									

Table 3.6.5 Terminations for the period 1 April 2020 to 31 March 2021

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management	3.00	0.00	0.00	0.00	2.00	0.00	0.00	0.00	5.00
Professionally qualified and experienced specialists and mid-management	8.00	0.00	0.00	1.00	4.00	0.00	0.00	0.00	13.00
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	21.00	0.00	0.00	0.00	17.00	0.00	0.00	0.00	38.00
Semi-skilled and discretionary decision making	6.00	0.00	0.00	0.00	4.00	0.00	0.00	0.00	10.00
Unskilled and defined decision making	4.00	0.00	0.00	0.00	10.00	0.00	0.00	0.00	14.00
07 Not Available, Permanent	0.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	1.00
09 Contract (Senior Management), Permanent	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00
10 Contract (Professionally qualified), Permanent	2.00	0.00	0.00	3.00	0.00	0.00	0.00	1.00	6.00
Total	45	0.00	0.00	4.00	38.00	0.00	0.00	1.00	88.00
Employees with Disabilities	1.00	0.00	0.00	0.00	1.00	0.00	0.00	0.00	2.00

Table 3.6.6 Disciplinary action for the period 1 April 2020 to 31 March 2021

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Contravention of PFMA and Treasury Regulations	2	0	0	0	3	0	0	0	5
Contravention of Code of Conduct: Gross Negligence	0	0	0	0	1	0	0	0	1
Gross Negligence and Gross Dereliction of duty	2	0	0	0	0	0	0	0	2

Table 3.6.7 Skills development for the period 1 April 2020 to 31 March 2021

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	9	0	0	0	4	0	0	1	14
Professionals	2	0	0	0	3	0	0	0	5
Technicians and associate professionals	0	0	0	0	1	0	0	0	1
Clerks	53	0	0	0	83	0	0	0	136
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	22	0	0	0	29	0	0	0	51
Total	86	0	0	0	120	0	0	1	207
Employees with disabilities	44	0	0	0	17	0	0		43

3.7 Signing of Performance Agreements by SMS Members

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2020

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	3	3	3	100
Salary Level 14	11	11	11	100
Salary Level 13	29	26	26	100
Total	44	41	41	100

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2021

Reasons
N/A

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2021

Reasons
N/A

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

3.8 Performance Rewards

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

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2020 to 31 March 2021

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	908.00	869.00	72.20	3 185.80	5 081.00
Female	627.00	1 023.00	88.80	4 270.68	4 703.00
Asian					
Male	0.00	0.00	0.00	0.00	0.00
Female	0.00	0.00	0.00	0.00	0.00
Coloured					
Male	1.00	1.00	33.30	12.64	12 639.00
Female	1.00	3.00	100.00	4.85	4 853.00
White					
Male	0.00	1.00	0.00	0.00	0.00
Female	3.00	4.00	75.00	35.05	11 684.00

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
Employees with disabilities	19.00	17.00	111.80	114.64	6 034.00
Total	1 559	1 918	81.30	7 623.67	4 890.00

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2020 to 31 March 2020

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	234.00	242.00	96.70	408.79	1 747.00	408.79
Skilled (level 3-5)	293.00	301.00	97.30	771.57	2 633.00	293.00
Highly skilled production (level 6-8)	787.00	1 005.00	78.30	3 672.05	4 666.00	787.00
Highly skilled supervision (level 9-12)	236.00	278.00	84.90	2 609.04	11 055.00	236.00
09 Other	0.00	39.00	0.00	0.00	0.00	0.00
10 Contract (Levels 1-2)	0.00	1.00	0.00	0.00	0.00	0.00
11 Contract (Levels 3-5)	0.00	1.00	0.00	0.00	0.00	0.00
12 Contract (Levels 6-8)	0.00	1.00	0.00	0.00	0.00	0.00
13 Contract (Levels 9-12)	0.00	1.00	0.00	0.00	0.00	0.00
Total	1 550.00	1 869.00	4 355.00	7 461.45	20 101.00	1 724.79

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2020 to 31 March 2020

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
FINANCIAL CLERKS AND CREDIT CONTROLLERS	157.00	164.00	95.70	518.59	3 303.00
HUMAN RESOURCES CLERKS	12.00	12.00	100.00	52.45	4 371.00
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF	7.00	9.00	77.80	67.26	9 609.00
MESSENGERS PORTERS AND DELIVERERS	6.00	6.00	100.00	15.10	2 517.00
RISK MANAGEMENT AND SECURITY SERVICES	5.00	6.00	83.30	60.70	12 139.00
LOGISTICAL SUPPORT PERSONNEL	194.00	199.00	97.50	348.05	1 794.00
FINANCE AND ECONOMICS RELATED	3.00	3.00	100.00	32.30	10 766.00
OTHER ADMINISTRAT & RELATED CLERKS	18.00	19.00	94.70	91.00	5 056.00

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
AND ORGANISERS					
AUXILIARY AND RELATED WORKERS	15.00	14.00	107.10	59.28	3 952.00
OTHER OCCUPATIONS	15.00	239.00	6.30	114.32	7 621.00
LEGAL RELATED	4.00	5.00	80.00	61.43	15 358.00
FINANCIAL AND RELATED PROFESSIONALS	35.00	38.00	92.10	270.86	7 739.00
ARCHITECTS TOWN AND TRAFFIC PLANNERS	7.00	8.00	87.50	91.17	13 024.00
ADMINISTRATIVE RELATED	778.00	839.00	92.70	4 195.50	5 393.00
COMMUNICATION AND INFORMATION RELATED	10.00	10.00	100.00	68.64	6 864.00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	25.00	29.00	86.20	109.59	4 384.00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	63.00	66.00	95.50	112.54	1 786.00
HUMAN RESOURCES RELATED	35.00	36.00	97.20	266.24	7 607.00
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER	0.00	1.00	0.00	0.00	0.00
CIVIL ENGINEERING TECHNICIANS	0.00	1.00	0.00	0.00	0.00
SENIOR MANAGERS	1.00	16.00	6.30	19.05	19 049.00
CLIENT INFORM CLERKS (SWITCHB RECEPT INFORM CLERKS)	0.00	1.00	0.00	0.00	0.00
ENGINEERS AND RELATED PROFESSIONALS	57.00	80.00	71.30	781.81	13 716.00
CARTOGRAPHERS AND SURVEYORS	1.00	1.00	100.00	15.72	15 721.00
LIGHT VEHICLE DRIVERS	0.00	1.00	0.00	0.00	0.00
ENGINEERING SCIENCES RELATED	1.00	2.00	50.00	9.90	9 900.00
MOTOR VEHICLE DRIVERS	1.00	1.00	100.00	3.93	3 931.00
SECURITY GUARDS	109.00	112.00	97.30	258.24	2 369.00
TOTAL	1 559.00	1 918.00	81.30	7 623.67	4 890.00

Notes

- Critical occupations are defined as occupations or sub-categories within an occupation –
 - (a) in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;

- (b) for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
- (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
- (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees;

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2020 to 31 March 2021

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	6.00	29.00	20.70	101.79	16 964.60	0.30
Band B	3.00	12.00	25.00	60.43	20 142.80	0.30
Band C	0.00	6.00	0.00	0.00	0.00	0.00
Band D	0.00	2.00	0.00	0.00	0.00	0.00
Total	9.00	49.00	18.40	162.22	18 024.00	0.30

3.9 Foreign Workers

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2020 and 31 March 2021

Salary band	01 April 2020		31 March 2021		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0
Highly skilled supervision (Lev. 9-12)	4.00	100.00	0	0	- 4.00	-100.00
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	0	0	0	0	0	0
Total	4.00	0	0	0	-4.00	-100.00

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2020 and 31 March 2021

Major occupation	01 April 2020		31 March 2021		Change	
	Number	% of total	Number	% of total	Number	% Change
Professionals and managers	4.00	100.00	1.00	25	- 3.00	75

3.10 Leave utilisation

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

Table 3.10.1 Sick leave for the period 1 January 2020 to 31 December 2020

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	255.00	93.30	46.00	8.40	6.00	146.00
Skilled (levels 3-5)	313.00	92.30	64.00	11.70	5.00	269.00
Highly skilled production (levels 6-8)	1 236.00	83.00	234.00	42.90	5.00	2 021.00
Highly skilled supervision (levels 9 - 12)	756.00	79.60	170.00	31.10	4.00	2 266.00
Top and Senior management (levels 13-16)	182.00	91.20	28.00	5.10	7.00	806.00
Contract (Levels 13-16)	6.00	100.00	1.00	0.20	6.00	46.00
Contract (Levels 3-5)	2.00	100.00	1.00	0.20	2.00	2.00
Contract (Levels 9-12)	3.00	33.30	2.00	0.40	2.00	7.00
Total	2 753.00	84.6 %	546.00	100	5.00	5 564.00

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2020 to 31 December 2020

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	10.00	100.00	1.00	12.50	10.00	6.00
Highly skilled production (Levels 6-8)	195.00	100.00	5.00	62.50	39.00	365.00
Highly skilled supervision (Levels 9-12)	24.00	100.00	1.00	12.50	24.00	89.00
Senior management (Levels 13-16)	31.00	100.00	1.00	12.50	31.00	126.00

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Total	260.00	100.00	8.00	100.00	33.00	587.00

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 3.10.3 Annual Leave for the period 1 January 2020 to 31 December 2020

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	3 303.00	19.00	178.00
Skilled Levels 3-5)	4 316.00	18.00	239.00
Highly skilled production (Levels 6-8)	12 718.00	19.00	679.00
Highly skilled supervision (Levels 9-12)	6 022.00	21.00	291.00
Senior management (Levels 13-16)	903.00	21.00	44.00
Contract (Levels 13-16)	30.00	10.00	3.00
Contract (Levels 3-5)	5.00	5.00	1.00
Contract (Levels 6-8)	9.00	9.00	1.00
Contract (Levels 9-12)	136.00	17.00	8.00
Total	27 442.00	139.00	1 444.00

Table 3.10.4 Capped leave for the period 1 January 2020 to 31 December 2020

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2021
Lower skilled (Levels 1-2)	0.00	0.00	0.00	38.00
Skilled Levels 3-5)	0.00	0.00	0.00	67.00
Highly skilled production (Levels 6-8)	9.00	2.00	5.00	74.00
Highly skilled supervision (Levels 9-12)	41.00	1.00	41.00	80.00
Senior management (Levels 13-16)	0.00	0.00	0.00	53.00
Contract (Levels 13-16)	0.00	0.00	0.00	83.00
Contract (Levels 3-5)	0.00	0.00	0.00	0.00
Contract (Levels 6-8)	0.00	0.00	0.00	0.00
Contract (Levels 9-12)	0.00	0.00	0.00	0.00
Contract Other	0.00	0.00	0.00	0.00

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2021
Total	50.00	3.00	46.00	395.00

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

Table 3.10.5 Leave payouts for the period 1 April 2020 and 31 March 2021

Reason	Total amount	Number of employees	Average per employee
Leave payouts for 200/2021 due to non-utilisation of leave for the previous cycle	2,516,429.10	71,00	35,442.66
Capped leave payouts on termination of service for 2020/2021	7,183,387.16	43,00	167,055.51
Current leave payouts on termination of service for 2020/2021	1,658,335.16	67,00	24,751.27
Total	R11,358 151.42	91	R227,249.44

3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Community Development Workers	Awareness campaigns through circulars and pamphlets

Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	x		Matlala ML Chief Director Strategic HRM
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	x		The Department does not have dedicated Employees specifically for HIV/AIDS programmes, the two social work practitioners are responsible for all employee health and wellness related programmes and there was no budget for HIV/AIDS in the year under review due to Covid 19 budget cuts.
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		- Health and productivity management - HIV/AIDS management - Wellness management - Safety, health, environment, risk and

Question	Yes	No	Details, if yes
			quality management
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	
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	
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		Awareness and Education
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	x		During the financial year under review the Department did not conduct screening and health checks due to strict Covid-19 log down regulations. The department planned to have four screenings and health checks and already conducted one session for this quarter and the response from the officials was good. 19 officials did HCT.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	x		Monthly, Quarterly and Annual Reporting

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2021 and 31 March 2021

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2020 and 31 March 2021

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	00	00
Verbal warning	00	00
Written warning	02	50
Final written warning	00	00

Suspended without pay	02	50
Fine	00	00
Demotion	00	00
Dismissal	00	00
Not guilty	00	00
Case withdrawn	00	00
Total	04	100

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2020 and 31 March 2021

Type of misconduct	Number	% of total
Contravention of Code of Conduct (irregular processing of payments)	06	60%
Contravention of Code of Conduct (gross dereliction of duty and negligence)	03	30%
Contravention of Code of Conduct (absenteeism)	01	10%
Total	10	100 %

Table 3.12.4 Grievances logged for the period 1 April 2020 and 31 March 2021

Grievances	Number	% of Total
Number of grievances resolved	10	100%
Number of grievances not resolved	00	0%
Total number of grievances lodged	10	100 %

Table 3.12.5 Disputes logged with Councils for the period 1 April 2020 and 31 March 2021

Disputes	Number	% of Total
Number of disputes upheld	01	33%
Number of disputes dismissed	00	0
Total number of disputes lodged	03	100 %

Table 3.12.6 Strike actions for the period 1 April 2020 and 31 March 2021

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2020 and 31 March 2021

Number of people suspended	00
Number of people who's suspension exceeded 30 days	00
Average number of days suspended	00
Cost of suspension(R'000)	0.00

3.13 Skills development

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

Table 3.13.1 Training needs identified for the period 1 April 2020 and 31 March 2021

