







cogta

Department:
Cooperative Governance and
Traditional Affairs
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

ANNUAL REPORT

2021/2022

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ANNEXURE A

1. PART A: GENERAL INFORMATION

1.1 Department general information

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Department of Cooperative Governance and Traditional Affairs, Provincial Disaster Management Centre, 590 TTA Imperial Reserve, Mafikeng, 2745	Department of Cooperative Governance and Traditional Affairs, Central Cash Payment 27 James Watt Crescent street, Industrial site, Mafikeng, 2745 Tel : 018 388 2372
Department of Cooperative Governance and Traditional Affairs, House No.1 Lowe Complex, Old Parliament, Private bag x2005, Mmabatho, 2735 Tel : 018 388 4494	

1.2 LIST OF ACRONYMS

The below description of the acronyms intends to assist users to understand meanings of acronyms utilized in the annual report:

APP	Annual Performance Plan
BTO	Budget and treasury Office
CATA	Culture, Arts and Traditional Affairs
CCP	Creditor Central Payment
COGTA	Department of Corporate Governance and Traditional Affairs
DOE	Department of Education
DOH	Department of Health
DORA	Divisions of Revenue Act
DPSA	Department of Public Service and Administration
EAP	Employee Assistance Programme
EHW	Employee Health and Wellness
EHWP	Employee Health and Wellness Programme
EPWP	Expanded Public Works Programme
EXCO	Executive Committee
FEED	Finance, Economic and Enterprise Development
GEMS	Government Employee Medical Scheme
HIV & AIDS	Human Immunodeficiency Virus & Acquired Immune Deficiency Syndrome
HOD	Head of Department
HRM	Human Resource Management
IDP	Integrated Development Plan
IPDMF	Integrated Provincial Disaster Management Framework
LED	Local Economic Development
LG	Local Government
LIC	Labour Intense Methods of Construction
LM	Local Municipalities
MEC	Member of Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MISS	Minimum Information Security Standards
MPAC	Municipal Public Audit Committee
MPRA	Municipal Property Rates Acts
MSA	Municipal System Act
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NACH	National Anti-Corruption Hotline
OHS	Organizational Health and Safety

PAAP	Post Audit Action Plan
PDMC	Provincial Disaster Management Centre
PFMA	Public Finance Management Act
PILIR	Procedure on Incapacity Leave and Ill-Health Retirement
PMDS	Performance Management and Development Strategy
PMS	Performance Management System
POE	Portfolio of evidence
READ	Rural, Environment and Agricultural Development
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SD	Service Delivery
SDBIP	Service Delivery and Budget Implementation Plan
SHERQ	Safety, Health, Environment, Risk and Quality
SMS	Senior Management Services
SPLUMA	Spatial Planning and Land Use Management
STI	Sexual Transmitted Infections
TB	Tuberculosis
TLGFA	Traditional Leadership and Governance Framework Act
WSP	Workplace skills Plan
UIF&W	Unauthorized, Irregular, Fruitless & Wasteful



1.3 Foreword by the MEC of the Department

This report highlights the work of the Department of Cooperative Governance and Traditional Affairs mandated to create financially viable municipalities and provide support to institutions of traditional leadership.

According to chapter 7 of the Constitution, municipalities must structure and manage their administration, budgeting and planning processes to give priority to the basic needs of the community, promote the social and economic development of the community and participate in national and provincial development programmes. It is therefore incumbent on the national and provincial governments, by legislative and other measures, to support and strengthen the capacity of municipalities to manage their affairs, to exercise their powers and to perform their functions.

This financial year comes after the inauguration of the new municipal councils following the 5th democratic local government elections. Some of the new councils are still struggling to find their feet and which has led to disputes in some of the municipalities. While some are struggling from issued inherited from previous councils some have not been able to move forward due to challenges of instability within their ranks. To this end, we are trying to resolve disputes at Mamusa, Maquassi Hills, Moses Kotane, Ditsobotla as well as the Kagisano Molopo local municipalities, working together as the Governance and Administration cluster which comprises of the Provincial Treasury and the Department of Community Safety and Transport Management and Cooperative Governance and Traditional Affairs.

We are working towards resolving chieftaincy disputes in the Province, working together with traditional communities, and plans are afoot towards holding elections for members of the Traditional Authorities across the Province.

The New Traditional and KhoiSan Leadership Act allows for the establishment, composition and functioning of the National House of Traditional and Khoi-San leaders, it allows from the establishment of Provincial Houses of Traditional and KhoiSan leaders. Disputes related to traditional leadership continues to be with us, while we try by all means to take steps to contain them many end up in courts, while some cases had since been lodged with the erstwhile Provincial Committee set up to resolve such issues. In some cases, we deal with allegations of theft, corruption, maladministration and misappropriation of funds which are referred to the state law agencies.

The Department will in the year under review, continue to strive to continue with it's mandate to give support to traditional councils which will be established after the election process is concluded, to enable them to perform their function assigned to them by law including but not limited to disbursement of grants, staffing, capacity building, provision of machinery and equipment.

As per the President's message in the 2022 State of Nations Address (SONA), government must work for the people. This speaks to the need to build an ethical, capable, and developmental state that delivers on its mandate.

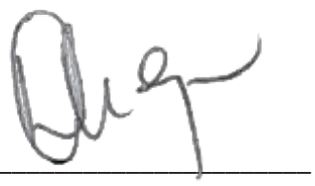
To this effect, being a public-participation platform, the Presidential Imbizo to the North West has provided government with an opportunity to assess the level of service delivery in the Province to assess the extent to which Section 100 intervention was successful and move further to assess the extent to which DDM has been institutionalized as well as providing the President with an opportunity to listen to the people and respond to their concerns and recommendations. The decision by National Government to withdraw the Section 100 intervention in the Province is highly welcome, while we know that it will be done in phases but this shows a renewed confidence by our Legislatures at the National sphere on

our ability to turn things around, as this leadership collective, under the stewardship of Premier Keaobitsa Bushy Maape.

As a Government we remain committed to renew our mandate of changing the lives of the people the North West and we remain steadfast in our commitment to work with all stakeholders in delivering much needed services to our people. The Presidential Imbizo has therefore assisted in highlighting challenges and unblocking any blockages to service delivery in line with the District Development Model (DDM) which is an all of government and society approach that enables integrated and responsive planning, implementation, and budgeting through the 'One Plans'.

Let me appreciate the work done by the Departmental Management team for the hard work, led by the Acting Head of Department, Mme Mamorena Lehoko, in being of service to the People of the North West Province.

I thank You



Ms Lenah Nomtsama Miga

MEC Cooperative Governance, Human Settlements and Traditional Affairs

MPL, North West Provincial Legislature

Date : 30 May 2022

1.4 Report of the Accounting Officer

Departmental receipts

The table below outlines revenue collected in comparison to the estimated amount for the current and previous years:

Departmental Receipts	2021/22			2020/21		
	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						
Sales of goods and service other than capital assets	310	328	-18	187	284	-97
Transfers received from:						
Fines, penalties and forfeits						
Interest, dividents and rent on land	0	4	-4	0	15	-15
Sales of capital assets						
Financial transactions in assets and liabilities	167	1150	-983	158	82	76
Total	477	1482	-1005	345	381	-36

Revenue collection recorded 310%, which is 210% above the targeted collection. Over collection is due to revenue received from insurance payout for Traditional Council vehicle that was involved in an accident; overdue payments received from Pension Fund of ex-employees that owed the department; as well as overdue payments received from Department of Human Settlements.

Programme expenditure

The table below outlines actual expenditure in comparison to the adjusted appropriation for the current and previous years:

Voted funds and Direct charges	2021/22			2020/21		
	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
Programme						
ADMINISTRATION	191 413	189 616	1 797	156 501	152 612	3 889
LOCAL GOVERNANCE	161 840	157 276	4 564	152 536	150 295	2 241
DEVELOPMENT AND PLANNING	192 843	179 485	13 358	198 050	197 008	1 042
TRADITIONAL AFFAIRS	142 969	135 430	7 539	116 531	115 932	599
Total	689 065	661 807	27 258	623 618	615 847	7 771

Reasons for under expenditure

- Compensation of Employees under spent by 2% due to secondments, retirements and resignations for which posts are still to be filled.
- Transfers and subsidies underspent by 7% due to Water & Sanitation invoices which did not reach the Department on time for processing within the financial year. In addition to that, a Fire Engine Truck which takes more than ten months to assemble, is yet to be delivered.
- Goods and Services underspent by 4% which is mainly attributed to Postponement of Reconstitution of Tribal Councils by the National Department.

- Capital Payments under spent by 11% and this is due to delay in procurement of office furniture and equipment for the Disaster Centre.
- Payments for Financial Assets under spent by 49% due to some of the transactions in the system that did not process in this financial year and carried over to 2022/23 financial year.