Occupational category	Gender	Number of employees as at 1 April 2020	Training needs identified at start of the reporting period				
			Learnerships	Skills Programmes & other short courses	Other forms of training		Total
					Bursaries	Experiential Learning	
Legislators, senior officials and managers	Female	151	0	0	9	0	9
	Male	139	0	0	5	0	5
Professionals	Female	39	0	0	3	0	3
	Male	32	0	0	2		2
Technicians and associate professionals	Female	27	0	0	1	0	1
	Male	8	0	0	0	0	0
Clerks	Female	389	25	0	33	25	83
	Male	625	26	0	16	11	53
Service and sales workers	Female	3	0	0	0	0	0
	Male	1	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0	0
	Male	0	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0	0
	Male	0	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0	0
	Male	2	0	0	0	0	0
Elementary occupations	Female	86	24	0	5	0	29
	Male	198	19	0	3	0	22
Sub Total	Female	695	49	0	51	25	125
	Male	1 005	45	0	26	11	82

Total		1 700	94	0	77	36	207
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Table 3.13.2 Training provided for the period 1 April 2020 and 31 March 2021

Occupational category	Gender	Number of employees as at 1 April 2020	Training provided within the reporting period				
			Learnerships	Skills Programmes & other short courses	Other forms of training		Total
					Bursaries	Experiential Learning	
Legislators, senior officials and managers	Female	151	0	0	9	0	9
	Male	139	0	0	5	0	5
Professionals	Female	39	0	0	3	0	3
	Male	32	0	0	2		2
Technicians and associate professionals	Female	27	0	0	1	0	1
	Male	8	0	0	0	0	0
Clerks	Female	389	25	0	33	25	83
	Male	625	26	0	16	11	53
Service and sales workers	Female	3	0	0	0	0	0
	Male	1	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0	0
	Male	0	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0	0
	Male	0	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0	0
	Male	2	0	0	0	0	0
Elementary occupations	Female	86	24	0	5	0	29
	Male	198	19	0	3	0	22
Sub Total	Female	695	49	0	51	25	125
	Male	1 005	45	0	26	11	82
Total		1 700	94	0	77	36	207

3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2020 and 31 March 2021

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

3.15 Utilisation of Consultants

The following tables relates 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 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2020 and 31 March 2021

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
0	0	0	0

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

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2020 and 31 March 2021

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

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2020 and 31 March 2021

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

Total number of projects	Total individual consultants	Total duration Workdays	Total contract value in Rand
0	0	0	0

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2020 and 31 March 2021

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

3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2020 and 31 March 2021

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

PART E: FINANCIAL INFORMATION

1. REPORT OF THE AUDITOR GENERAL

Report of the auditor-general to Limpopo Provincial Legislature on vote no. 11: Department of Co-operative Governance, Human Settlements and Traditional Affairs

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Co-operative Governance, Human Settlement and Traditional Affairs set out on pages 146 to 223 which comprise the appropriation statement, statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net asset and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Co-operative Governance, Human Settlement and Traditional Affairs as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2020 (Act No. 04 of 2020) (DoRA).

Basis for opinion

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

Emphasis of matters

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

Impairment of receivables

7. As disclosed in note 12.5 to the financial statements, the department made an impairment provision of R16 553 000 (2020: R16 486 000) in respect of doubtful receivables.

Significant uncertainties

8. With reference to note 18.1 of the financial statements, the department is currently involved in litigation with various service providers and third parties. The ultimate outcomes of the matters cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Restatement of corresponding figures

9. As disclosed in note 32 to the financial statements, the corresponding figures for 31 March 2020 have been restated as a result of an error discovered in the financial statements of the department at, and for the year ended, 31 March 2021.

Other matter

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

Unaudited supplementary schedules

11. The supplementary information set out on pages 224 to 235 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

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

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

16. In accordance with the Public Audit Act 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 selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
17. My procedures address the usefulness and reliability of the reported performance information, which must be based on the department's approved performance planning documents. 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 do not extend to any disclosures or assertions relating to the extent of achievements in the current year or 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.
18. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the department's annual performance report for the year ended 31 March 2021:

Programmes	Pages in the annual performance report
Programme 2 – Human settlements	39-52
Programme 3 – Cooperative governance	53-67

19. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
20. The material findings on the usefulness and reliability of the performance information of theselected programmes are as follows:

Programme 2 – Human settlements

Multiyear Housing Development Plan Developed

21. The planned indicator and target was multiyear housing development plan developed, but the reported achievement referred to was reviewed multiyear human settlements development plan.

Various indicators

22. The achievements reported in the annual performance report materially differed from the supporting evidence provided for the indicators listed below:

Indicator description	Reported achievement
Number of job opportunities created through construction of houses and servicing of sites	471
Number of title deeds issued to approved beneficiaries	1414

23. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:

- Programme 3 – Cooperative governance

Other matters

24. I draw attention to the matters below.

Achievement of planned targets

25. Refer to the annual performance report on pages 39 to 67 for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph(s) 18 to 23 of this report.

Adjustment of material misstatements

26. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of programme 2- human settlements and programme 3 - cooperative governance. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

27. 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.
28. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements

29. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1) (a) of the PFMA. Material misstatements

of current assets, current liabilities, expenditure and disclosure identified by the auditors in the submitted financial statement were corrected, resulting in the financial statements receiving an unqualified opinion.

Expenditure management

30. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R403 838 000, as disclosed in note 24 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 irregular expenditure was caused by the awarding of contracts in the 2016-17 financial year without applying the preference points system.
31. Payments were not made within 30 days or an agreed period after receipt of an invoice, as required by treasury regulation 8.2.3.

Strategic planning

32. Specific information systems were not implemented to enable the monitoring of progress made towards achieving targets, core objectives and service delivery as required by public service regulation 25(1)(e)(i) and (iii).

Procurement and contract management

33. Some of the goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by treasury regulation 16A6.1 and paragraph 3.3.1 of practice note 8 of 2007/08.
34. Bid documentation for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content as required by the 2017 procurement regulation 8(2).
35. In some instances, persons in service of the department whose close family members, partners or associates had a private or business interest in contracts awarded by the department failed to disclose such interest, as required by treasury regulation 16A8.4.

Consequence management

36. 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 because investigations into irregular expenditure were not performed

Other information

37. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
38. My opinion on the financial statements and findings on the reported performance information and

compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

39. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
40. 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

41. 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 findings on the annual performance report and the findings on compliance with legislation included in this report.
42. Oversight responsibility regarding performance reporting and compliance and related internal controls was not adequately exercised by the accounting officer.
43. Management did not prepare regular, accurate and complete financial reports that are supported and evidenced by reliable information.
44. Non-compliance with legislation could have been prevented had compliance been properly reviewed and monitored. The department has incurred irregular expenditure which was disclosed in the financial statements.

Auditor-General

Polokwane

31 August 2021



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

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 skepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the department's compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in 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 in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the department's internal control.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - Conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Department of Co-operative Governance, Human Settlement and Traditional Affairs 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.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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 provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

2. ANNUAL FINANCIAL STATEMENTS

For the year ended
31 March 2021

Date authorised for issue: 31 August 2021
Authorised by: Dumalisen
Muham

*LIMPOPO PROVINCIAL DEPARTMENT OF COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11*

*ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021*

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LIMPOPO PROVINCIAL DEPARTMENT OF COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Appropriation per programme									
2020/21								2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. Administration	361,910	-	3,430	365,340	344,902	20,438	94.4%	374,065	368,882
2. Human Settlements	1,031,839	-	(2,134)	1,029,705	940,913	88,792	91.4%	1,539,716	1,346,214
3. Local Governance	279,970	-	(1,091)	278,879	263,612	15,267	94.5%	310,255	290,779
4. Traditional Affairs	517,605	-	(205)	517,400	488,349	29,051	94.4%	541,524	502,081
Subtotal	2,191,324	-	-	2,191,324	2,037,776	153,548	93.0 %	2,765,560	2,507,956
Statutory Appropriation	1,978	-	-	1,978	1,978	-	100.0 %	1,978	1,940
Members' remuneration	1,978	-	-	1,978	1,978	-	100.0%	1,978	1,940
TOTAL	2,193,302	-	-	2,193,302	2,039,754	153,548	93.0 %	2,767,538	2,509,896

	2020/21			2019/20	
	Final Appropriation	Actual Expenditure		Final Appropriation	Actual Expenditure
TOTAL (brought forward)	2,193,302			2,767,538	
Reconciliation with statement of financial performance					
ADD					
Departmental receipts	18,018			25,287	
Actual amounts per statement of financial performance (total revenue)	2,211,320			2,792,825	
Actual amounts per statement of financial performance (total expenditure)		2,039,754			2,509,896

LIMPOPO PROVINCIAL DEPARTMENT OF COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Appropriation per economic classification									
	2020/21							2019/20	
	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	1,215,830	(880)	(1,395)	1,213,555	1,157,540	56,015	95.4 %	1,266,365	1,218,235
Compensation of employees	1,051,960	-	-	1,051,960	1,003,348	48,612	95.4%	1,065,346	1,024,099
Salaries and wages	931,479	-	-	931,479	889,307	42,172	95.5%	948,644	908,638
Social contributions	120,481	-	-	120,481	114,041	6,440	94.7%	116,702	115,461
Goods and services	163,868	(880)	(1,395)	161,593	154,190	7,403	95.4%	201,019	194,136
Administrative fees	732	-	-	732	705	27	96.3%	918	916
Advertising	60	-	-	60	3	57	5.0%	569	569
Minor assets	315	-	-	315	-	315	-	703	693
Audit costs: External	8,031	-	538	8,569	8,569	-	100.0%	7,547	7,547
Bursaries: Employees	1,386	-	-	1,386	1,374	12	99.1%	1,525	1,525
Catering: Departmental activities	229	-	-	229	72	157	31.4%	1,613	1,316
Communication	14,295	-	-	14,295	14,291	4	100.0%	16,013	16,013
Computer services	16,254	(880)	400	15,774	15,749	25	99.8%	12,168	12,009
Consultants: Business and advisory services	1,988	-	(700)	1,288	1,265	23	98.2%	14,744	10,743
Legal services	4,646	-	892	5,538	5,237	301	94.6%	4,052	4,052
Contractors	5,416	-	-	5,416	4,611	805	85.1%	5,312	5,304

LIMPOPO PROVINCIAL DEPARTMENT OF COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Appropriation per economic classification									
2020/21								2019/20	
	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
Entertainment	231	-	-	231	222	9	96.1%	189	188
Fleet services	3,961	-	-	3,961	3,959	2	99.9%	6,164	6,164
Consumable supplies	1,904	-	-	1,904	1,405	499	73.8%	1,538	1,505
Consumable: Stationery, printing and office supplies	3,035	-	-	3,035	2,582	453	85.1%	4,125	3,802
Operating leases	58,927	-	-	58,927	58,257	670	98.9%	53,771	53,771
Property payments	24,840	-	-	24,840	24,769	71	99.7%	24,673	24,666
Transport provided: Departmental activity	3,460	-	(1,756)	1,704	1,613	91	94.7%	-	-
Travel and subsistence	9,649	-	(769)	8,880	6,473	2,407	72.9%	39,070	37,454
Training and development	-	-	-	-	-	-	-	2,754	2,754
Operating payments	2,838	-	-	2,838	1,745	1,093	61.5%	835	788
Venues and facilities	1,671	-	-	1,671	1,289	382	77.1%	2,736	2,357
Interest and rent on land	2	-	-	2	2	-	100.0%	-	-
Interest	2	-	-	2	2	-	100.0%	-	-
Transfers and subsidies	937,458	-	-	937,458	854,630	82,828	91.2 %	1,430,525	1,239,935
Provinces and municipalities	3,381	-	-	3,381	2,550	831	75.4%	3,065	2,842
Provinces	3,381	-	-	3,381	2,550	831	75.4%	-	-
Provincial agencies and funds	3,381	-	-	3,381	2,550	831	75.4%	-	-
Municipalities	-	-	-	-	-	-	-	3,065	2,842

LIMPOPO PROVINCIAL DEPARTMENT OF COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Appropriation per economic classification									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Municipal agencies and funds	-	-	-	-	-	-	-	3,065	2,842
Departmental agencies and accounts	6	-	-	6	6	-	100.0%	13	13
Departmental agencies and accounts	6	-	-	6	6	-	100.0%	13	13
Non-profit institutions	6,474	-	-	6,474	4,445	2,029	68.7%	5,623	4,506
Households	927,597	-	-	927,597	847,629	79,968	91.4%	1,421,824	1,232,574
Social benefits	16,352	-	-	16,352	14,311	2,041	87.5%	7,758	7,757
Other transfers to households	911,245	-	-	911,245	833,318	77,927	91.4%	1,414,066	1,224,817
Payments for capital assets	40,014	-	1,395	41,409	26,704	14,705	64.5%	62,448	45,528
Buildings and other fixed structures	27,800	-	-	27,800	17,088	10,712	61.5%	49,500	33,416
Other fixed structures	27,800	-	-	27,800	17,088	10,712	61.5%	49,500	33,416
Machinery and equipment	12,214	-	1,395	13,609	9,616	3,993	70.7%	12,918	12,082
Transport equipment	3,596	-	(205)	3,391	3,182	209	93.8%	-	-
Other machinery and equipment	8,618	-	1,600	10,218	6,434	3,784	63.0%	12,918	12,082
Intangible assets	-	-	-	-	-	-	-	30	30
Payments for financial assets	-	880	-	880	880	-	100.0%	8,200	6,198
	2,193,302	-	-	2,193,302	2,039,754	153,548	93.0%	2,767,538	2,509,896

**LIMPOPO PROVINCIAL DEPARTMENT OF COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11**

**APPROPRIATION STATEMENT
for the year ended 31 March 2021**

Statutory Appropriation per economic classification									
2020/21								2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1,978	-	-	1,978	1,978	-	100.0 %	1,978	1,940
Compensation of employees	1,978	-	-	1,978	1,978	-	100.0%	1,978	1,940
Total	1,978	-	-	1,978	1,978	-	100.0 %	1,978	1,940

LIMPOPO PROVINCIAL DEPARTMENT OF COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 1: ADMINISTRATION									
	2020/21							2019/20	
	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. CORPORATE SERVICES	361,910	-	3,430	365,340	344,902	20,438	94.4%	374,065	368,882
Total for sub programmes	361,910	-	3,430	365,340	344,902	20,438	94.4 %	374,065	368,882
Economic classification									
Current payments	344,665			345,615			95.1 %	355,631	
		(880)	1,830		328,660	16,955			352,856
Compensation of employees	201,899	-	-	201,899	186,744	15,155	92.5%	199,101	196,892
Salaries and wages	172,725	-	-	172,725	159,743	12,982	92.5%	171,793	169,928
Social contributions	29,174	-	-	29,174	27,001	2,173	92.6%	27,308	26,964
Goods and services	142,764	(880)	1,830	143,714	141,914	1,800	98.7%	156,530	155,964
Advertising	60	-	-	60	3	57	5.0%	569	569
Minor assets	44	-	-	44	-	44	-	8	8
Audit costs: External	8,031	-	538	8,569	8,569	-	100.0%	7,547	7,547
Bursaries: Employees	1,283	-	-	1,283	1,271	12	99.1%	1,525	1,525
Catering: Departmental activities	2	-	-	2	2	-	100.0%	394	394
Communication	14,295	-	-	14,295	14,291	4	100.0%	15,922	15,922
Computer services	16,254	(880)	400	15,774	15,749	25	99.8%	12,168	12,009
Consultants: Business and advisory services	60	-	-	60	39	21	65.0%	7,144	7,144
Legal services	3,594	-	892	4,486	4,425	61	98.6%	4,052	4,052
Contractors	4,807	-	-	4,807	4,255	552	88.5%	5,306	5,299
Entertainment	193	-	-	193	193	-	100.0%	189	188
Fleet services	3,961	-	-	3,961	3,959	2	99.9%	6,164	6,164

LIMPOPO PROVINCIAL DEPARTMENT OF COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 1: ADMINISTRATION									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Consumable supplies	1,053	-	-	1,053	819	234	77.8%	539	539
Consumable: Stationery, printing and office supplies	2,626	-	-	2,626	2,582	44	98.3%	4,057	3,735
Operating leases	58,264	-	-	58,264	58,257	7	100.0%	53,305	53,305
Property payments	24,829	-	-	24,829	24,769	60	99.8%	24,657	24,650
Travel and subsistence	2,629	-	-	2,629	2,221	408	84.5%	8,596	8,541
Training and development	-	-	-	-	-	-	-	2,754	2,754
Operating payments	686	-	-	686	457	229	66.6%	617	602
Venues and facilities	93	-	-	93	53	40	57.0%	1,017	1,017
Interest and rent on land	2	-	-	2	2	-	100.0%	-	-
Interest	2	-	-	2	2	-	100.0%	-	-
Transfers and subsidies	11,509	-	-	11,509	9,479	2,030	82.4 %	5,985	5,762
Provinces and municipalities	3,361	-	-	3,361	2,550	811	75.9%	3,065	2,842
Provinces	3,361	-	-	3,361	2,550	811	75.9%	-	-
Provincial agencies and funds	3,361	-	-	3,361	2,550	811	75.9%	-	-
Municipalities	-	-	-	-	-	-	-	3,065	2,842
Municipal agencies and funds	-	-	-	-	-	-	-	3,065	2,842
Departmental agencies and accounts	6	-	-	6	6	-	100.0%	13	13
Departmental agencies	6	-	-	6	6	-	100.0%	13	13
Households	8,142	-	-	8,142	6,923	1,219	85.0%	2,907	2,907
Social benefits	8,142	-	-	8,142	6,923	1,219	85.0%	2,520	2,520
Other transfers to households	-	-	-	-	-	-	-	387	387

LIMPOPO PROVINCIAL DEPARTMENT OF COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 1: ADMINISTRATION									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	5,736	-	1,600	7,336	5,883	1,453	80.2 %	4,249	4,066
Machinery and equipment	5,736	-	1,600	7,336	5,883	1,453	80.2%	4,219	4,036
Other machinery and equipment	5,736	-	1,600	7,336	5,883	1,453	80.2%	4,219	4,036
Intangible assets	-	-	-	-	-	-	-	30	30
Payments for financial assets	-	880	-	880	880	-	100.0 %	8,200	6,198
Total	361,910	-	3,430	365,340	344,902	20,438	94.4 %	374,065	368,882

1.1 CORPORATE SERVICES									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	344,665	(880)	1,830	345,615	328,660	16,955	95.1 %	355,631	352,856
Compensation of employees	201,899	-	-	201,899	186,744	15,155	92.5%	199,101	196,892
Goods and services	142,764	(880)	1,830	143,714	141,914	1,800	98.7%	156,530	155,964
Interest and rent on land	2	-	-	2	2	-	100.0%	-	-
Transfers and subsidies	11,509	-	-	11,509	9,479	2,030	82.4 %	5,985	5,762
Provinces and municipalities	3,361	-	-	3,361	2,550	811	75.9%	3,065	2,842
Departmental agencies and accounts	6	-	-	6	6	-	100.0%	13	13
Households	8,142	-	-	8,142	6,923	1,219	85.0%	2,907	2,907

LIMPOPO PROVINCIAL DEPARTMENT OF COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2021

1.1 CORPORATE SERVICES									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	5,736	-	1,600	7,336	5,883	1,453	80.2 %	4,249	4,066
Machinery and equipment	5,736	-	1,600	7,336	5,883	1,453	80.2%	4,219	4,036
Payments for financial assets	-	880		880	880	-	100.0 %	8,200	6,198
Total	361,910	-	3,430	365,340	344,902	20,438	94.4 %	374,065	368,882

Programme 2: HUMAN SETTLEMENTS									
	2020/21							2019/20	
	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. HOUSING NEEDS, RESEARCH AND PLANNING	38,392	-	(335)	38,057	36,678	1,379	96.4%	58,995	58,864
2. HOUSING DEVELOPMENT, IMPLEMENTATION, PLANNING AND TARGETS	944,943	-	(1,756)	943,187	864,644	78,543	91.7%	1,392,812	1,237,779
3. HOUSING ASSET MANAGEMENT AND PROPERTY MANAGEMENT	48,504	-	(43)	48,461	39,591	8,870	81.7%	87,909	49,571
Total for sub programmes	1,031,839	-	(2,134)	1,029,705	940,913	88,792	91.4 %	1,539,716	1,346,214
Economic classification									

LIMPOPO PROVINCIAL DEPARTMENT OF COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 2: HUMAN SETTLEMENTS									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	119,395	-	(2,134)	117,261	106,528	10,733	90.8 %	126,224	122,087
Compensation of employees	112,638	-	-	112,638	102,790	9,848	91.3%	111,552	107,447
Salaries and wages	98,855	-	-	98,855	90,024	8,831	91.1%	98,622	94,331
Social contributions	13,783	-	-	13,783	12,766	1,017	92.6%	12,930	13,116
Goods and services	6,757	-	(2,134)	4,623	3,738	885	80.9%	14,672	14,640
Administrative fees	721	-	-	721	699	22	96.9%	902	902
Minor assets	69	-	-	69	-	69	-	-	-
Catering: Departmental activities	9	-	-	9	-	9	-	224	224
Consultants: Business and advisory services	628	-	-	628	626	2	99.7%	2,033	2,033
Consumable supplies	-	-	-	-	-	-	-	3	3
Consumable: Stationery, printing and office supplies	-	-	-	-	-	-	-	40	39
Operating leases	318	-	-	318	-	318	-	466	466
Property payments	11	-	-	11	-	11	-	16	16
Transport provided: Departmental activity	3,460	-	(1,756)	1,704	1,613	91	94.7%	-	-
Travel and subsistence	1,329	-	(378)	951	620	331	65.2%	10,523	10,491
Training and development	-	-	-	-	-	-	-	-	-
Operating payments	71	-	-	71	63	8	88.7%	81	81
Venues and facilities	141	-	-	141	117	24	83.0%	384	385
Transfers and subsidies	912,173	-	-	912,173	834,166	78,007	91.4 %	1,413,178	1,223,934
Provinces and municipalities	20	-	-	20	-	20	-	-	-
Provinces	20	-	-	20	-	20	-	-	-
Provincial agencies and funds	20	-	-	20	-	20	-	-	-

LIMPOPO PROVINCIAL DEPARTMENT OF COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 2: HUMAN SETTLEMENTS									
	2020/21							2019/20	
	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
Households	912,153	-	-	912,153	834,166	77,987	91.5%	1,413,178	1,223,934
Social benefits	908	-	-	908	848	60	93.4%	393	393
Other transfers to households	911,245	-	-	911,245	833,318	77,927	91.4%	1,412,785	1,223,541
Payments for capital assets	271	-	-	271	219	52	80.8%	314	193
Machinery and equipment	271	-	-	271	219	52	80.8%	314	193
Other machinery and equipment	271	-	-	271	219	52	80.8%	314	193
Total	1,031,839	-	(2,134)	1,029,705	940,913	88,792	91.4%	1,539,716	1,346,214

2.1 HOUSING NEEDS, RESEARCH AND PLANNING									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	18,572	-	-	18,572	17,646	926	95.0%	18,295	18,167
Goods and services	1,133	-	(335)	798	457	341	57.3%	2,710	2,707
Transfers and subsidies	18,416	-	-	18,416	18,356	60	99.7%	37,990	37,990
Households	18,416	-	-	18,416	18,356	60	99.7%	37,990	37,990
Payments for capital assets	271	-	-	271	219	52	80.8%	-	-
Machinery and equipment	271	-	-	271	219	52	80.8%	-	-
Total	38,392	-	(335)	38,057	36,678	1,379	96.4%	58,995	58,864

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**APPROPRIATION STATEMENT
for the year ended 31 March 2021**

2.2 HOUSING DEVELOPMENT, IMPLEMENTATION, PLANNING AND TARGETS									
2020/21								2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	61,156	-	-	61,156	52,846	8,310	86.4%	57,313	55,150
Goods and services	3,796	-	(1,756)	2,040	1,616	424	79.2%	7,223	7,220
Transfers and subsidies	879,991	-	-	879,991	810,182	69,809	92.1%	1,328,276	1,175,409
Social benefits	136			136	136	-	100.0%	78	78
Households	879,855			879,855	810,046	69,809	92.1%	1,328,198	1,175,331
Total	944,943	-	(1,756)	943,187	864,644	78,543	91.7 %	1,392,812	1,237,779

2.3 HOUSING ASSET MANAGEMENT AND PROPERTY MANAGEMENT									
2020/21								2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	32,910	-	-	32,910	32,298	612	98.1%	35,944	34,130
Goods and services	1,828	-	(43)	1,785	1,665	120	93.3%	4,739	4,713
Transfers and subsidies	13,766	-	-	13,766	5,628	8,138	40.9 %	46,912	10,535
Provinces and municipalities	20	-	-	20	-	20	-	-	-
Households	13,746	-	-	13,746	5,628	8,118	40.9%	46,912	10,535
Payments for capital assets	-	-	-	-	-	-	-	314	193
Machinery and equipment	-	-	-	-	-	-	-	314	193

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2.3 HOUSING ASSET MANAGEMENT AND PROPERTY MANAGEMENT									
2020/21								2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Total	48,504	-	(43)	48,461	39,591	8,870	81.7 %	87,909	49,571

Programme 3: COOPERATIVE GOVERNANCE									
2020/21								2019/20	
	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. LOCAL GOVERNANCE	220,200	-	(345)	219,855	210,645	9,210	95.8%	240,517	228,896
2. DEVELOPMENT PLANNING	59,770	-	(746)	59,024	52,967	6,057	89.7%	69,738	61,883
Total for sub programmes	279,970	-	(1,091)	278,879	263,612	15,267	94.5 %	310,255	290,779
Economic classification									
Current payments	274,249	-	(1,091)	273,158	259,947	13,211	95.2 %	302,835	283,642
Compensation of employees	266,816	-	-	266,816	255,668	11,148	95.8%	285,866	268,583
Salaries and wages	229,041	-	-	229,041	218,026	11,015	95.2%	246,514	230,089
Social contributions	37,775	-	-	37,775	37,642	133	99.6%	39,352	38,494
Goods and services	7,433	-	(1,091)	6,342	4,279	2,063	67.5%	16,969	15,059
Administrative fees	11	-	-	11	6	5	54.5%	16	14
Minor assets	9	-	-	9	-	9	-	22	12
Catering: Departmental activities	89	-	-	89	13	76	14.6%	509	361
Consultants: Business and advisory services	1,300	-	(700)	600	600	-	100.0%	870	844
Legal services	952	-	-	952	812	140	85.3%	-	-
Consumable supplies	593	-	-	593	365	228	61.6%	400	367

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APPROPRIATION STATEMENT
for the year ended 31 March 2021

Programme 3: COOPERATIVE GOVERNANCE									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Travel and subsistence	3,702	-	(391)	3,311	1,969	1,342	59.5%	13,881	12,534
Operating payments	205	-	-	205	81	124	39.5%	137	105
Venues and facilities	572	-	-	572	433	139	75.7%	1,134	822
Transfers and subsidies	4,184	-	-	4,184	3,423	761	81.8 %	4,128	4,123
Households	4,184	-	-	4,184	3,423	761	81.8%	4,128	4,123
Social benefits	4,184	-	-	4,184	3,423	761	81.8%	3,297	3,297
Other transfers to households	-	-	-	-	-	-	-	831	826
Payments for capital assets	1,537	-	-	1,537	242	1,295	15.7 %	3,292	3,014
Machinery and equipment	1,537	-	-	1,537	242	1,295	15.7%	3,292	3,014
Other machinery and equipment	1,537	-	-	1,537	242	1,295	15.7%	3,292	3,014
Total	279,970	-	(1,091)	278,879	263,612	15,267	94.5 %	310,255	290,779