All virements were done with consideration of the 8 percent requirement of the PFMA.

	2021/22						
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	%
Voted funds and Direct charges	R'000	R'000	R'000	R'000	R'000	R'000	%
Programme							
ADMINISTRATION	181 613	-	9 800	191 413	189 616	1 797	99%
LOCAL GOVERNANCE	175 840	-	(14 000)	161 840	157 276	4 564	97%
DEVELOPMENT AND PLANNING	195 480	-	(2 637)	192 843	179 485	13 358	93%
TRADITIONAL AFFAIRS	136 132	-	6 837	142 969	135 430	7 539	95%
Total	689 065	-	-	689 065	661 807	27 258	96%

Reasons for virements

The Department was granted approval for Virement of R14 million from Local Governance Programme and R2.637 million from Development and Planning Programme. These savings were utilised to defray over expenditure under Administration programme compensation of employees, Goods & Services and Payments for Financial Assets (R9.8 million) and Traditional Affairs Compensation of Employees (R6.837 million).

Rollover

Rollover of R7.354 million has been requested for Water & Sanitation Projects (R5.986 million) and Disaster Capacity Building Programme Fire Engine Truck (R1.368 million).

Future plans of the Department

The Department intends to decentralize its functions with a view to be accessible and close to the community. This model will allow department to fully discharge its mandate efficiently and effectively.

Future plans of the Department

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Public Private Partnerships

· The department has not entered into any Public Private Partnerships.

Discontinued activities / activities to be discontinued

· There are no activities that have been discontinued.

New or proposed activities

· There are no new activities proposed.

Supply chain management

List all unsolicited bids proposal concluded for the year under review:

o During the year under review, the department did not entertain or conclude any unsolicited bids or proposals.

Indicate whether Supply Chain Management processes and system are in place to prevent irregular expenditure

- The department continued to make significant improvements to the implementation and adherence to the SCM regulations.
- There are supply chain management processes and systems in place, as well as financial delegations, policies and practice notes which are updated periodically to ensure sound supply chain management processes.
- The Department has functional Bid Committees to ensure transparency, fairness and compliance with the Preferential Procurement Framework Act, Preferential Procurement Regulations, and the National and Provincial Instructions Notes in SCM to promotes segregation of duties and serves as a control measure for early/proactive identification of possible irregular actions that could result in irregular expenditure.

Challenges experience in Supply Chain Management and how they were resolved:

- Notable capacity constraints relating to supply chain management; however, all vacant posts are currently in the recruitment and selection process.
- The department sometimes grappled with drafting bid specifications and had to cancel some bids given the inconsistencies in the bid specifications. To address this problem, the bid specification is subjected to bid adjudication committee for scrutiny before approval and issuance.
- There are few instances where the department struggles to get three quotations, in such an instance, the delegated official approves deviation.

Gift donations received in kind from non-related parties

- No goods and services in kind were received or provided to non-related parties.

Exemption and deviation received from the National Treasury

- Department did not apply nor request for any deviation or exemption from National Treasury, therefore there was no exemption from either the PFMA or Treasury Regulations.

Event after the reporting date

- None

Others

- No other material facts or circumstances, which may influence the understanding of the financial state of affairs.

Acknowledgement

- I would like to convey my deepest appreciation to the entire management team and staff in general.

Conclusion

- Department is committed in ensuring its operation are in line with regulations



Ms. M. Lehoko
Acting Head of Department
Department of Cooperative Governance and Traditional Affairs
Date : 30 May 2022

1.5 Statement of responsibility and confirmation of accuracy for the annual report

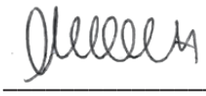
To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed throughout the annual report are consistent. The annual report is complete, accurate and is free from any omissions. The annual report has been prepared in accordance with the guidelines on the annual report as issued by 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 resource information and the financial affairs of the department for the financial year ended 31 March 2022.

Yours faithfully



Ms. M. Lehoko
Acting Head of Department
Department of Cooperative Governance and Traditional Affairs
Date : 30 May 2022

1.6 Strategic Overview

Vision

- "Capable, ethical and developmental Local government and institution of Traditional Leadership".

Mission

- "To effectively monitor, support and promote Local Government and institutions of Traditional Leadership"

Values and Principles

- Accountability
- Commitment
- Dedication
- Innovative
- Client focused
- Passion
- Efficient
- Integrity

1.7 Legislations and other mandates

Constitution of the Republic of South Africa, 1996, hereafter referred to as the Constitution.

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

Chapter 5 - This chapter deals with national intervention in provincial administration when a province cannot or does not fulfil an executive

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

Chapter 7- The chapter deals inter alia with municipalities in cooperative governance. The Department, by legislation, must support and strengthen the capacity of municipalities to manage their own affairs, exercise their powers and perform their functions.

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

Mandates of the department are outlined in the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996). Chapter 7, Section 4 (152) states that the objectives of local government are as follows:

- To provide democratic and accountable government for local communities.
- To ensure the provision of services to communities in a sustainable manner.
- To promote social and economic development.
- To promote safe and healthy environment, and
- To encourage the involvement of communities and community organization in the matters of local government.
- Section 154(1) states that the national government and provincial government, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions.

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

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

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

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

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

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

1. Legislative and policy mandates

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

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

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

Among others, Sections 5 and 6 of the Act are of significance to the work of the Department and provides direct functions to the Department. Section 5 provides for national and provincial government to promote partnerships between municipalities and traditional councils through legislative and other measures. On the other hand, Section 6 stipulates that “the national government and provincial government may adopt such legislative or other measures as may be necessary to support and strengthen the capacity of traditional councils within the province to fulfill their functions”.

Section 19 of the Act also places a responsibility for the Department or a provincial government, as the case may be, may, through legislative or other measures, to provide a role for traditional councils or traditional leaders in respect of arts and culture; land administration; agriculture; health; welfare; the administration of justice; safety and security; the registration of births, deaths and customary marriages1 economic development; environment; tourism; disaster management; the management of natural resources; the dissemination of information relating to government policies and programmes; and education. Section 20 of the TLGFA also outlines the responsibilities and conditions for the Department when allocating the above-mentioned roles to traditional leaders and traditional councils.

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

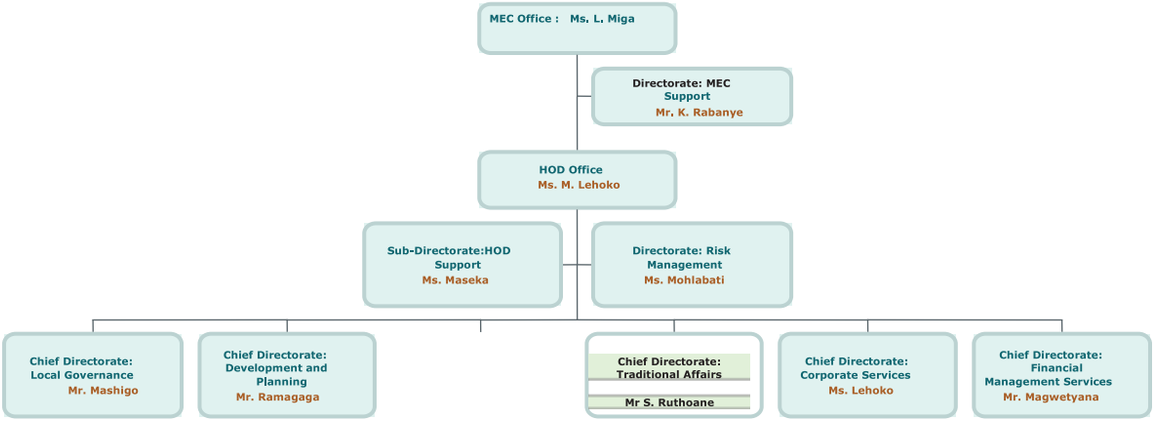
The NHTL Act provides for national legislation to establish the National House of Traditional Leaders and determines the powers, duties and responsibilities of the House. It furthermore provides for support to the House by national government, the relationship between the House and the Provincial Houses,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

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

Municipal Structures Act (Act 117 of 1998)

Section 81 of the Municipal Structures Act regulates the participation of traditional leaders in municipal councils. Section 92 of the Act however makes provision for the Minister to make any regulations for purposes of the Structures Act, thus including regulations in respect of section 81 matters.

1.8 Organizational structure



1.9 Entities reporting to the MEC

Department has no Entity reporting to it.

Name of Entity	Legislative mandate	Financial relationship	Nature of Operation
N/A	N/A	N/A	N/A

ANNEXURE B

PART B : PERFORMANCE INFORMATION

2.1 Auditor General's report: Predetermined objectives

Please refer to the Report by the Auditor General as set out on pages 91 to 98 of this Annual Report.