3.1 LOCAL GOVERNANCE									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	217,041	-	(345)	216,696	209,149	7,547	96.5 %	234,895	223,480
Compensation of employees	212,339	-	-	212,339	206,239	6,100	97.1%	223,612	213,855
Goods and services	4,702	-	(345)	4,357	2,910	1,447	66.8%	11,283	9,625
Transfers and subsidies	1,700	-	-	1,700	1,325	375	77.9 %	2,842	2,840
Households	1,700	-	-	1,700	1,325	375	77.9%	2,842	2,840

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for the year ended 31 March 2021

3.1 LOCAL GOVERNANCE									
2020/21								2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	1,459	-	-	1,459	171	1,288	11.7 %	2,780	2,576
Machinery and equipment	1,459	-	-	1,459	171	1,288	11.7%	2,780	2,576
Total	220,200	-	(345)	219,855	210,645	9,210	95.8 %	240,517	228,896

3.2: DEVELOPMENT PLANNING									
2020/21								2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	57,208	-	(746)	56,462	50,798	5,664	90.0 %	67,940	60,162
Compensation of employees	54,477	-	-	54,477	49,429	5,048	90.7%	62,254	54,728
Goods and services	2,731	-	(746)	1,985	1,369	616	69.0%	5,686	5,434
Transfers and subsidies	2,484	-	-	2,484	2,098	386	84.5 %	1,286	1,283
Households	2,484	-	-	2,484	2,098	386	84.5%	1,286	1,283
Payments for capital assets	78	-	-	78	71	7	91.0 %	512	438
Machinery and equipment	78	-	-	78	71	7	91.0%	512	438
Total	59,770	-	(746)	59,024	52,967	6,057	89.7 %	69,738	61,883

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**APPROPRIATION STATEMENT
for the year ended 31 March 2021**

Programme 4: TRADITIONAL INSTITUTIONAL DEVELOPMENT									
	2020/21							2019/21	
	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. TRADITIONAL INSTITUTIONAL ADMIN	511,743	-	(205)	511,538	483,210	28,328	94.5%	533,897	495,512
2. ADMINISTRATION OF HOUSES OF TRADITIONAL LEADERS	5,862	-	-	5,862	5,139	723	87.7%	7,627	6,569
Total for sub programmes	517,605	-	(205)	517,400	488,349	29,051	94.4%	541,524	502,081
Economic classification									
Current payments	475,543	-	-	475,543	460,427	15,116	96.8%	479,697	457,710
Compensation of employees	468,629	-	-	468,629	456,168	12,461	97.3%	466,849	449,237
Salaries and wages	429,154	-	-	429,154	419,810	9,344	97.8%	429,997	412,610
Social contributions	39,475	-	-	39,475	36,358	3,117	92.1%	36,852	36,627
Goods and services	6,914	-	-	6,914	4,259	2,655	61.6%	12,848	8,473
Minor assets	193	-	-	193	-	193	-	673	673
Bursaries: Employees	103	-	-	103	103	-	100.0%	-	-
Catering: Departmental activities	129	-	-	129	57	72	44.2%	486	337
Communication	-	-	-	-	-	-	-	91	91
Consultants: Business and advisory services	-	-	-	-	-	-	-	4,697	722
Legal services	100	-	-	100	-	100	-	-	-
Contractors	609	-	-	609	356	253	58.5%	6	5
Entertainment	38	-	-	38	29	9	76.3%	-	-
Consumable supplies	258	-	-	258	221	37	85.7%	596	596
Consumable: Stationery, printing and office supplies	409	-	-	409	-	409	-	28	28

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Programme 4: TRADITIONAL INSTITUTIONAL DEVELOPMENT									
	2020/21							2019/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Operating leases	345	-	-	345	-	345	-	-	-
Travel and subsistence	1,989	-	-	1,989	1,663	326	83.6%	6,070	5,888
Operating payments	1,876	-	-	1,876	1,144	732	61.0%	-	-
Venues and facilities	865	-	-	865	686	179	79.3%	201	133
Transfers and subsidies	9,592	-	-	9,592	7,562	2,030	78.8%	7,234	6,116
Non-profit institutions	6,474	-	-	6,474	4,445	2,029	68.7%	5,623	4,506
Households	3,118	-	-	3,118	3,117	1	100.0%	1,611	1,610
Social benefits	3,118	-	-	3,118	3,117	1	100.0%	1,548	1,547
Other transfers to households	-	-	-	-	-	-	-	63	63
Payments for capital assets	32,470	-	(205)	32,265	20,360	11,905	63.1%	54,593	38,255
Buildings and other fixed structures	27,800	-	-	27,800	17,088	10,712	61.5%	49,500	33,416
Other fixed structures	27,800	-	-	27,800	17,088	10,712	61.5%	49,500	33,416
Machinery and equipment	4,670	-	(205)	4,465	3,272	1,193	73.3%	5,093	4,839
Transport equipment	3,596	-	(205)	3,391	3,182	209	93.8%	-	-
Other machinery and equipment	1,074	-	-	1,074	90	984	8.4%	5,093	4,839
Total	517,605	-	(205)	517,400	488,349	29,051	94.4%	541,524	502,081

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APPROPRIATION STATEMENT
for the year ended 31 March 2021

4.1 TRADITIONAL INSTITUTIONAL ADMIN									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	470,169	-	-	470,169	455,643	14,526	96.9 %	472,170	451,178
Compensation of employees	463,727	-	-	463,727	451,788	11,939	97.4%	461,497	444,773
Goods and services	6,442	-	-	6,442	3,855	2,587	59.8%	10,673	6,405
Transfers and subsidies	9,326	-	-	9,326	7,297	2,029	78.2 %	7,234	6,116
Non-profit institutions	6,474	-	-	6,474	4,445	2,029	68.7%	5,623	4,506
Households	2,852	-	-	2,852	2,852	-	100.0%	1,611	1,610
Payments for capital assets	32,248	-	(205)	32,043	20,270	11,773	63.3 %	54,493	38,218
Buildings and other fixed structures	27,800	-	-	27,800	17,088	10,712	61.5%	49,500	33,416
Machinery and equipment	4,448	-	(205)	4,243	3,182	1,061	75.0%	4,993	4,802
Total	511,743	-	(205)	511,538	483,210	28,328	94.5 %	533,897	495,512

4.2 ADMINISTRATION OF HOUSES OF TRADITIONAL LEADERS									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	5,374	-	-	5,374	4,784	590	89.0 %	7,527	6,532
Compensation of employees	4,902	-	-	4,902	4,380	522	89.4%	5,352	4,464
Goods and services	472	-	-	472	404	68	85.6%	2,175	2,068
Transfers and subsidies	266	-	-	266	265	1	99.6 %	-	-
Households	266	-	-	266	265	1	99.6%	-	-

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4.2 ADMINISTRATION OF HOUSES OF TRADITIONAL LEADERS									
2020/21								2019/20	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Payments for capital assets	222	-	-	222	90	132	40.5 %	100	37
Machinery and equipment	222	-	-	222	90	132	40.5%	100	37
Total	5,862	-	-	5,862	5,139	723	87.7 %	7,627	6,569

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**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2021**

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	367,318	346,880	20,438	6%
Underspending is mainly on Compensation of Employees which resulted from delay in filling of vacant funded positions as well as delay in procurement processes.				
Human Settlement	1,029,705	940,913	88,792	9%
Underspending is mainly on goods and services for the non- travelling of project managers which was affected by the Covid - 19 regulations. Consultants as planning and surveyor service providers could not go to site. There were challenges experienced during purchasing of protective clothing and fixing of water and sewer pipes in 28 Market Street				
Corporate Governance	278,879	263,612	15,267	5%
Underspending is mainly on Goods and service due to the delay in procurement of disaster related items as well as non-travelling by Municipal Support officials due to Covid - 19 restrictions				
Traditional Institutional Development	517,400	488,349	29,051	6%
Underspending is mainly on Goods and service and payment of capital assets as result of non-travelling of Senior Traditional Leaders as well as operational costs within Kings/Queenship institutions due to Covid19 restrictions and construction of the Traditional Council office				

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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	1,051,960	1,003,344	48,616	5%
Goods and services	161,593	154,194	7,399	5%
Interest and rent on land	2	2	-	0%
Transfers and subsidies				
Provinces and municipalities	3,381	2,550	831	25%
Departmental agencies and accounts	6	6	-	0%
Non-profit institutions	6,474	4,445	2,029	31%
Households	927,597	847,629	79,968	9%
Payments for capital assets				
Buildings and other fixed structures	27,800	17,088	10,712	39%
Machinery and equipment	13,609	9,616	3,993	29%
Heritage assets				
Specialised military assets				
Biological assets				
Land and subsoil assets				
Intangible assets				
Payments for financial assets	880	880	-	0%

Compensation of Employees: Under spending of 5% is as a result of unfilled funded vacant positions due to delay in the finalization of Departmental structure review process as well as unpaid annual increments.

Goods and Services: The overall percentage under spending of 5% is due to non-travelling of Departmental Project Managers and Municipal Support officials as well as operational costs within Kings/Queenship institutions due to Covid - 19 restrictions. Expenditure is in respect of equitable share.

Provinces and Municipalities: Underspending is on rates and taxes.

Non-Profit institutions: Underspending is in respect of subsidy for Traditional Leaders inauguration events and death subsidy-cover for Senior Traditional Leaders which is difficult to predict.

Households: Underspending is mainly on Title Deed Restoration Grant due to few townships that were proclaimed to enable title deed registration processed.

Buildings and other fixed structures: Underspending is as a result of challenges experienced with contractors responsible for construction of Traditional Council offices leading to other projects having to be stopped.

Machinery and equipment: Underspending is mainly as a result of procurement processes for Community Development Workers' laptops and purchase of MEC vehicles which could not be finalized before financial year-end.

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**NOTES TO THE APPROPRIATION STATEMENT
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4.3 Per conditional grant	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Human settlement grant	898,161	828,353	69,808	8%
EPWP Integrated grant	3,276	1,231	2,045	62%
Tittle Deeds grant	13,080	4,962	8,118	62%

The underspending is mainly on Title deeds registration due to few proclaimed townships and EPWP late appointment of EPWP workers due to Covid19 lock-down pandemic.

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**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2021**

	Note	2020/21 R'000	2019/20 R'000
REVENUE			
Annual appropriation	<u>1</u>	2,191,324	2,765,560
Statutory appropriation	<u>2</u>	1,978	1,978
Departmental revenue	<u>3</u>	18,018	25,287
TOTAL REVENUE		2,211,320	2,792,825
EXPENDITURE			
Current expenditure			
Compensation of employees	<u>4</u>	1,003,344	1,024,100
Goods and services	<u>5</u>	154,194	194,141
Interest and rent on land	<u>6</u>	2	-
Total current expenditure		1,157,540	1,218,241
Transfers and subsidies			
Transfers and subsidies	<u>8</u>	854,630	1,239,933
Total transfers and subsidies		854,630	1,239,933
Expenditure for capital assets			
Tangible assets	<u>9</u>	26,704	45,495
Intangible assets	<u>9</u>	-	30
Total expenditure for capital assets		26,704	45,525
Payments for financial assets	<u>7</u>	880	6,197
TOTAL EXPENDITURE		2,039,754	2,509,896
SURPLUS/(DEFICIT) FOR THE YEAR		171,566	282,929

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**STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2021**

Reconciliation of Net Surplus/(Deficit) for the year

Voted funds	153,548	257,642
Annual appropriation	73,577	68,399
Conditional grants	79,971	189,243
Departmental revenue and NRF Receipts	<u>18,018</u>	<u>25,287</u>
SURPLUS/ (DEFICIT) FOR THE YEAR	<u>171,566</u>	<u>282,929</u>

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**STATEMENT OF FINANCIAL POSITION
as at 31 March 2021**

	<i>Note</i>	2020/21 R'000	2019/20 R'000
ASSETS			
Current assets		317,617	258,798
Cash and cash equivalents	<u>10</u>	73,826	85,051
Prepayments and advances	<u>11</u>	225,889	156,243
Receivables	<u>12</u>	17,902	17,504
Non-current assets		113	117
Receivables	<u>12</u>	113	117
TOTAL ASSETS		317,730	258,915
LIABILITIES			
Current liabilities		317,404	258,567
Voted funds to be surrendered to the Revenue Fund	<u>13</u>	304,790	257,642
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>14</u>	10,156	663
Payables	<u>15</u>	2,458	262
TOTAL LIABILITIES		317,404	258,567
NET ASSETS		326	348
Represented by:			
Recoverable revenue		326	348
TOTAL		326	348

<i>Note</i>	2020/21 R'000	2019/20 R'000
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**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2021**

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Recoverable revenue			
Opening balance		348	384
Transfers:		-22	-36
Irrecoverable amounts written off	<u>7.1</u>	-	-153
Debts revised			-
Debts recovered (included in departmental receipts)		-154	-560
Debts raised		132	677
Closing balance		326	348
TOTAL		326	348

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**CASH FLOW STATEMENT
for the year ended 31 March 2021**

	Note	2020/21 R'000	2019/20 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		2,210,934	2,792,825
Annual appropriated funds received	<u>1.1</u>	2,191,323	2,765,560
Statutory appropriated funds received	<u>2</u>	1,978	1,978
Departmental revenue received	<u>3</u>	12,659	3,439
Interest received	<u>3.3</u>	4,974	21,848
Net (increase)/decrease in working capital		-67,848	-145,601
Surrendered to Revenue Fund		-114,924	-120,102
Current payments		-1,157,538	-1,218,241
Interest paid	<u>6</u>	-2	-
Payments for financial assets		-880	-6,197
Transfers and subsidies paid		-854,630	-1,239,933
Net cash flow available from operating activities	<u>16</u>	15,112	62,751
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	<u>9</u>	-26,704	-45,525
Proceeds from sale of capital assets	<u>3.3</u>	385	-
(Increase)/decrease in non-current receivables	<u>12</u>	4	76
Net cash flows from investing activities		-26,315	-45,449
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		-22	-36
Increase/(decrease) in non-current payables		-	-
Net cash flows from financing activities		-22	-36
Net increase/(decrease) in cash and cash equivalents		-11,225	17,266
Cash and cash equivalents at beginning of period		85,051	67,785
Unrealised gains and losses within cash and cash equivalents		-	-
Cash and cash equivalents at end of period	<u>17</u>	73,826	85,051

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2021

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

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	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: - 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

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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. Operating lease payments received are recognised as departmental revenue. The operating lease commitments are recorded in the notes to the financial statements. Operating lease payments received are recognised as departmental revenue.
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. Finance lease payments received are recognised as departmental revenue. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: • 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. Finance lease payments received are recognised as departmental revenue.
9	Aid Assistance
9.1	Aid assistance received Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.
9.2	Aid assistance paid Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.
10	Cash and cash equivalents Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.
11	Prepayments and advances Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost.

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12	Loans and receivables 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.
13	Investments Investments are recognised in the statement of financial position at cost.
14	Financial assets
14.1	Financial assets (not covered elsewhere) 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. 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.
14.2	Impairment of financial assets 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.
15	Payables Payables recognised in the statement of financial position are recognised at cost.
16	Capital Assets
16.1	Immovable capital assets 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. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.
16.2	Movable capital assets 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. 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. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.

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	Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.
16.3	Intangible assets 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. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. 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. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.
16.4	Project Costs: Work-in-progress Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid. 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. Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.
17	Provisions and Contingents
17.1	Provisions 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.
17.2	Contingent notes 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

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	reliably.
17.3	Contingent assets 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.
17.4	Capital commitments Capital commitments are recorded at cost in the notes to the financial statements.
18	Unauthorised expenditure Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either: • 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. Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.
19	Fruitless and wasteful expenditure 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. Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off. 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	Irregular expenditure Irregular expenditure is recorded in the notes to the financial statements when confirmed after its assessment. 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. Irregular expenditure is reduced from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off. Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.
21	Changes in accounting estimates and errors 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.
22	Events after the reporting date

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	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.
23	Principal-Agent arrangements The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal / agent] and is responsible for [include details here]. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.
24	Departures from the MCS requirements Management has concluded that the financial statements present fairly the department's primary and secondary information and has not departed from a particular requirement to achieve fair presentation.
25	Capitalisation reserve 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.
26	Recoverable revenue 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.
27	Related party transactions 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. The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.
28	Inventories At the date of acquisition, inventories are recognised at cost in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition. 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. The cost of inventories is assigned by using the weighted average cost basis.
29	Public-Private Partnerships 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. A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date

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	of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.
30	Employee benefits The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.
31	Transfers of functions 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. 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.
32	Mergers 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. 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.

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**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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PART B: EXPLANATORY NOTES

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:

	2020/21			2019/20		
	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	365,340	365,340	-	374,065	374,065	-
Human Settlement	1,029,705	1,029,704	1	1,539,716	1,539,716	-
Co-operative Governance	278,879	278,879	-	310,255	310,255	-
Traditional Institutional Development	517,400	517,400	-	541,524	541,524	-
Total	2,191,324	2,191,323	1	2,765,560	2,765,560	

Actual funds received is composed of equitable share of R1,278,765, Human Settlement Grant of R898,160, Title Deeds Restoration grant of R13,080 as well as Expanded Public Works programme of R3,276.

The Human Settlement Grant has been underpaid by R1 and this will be withheld from surrenders to Treasury that will be made.

1.2 Conditional grants

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Total grants received	34	914,516	1,411,594

Conditional Grants consist of Human Settlement Grant, Title Deeds restoration Grant as well as Expended Public Works Programme Grant

No Provincial grants were received.

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2. Statutory Appropriation

	2020/21 R'000	2019/20 R'000
Member of Executive Council	1,978	1,978
Total	<u>1,978</u>	<u>1,978</u>
Actual Statutory Appropriation received	<u>1,978</u>	<u>1,978</u>

3. Departmental revenue

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Tax revenue			
Sales of goods and services other than capital assets	3.1	1,228	1,292
Interest, dividends and rent on land	3.2	5,074	21,939
Sales of capital assets	3.3	385	-
Transactions in financial assets and liabilities	3.4	11,331	2,056
Departmental revenue collected		<u>18,018</u>	<u>25,287</u>

The under collection of revenue is as a result of interest received from Agencies. Comparative amount of prior year includes interest of more than one financial year.

3.1 Sales of goods and services other than capital assets

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Sales of goods and services produced by the department	3	1,100	1,292
Sales by market establishment		227	240
Administrative fees		3	6
Other sales		870	1,046
Sales of scrap, waste and other used current goods		128	-
Total		<u>1,228</u>	<u>1,292</u>

Sales of scrap took place in year 2019/20 and proceeds thereof not received and had been accrued. The amount has now been received in year 2020/21

Sales by market establishment includes revenues from parking

Other sales include commission on insurance and garnishee orders that are administered via the payroll system

Under collection of revenue as compared to the previous year is as a result of earlier closure of operations due Covid - 19 pandemic.

The sale of scrap relates to amount collected from the auction service provider. The auction sale took

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place in the prior year.

3.2 Interest, dividends and rent on land

	<i>Note</i> 3	2020/21 R'000	2019/20 R'000
Interest		4,974	21,848
Rent on land		100	91
Total		5,074	21,939

The under collection of revenue is as a result of interest received from Agencies. Comparative amount of prior year includes interest of more than one financial year.

Rent from MTN tower increased as a result of the normal escalation rate built into the lease agreement

3.3 Sale of capital assets

	<i>Note</i> 3	2020/21 R'000	2019/20 R'000
Tangible assets		385	-
Machinery and equipment	39	385	-
Total		385	-

Sales of Machinery and equipment took place in year 2019/20 and proceeds thereof not received and had been accrued.

The amount has now been received in year 2020/21

3.4 Transactions in financial assets and liabilities

	<i>Note</i> 3	2020/21 R'000	2019/20 R'000
Receivables		702	705
Other Receipts including Recoverable Revenue		10,629	1,351
Total		11,331	2,056

The increase in Transactions in financial assets and liabilities is as a result of recovery of R9 million from other Government entities as a result of top up funding.

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4. Compensation of employees

4.1 Salaries and Wages

	Note	2020/21 R'000	2019/20 R'000
Basic salary		583,663	594,820
Performance award		7,624	12,944
Service Based		406	574
Compensative/circumstantial		3,598	7,070
Periodic payments		-	347
Other non-pensionable allowances		294,012	292,885
Total		889,303	908,640

The reduction of compensation of employees is as a result of salary increases which were not implemented.

Retiring and resignation employees are not yet replaced.

The reduction in total performance award amount is as a result of the approved pay out percentages from DPSA, the approved percentage for the 2020/2021 of 0, 75% is a reduction of the prior year's approved 1,5%.

Only a few employees were awarded with performance award.

4.2 Social contributions

	Note	2020/21 R'000	2019/20 R'000
Employer contributions			
Pension		67,490	70,775
Medical		46,267	44,496
Bargaining council		183	177
Insurance		101	12
Total		114,041	115,460
Total compensation of employees		1,003,344	1,024,100
Average number of employees		1,935	1,983

Retiring and resigning employees are not yet replaced.

The reduction of compensation of employees is as a result of salary increases which were budgeted and not implemented.

Insurance is in respect of employer contributions on credit life of employees with subsidised transport.

The reduction in total performance award amount is as a result of the approved payout percentages from DPSA, the approved percentage for the 2020/2021 of 0, 75% is a reduction of the prior year's

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approved 1,5%.

5. Goods and services

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Administrative fees		705	915
Advertising		3	569
Minor assets	5.1	-	696
Bursaries (employees)		1,271	1,525
Catering		118	1,316
Communication		14,348	16,014
Computer services	5.2	15,749	12,009
Consultants: Business and advisory services		1,265	10,743
Legal services		5,236	4,053
Contractors		4,612	5,304
Entertainment		222	188
Audit cost – external	5.3	8,569	7,547
Fleet services		3,959	6,164
Consumables	5.4	3,989	5,308
Operating leases		58,257	53,771
Property payments	5.5	26,030	24,667
Travel and subsistence	5.6	7,971	37,452
Venues and facilities		1,289	2,357
Training and development		-	2,754
Other operating expenditure	5.7	601	789
Total		154,194	194,141

The reduction of expenditure is as a result of less travelling done due to Covid - 19 lockdown

5.1 Minor assets

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Tangible assets	5	-	696
Machinery and equipment		-	696
Total		-	696

No minor assets were procured in the financial year.

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5.2 Computer services

	Note 5	2020 / 21 R'000	2019 / 20 R'000
SITA computer services		9,605	8,166
External computer service providers		6,144	3,843
Total		15,749	12,009

The increase is as a result of staff using technology to hold meetings such as Microsoft Teams.

5.3 Audit cost – External

	Note 5	2020 / 21 R'000	2019 / 20 R'000
Regularity audits		8,569	7,107
Investigations		-	440
Total		8,569	7,547

General increases in prices of goods and services led to the increase in expenditure as compared to the previous year

5.4 Consumables

	Note 5	2020 / 21 R'000	2019 / 20 R'000
Consumable supplies		1,405	1,506
Uniform and clothing		-	686
Household supplies		1,392	521
IT consumables		13	-
Other consumables		-	299
Stationery, printing and office supplies		2,584	3,802
Total		3,989	5,308

The increase in household supplies is as a result of more cleaning materials that were purchased to assist the fight against Covid - 19

Stationery was reduced as some of the users were working from home and communicated mostly through electronic means

5.5 Property payments

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	Note	2020/21	2019/20
	5	R'000	R'000
Municipal services		3,330	4,173
Other		22,700	20,494
Total		26,030	24,667

*Other relates to cleaning and security costs expenditure incurred for the year.
The reduction of municipal services is a result of people working from home.*

5.6 Travel and subsistence

	Note	2020/21	2019/20
	5	R'000	R'000
Local		7,971	37,175
Foreign		-	277
Total		7,971	37,452

The reduction in travel and subsistence is a result of reduced km travelled in the performance of work by staff due to Covid - 19.

5.7 Other operating expenditure

	Note	2020/21	2019/20
	5	R'000	R'000
Professional bodies, membership and subscription fees		422	487
Other		179	302
Total		601	789

Other relates to costs in respect of insurance of subsidized vehicles of staff

6. Interest and rent on land

	Note	2020/21	2019/20
		R'000	R'000
Interest paid		2	-
Total		2	-

Interest paid is in respect of late payments on service providers accounts.

7. Payments for financial assets

Note	2020/21	2019/20
	R'000	R'000

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Debts written off	7.1	880	6,197
Total		880	6,197

The amount written off included only traditional leaders who are no longer with us. The prior year amount included an amount approved in the previous years for unblocking of RDP projects.

7.1 Debts written off

	<i>Note</i> 7	2020 / 21 R'000	2019 / 20 R'000
Nature of debts written off			
Other debt written off			
Staff Debts		880	534
Fruitless and Wasteful		-	5,663
Total		880	6,197
Total debt written off		880	6,197

The amount written off included only traditional leaders who are no longer with us. The prior year amount included an amount approved in the previous years for unblocking of RDP projects.

8. Transfers and subsidies

	<i>Note</i>	2020 / 21 R'000	2019 / 20 R'000
Provinces and municipalities	48, 49	2,550	2,842
Departmental agencies and accounts	Annexure 1B	6	13
Non-profit institutions	Annexure 1F	4,445	4,506
Households	Annexure 1G	847,629	1,232,572
Total		854,630	1,239,933

The reduction of the amount this year is as a result of budget cuts that occurred during the year in order to make funds available for other priorities of Government.

9. Expenditure for capital assets

	<i>Note</i>	2020 / 21 R'000	2019 / 20 R'000
Tangible assets		26,704	45,495
Buildings and other fixed structures	30.2	17,088	33,416

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Machinery and equipment	28.1	9,616	12,079
Intangible assets		-	30
Software	29.1	-	30
Total		26,704	45,525

The reduction of the expenditure on building and other fixed structures is as a result of most buildings are completed and a larger portion of their cost has been paid in the prior years.

9.1 Analysis of funds utilised to acquire capital assets – 2020/21

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	26,704		26,704
Buildings and other fixed structures	17,088		17,088
Machinery and equipment	9,616		9,616
Total	26,704		26,704

9.2 Analysis of funds utilised to acquire capital assets – 2019/20

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	45,495		45,495
Buildings and other fixed structures	33,416		33,416
Machinery and equipment	12,079		12,079
Intangible assets	30		30
Software	30		30
Total	45,525		45,525

9.3 Finance lease expenditure included in Expenditure for capital assets

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Tangible assets			
Machinery and equipment		343	499
Total		343	499

The reduction of the lease expenditure is as a result of lease that have reached their expiry period

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and were not renewed.

10. Cash and cash equivalents

	<i>Note</i>	2020 / 21 R'000	2019 / 20 R'000
Consolidated Paymaster General Account		73,811	85,029
Disbursements		15	22
Total		<u>73,826</u>	<u>85,051</u>

The reduction in the amount resulted from an increase in spending for the year under review as well as cuts in budget that resulted in money available to spend to be reduced.

The Department has no undrawn borrowing facilities

11. Prepayments and advances

	<i>Note</i>	2020 / 21 R'000	2019 / 20 R'000
Staff advances			
Travel and subsistence			
Prepayments (Not expensed)	<i>11.1</i>	5,000	5,000
Advances paid (Not expensed)	<i>11.2</i>	220,889	151,243
Total		<u>225,889</u>	<u>156,243</u>

Amount paid to attorneys in respect of defence of a case against the department

The amount of R220,889 represent amount paid in advance to HDA , Risima and Municipalities in respect of projects they are undertaking on behalf of the Department.