2.2 Overview of the department performance

Service delivery environment

Municipalities in the North West have been experiencing challenges with respect of providing uninterrupted and sustainable services to its community. Performance analysis reflect that as a Province we still faced with challenges relating to amongst other, Provision of uninterrupted, quality, and sustainable water services, poor roads and storm water drainage system. Department provides assistance to municipalities through water and sanitation earmark funds and priority is given to rural and small municipalities. The grant is not intended to replace other funding sources. The allocation made per year is not enough to cover all water and sanitation needs.

Poor audit outcomes remain at the center of the problems facing the municipalities. The municipality continues to incur Unauthorized, Irregular, Fruitless & Wasteful expenditure. Department of Cooperative Governance & Traditional Affairs and Provincial Treasury are working tirelessly to assist municipalities to obtain a better audit opinion. One of the key interventions in place is that, Department regularly assessment the Municipal Post Audit Action plan to ensure remedial actions included are adequate to resolve root causes of the audit findings. Department through its support plan has supported the municipalities on the implementation of section 32 of the MFMA. MPAC's are being supported regularly to ensure that they are functioning optimally.

Department experience a serious backlog on construction and maintenance of Traditional Offices. These offices are key in the operation of traditional councils. To remedy the challenge Department must source additional funding. Financial records of traditional councils have not been audited since the advent of democracy, as a result the auditor general is unable to audit their books. The Department with the Provincial Accountant General recently visited the Kwa Zulu Natal Department of COGTA for benchmarking. The goal is to enable our traditional councils to compile annual financial statements, while national is busy developing accounting framework for Traditional Councils.

Service Delivery Improvement Plan

Department of Cooperative Governance and Traditional Affairs had no Service Delivery Improvement Plan in the period under review. Department is in the process of development the Service Delivery Improvement Plan.

Organizational environment

Department has advertised 112 positions at different at levels in both Local and National newspapers. The latter was intended to curb high vacancy rate in the Department which came because of reconfiguration. Despite advertising various positions, filling of these positions has been moving at the slow pace. This had negative implications which resulted in compensation of employee been reduced during adjustment budget. The slow pace in filling vacant advertised positions further posed a pressure to those understaffed unit.

During this period Department has lost key personnel, the Chief Financial Officer through retirement and Director Finance through promotion and Head of Department through contract expiry. To ensure continuity of the operation, the Acting Head of Department was appointed. The two positions of Chief Financial Officer and Head of Department were advertised, and recruitment process is at advance stage.

Department experienced budget pressure in the inception of the year due to expenditure incurred on unfunded mandate. During the adjustment budget budget, the overall budget was reduced by a net of R5.1 million on the Equitable Share. The additional allocation amounting to R48 million has been made available, of which R10 million is for Reconstitution of Traditional Councils, R18 million to cater for Kgetleng Revier litigation and R20 million for Water and Sanitation Projects.

Key policy development and legislation change

There were no changes made to the legislations that may affect operations of the department.

2.3 Progress towards achievements of institutional impacts and outcomes

In pursuing the departmental mandates, the Department developed and agreed on the following outcome :

2.3.1 Responsive, Accountable, effective and efficient Local Government and Traditional Affairs in the North West Province.

CAPACITY BUILDING FOR MUNICIPALITIES

The 5th Local Government elections ushered in the new term of office of councillors. In partnership with the South African Local Government Association (SALGA), we rolled out an induction programme for the new councillors to prepare them for their new roles and responsibilities and to empower them on post-election obligations which include: (1) Integrated Councillor Induction Programme (ICIP) jointly with SALGA; (2) guidance on establishment of ward committee; (3) induction of ward established committees and (4) the roll-out of 2021 Municipal Staff Regulations.

All Ward Committees have been established and trained. We are committed to continue with the induction of outstanding Ward Committees in an effort to strengthen their functionality so that they serve our communities diligently. We will continue to monitor and support Ward Committees working through the Speakers of various Councils.

In strengthening the functionality of Ward Committees, we commit to facilitate the establishment of District Ward Committee Functionality Support Forums (DWCFSF) to give impetus to the District Development Model (DDM). In addition, to support communication of the citizens with all Organs of State, we will roll-out and mainstream the implementation of GOVCHAT software in municipalities.

REVENUE MANAGEMENT AND ENHANCEMENT

Municipalities are still faced with a challenge of poor revenue collection which has a direct impact of their ability to provide services to communities. We are worried about the non-payment of municipal services (rates and taxes) by debtors especially government departments, this category of debtors are really not supposed to owe municipalities.

We have been engaging with government departments to facilitate the payment of outstanding debt and have raised the matter sharply with departments and there are those that committed to start servicing their debts.

The National Department of Cooperative Governance and Traditional Affairs (Cogta) is working with the National Department of Public Works and Infrastructure to facilitate payments of rates and services.

The department will enlist the services of an expert to assist five (5) municipalities: namely; Kgetleng rivier, Ditsobotla, Mamusa, Maquassi Hills and Tswaing local municipalities with data cleansing exercise. The project is aimed at assisting municipalities to have accurate, complete and reliable data to ensure billing integrity.

JOB CREATION

During this financial year of 2021/2022, we have appointed 120 participants in Expanded Public Works Programme (EPWP) in all (18) local municipalities for a period of ten (10) months.

DISTRICT DEVELOPMENT MODEL

All four districts in the Province have developed the Draft One Plans in line with the recommendations of the National Quality Assurance panel. This process will be finalised by not later than 30 June 2022. The department will continue to coordinate stakeholders (both public and private sector) for the achievement of the ONE-DISTRICT- ONE-PLAN -ONE BUDGET-ONE VISION.

INTERVENTION ON WATER AND SANITATION

The rural nature of our Province, huge infrastructure backlogs coupled with revenue collection challenges in most of our municipalities, including non-performing Water Boards has left communities with serious challenges of water and sanitation. The Department will continue to provide support to exposed municipalities. Municipalities in Ngaka Modiri Molema and Ruth Segomotsi Mompati districts are the most affected and thus require more support.

The Department has also resolved on supporting municipalities in upgrading sewer services in our pre-1994 towns where communities are still subjected to septic tanks which were designed for smaller families and continue to overflow and pollute ground water and threaten the health and well-being of communities. However, our challenge around this objective is adequate funding. Therefore, we will engage Treasury to find resources to attend to this imperative.

PROGRESS REPORT ON THE PROVINCIAL INITIATION COORDINATING COMMITTEE

Since inception, the Provincial Initiation Coordinating Committee (PICC) has conducted workshops and awareness campaigns with a view of educating communities on the provisions of the Customary Initiation Act, 2021 (Act No. 2 of 2021). The period of submission of application for registration of initiation school started on 01 March this year and will close on 31 May 2022.

The PICC is anticipating a substantial number of applications for the oncoming winter initiation season. Necessary precautionary measures have been put in place to stop the spread of COVID-19 and other infectious diseases. To that end, the PICC has since approached the Department of Health to assist with masks, sanitizers and clinical instruments.

PICC has also made inputs on a number of policy documents such as:

- Guidelines on the Roles of Different Role Players

Minimum Requirements for Registration of Traditional Surgeons Fees to be paid under Sections 18(3) and 41(4) of Act No. 2 of 2021

Changes to the APP

There were no changes made to the Annual Performance Plan 2021/22 financial year.

2.4 Institutional Programme Performance information

PROGRAMME 01: ADMINISTRATION

Programme purpose

To provide corporate support to the entire Department as well as strategic administration and political direction through the Office of the Head of Department and the Executive Authority respectively.

Below are sub-programmes within Administration Programme:

- Office of the MEC
- Corporate services

Below is institutional outcomes that each programme contributes towards according to the Annual Performance Plan:

- Responsive, Accountable, effective and efficient Local Government and Traditional Affairs in the North West Province.

PROGRAMME 1: ADMINISTRATION	FINANCIAL MANAGEMENT							
Outcome	**Output**	**Output indicator**	**Audited Actual Performance 2019/20**	**Audited Actual Performance 2020/21**	**Planned Annual Targets Plan 2021/22**	**Actual Achievement 2021/22**	**Deviation from planned target to actual achievement for 2021/22**	**Reasons for Deviations**
Responsive, Accountable, effective, and efficient Local Government and Traditional Affairs in the North West Province	Post Audit Action Plan	1. Number of post Audit Action Plans produced	1 Audit Action Plan developed	1 Audit Action Plan developed	1	1 Post Audit Action Plan produced.	0	None

Strategy to overcome areas of underperformance

- There were no areas of underachievement in the programme.

Performance in relation to Standardised Outputs and Outputs indicators for sectors with concurrent function

- There were no standardized outputs and outputs indicators for this programme.

Linking performance with the budget

Sub-Programme	2021/22			2020/21		
	Final Appropriation	Actual Expenditure	(Over)under expenditure	Final Appropriation	Actual Expenditure	(Over)under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the MEC	28 472	28 452	20	9 462	8 476	986
Corporate Services	162 941	161 164	1 777	147 039	144 136	2 903
TOTAL	**191 413**	**189 616**	**1 797**	**156 501**	**152 612**	**3 889**

Administration under expenditure is due to Capital Assets procurement not effected.

PROGRAMME 2: LOCAL GOVERNANCE

Programme Purpose

To promote and facilitate viable and sustainable local government

Below are sub-programmes within this programme :

- Municipal Administration
- Municipal Finance
- Municipal Performance, Monitoring and Evaluation

Institutional outcomes that each programme contributes towards according to the Annual Performance Plan:

- Responsive, Accountable, effective and efficient Local Government and Traditional Affairs in the North West Province

PROGRAMME 2: LOCAL GOVERNANCE: MUNICIPAL FINANCE								
Outcome	**Outputs**	**Output Indicator**	**Audited Actual Performance 2019/20**	**Audited Actual Performance 2020/21**	**Planned Annual Targets Plan 2021/2022**	**Actual Achievement 2021/22**	**Deviation from planned target to actual achievement for 2021/22**	**Reasons for Deviations**
Responsive, Accountable, effective and efficient Local Government and Traditional Affairs in the North West Province	Municipal with enhanced reven ue collection	1. Number of municipalities supported with revenue enhancement management initiatives	17 Municipalities supported to improve revenue and debt collection - Kgetleng Rivier - Mamusa - Maquassi Hills - Mahikeng - Ramotshere Moilwa - Tswaing - Madibeng - Lekwa Teemane - Ditsobotla - Matlosana - Ratlou - Moses Kotane - Greater Taung - Moretele - Rustenburg - JB Marks - Naledi	10 municipalities supported to improve revenue and debt collection namely: - Kgetleng Rivier - Mamusa - Maquassi Hills - Mahikeng - Ramotshere Moilwa - Tswaing - Madibeng - Lekwa Teemane - Ditsobotla - Naledi	10 - Kgetleng Rivier - Mamusa - Maquassi Hills - Mahikeng - Ramotshere Moilwa - Tswaing - Madibeng - Lekwa Teemane - Ditsobotla - Naledi	1 municipality supported with revenue enhancement management initiatives namely: Naledi LM	9 Mamusa LM, LM, Tsw aing LM, Madibeng LM, Mafikeng LM, Ditsobotla LM, Maquassi Hills LM. Kgetleng Rivier LM, Lekwa Teemane LM and Ramotshere Moiloa LM	Non-attendance of invited municipalities to the government debt meetings coordinated by the department during quarter 1 & 2. The deficiency was in the activity that relates to supporting municipalities with outstanding government debt wherein municipalities failed to attend to the government debt meetings coordinated by the department during quarter 1 & 2.

PROGRAMME 2: LOCAL GOVERNANCE: MUNICIPAL FINANCE								
Outcome	**Outputs**	**Output Indicator**	**Audited Actual Performance 2019/20**	**Audited Actual Performance 2020/21**	**Planned Annual Targets Plan 2021/2022**	**Actual Achievement 2021/2022**	**Deviation from planned target to actual achievement for 2021/22**	**Reasons for Deviations**
Responsive, Accountable, effective and efficient Local Government and Traditional Affairs in the North West Province	Municipal Post Audit Action Plan assessment report	2. Number of consolidated municipal post audit action plan assessment report submitted to Legislature	1 Consolidated municipal post audit action plan assessment report produced.	1 consolidated municipal post audit action plan assessment report produced.	1	1 consolidated municipal post audit action plan assessment report produced.	0	None
	Functional municipal Public Accounts Committees	3. Number of Municipal Public Account Committees monitored on council oversight .	22 municipal MPACs monitored on council oversight role	22 Municipal Public Account Committees monitored on council oversig ht	22	22 Municipal Public Account Committees monitored on council oversight	0	None

PROGRAMME 2 : LOCAL GOVERNANCE : MUNICIPAL FINANCE								
Outcome	**Outputs**	**Output Indicator**	**Audited Actual Performance 2019/21**	**Audited Actual Performance 2020/21**	**Planned Annual Targets Plan 2021/22**	**Actual Achievement 2021/22**	**Deviation from planned target to actual achievement for 2021/22**	**Reasons for Deviations**
Responsive, Accountable, effective and efficient Local Government and Traditional Affairs in the North West Province	Municipalities supported to reduce unauthorized, irregular, wasteful, and fruitless expenditure	4. Number of municipalities supported to reduce unauthorized, irregular, wasteful, and fruitless expenditure (MTSF 2019 - 2024, priority 1)	N/A	N/A	4	4 municipalities supported to reduce unauthorized, irregular, wasteful, and fruitless expenditure namely : Ngaka Modiri Molema, Bojanala, Dr RSM and Dr Kenneth Kaunda.	0	None
	Municipalities comply ing to Municipal Property Rates Act (MPRA)	5. Number of municipalities guided to comply with Municipal Property Rates Act (MPRA) (Linked to MTSF 2019 -2024, Priority 1) (B2B pillar 4)	18 local municipalities supported with compliance t o Municipal Property Rates Act (MPRA)	18 local municipalities supported with compliance to Municipal Property Rates Act (MPRA)	18	18 municipalities guided tocomply with Municipal Property Rates Act	0	None

PROGRAMME 2: LOCAL GOVERNANCE: MUNICIPAL ADMINISTRATION								
Outcome	**Outputs**	**Output Indicator**	**Audited Actual Performance 2019/20**	**Audited Actual Performance 2020/21**	**Planned Annual Targets Plan 2021/22**	**Actual Achievement 2021/22**	**Deviation from planned target to actual achievement for 2021/22**	**Reasons for Deviations**
Responsive, Accountable, effective and efficient Local Government and Traditional Affairs in the North West Province	Municipalities complying to MSA regulations on the appointment and conditions employment of officials	1. Numbe r of municipalities supported to comply with MSA regulations on the appointment of senior managers.	22 municipalities supported tocomply with MSAregulat ions on the appointment and conditions of employment of officials.	22 municipalities supported to comply with MSA regulations on the appointment and conditio ns of employment of officials.	22	22 municipalit ies supported to comply with MSA regulations on the appointment and conditions of employment of officials.	0	None
	Municipalities implementing anti-corrupton measures	2.Number of municipalities monitored on the extent to which Anti-corruption measures are implemented (linked to MTSF 2019-2024, priority 1)	22 municipalities monitored on the exte nt to which anti-corruption measures are implemented	22 municipalities monitored on the extent to which anti-corruption measures are implemented	22	0	22	Municipalities did not submit required reports

PROGRAMME 2: LOCAL GOVERNANCE: MUNICIPAL ADMINISTRATION								
Outcome	**Outputs**	**Output Indicator**	**Audited Actual Performance 2019/20**	**Audited Actual Performance 2020/21**	**Planned Annual Targets Plan 2021/22**	**Actual Achievement 2021/22**	**Deviation from planned target to actual achievement for 2021/22**	**Reasons for Deviations**
Responsive, Accountable, effective and efficient Local Government and Traditional Affairs in the North West Province	Skilled municipal officials and councilors	3 Number of capacity building interventions conducted in municipalities (Linked to MTSF 2019-2024, priority 1) B2B Pillar 5)	2 capacity building interventions conducted in municipalities .	2 capacity building intervention s conducted in municipalities .	2 interventions on good governance & sound administration	1 capacity building intervention conducted in municipalities	1	Capacity building intervention for councillors could not take place due to the beginning of a new municipal electoral cycle .
	Municipalities implementing GBVF responsive programme	4 Number of municipalities monitored on the implementation of GBVF responsive programme (Final M& E plan for NSP on (GBVF) (Pillar 2:Prevention and restoration of social Fabric)	N/A	N/A	6	2 municipalities monitored on the implementation of GBVF responsive programme namely: Ngaka Modiri Molema District and Mamusa LM	4	The Executive mistakenly signed the acknowledgement before the questioner was circulated to the municipalities.