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11.1 Prepayments (Not expensed)

	<i>Note</i>	Balance as at 1 April 2020	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year prepayments	Balance as at 31 March 2021
	11	R'000	R'000	R'000	R'000	R'000
Transfers and subsidies		5,000	-	-	-	5,000
Total		5,000	-	-	-	5,000

	<i>Note</i>	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
	11	R'000	R'000	R'000	R'000	R'000
Transfers and subsidies		5,000	-	-	-	5,000
Total		5,000	-	-	-	5,000

11.2 Advances paid (Not Expensed)

	<i>Note</i>	Amount as at 1 April 2020	Less: Received in the current year	Add or Less: Other	Add: Current Year advances	Amount as at 31 March 2021
	11	R'000	R'000	R'000	R'000	R'000
Public entities		91,236		-117,230	226,092	200,098
Other entities		60,007		-39,216	-	20,791
Total		151,243		-156,446	226,092	220,889

The opening balance was changed as a result of additional information not accounted for in the prior year

The increase in the closing balance resulted from the current year advances that has no corresponding expenditure as yet.

The Department prepaid HDA for various projects to be undertaken by them.

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<i>Note</i>	Amount as at 1 April 2019	Less: Received in the current year	Add or Less: Other	Add: Current Year advances	Amount as at 31 March 2020
	R'000	R'000	R'000	R'000	R'000
Public entities	-	-	-	91,236	91,236
Other entities	-	-	-	60,007	60,007
Total	-	-	-	151,243	151,243

12. Receivables

		Current	2020/21 Non- current	Total	Current	2019/20 Non- current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Recoverable expenditure	<i>Note 12.1</i>	487	-	487	162	-	162
Staff debt	<i>12.2</i>	1,563	113	1,676	1,614	117	1,731
Fruitless and Wasteful Expenditure	<i>12.3</i>	15,728	-	15,728	15,728	-	15,728
Other receivables	<i>12.4</i>	124	-	124	-	-	-
Total		17,902	113	18,015	17,504	117	17,621

12.1 Recoverable expenditure (disallowance accounts)

	<i>Note 12</i>	2020/21 R'000	2019/20 R'000
Sal: Medical		-	8
Sal: Pension Fund		-	5
Salary Tax Debt		2	16
Disallowance Miscellaneous		485	133
Total		487	162

12.2 Staff debt

	<i>Note 12</i>	2020/21 R'000	2019/20 R'000
Staff Debt		1,676	1,731
Total		1,676	1,731

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Staff debts includes traditional leaders debts.

12.3 Other receivables

	<i>Note</i> 12	2020/21 R'000	2019/20 R'000
Other		124	-
Total		124	-

The debt is in respect of service provider who was paid with incorrect rates.

12.4 Fruitless and wasteful expenditure

	<i>Note</i> 12	2020/21 R'000	2019/20 R'000
Opening balance		15,728	21,392
Less amounts recovered		-1	-
Less amounts written off		-	-5,664
Transfers from note 32 Fruitless and Wasteful Expenditure		1	-
Total		15,728	15,728

12.5 Impairment of receivables

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Estimate of impairment of receivables		16,553	16,486
Total		16,553	16,486

The amount includes debts over the age of one year and above as well as the fruitless and wasteful expenditure which is being attend to by the courts.

13. Voted funds to be surrendered to the Revenue Fund

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Opening balance		257,642	91,968
Prior period error		-	151,243
As restated		257,642	243,211
Transfer from statement of financial performance (as		153,548	106,399

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restated)			
Voted funds not requested/not received	1.1	-1	-
Paid during the year		-106,399	-91,968
Closing balance		304,790	257,642

The voted funds not received relates to the shortfall done on the payments received in respect of Human Settlement Development Grant.

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

	<i>Note</i>	2020 / 21	2019 / 20
		R'000	R'000
Opening balance		663	3,510
As restated		663	3,510
Transfer from Statement of Financial Performance (as restated)		18,018	25,287
Paid during the year		-8,525	-28,134
Closing balance		10,156	663

The increase in Department Revenues is as a result of recovery of R9m from other Government entities due to as a result of top up funding.

15. Payables – current

	<i>Note</i>	2020 / 21	2019 / 20
		R'000	R'000
Amounts owing to other entities			
Advances received	21.1	9	8
Clearing accounts	21.2	2,449	254
Total		2,458	262

15.1 Advances received

	<i>Note</i>	2020 / 21	2019 / 20
		R'000	R'000
Other institutions	21	9	8
Total		9	8

The advance is from MTN

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15.2 Clearing accounts

	<i>Note</i> 21	2020 / 21 R'000	2019 / 20 R'000
Description			
Sal Income Tax		2,190	178
Sal: Pension fund		70	-
Leadership Skills fund		121	-
Sal: Government Employees Housing Scheme		68	76
Total		2,449	254

16. Net cash flow available from operating activities

	<i>Note</i>	2020 / 21 R'000	2019 / 20 R'000
Net surplus/(deficit) as per Statement of Financial Performance		171,566	282,929
Add back non cash/cash movements not deemed operating activities		-156,454	-220,178
(Increase)/decrease in receivables		-398	5,848
(Increase)/decrease in prepayments and advances		-69,646	-151,243
Increase/(decrease) in payables – current		2,196	-206
Proceeds from sale of capital assets		-385	-
Expenditure on capital assets		26,704	45,525
Surrenders to Revenue Fund		-114,924	-120,102
Voted funds not requested/not received		-1	-
Net cash flow generated by operating activities		15,112	62,751

The voted funds not received relates to the shortfall done on the payments received in respect of Human Settlement Development Grant

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

	<i>Note</i>	2020 / 21 R'000	2019 / 20 R'000
Consolidated Paymaster General account		73,811	85,029
Disbursements		15	22
Total		73,826	85,051

18. Contingent liabilities and contingent assets

18.1 Contingent liabilities

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		<i>Note</i>	2020/21 R'000	2019/20 R'000
Liable to	Nature			
Housing loan guarantees	Employees	<i>Annex 3A</i>	665	665
Claims against the department		<i>Annex 3B</i>	346,510	355,330
Other		<i>Annex 3B</i>	23,187	2,123
Total			370,362	358,118

It is unlikely that Housing loan Guarantees will be released in the next 12 months
Other includes traditional leaders underpayments which are still under review as well as an estimation of salary increases for year 2021 not yet implemented. This estimate is at R21,0m.

The Labour Appeal Court (LAC) declared the salary increases for the 2020/2021 financial year unlawful and invalid. The LAC ruling has been appealed and referred to the Constitutional Court. The ruling by the Constitutional Court will confirm if the department will be obligated to pay the salary increases in dispute.

18.2 Contingent assets

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Nature of contingent asset			
Advance account administrator		2,820	2,820
Recovery of overpayment		305	305
Recovery of subsidised transport		30	30
Lost assets		147	192
Total		3,302	3,347

19. Capital commitments

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Machinery & equipment		1,749	39
Buildings and other fixed structures		18,666	23,627
Total		20,415	23,666

Most of the buildings and fixed structures are complete and waiting for payments of retentions which lesser than the normal progress payments.

20. Accruals and payables not recognised

20.1 Accruals

2020/21 R'000	2019/20 R'000
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	30 Days	30 + Days	Total	Total
Goods and services	2,255	2,267	4,522	5,698
Transfers and subsidies	2,569	331	2,900	3,923
Capital assets	-	-	-	785
Total	4,824	2,598	7,422	10,406
	<i>Note</i>		2020/21	2019/20
			R'000	R'000

Listed by programme level

Programme 1		3,667	4,138
Programme 2		3,320	4,626
Programme 3		261	509
Programme 4		174	1,133
Total		7,422	10,406

20.1 Payables not recognised

		2020/21	2019/20
		R'000	R'000
Listed by economic classification			
	30 Days	30 + Days	Total
Goods and services	31	401	104
Transfers and subsidies	19,715	40	19,312
Capital assets	92	-	233
Total	19,838	441	20,279

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Listed by programme level			
Programme 1		504	104
Programme 2		19,718	19,312
Programme 4		57	233
Total		20,279	19,649

21. Employee benefits

	<i>Note</i>	2020/21	2019/20
		R'000	R'000
Leave entitlement		70,977	53,757
Service bonus		22,085	23,315
Performance awards		3,325	12,947
Capped leave		26,673	35,274

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Other	13,698	17,660
Total	136,758	142,953

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

Leave entitlement includes negative values amounting to R59 124.73 (2020: R378 097.60)

Other includes Long service award of R396 (2020: R396), pay progression amount of R13.3m (2020: R17.2m)

Performance award of R3325 is based of 0.5% of remuneration budget as per DPSA circular 1 of 2019

22. Lease commitments

22.1 Operating leases

2020/21	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	63,483	-	63,483
Later than 1 year and not later than 5 years	-	-	97	-	97
Total lease commitments	-	-	63,580	-	63,580

2019/20	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	56,481	-	56,481
Total lease commitments	-	-	56,481	-	56,481

Various buildings are leased in the Province for use by staff and engaging in business activities of the Department.

The leases have difference dates of termination period.

Some contracts for building have expired and are now charged on a month-to-month basis. The rental commitment is estimated over a 12 months period based on the guideline from Provincial Treasury dated 30 May 2019

There were no sale and leaseback arrangement entered into.

22.2 Finance leases **

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	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2020/21					
Not later than 1 year	-	-	-	94	94
Total lease commitments	-	-	-	94	94
	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2019/20					
Not later than 1 year	-	-	-	312	312
Later than 1 year and not later than 5 years	-	-	-	94	94
Total lease commitments	-	-	-	406	406

The Department is leasing equipment from various service providers for a period exceeding 12 months

No Assets are subleased

The rental is fixed for the duration of the contracts and there are no escalation clauses and purchase options indicated.

The equipment is to be used for its intended use only
Advice the service provider if the equipment is to be moved
Allow the service provider to assess the equipment on prior notice
Ensure that electricals of the building are suitable to the equipment.

22.3 Operating lease future revenue**

	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2020/21					
Not later than 1 year	-	110	-	-	110

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Later than 1 year and not later than 5 years	-	437	-	-	437
Total operating lease revenue receivable	-	547	-	-	547

	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2019/20					
Not later than 1 year	-	100	-	-	100
Later than 1 year and not later than 5 years	-	547	-	-	547
Total operating lease revenue receivable	-	647	-	-	647

The Department is leasing the land to a cellphone company for the tower erected. The 10 year lease agreement ends on 30 June 2025. Rental escalates at 10 % pa. There are no purchase options.

23. Accrued departmental revenue

	Note	2020/21 R'000	2019/20 R'000
Sales of goods and services other than capital assets		-	111
Interest, dividends and rent on land		4,304	4,646
Sales of capital assets		-	382
Transactions in financial assets and liabilities		1,200	2,203
Total		5,504	7,342

Sale proceeds of auction were not received in time in the past year due to Covid - 19 lockdown. It has now been received.

Transactions in financial assets reduced as a result of changes in the treatment of interest by the service provider. A higher rate of interest was charged more than what the PFMA provide

23.1 Analysis of accrued departmental revenue

	Note	2020/21 R'000	2019/20 R'000
Opening balance		7,342	23,456
Less: amounts received		5,119	21,262
Add: amounts recorded		4,284	5,148
Other (<i>Specify</i>)		-1,003	-
Closing balance		5,504	7,342

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Other relates to Interest on debts that being handled by SIU has been revised downwards

24. Irregular expenditure

24.1 Reconciliation of irregular expenditure

	<i>Note</i>	2020/21 R'000	2019/20 R'000
Opening balance		2,962,588	1,772,387
Prior period error			-
As restated		2,962,588	1,772,387
Add: Irregular expenditure – relating to current year		403,838	1,190,201
Less: Prior year amounts condoned		-2,609,158	-
Less: Current year amounts condoned		-323,671	-
Closing balance		433,597	2,962,588

Analysis of closing balance

Current year	80,167	1,190,201
Prior years	353,430	1,772,387
Total	433,597	2,962,588

The reduction of the balance is as a result of condonation of previous expenditure by Provincial Treasury

24.2 Details of current and prior year irregular expenditure – added current year (under determination and investigation)

Incident	Disciplinary steps taken/criminal proceedings	2020/21 R'000
None compliance with preference point system as prescribed by PPPFA	None	323,671
Non-compliance with SCM procurement regulations regarding competitive bidding	None	80,167
Total		403,838

24.3 Details of irregular expenditure condoned

Incident	Condoned by (relevant authority)	2020/21 R'000
Wrong calculation of points when allocating a tender to T Mohale Investment	Provincial Treasury	257
Failure to submit the original tax clearance certificate by Supplier:	Provincial Treasury	191

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IDEAHUB

None compliance with preference
point system as prescribed by PPPFA

Provincial Treasury 55,597

None compliance with preference
point system as prescribed by PPPFA

Provincial Treasury 820,289

None compliance with preference
point system as prescribed by PPPFA

Provincial Treasury 770,743

None compliance with preference
point system as prescribed by PPPFA

Provincial Treasury 962,081

None compliance with preference
point system as prescribed by PPPFA

Provincial Treasury 217,785

None compliance with preference
point system as prescribed by PPPFA

Provincial Treasury 105,886

Total

2,932,829

25. Fruitless and wasteful expenditure

25.1 Reconciliation of fruitless and wasteful expenditure

	<i>Note</i>	2020 / 21 R'000	2019 / 20 R'000
Opening balance		110,027	112,441
Prior period error		-	-
As restated		110,027	112,441
Fruitless and wasteful expenditure – relating to current year		2	4
Less: Amounts recoverable	25.3	-1	-
Less: Amounts written off		-642	-2,418
Closing balance		<u>109,386</u>	<u>110,027</u>
Analysis of awaiting resolution per economic classification			
Current		1,026	1 667
Transfers and subsidies		<u>108,360</u>	<u>108 360</u>
Total		<u>109,386</u>	<u>110 027</u>

The biggest amount is in respect of purchase of land at Tubatse which is still under investigation.