PROGRAMME 2: LOCAL GOVERNANCE: MUNICIPAL ADMINISTRATION								
Outcome	**Outputs**	**Output Indicator**	**Audited Actual Performance 2019/20**	**Audited Actual Performance 2020/21**	**Planned Annual Targets Plan 2021/22**	**Actual Achievement 2021/22**	**Deviation from planned target to actual achievement for 2021/22**	**Reasons for Deviations**
Responsive, Accountable, effective and efficient Local Government and Traditional Affairs in the North West Province	Public participation in community based local governance.	5. Number of municipalities supported to promote participation in community based local governance processes (Priority 1 : Capable, Ethical and Developmental state)(Priority 6 MTEF indicatory: Social cohesion and safer communities	N/A	N/A	4	0	4 Mafikeng LM Lekwa Teemane LM, Kgetleng Rivier LM and Maquassi Hills	Municipalities were not responsive to Department effort to support them

PROGRAMME 2: LOCAL GOVERNANCE: MUNICIPAL ADMINISTRATION								
Outcome	**Outputs**	**Output Indicator**	**Audited Actual Performance 2019/20**	**Audited Actual Performance 2020/21**	**Planned Annual Targets Plan 2021/22**	**Actual Achievement 2021/22**	**Deviation from planned target to actual achievement for 2021/22**	**Reasons for Deviations**
Responsive, Accountable, effective and efficient Local Government and Traditional Affairs in the North West Province	Municipalities with service delivery improvement plans	6. Number of municipalities supported to resolve community concerns	18 Municipalities supported to response to mu com nity concerns	17 Municipalities supported to r esponse to community concern namely: Naledi, Kagisano Molopo, Mamusa, Lekwa - Teemane, Mafikeng, Ditsobotla, Ramotshere - Moiloa, Tswaing, Ratlou, Kgetleng Rivier, Maquassi Hills, Matlosana, Rustenburg, Moses Kotane, Moretele Madibeng, JB Marks	8	5 mun icip l ities supported to resolve community concerns namely: Kag isano Molopo LM, Maquassi Hills, Kgetleng Rivier, Moretele LM and Mafikeng LM	3 JB Marks Tswaing LM Matlosana	Community concerns are collected and collated by ward committees through a Register of Community Concerns but due to the beginning of a new municipal electoral cycle these committees ceased to exist on 08/11/2021. During the quarter, ward committees where still in the proc ess of being established.
	Municipalities with functional ward committees	7. Number of municipalitie supported to maintain functional	20 Greater Taung, Naledi, Kagisano Molopo, Mamusa, Lekwa -Teem ane, Mafikeng, Ditsobotla,	18 municipalities supported to maintain function al ward committees	12	4 municipalities supported to maintain functional ward committees namely: Naledi,	8 Tswaing LM, JB Mark, Matlosana LM, Maquassie Hills, Lekwa - Teemane,	The ward committee ceased to operate immediately after the local

PROGRAMME 2: LOCAL GOVERNANCE: MUNICIPAL ADMINISTRATION								
Outcome	**Outputs**	**Output Indicator**	**Audited Actual Performance 2019/20**	**Audited Actual Performance 2020/21**	**Planned Annual Targets Plan 2021/22**	**Actual Achievement 2021/22**	**Deviation from planned target to actual achievement for 2021/22**	**Reasons for Deviations**
Responsive, Accountable , effective and efficient Local Government and Traditional Affairs in the North West Province		ward committees (Linked to MTSF 2019 - 2024, Priority 1)	Ramotshere -Moiloa, Tswaing, Ratlou, Kgetleng Rivier, Maquassi Hills, Ratlou, Matlosana, Rustenburg, Moses Kotane, Moretele Madibeng, Dr Kenneth Kaunda DM and Ngaka Modiri Molema DM			Kagisano Molopo, , MosesKotane , Ramotshere - Moiloa	Mafikeng , Kgetleng Rivier and Moretele LM	government elections . No files were received from municipalities hence no assessment was done for those .

PROGRAMME 2: LOCAL GOVERNANCE: MUNICIPAL PERFORMANCE MONITORING & EVALUATION								
Outcome	**Outputs**	**Output Indicator**	**Audited Actual Performance 2019/20**	**Audited Actual Performance 2020/21**	**Planned Annual Targets Plan 2021/22**	**Actual Achievement 2021/22**	**Deviation from planned target to actual achievement for 2021/22**	**Reasons for Deviations**
Responsive, Accountable, effective and efficient Local Government and Traditional Affairs in the North West Province	Municipalities complying with chap ter 6 of the MSA	1. Number of Municipalities supported to institutionalize performance management systems (PMS) (Linked to MTSF 2019 -2024 priority 1)	10 Municipalities supported to institutionalize performance management systems namely: - Tswaing - Ditsobotla - Mahikeng - Maquassi Hills - JB Marks - Mamusa - Lekwa Teemane - Madibeng	4 Municipalities supported to institutionalize performance management systems namely: - Tswaing LM - Lekwa -Teem ane LM - Kgetleng rivier and - JB Marks LM	4 Tswaing LM J B Marks Lekwa -Teem ane LM Kgetleng rivier LM	4 municipalities supported to institutionalize performance management systems namely : Tswaing LM JB Marks LM Lekwa -Teem ane LM Kgetleng rivier LM	0	None

PROGRAMME 2: LOCAL GOVERNANCE: MUNICIPAL PERFORMANCE MONITORING & EVALUATION								
Outcome	**Outputs**	**Output Indicator**	**Audited Actual Performance 2019/20**	**Audited Actual Performance 2020/21**	**Planned Annual Targets Plan 2021/22**	**Actual Achievement 2021/22**	**Deviation from planned target to actual achievement for 2021/22**	**Reasons for Deviations**
Responsive, Accountable, effective and efficient Local Government and Traditional Affairs in the North West Province			Kgetleng Rivier Moses Kotane					
	Section 47 report as prescribed by MSA	2.Number of Section 47 report compiled as prescribed by MSA. (Linked to MTSF 2019 – 2024, Priority 1) (B2B Pillar 5)	1 Section 47 report produced as prescribed by MSA.	1 Section 47 report produced as prescribed by MSA.	1	1 Section 47 report produced as prescribed by MSA.	0	None
	Section 105 (1) reports	3.Number of section (105)(1) reports compiled as p rescribed by MSA.	N/A	N/A	4	4 section (105) (1) reports compiled as prescribed by MSA.	0	None

Strategy to overcome areas of underperformance

- One on one engagement with municipalities that failed to attend and share minutes to note outcomes and resolutions of the meeting for implementation of recommendations agreed upon at the forums
- Municipality to be engaged through Municipal Manager Office to ensure their availability for the support.
- Department has started with establishment of the ward committee since the month of January 2022 and planned to conclude induction thereof in the month of March 2022.
- Once ward committees are functional department will provide support on development of community needs/ register.
- Capacity building programme for councillors has been designed and will unfold in the new financial year.

Performance in relation to Standardised Outputs and Outputs indicators for sectors with concurrent function

- There are standardized outputs and outputs indicators for this programme.

LINKING PERFORMANCE WITH BUDGET

	2021/22			2020/21		
	Final Appropriation	Actual Expenditure	(Over)under expenditure	Final Appropriation	Actual Expenditure	(Over)under expenditure
Voted funds and Direct charges	R'000	R'000	R'000	R'000	R'000	R'000
Programme						
Municipal Administration	108 566	108 396	170	108 022	106 828	1 194
Municipal Finance	34 690	33 626	1 064	27 704	27 386	318
Municipal Performance Monitoring, Reporting and Evaluation	18 584	15 254	3 330	16 810	16 081	729
TOTAL	**161 840**	**157 276**	**4 564**	**152 536**	**150 295**	**2 241**

The expenditure in the programme has largely contributed to municipal interventions, as well as day to day operations providing necessary support to the municipalities.

Programme 03: Development and Planning

Programme Purpose

- To guide inter-spherical planning for development and access to basic services.
- Improved systems and structures for disaster risk management across the Province with the view of ensuring safe and disaster resilient communities.
- To reduce levels of unemployment through Community Works Programme and enhance local economic development across the Province

Below are sub-programmes within this programme:

- Municipal Development and Planning
- Integrated Municipal infrastructure
- Disaster Management

Institutional outcomes that each programme contributes towards according to the Annual Performance Plan:

- Responsive, Accountable, effective and efficient Local Government and Traditional Affairs in the North West Province.

PROGRAMME 3: DEVELOPMENT AND PLANNING: MUNICIPAL DEVELOPMENT AND PLANNING								
Outcome	**Outputs**	**Output Indicator**	**Audited Actual Performance 2019/20**	**Audited Actual Performance 2020/21**	**Planned Annual Targets Plan 2021/22**	**Actual Achievement 2021/22**	**Deviation from planned target to actual achievement for 2021/22**	**Reasons for Deviations**
Responsive, Accountable, effective, and efficient Local Government and Tra ditional Affairs in the North West Province	Municipalities Implementing SPLUMA	1. Number of municipalities supported with the implementation of SPLUMA	20 municipalities supported with the implementation of SPLUMA	20 municipalities supported with the implementation of SPLUMA	18	15 municipalities supported with the implementation of SPLUMA .	3 municipalities namely: Rustenburg, Madibeng LM, Naledi LM	All three municipalities did not require SPLUMA assistance.
	Municipalities with legally compliant IDP	2. Number of municipalities with legally compliant IDPs	22 municipalities supported with development of IDP's	22 municipalities supported with the development of IDP.	22	22 municipalities supported with legally compliant IDPs	0	None
	Work opportunities created through Community Work Programme (CWP)	3. Number of Work opportunities reported through Community Work Programme (CWP) (MTSF 2019 -2024, Priority 2)	N/A	N/A	20 900	21641 work opportunities created through Community Work Programme	(741)	10% over recruitment as per CWP implementation manual.