25.2 Details of current and prior year fruitless and wasteful expenditure – added current year (under determination and investigation)

Incident	Disciplinary steps taken / criminal	2020 / 21
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	proceedings	R'000
Interest on Municipality overdue account	None	2
Total		2
25.3 Details of fruitless and wasteful expenditure recoverable Incident		2020/21 R'000
Payments for renewal of licence disc		-1
Total		-1
25.4 Details of fruitless and wasteful expenditure written off Incident		2020/21 R'000
Interest charged on Accounts		26
Legal fees and interest		162
Cancellation fees		454
Total		642
26. Related party transactions		
	<i>Note</i>	2020/21 R'000
In kind goods and services provided / received		2019/20 R'000
<i>Internal Audit Services</i>		2,357
<i>Audit Committee Services</i>		294
<i>Department of Health</i>		487
Total		3,138
		2,566
		403
		-
		2,969

List related party relationships and the nature thereof

- Provincial Department of Public Works, Roads and Infrastructure**

The Department utilised the office buildings belonging to the Provincial Department of Public Works, Roads and Infrastructure.

The department of Public Works, Roads and Infrastructure does not charge the Department any rental for the use of buildings.

- Internal Audit Services**

The Department makes use of shared internal audit services provided by the Limpopo Provincial Treasury.

- Audit Committee**

The department make use of shared audit committee services provided by the Limpopo Provincial

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Treasury

The total hours spent are 134.5

- **National Home Builders Registration Council**

The entity reporting to the MEC and is a member of the same economic entity as CoGHSTA

- **Housing Development Agency (HDA)**

The entity reporting to the MEC and is a member of the same economic entity as CoGHSTA

- **Limpopo Rental Housing Tribunal**

Limpopo Rental Housing Tribunal is a board that was appointed by the MEC in terms of section 9(4) of the Rental Housing Act No. 50 of 1999 as amended

- **The MEC Advisory Panel**

Limpopo Housing Advisory panel which was appointed by the MEC in terms of Housing Act No 2 of 2006

- **All other Provincial Departments and Provincial Public entities**

Departments and Public utilities operate together to achieve common objectives determined by Provincial Legislature

- **Department of Health**

The department of health has provided PPE's and musk to departments for free, during 2020/2021 financial year for Covid - 19

The value of these PPE is R487

27. Key management personnel

	No. of Individuals	2020 / 21 R'000	2019 / 20 R'000
Political office bearers (provide detail below)	1	1,978	1,940
Officials:			
Level 15 to 16	5	6,185	5,927
Level 14	13	17,220	18,120
Level 13	2	2,232	1,869
Family members of key management personnel	3	2,425	2,423
Total		30,040	30,279

Level 13 we are not required to disclose them as key management, however two staff members are playing significant role

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28. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	83,370	-	9,297	1,918	90,749
Transport assets	26,496		3,182	1,834	27,844
Computer equipment	30,784		5,793	84	36,493
Furniture and office equipment	20,813		11	-	20,824
Other machinery and equipment	5,277		311	-	5,588
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	83,370	-	9,297	1,918	90,749

Disposal includes Five vehicles transferred to Senior Traditional Leaders

Movable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	1228	36,029

Assets are being investigated for their status in which they are and also to verify their economic use.
Some assets that did not have barcodes and assets that could not be found in the expected office location (due to being moved without notifying the asset management unit).
Furthermore, due to lockdown call by the State President, the second verification of assets could not take place.

28.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

Cash*	Non-	(Capital	Received	Total
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	cash** R'000	Work in Progress current costs and finance lease payments) R'000	current, not paid (Paid current year, received prior year) R'000	R'000
MACHINERY AND EQUIPMENT	9,616	24	-343	-
Transport assets	3,182			-
Computer equipment	5,769	24	-	-
Furniture and office equipment	354	-	-343	-
Other machinery and equipment	311	-	-	-
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	9,616	24	-343	-

Finance lease is in respect of photocopiers leased from service providers

The amount of R24 relates to computer hardware that were replaced by staff.

28.2 Disposals

**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR
ENDED 31 MARCH 2021**

	Sold for cash R'000	Non-cash disposal R'000	Total disposals R'000	Cash Received Actual R'000
MACHINERY AND EQUIPMENT		1,918	1,918	-
Transport assets	-	1,834	1,834	-
Computer equipment	-	84	84	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	1,918	1,918	-

No sales of assets took place. The disposals occurred as a result of assets written off as well as 5

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vehicles transferred to senior traditional leaders

28.3 Movement for 2019/20

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	93,517	-14,892	11,580	6,835	83,370
Transport assets	27,924	-	-	1,428	26,496
Computer equipment	40,091	-9,407	4,625	4,525	30,784
Furniture and office equipment	15,896	-1,556	6,806	333	20,813
Other machinery and equipment	9,606	-3,929	149	549	5,277
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	93,517	-14,892	11,580	6,835	83,370

28.3.1 Prior period error

	<i>Note</i>	2019/20 R'000
Nature of prior period error		
Relating to 2019/20		-14,892
Computer equipment written off		-9,407
Office & Furniture Equipment written off		-1,556
Other office machinery and equipment		-3,929
Total prior period errors		-14,892

There was discovery of asset disposed in 2018/19 and 2019/20 financial year but not removed from the asset register.

The amount of -R1,490 includes R36 that relates to Office furniture bought for traditional council and included in refurbishment cost.

28.4 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2021

Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
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	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	13	-	17,365	-	17,378
Disposals				-		-
TOTAL MINOR ASSETS	-	13	-	17,365	-	17,378

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets						
Number of minor assets at cost		4		9,623		9,627
TOTAL NUMBER OF MINOR ASSETS	-	4	-	9,623	-	9,627

Minor Capital Assets under investigation

	Number	Value R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	5,204	7,268

Assets are being investigated for their status in which they are and also to verify their economic use. Furthermore, due to lockdown call by the State President, the second verification of assets could not take place.

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2020

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	13	-	19,863	-	19,876
Prior period error				-2,589		-2,589
Additions	-	-	-	700	-	700

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Disposals	-	-	-	609	-	609
TOTAL MINOR ASSETS	-	13	-	17,365	-	17,378
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets						
Number of minor assets at cost	-	4	-	9,623	-	9,627
TOTAL NUMBER OF MINOR ASSETS	-	4	-	9,623	-	9,627

There was discovery of asset disposed in 2018/19 and 2019/20 financial year but not removed from the asset register

28.4.1 Prior period error

	<i>Note</i>	2019/20 R'000
Nature of prior period error		
Relating to 2019		-2,589
Minor assets written off		-2,655
Furniture		66
Total prior period errors		-2,589

The amount of R66 that relates to Office furniture bought for traditional council and included in refurbishment cost.

28.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2021

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Assets written off				84		84
TOTAL				84		

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MOVABLE ASSETS	84
WRITTEN OFF	

28.6 S42 Movable capital assets

MAJOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2021

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
No. of Assets				1		1
Value of the assets (R'000)				425		425

29. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	2,457	-	-	-	2,457
TOTAL INTANGIBLE CAPITAL ASSETS	2,457	-	-	-	2,457

Intangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the intangible capital assets per the asset register are assets that are under investigation:		
Software	14	2,027

Assets are being investigated for their status in which they are and also to verify their economic use. Furthermore, due to lockdown call by the State President, the second verification of assets could not take place.

29.1 Movement for 2019/20

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

Opening	Prior	Additions	Disposals	Closing
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	balance	period error			Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	2,456	-	30	29	2,457
TOTAL INTANGIBLE CAPITAL ASSETS	2,456	-	30	29	2,457

30. Immovable Tangible Capital Assets

**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR
ENDED 31 MARCH 2021**

	Opening balance R'000	Value adjustments	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	39,503	-	14,891	-	54,394
Non-residential buildings	39,496	-	14,891	-	54,387
Other fixed structures	7	-	-	-	7
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	39,503	-	14,891	-	54,394

Immovable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the immovable tangible capital assets per the asset register are assets that are under investigation:		
Buildings and other fixed structures	23	54,387

Traditional council offices completed and the formalities of transfers not yet finalised.

The necessary progress certificates are being reviewed so as to transfer the various assets at their correct values.

30.1 Additions

**ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR
ENDED 31 MARCH 2021**

Cash	Non-cash	(Capital Work in Progress	Received current, not paid	Total
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	R'000	R'000	current costs and finance lease payments) R'000	(Paid current year, received prior year) R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	17,088	14,891	-17,088		14,891
Dwellings					-
Non-residential buildings	17,088	14,891	-17,088		14,891
Other fixed structures					
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	17,088	14,891	-	-	14,891

The amount is in respect of completed council offices during the year and not yet transferred to the respective Traditional council.

30.2 Movement for 2019/20

**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR
ENDED 31 MARCH 2020**

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	5,863	-	33,640	-	39,503
Dwellings	-		-	-	-
Non-residential buildings	5,856		33,640	-	39,496
Other fixed structures	7		-	-	7
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	5,863	-	33,640	-	39,503

The annual report has a typing error on the amount R39,503 which is shown as R395,003. The error will be corrected in the report of 2020/2021.

30.3 Capital Work-in-progress

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CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2021

	Note	Opening balance 1 April 2020	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2021
	<i>Annexure 7</i>	R'000	R'000	R'000	R'000
Buildings and other fixed structures		36,112	17,088	14,891	38,309
TOTAL		36,112	17,088	14,891	38,309

Traditional council's offices not yet completed.

	Number of projects		2020/21
Age analysis on on-going projects	Planned, Construction not started	Planned, Construction started	Total R'000
1 to 3 Years		6	38,309
Total		6	38,309

Payables not recognised relating to Capital WIP	Note	2020/21 R'000	2019/20 R'000
Progress certificates		-	1,018
Total		-	1,018

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2020

	Note	Opening balance 1 April 2019	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2020
	<i>Annexure 7</i>	R'000	R'000	R'000	R'000	R'000
Buildings and other fixed structures		36,438	-102	33,416	33,640	36,112
TOTAL		36,438	-102	33,416	33,640	36,112

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The amount of R102 relates to Office furniture bought for traditional council and included in refurbishment cost.

	Number of projects		2019/20
Age analysis on ongoing projects	Planned, Construction not started	Planned, Construction started	Total R'000
1 to 3 Years		15	36,112
Total		15	36,112

31. Principal-agent arrangements

31.1 Department acting as the principal

	2020/21 R'000	2019/20 R'000
Include a list of the entities acting as agents for the department, the fee paid as compensation to the agent and any other transactions undertaken		
Risima Housing Finance Corporation fee	27	145
Housing Development Agency other transactions listed hereunder in 2.1	226,092	0
Total	226,119	145

1. A fee of R27 (R145) was withheld as admin for services rendered

2. Description of the arrangement, including the transactions undertaken

2.1. The Housing Development Agency (HDA) has an existing Implementation Protocol (IP) with the Limpopo Department of Cooperative Governance, Human Settlement and Traditional Affairs (CoGHSTA) that was signed in on 29th July 2010.

The department acting as the principal, entered into a binding arrangement with HDA to undertake the following transactions:

- Construction and completion of 616 in Bendor Ext 100 R11,000
- Disaster Project for areas in Elias Motswaledi, Mogalakwena, Seshego and Greater Letaba R46,200
- Marapong CRU-Bulk water and sewerage R16,500
- Design and Installation of internal services of 1000 sites and construction of 215 of top structures at Vingerkraal Informal Settlement in Bela-Bela R46,820
- Implementation of Human Settlements programs to support MTEF Planning R14,949
- Revitalisation of distressed mining towns R29,226
- Rural Housing Programme R54,397
- MTOP R7,000

2.2 Risima Housing Finance is assisting the Department in implementing the Finance Linked Individual Subsidy Programme project

which caters for middle income citizen in the province who wants to build or upgrade their houses. The

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contract was extended to 31 March 2023
3.3 The department entered into an agreement with Department of Public works in the construction and refurbishment of various Traditional Councils throughout the province
During the financial year end an amount of R17 million has been spent towards these projects.

If the Principal agent arrangement is terminated, the implementing agent will be entitled to payment for work done which was not paid subject thereto the principal satisfied with quality of the said work. Any balance of resources surrendered to the department as the principal

- o *Housing Development Agency*
Resources amounting to R182 million (2020: R70 million) have been recorded by the Agent
- o *Risima Housing Finance*
Resources amounting to R18m (2020: R20million) have been recorded by the Agent
- o Department of Public Works
The department is still committed to amount of R16m towards the finalisation of these projects.

31.2 Department acting as the agent

31.2.1 Revenue received for agency activities

	2020/21 R'000	2019/20 R'000
LGSETA	-	-
Total	<u> </u>	<u> </u>

The Department is in a principal agent relationship with LGSETA. The Department is to provide training to municipalities officials and has appointed a service provider to provide for this training.

31.2.2 Reconciliation of funds and disbursements – 2020/21

Category of revenue or expenditure per arrangement	Total funds received R'000	Expenditure incurred against funds R'000
Training	120	-

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Total	120
	-

32. Prior period errors

32.1 Correction of prior period errors

<i>Note</i>	Amount before error correction 2019/20 R'000	Prior period error 2019/20 R'000	Restated Amount 2019/20 R'000
<i>Expenditure:</i>			
Inventory-Additions	1,316,185	46,415	1,362,600
Inventory-Adjustments	-261,042	-183,481	-444,523
Net effect	1,055,143	-137,066	918,077

The inventory note on the face of the financials reflects different amounts than in the annexure where the information is extracted.

The correction is necessary to have the annexure note agrees to the main note.