PROGRAMME 3: DEVELOPMENT AND PLANNING: MUNICIPAL DEVELOPMENT AND PLANNING								
Outcome	**Outputs**	**Output Indicator**	**Audited Actual Performance 2019/20**	**Audited Actual Performance 2020/21**	**Planned Annual Targets Plan 2021/22**	**Actual Achievement 2021/22**	**Deviation from planned target to actual achievement for 2021/22**	**Reasons for Deviations**
Responsive, Accountable, effective and efficient Local Government and Traditional Affairs in the North West Province	Municipalities supported to implementing Local Economic Development programmes in line with National LED Framework	4. Number of municipalities supported to implement Local Economic Development programmes in line with the District economic Recovery Plan.	20 Mamusa Naledi, Lekwa-Teemane Kagisano Molopo Greater Taung Tswaing Mahikeng Ditsobotla, Ramotshere Moiloa, Madibeng Moretele, Kgetleng Rivier, MosesKotane, Rustenburg, Bojanala DM JB Marks, Maquassie Hills Matlosana Ngaka Modiri Molema DM Dr Ruth M ompati DM	15 municipalities namely: Mamusa, Naledi, Kagisano Molopo Greater Taung Tswaing Mahikeng Ramotshere Moiloa, Madibeng Moretele, Kgetleng Rivier, Rustenburg, Bojanala DM JB Marks, Maquassie Hills Matlosana	6 Greater Taung Mafikeng JB Marks Maquassi Hills Tswaing Matlosana	4 municipalities supported to implement Local Economic Development programme namely : - Greater Taung LM - JB Marks - Matlosana LM - Maquassi Hills LM	2 municipalities namely: Tswaing LM and Mahikeng LM	Non-existence of LED unit in the municipality. Mafikeng municipality did not attend a meeting due to delay in land allocation

PROGRAMME 3: DEVELOPMENT AND PLANNING: MUNICIPAL DEVELOPMENT AND PLANNING								
Outcome	**Outputs**	**Output Indicator**	**Audited Actual Performance 2019/20**	**Audited Actual Performance 2020/21**	**Planned Annual Targets Plan 2021/22**	**Actual Achievement 2021/22**	**Deviation from planned target to actual achievement for 2021/22**	**Reasons for Deviations**
Responsive, Accountable, effective and efficient Local Government and Traditional Affairs in the North West Province	Integrated Planning in all District municipalities	5 Number of District/Metro supported to develop One Plans (MTSF 2019-2024, Priority 5: Spatial integrated human settlements and local government)	Not part of the APP	Not part of the APP	4 Ngaka Modiri Molema DM Dr Kenneth Kaunda DM Dr Ruth Segomotsi Mompati DM Bojanala DM	4 Districts municipalities supported to develop One Plans	0	None

PROGRAMME 3: DEVELOPMENT AND PLANNING: INTERGRATED MUNICIPAL INFRASTRUCTURE								
Outcome	**Outputs**	**Output Indicator**	**Audited Actual Performance 2019/20**	**Audited Actual Performance 2020/21**	**Planned Annual Targets Plan 2021/22**	**Actual Achievement 2021/22**	**Deviation from planned target to actual achievement for 2021/22**	**Reasons for Deviations**
Responsive , Accountable , effective and efficient Local Government and Traditional Affairs in the North West Province	Municipalities implementing infrastructure service delivery program	1. Number of municipalities monitored on the implementation of infrastructure service delivery programmes (Outcome 9, sub outcome 1)(B2B pillar 5)	22 municipalities monitored on the implementation of infrastructure service delivery programmes	20	18	18 local municipalities monitored on the implementation of infrastructure service delivery programmes	0	None
	District utilizing the allocated national grants to increase the provision of basic services in municipalities .	2. Number of District monitored on spending of national grants	Not part of the APP	Not part of the APP	4 Ngaka Modiri Molema DM Dr Kenneth Kaunda DM Dr Ruth Segomotsi Mompati DM Bojanala DM	4 Districts monitored on spending of national grants namely : Ngaka Modiri Molema DM Dr Kenneth Kaunda DM Dr Ruth Segomotsi Mompati DM Bojanala DM	0	None
	Municipalities implementing indigent policies	3. Number of municipalities	20 municipalities	18	18	18 local municipalities	0	None

PROGRAMME 3: DEVELOPMENT AND PLANNING: INTERGRATED MUNICIPAL INFRASTRUCTURE								
Outcome	**Outputs**	**Output Indicator**	**Audited Actual Performance 2019/20**	**Audited Actual Performance 2020/21**	**Planned Annual Targets Plan 2021/22**	**Actual Achievement 2021/22**	**Deviation from planned target to actual achievement for 2021/22**	**Reasons for Deviations**
Responsive , Accountable , effective and efficient Local Government and Traditional Affairs in the North West Province	In line with the National Policy.	monitored on the implementation of indigent policies	suppor ted to implement indigent polic ies.			mon itored on the implementa tion of indigent polic ies		
	Municipalities implementing waste management	4. Number of municipalities supported with the implementation of waste management programmes	Not part of the APP	Not part of the APP	18	18 local municipalities supported with the implementation of waste management programm es	0	None

PROGRAMME 3: DEVELOPMENT AND PLANNING: DISASTER MANAGEMENT								
Outcome	**Outputs**	**Output Indicator**	**Audited Actual Performance 2019/20**	**Audited Actual Performance 2020/21**	**Planned Annual Targets Plan 2021/22**	**Actual Achievement 2021/22**	**Deviation from planned target to actual achievement for 2021/22**	**Reasons for Deviations**
Responsive, Accountable, effective and efficient Local Government and Traditional Affairs in the North West Province	Implementation of disaster management plans	1. Number of provincial debarments supported with the implementation of disaster management plans	11 Provincial departments work shopped on the implimentation of disaster management Plans.	28 institutions were supported namely: 12 Provincial Departments, 10 National Departments, 3 Entities, 2 NGO's and 1 Association	11	11	0	None
	Functional IGR Disaster management advisory forum	2. Number of reports on the IGR Disaster management advisory forum coordinated	4 reports on IGR disaster management advisory forum coordinated	4 IGR Disaster management advisory forum co ordinated	4	4 reports on the IGR Disaster management advisory forum coordinated	0	None
	Functional municipal disaster management centres	3. Number of municipalities supported to functional disaster management	Not part of the APP	Not part of the APP	22	22 municipalities supported to maintain functional disaster	0	None

PROGRAMME 3: DEVELOPMENT AND PLANNING: DISASTER MANAGEMENT								
Outcome	**Outputs**	**Output Indicator**	**Audited Actual Performance 2019/20**	**Audited Actual Performance 2020/21**	**Planned Annual Targets Plan 2021/22**	**Actual Achievement 2021/22**	**Deviation from planned target to actual achievement for 2021/22**	**Reasons for Deviations**
	Municipalities with functional fire services	4. Number of municipalities supported with Fire Brigade Services.	22 municipalities supported on the implementation of Fire Brigade services	18 municipalities supported with Fire Brigade services	10	10 local municipalities supported with Fire Brigade Services.	0	None

Strategy to overcome areas of under performance

- Affected municipalities will not be part of the Departmental planning document plan going forward.
- Since the absence of the LED unit, the function has been delegated to PMU managers. As a result, Department will engage municipalities through Tswaing municipal PMU Manager which is in charge of management of MIG projects to obtain progress on implementation of the LED programme. Furthermore, Municipal Manager will be engaged to ensure that LED unit is established.

Performance in relation to standardised outputs and output indicators for sectors with concurrent function

- There are standardized outputs and outputs indicators for this programme.

Linking performance with budget

	2021/22			2020/21		
	Final Appropriation	Actual Expenditure	(Over)under expenditure	Final Appropriation	Actual Expenditure	(Over)under expenditure
Voted funds and Direct charges	R'000	R'000	R'000	R'000	R'000	R'000
Programme						
Spatial Planning	3 586	3 369	217	3 552	3 451	101
LEDP	5 293	5 216	77	4 890	4 694	196
Municipal Infrastructure	153 710	147 305	6 405	169 582	169 301	281
Disaster Management	23 871	17 699	6 172	14 808	14 586	222
LDP	6 383	5 896	487	5 218	4 976	242
TOTAL	**192 843**	**179 485**	**13 358**	**198 050**	**197 008**	**1 042**

The budget allocated to this programme mainly contributed to address Water and Sanitation issues that affect communities in different municipalities. Furthermore, budget also contributed to the coordination of the disaster management in the Province.