<i>Note</i>	Amount before error correction 2019/20 R'000	Prior period error 2019/20 R'000	Restated Amount 2019/20 R'000
Assets:			
Movable Tangible Assets	98,262	-14,976	83,286
Minor Assets	19,954	-2,589	17,365
Advances paid (not expensed)	-	151,243	151,243
Advances paid(expensed)	151,243	-151,243	-
Net effect	269,459	-17,565	251,894

The amount of R151,243 is in respect of advances paid to Public Entities that were expensed instead of not expensed.
The correction is necessary in order to comply with the Division of Revenue Act regardless of the provisions of MCS and AMD guide.
There was discovery of asset disposed in 2018/19 and 2019/20 financial year but not removed from the asset register

The amount of -R14,976 includes R36 that relates to Office furniture bought for traditional council and included in refurbishment cost.

The amount of -R2,589 includes R66 that relates to Office furniture bought for traditional council and included in refurbishment cost.

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The correction is necessary in order to ensure accurate Assets register and correct values in the books and ensure compliance with the applicable MCS prescripts.

<i>Note</i>	Amount before error correction 2019/20 R'000	Prior period error 2019/20 R'000	Restated Amount 2019/20 R'000
<i>Other:</i>			
Principals Agent Arrangement	75,836	-5,046	70,790
Capital Work in progress	36,214	-102	36,112
Net effect	112,050	-5,148	106,902

The amount is in respect of advances to Public Entities that provided closing audited balances at a time when the audit of the books of the department were at an advanced stage of completion.

The amount of R102 relates to Office furniture bought for traditional council and included in refurbishment cost.

The correction is necessary in order to have the same amount as opening balances to ensure easier and accurate reconciliations of the books.

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33. Inventories

33.1 Inventories for the year ended 31 March 2021

	Insert major category of inventory R'000	Insert major category of inventory R'000	Insert major category of inventory R'000	Insert major category of inventory R'000	TOTAL R'000
Opening balance				221,139	221,139
Add: Additions/Purchases – Cash				833,314	833,314
(Less): Issues				-455,620	-455,620
Add/(Less): Adjustments				-515,388	-515,388
Closing balance				83,445	83,445

The amount of R83.4m (2020: R221 million) is composed of Work in progress of houses which are not yet completed

The above Inventory is composed of Construction work in progress incurred and the title passes to the identified beneficiary

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Inventories for the year ended 31 March 2020	Insert major category of inventory R'000	Insert major category of inventory R'000	Insert major category of inventory R'000	RDP R'000	TOTAL R'000
Opening balance				191,686	191,686
Add: Additions/Purchases – Cash				1,362,600	1,362,600
(Less): Issues				(888,624)	(888,624)
Add/(Less): Adjustments				(444,523)	(444,523)
Closing balance				221,139	221,139

In The amount of R221m (2019: R192 million) is composed of Work in progress of houses which are not yet completed

The above Inventory is composed of Construction work in progress incurred and the title passes to the identified beneficiary

National Treasury has not yet determined the effective date of this Note

33.2 Work in progress

Work in progress for the year ended 31 March 2021	Opening balance R'000	Additions during year R'000	(Ready for use / suspended) R'000	Closing balance R'000
Infrastructure	42,120	-	-42,120	0
Total	42,120	-	-42,120	0

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33.3 Houses ready for use

Houses ready for use	Quantity	2020/21 R'000	Quantity	2019/20 R'000
Opening balance				
Add: Ready for use in current year	4,483	455,620	8,207	888,824
Less: Issued to beneficiaries	(4,483)	-455,620	(8,207)	-888,824
Closing balance	-	-	-	-

Houses completed and issued with happy letters

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34. STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	GRANT ALLOCATION					SPENT				2019/20	
	Division of Revenue Act / Provincial Grants	Roll Overs	DORA Adjust-ments	Other Adjust-ments	Total Available	Amount received by depart-ment	Amount spent by depart-ment	Under / (Overspend ing)	% of available funds spent by depart-ment	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
Human Settlement Development											
Grant EPWP Integrated Grant	1,060,622	-	(162,461)	-	898,161	898,160	828,353	69,806	92%	1,362,947	1,362,600
Title Deeds	2,000	1,276	-	-	3,276	3,276	1,231	2,045	38%	2,026	750
Registration Grant	37,790	-	(24,710)	-	13,080	13,080	4,962	8,118	38%	46,621	10,244
TOTAL	1,100,412	1,276	-187,171	-	914,517	914,516	834,546	79,971		1,411,594	1,373,594

All transfers were deposited in the bank of the Department

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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35. STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

	2020/21							2019/20	
NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Delta Investment	2,903	-	-	2,903	2,190	-	-	2,538	2,353
Polokwane Municipality	478	-	-	478	360	-	-	527	489
TOTAL	3,381	-	-	3,381	2,550	-	-	3,065	2,842

There were no conditional grant received in respect of municipalities.

The expenditure above relates to other transfer to Municipalities and has been incurred in respect of rates and taxes. Spending is at 75% of the budget.

No further invoices were received from the Municipality

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36. 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.

37. COVID - 19 Response Expenditure

	<i>Note</i>	2020/21	2019/20
	<i>Annexure 11</i>	R'000	R'000
Goods and services		1,974	0
Total		<u>1,974</u>	<u>0</u>

The amount has been spent in respect of Covid - 19 materials to protect staff

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**ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2019/20	
	DoRA and other transfers	Roll Overs	Adjust-ments	Total Available	Actual Transfer	Funds Withheld	Re-allocation s by National Treasury or National Depart-ment	Amount received by munici-pality	Amount spent by municipal ity	Unspent funds	% of available funds spent by munici-pality	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
Delta Investment	2,903	-		2,903	2,190	-	-	-	-	-		2,538	2,353
Polokwane Municipality	478	-		478	360	-	-	-	-	-		527	489
TOTAL	3,381	-	-	3,381	2,550	-	-	-	-	-		3,065	2,842

There were no conditional grant received in respect of municipalities.

The expenditure above relates to other transfer to Municipalities and has been incurred in respect of rates and taxes. Spending is at 75% of the budget.

No further invoices were received from the Municipality

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ANNEXURE 1B

STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2019/20
	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
SABC	6	-	-	6	6	100%	13
TOTAL	6	-	-	6	6		13

ANNEXURE 1F

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2019/20
	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							
Various Traditional Councils	6,474	-	-	6,474	4,445	69%	5,623
TOTAL	6,474	-	-	6,474	4,445		5,623

The expenditure above relates to other transfer to Traditional councils and has been incurred in respect of salaries and their other operational expenditure. Spending is at 69% of the budget. Underspending is as a result of implementing cost containment measures.

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ANNEXURE 1G

STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2019/20
	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							
H/H EMPL S/BEN: LEAVE GRATUITY	12,646			12,646	11,310	89%	7,759
H/H: CLAIMS AGAINST STATE	4			4	4	100%	2,471
H/H EMPL S/BEN:ER PENS PENALTY	3,706			3,706	1,769	48%	-
Sub Total	16,356	-	-	16,356	13,083		10,230
Subsidies							
Human Settlement Development Grant	898,161	-		898,161	828,353	92%	1,362,600
EPWP Integrated Grant	2,000	1,276		3,276	1,231	38%	750
Title Deeds Registration Grant	13,080	-		13,080	4,962	38%	10,244
	913,241	1,276	-	914,517	834,546		1,373,594
TOTAL	929,597	1,276	-	930,873	847,629		1,383,824

ANNEXURE 1H

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2020/21	2019/20
		R'000	R'000
Received in kind			
Old Mutual	Donated PPE for Schools	5	-
TOTAL		5	-

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ANNEXURE 1K
STATEMENT OF ACTUAL MONTHLY EXPENDITURE PER GRANT

	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sept 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Total
Grant Type	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Human Settlement													
Development Grant	19,005	4,618	17,018	94,738	73,753	55,057	64,361	69,010	164,990	39,371	73,291	153,139	828,352
EPWP Integrated Grant	-	-	-	-	-	-	224	225	218	195	184	185	1,231
Title Deeds Registration													
Grant	-	-	-	-	950	203	1,398	658	649	-	354	750	4,962
TOTAL	19,005	4,618	17,018	94,738	74,702	55,260	65,983	69,893	165,857	39,566	73,829	154,074	834,545

ANNEXURE 3A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2021 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2020	Guarantees draw downs during the year	Guarantees repayments / cancelled / reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2021	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2021
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
NP: Development Corp	Housing	5,822	665	-	-	-	665	-	-
TOTAL		5,822	665	-	-	-	665	-	-

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ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2021

	Opening Balance 1 April 2020	Liabilities incurred during the year	Liabilities paid / cancelle d / reduced during the year	Liabilities recoverable (Provide details hereunder)	Closing Balance 31 March 2021
Nature of Liability	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Other matters	232,929		146		232,783
Various Traditional Leaders	122,401		8,674		113,727
Subtotal	355,330	-	8,820	-	346,510
Other					
Underpayments of salaries of Traditional leaders	2,123				2,123
Estimation of salary increase 2021		21,064			21,064
Subtotal	2,123	21,064	-	-	23,187
TOTAL	357,453	21,064	8,820	-	369,697

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ANNEXURE 4
CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2020/21 *	
							Receipt date up to six (6) working days after year end	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020		Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Public Works	-	-	60	-	60	-		-
TOTAL	-	-	60	-	60	-		-

ANNEXURE 5
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2020/21 *	
							Payment date up to six (6) working days before year end	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020		Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
Public Service and Admin	-	-	-	10	-	10	-	-
TOTAL INTERGOVERNMENT PAYABLES	-	-	-	10	-	10	-	-

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**ANNEXURE 6
INVENTORIES**

Inventories for the year ended 31 March 2021

	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	RDP	TOTAL
	R'000	R'000	R'000	R'000	R'000
Opening balance				221,139	221,139
Add/(Less): Adjustments to prior year balances					
Add: Additions/Purchases – Cash				833,314	833,314
Add: Additions - Non-cash					
(Less): Disposals					
(Less): Issues				(455,620)	(455,620)
Add/(Less): Received current, not paid					
(Paid current year, received prior year)					
Add/(Less): Adjustments				(515,388)	(515,388)
Closing balance				83,445	83,445

The amount of R83.4 million (2020: R221 million) is composed of Work in progress of houses which are not yet completed

The above Inventory is composed of Construction work in progress incurred and the title passes to the identified beneficiary

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Inventories for the year ended 31 March 2020

	Insert major category of inventory	Insert major category of inventory	Insert major category of inventory	RDP	TOTAL
	R'000	R'000	R'000	R'000	R'000
Opening balance				191,686	191,686
Add: Additions/Purchases – Cash				1,362,600	1,362,600
(Less): Issues				(888,624)	(888,624)
Add/(Less): Adjustments				(444,523)	(444,523)
Closing balance				221,139	221,139

The amount of R221m (2019: R192m) is composed of Work in progress of houses which are not yet completed

The above Inventory is composed of Construction work in progress incurred and the title passes to the identified beneficiary

National Treasury has not yet determined the effective date of this Note

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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ANNEXURE 7

MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	36,112	17,088	-14,891	38,309
Dwellings				-
Non-residential buildings	36,112	17,088	-14,891	38,309
Other fixed structures				
TOTAL	36,112	17,088	-14,891	38,309

Construction of 6 traditional offices still in progress

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance	Prior period error	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	36,438	-102	33,416	(33,640)	36,112
Dwellings					-
Non-residential buildings	36,438	-102	33,416	(33,640)	36,112
Other fixed structures					
TOTAL	36,438	-102	33,416	(33,640)	36,112

The amount of R102 relates to Office furniture bought for traditional council and included in refurbishment cost.

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**ANNEXURE 8A
INTER-ENTITY ADVANCES PAID (note 14)**

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	R'000	R'000	R'000	R'000	R'000	R'000
PUBLIC ENTITIES						
Housing Development Agency	182,152	70,789	-	-	182,152	70,789
Risima Housing Finance	17,946	20,447	-	-	17,946	20,447
Subtotal	200,098	91,236	-	-	200,098	91,236
OTHER ENTITIES						
ELIAS MOTSOLEDI			300	3,717	300	3,717
FETAKGOMO			20,491	39,814	20,491	39,814
THABAZIMBI			-	14,776	-	14,776
MOGALAKWENA			-	1,700	-	1,700
Subtotal	-	-	20,791	60,007	20,791	60,007
TOTAL	200,098	91,236	20,791	60,007	220,889	151,243

**ANNEXURE 8B
INTER-ENTITY ADVANCES RECEIVED (note 21 AND note 22)**

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	R'000	R'000	R'000	R'000	R'000	R'000
OTHER ENTITIES						
Current						
MTN			9	8	9	8
TOTAL			9	8	9	8

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ANNEXURE 10 *

DEPARTMENT OF HUMAN SETTLEMENTS HOUSING RELATED EXPENDITURE CLASSIFICATION

	2020/21	2019/20
	R'000	R'000
Inventories		
<i>List the items for correct expenditure</i>		
Assets for Distribution	833,314	-
Infrastructure	-	316,384
RDP Houses	-	999,800
Subtotal	<u>833,314</u>	<u>1,316,184</u>
Expenditure for capital assets		
<i>List the items for correct expenditure</i>		
OPSCAP	-	37,802
Subtotal	<u>-</u>	<u>37,802</u>
Transfers and subsidies		
<i>List the items for correct expenditure</i>		
Enrolment	-	8,613
Subtotal	<u>-</u>	<u>8,613</u>
TOTAL	<u>833,314</u>	<u>1,362,599</u>

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ANNEXURE 11
COVID - 19 RESPONSE EXPENDITURE
Per quarter and in total

Expenditure per economic classification	2020/21					2019/20
	Q1	Q2	Q3	Q4	Total	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Goods and services						
<i>CONTRCTRS: MEDICAL SERVICES</i>	959	680	137	198	1,974	-
TOTAL COVID - 19 RESPONSE EXPENDITURE	959	680	137	198	1,974	-



0800 687 432 (Housing enquiries)



0800 864 729 (Premier Hotline)



17737 (Presidential Hotline)



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