PROGRAMME 04: TRADITIONAL AFFAIRS

Programme Purpose

To provide strategic support to the institutions of Traditional Leadership.

Below are sub-programmes within this programme:

- Traditional Leadership Support
- Anthropological & Research Services
- House of Traditional Leaders

Institutional outcomes that each programme contributes towards according to the Annual Performance Plan:

- Responsive, Accountable, effective and efficient Local Government and Traditional Affairs in the North West.

	PROGRAMME 4: TRADITIONAL AFFAIRS TRADITIONAL AFFAIRS							
Outcome	**Outputs**	**Output Indicator**	**Audited Actual Performance 2019/20**	**Audited Actual Performance 2020/21**	**Planned Annual Targets Plan 2021/22**	**Actual Achievement 2021/22**	**Deviation from planned target to actual achievement for 2021/22**	**Reasons for Deviations**
Responsive, Accountable, effective and efficient Local Government and Traditional Affairs in the North West Province	Functional traditional councils	1.Number of traditional councils supported to perform their functions	92 traditional councils supported to perform their duties	56 Traditional councils supported to perform their duties	92	92 traditional councils were supported to perform their functions.	0	None
	Disputes / claims processed	2. Percentage of succession disputes / claims processed.	50% of succession disputes / claims were processed	4 succession disputes/claims processed .	50 % (10)	50 % (10) of succession disputes/claims processed.	0	None
	Safe and compliant initiation schools	3.Number of reports on initiation school complying with the National Initiation Schools guidelines and / or legislation.	Not part of the APP	Not part of the APP	2	2 reports on Initiation School complying with the National Initiation Schools guidelines and/or legislation produced	0	None
	Functional traditional leaders	4. Number of reports on functioning of Traditional leaders	4	4 monitoring reports on the functioning of the Provincial and Local Houses of Traditional leaders	4	4 reports on functioning of Traditional leaders produced.	0	None

	PROGRAMME 4: TRADITIONAL AFFAIRS TRADITIONAL AFFAIRS							
Outcome	**Outputs**	**Output Indicator**	**Audited Actual Performance 2019/20**	**Audited Actual Performance 2020/21**	**Planned Annual Targets Plan 2021/22**	**Actual Achievement 2021/22**	**Deviation from planned target to actual achievement for 2021/22**	**Reasons for Deviations**
	Raise awareness against GBVF	5. Number of Anti GBVF Intervention /campaigns for traditional leaders (Final M &E Plan for the NSP on GBVF) (Pillar 2: Prevention and Restoration of social Fabric)	Not part of the APP	No t part of the APP	3	3 Anti GBVF Intervention/campaigns for traditional leaders conducted .	0	None

Strategy to overcome areas of underperformance

- There were no areas of under achievement in this programme

Performance in relation to standardised outputs and output indicators for sectors with concurrent function

- There are standardized outputs and outputs indicators for this programme.

Linking performance with budget

	2021/22			2020/21		
	Final Appropriation	Actual Expenditure	(Over)under expenditure	Final Appropriation	Actual Expenditure	(Over)under expenditure
Voted funds and Direct charges	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Traditional Affairs	142 969	135 430	7 539	116 531	116 102	429
TOTAL	**142 969**	**135 430**	**7 539**	**116 531**	**116 102**	**429**

The budget allocated to this programme contributed to payment of traditional leaders' operations in the Province and the Reconstitution of Traditional Council.

Report 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 where applicable	Immediate outcomes
Administration	34 Screeners and 41 cleaners were appointed temporary.	North west / NMMDM, Dr RSM & Bojanala DM	649	284 males 365 Females	R 788 944.8 R 526 659.84	R 788 944.8 R 526 659.84	N/A	Compliant workplaces as Disaster Management directives
Administration	Support to the 4 District command centres and command council	North west / NMMDM, Dr RSM & Bojanala DM	41000000	NMMDM, Dr RSM & Bojanala DM	Operational budget	N/A	Number of Provincial Department supported with the implementation of disaster management	Prevention of the spread of covid 19
Administration	Coordination of the Provincial Corona Virus command centre and council report	Mafikeng (Head Office)	41000000	Provincial Departments and National departments operating in the Province	Operational budget	N/A	Number of Provincial Department supported with the implementation of disaster management	Compliant workplaces as Disaster Management directives
Administration	Development of Departmental Risk Management Plan	North west / NMMDM, Dr RSM & Bojanala DM	649	284 males 365 Females	Operational budget	N/A	N/A	Compliant workplaces as per the Disaster Management directives
Administration	Implementation of Covid-19 Hea th and Safety Protoc : ols Determining Capacity of Offices.	North west / NMMDM, Dr RSM & Bojanala DM	649	284 males 365 Females	Operational budget	N/A	N/A	Decongestion plans developed to ensure provisioning of a Conducive

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 where applicable	Immediate outcomes
								Working Environment
Administration	Implementation of Covid-19 Health and Safety Protocols Reporting Cases to DoH and DPSA	North west / NMMDM, Dr RSM & Bojanala DM	N/A	N/A	Operational budget	N/A	N/A	Ensuring Provisioning of Conducive Working Environment
Administration	Implementation of Covid-19 Health and Safety Protocols Reporting Cases to DoE&L	North west / NMMDM, Dr RSM & Bojanala DM	N/A	N/A	Operational budget	N/A	N/A	Ensuring Provisioning of Conducive Working Environment

1.5 Transfer payments

Transfer payment to Public Entities

- The table below relates to Public Entities who received funding from the Department:

Name of Public Entity	Key outputs of the Public Entity	Amount transferred to the public entity	Amount spent by the public entity	Achievements of the public entity
N/A	**N/A**	**N/A**	**N/A**	**N/A**

Transfer payment to all organizations other than Public Entities.

The table below reflects transfer payments made for the period 1 April 2021 to 31 March 2022:

Name of transferee	Type of organization	Purpose for which the funds were used	Did the dept comply with section 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
N/A	N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A	N/A

Transfer payment which were budgeted for in theperiod 1 April 2021 to 31 March 2022, but no transfer payment was made.

Name of transferee	Type of organization	Purpose for which the funds were used	Amount Budgeted for (R'000)	Amount transferred (R'000)	Reasons for why funds unspent by the entity
N/A	N/A	N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A	N/A	N/A

2.6 Conditional grants and earmark funds received

2.6.1 Expanded Public Works Programme (EPWP)

The Expanded Public Works Programme is a government programme aimed at the alleviation of poverty and unemployment. The programme ensures the full engagement on Labour Intensive Methods of Construction (LIC) to contractors for skills development. The EPWP focuses at reducing unemployment by increasing economic growth by means of improving skills levels through education and training and improving the enabling environment for the industry to flourish

The table below reflect the conditional grant received during the period of 1 April 2021 to 31 March 2022:

Department who transferred the grant	National Department of Public Works
Purpose of the grant	The Expanded Public Works Programme is a government programme aimed at the alleviation of poverty and unemployment
Expected outputs of the grant	The programme ensures the full engagement on Labour Intensive Methods of Construction (LIC) to contractors for skills development. The EPWP focuses at reducing unemployment by increasing economic growth by means of improving skills levels through education Training and improving the enabling environment for the industry to flourish
Actual outputs achieved	120 beneficiaries were recruited in this programme.
Amount received (R'000)	R2 058 000.00
Reasons if amount as per DORA was not received.	N/A
Amount spent by the department (R'000)	R2 021 000.00
Reasons for funds unspent by the department.	Virements and shifting was applied for and approved

Reasons for deviation on performance	None
Measures taken to improve performance	☐ Enhanced proper planning ☐ Regular monitoring of projects
Monitoring mechanism by the receiving department	☐ Provincial Steering Committee meetings were held on quarterly basis where performance and progress were discussed. ☐ Site visits conducted regularly.
Measures taken to improve performance	☐ Enhanced proper planning ☐ Regular monitoring of projects

2.6.2 Earmark fund paid

Department has not paid earmark funds to any institution.

2.7 Donor funds

No donor funds received in the period under review.

2.8 Capital investment, maintenance and assets management plan

The department does not have capital investment, maintenance and assets management plan due to the fact that it does own or have any immovable assets.

ANNEXURE C

3 PART C : GOVERNANCE

3.1 Introduction

The Department is managing a budget entrusted to us by taxpayer with a belief that appropriate controls and diligent management will be the source of good governance guided by relevant legislation like the PFMA- Public Financial Management Act. We are expected to use procurement processes that are defined and prescribed in SCM practice notes and other legislative framework in order to minimize fraud, corruption, and self-interest. Risk management and Internal control units are there to safeguard and ensure that public funds are safe.

3.2 Risk management

The department had an approved risk management policy and strategy that has been adopted and approved by the HOD for implementation in the 2021/22 financial year. All the activities outlined in the Risk Management Plan has been successfully implemented.

The 2021/22 annual strategic risk assessments was conducted by the Department from which the Departmental Strategic Risk Register was produced for monitoring the effectiveness of risk management and the planned mitigating strategies. Business Risk Assessments for the financial year 2021/22 were also conducted for all five Departmental Programmes.

Analysed and assessed risk management performance reports for both Strategic and Operational Risks were presented at various management structures including the Risk Management Committee supported or justified by portfolio of evidence. The reporting environment focuses mostly on progress monitoring, emerging risks, review and evaluation against the KPIs and key risk indicators (KRIs).

An External Independent Chairperson of Risk Management and Ethics Committee has been appointed to strengthen the committee's performance and that of the department by ensuring that there are effective, efficient internal controls, mitigating strategies and quality reports.

The Risk Management and Ethics Committee has been established and approved by the HOD. The committee, with its oversight role, it is entrusted with the responsibility of Risk Management and Ethics and Fraud. Signed appointment letters by the HOD to the members outlining their responsibilities are structured line the Public Sector Risk Management Framework. The letters have been handed over and accepted by the Members of the Committee. The key tasks of the Committee is to ensure that the departmental risks are effectively managed, mitigated and brought to an acceptable level.

The Department is accountable to the Provincial Internal Audit Committee and as such, signed quarterly progress reports pertaining to the Department's performance are presented by the HOD to the Audit Committee. The Audit Committee plays its pivotal oversight role independently and effectively by providing the department with appropriate advices, guidance and by thoroughly engaging the reports presented by the department. This has been proved by the value they

are adding and vigorous participation and commitment during their engagement with the Accounting Officers Report presented by the Department.

The Department is maturing at a reasonable pace in terms of executing risk management processes and is becoming even more conversant with the relevant approved risk management literatures and other related prescripts. The department has moved towards a more proactive, synergised integrated planning and reporting on risk management processes and performance information.

The Department has conducted risk management training for Senior Management and Middle Management Staff Members and awareness campaign were also conducted internally.

3.3 Fraud and Corruption

The Departmental Fraud Prevention Policy and Plan has been revised and approved by the Head of Department for implementation in the 2021/22 financial year. The Plan outlined the activities to be implemented in such a way that:

ü There is a common mechanism (e.g. Fraud Risk Assessments) for the Departmental Programmes intended to guide management and officials in reducing fraud to an absolute minimum.

ü There are strategies put in place to combat fraud and corruption.

ü The departmental resources are utilised wisely and optimally in providing high quality services and that any form of fruitless and wasteful expenditure is eliminated within the department.

In addition, is the Whistle Blowing Policy, the Gift Policy and the Financial Disclosure Policy that was reviewed and approved by the Head of Department as additional sources to combat, prevent, regularise Fraud in the Department and to strengthen consistency and ensure full compliance by the Department.

All Senior Managers of the Department managed to successfully disclose their registrable financial interest in the 2021/22 financial year in line with Regulation 19 of the Public Service Regulation and the execution of fraud and corruption implementation plan.

Most of the cases received by the Department are alleged cases reported through the National Anti-Corruption Hotline (NACH) and Presidential Hotline cases reported by whistle-blowers who in most cases prefer to remain anonymous. The reported cases are directed to the Department for further investigation and reporting to National and Provincial Public Service Commission including the Fraud and Corruption Unit placed in the Premiers Office.

3.4 Minimising conflict of interest

Therefore, in minimising conflict of interest the following are the financial disclosure systems that the Department has implemented to ensure that conflict of interest is minimised accordingly.

- ✓ The development of gift policy, approval, implementation, and management of gift register for purpose of disclosure
- ✓ Management of Remunerative Outside Public Service (RWOPS)
- ✓ Mandate by the HOD to validate and confirm if there is a conflict
- ✓ Investigate if the conflict warrants an investigation and if yes

In addition to the above, Senior Managers and other designated individuals must file their Financial Disclosure in complying with their obligations to avoid personal interests that may appear to interfere with the performance of their official duties and responsibilities, or appear to adversely influence the integrity, independence and impartiality required by their status as individuals employed by the department. When a potential or actual conflict of interest arises, it must be disclosed to the Ethics Office and the Staff Member's or the individual's supervisor/manager.

3.5 Code of Conduct

- The conduct has generally been fair amongst employees with cases attended to as they arise. The department has been working towards ensuring adherence to the code of conduct in as far as monitoring attendance is concerned
- Departmental officials' conduct is regulated in terms of Public Service Code of Conduct handbook and other related regulations.
- Workshops on the Code of Conduct have been conducted for levels 2 to 12.
- All employees in the department are subjected to disclosure of business interests, and all those who are involved in business must first seek approval to do so.
- All Programmes /Directorates keep work attendance registers which employees sign for knock-on, and knock-off from duty on a daily basis.
- Every employee appointed in terms of the Public Service Act must adhere to the Code of Conduct of the Public Sector. The Code of Conduct for the Public Service, as included in Chapter 2 of the Public Service Regulations, is the 'adopted' code. The code of conduct:-
    i) Sets norms and standards in promoting integrity, efficient and effective delivery of services to the public; provides a set of standards describing the behaviour we expect from our employees; and
    ii) Guides employees with regard to whom is expected of them ethically, both in their individual conduct and in their relationships with others and forms an integral part of the way we work every day.
- The code is furthermore strengthened by the Code of Conduct for Supply Chain Management Practitioners. All bid committee members and supply chain management practitioners are required to acknowledge that they will abide by the Code of Conduct for Supply Chain Management Practitioners.

3.5 Health Safety and Environmental issues

- Continuous psychosocial support and information is being given to employees who present with challenges and concerns on a regular basis.
- Continuous Psychosocial support for officials with comorbidities.
- Facilitated the approval and submission of Wellness management Operational plan.
- Conducted workshop for employees covering topics across the pillars: - Financial wellness, HIV screening etc.

3.6 Portfolio Committee

Department was summoned by the Portfolio Committee to present the following reports :

Purpose of the meeting	Matter raised by the Portfolio Committee	How department has addressed the matter
2nd Quarter Performnce briefing	The Department must put tangible plans to assist Municipalities with Revenue Enhancement stratergy and the MEC must champion war-room on this through MUNMEC and other Structures.	The Department note the advice of the committee, municipalities do have revenue enhancement strategies, the department will assist in reviewing in order not to recreate or delay the process of implementation of strategies. Provincial Treasury in conjunction with SALGA and COGTA is in the process sec 139(5) of constitution read together sec 139 of MFMA in 13 municipalities
2nd Quarter Performnce briefing	The Department to address the under expenditure, as it has the potential to influence the allocations during budget adjustment	Capital payment underspent due to lack of progress on the Bahurutshe Ba Ga Shuping tribal office, however, the issue has been resolved as Department is at 99% of expenditure in the 3rd quarter.
2nd Quarter Performnce briefing	The remedial actions set by the Department on performance indicators should be specifically dated in order to be followed upon for accountability purposes.	Department will develop an improvement plan to recover from the underperformance encountered in the period under review. Remedial actions which intends to enhance performance will have a specific timeframe on when such intervention will occur.
2nd Quarter Performnce briefing	The Department must investigate on the criminality and fraudulent activities that transpired at various Municipalities	The Department initiated a process of conducting investigations in accordance with sec 106 of municipal systems act in municipalities on allegations of maladministration and irregularities

Purpose of the meeting	Matter raised by the Portfolio Committee	How department has addressed the matter
Portfolio Committee oversight	A comprehensive report must be submitted on the budget allocated to Bakgatla Ba Mosetlha for renovations.	The last time we received allocations towards maintenance of traditional council offices was in the 2003/2004 financial year. Since then focus was on the replacement of all traditional council offices. According to the initial project plan the Bakgatla Ba Mosetlha Traditional Council office was earmarked for replacement during the 2012/2013 financial year. However, the programme has since experienced underfunding and we have a backlog. Newly built traditional council offices are also not maintained as required owing to lack of funds. In the past we used to build three offices per financial year. Currently we are constructing one traditional council office over three financial years
Portfolio Committee oversight	The Department must submit a comprehensive report on stipend and out of office pocket expense for all traditional council	In 2006/07 financial year a decision was taken to pay traditional council members sitting allowance amounting to R350 per month plus transport expenses, as a temporary measure.
Annual Report 2020/21 briefing	The Department must develop a turnaround strategy on all the issues raised by the Auditor General	Departmental Post Audit Action Plan aim at addressing issues raised by the Auditor General with a view to improve internal controls.
Annual Report 2020/21 briefing.	Department must develop and implement a plan in improving the Development and Planning Programme.	Development and Planning Programme has initiated a programme called Local Government week, where all directorates within the Development and Planning Programme will be engaging with the executives and senior managers of Local and District Municipalities on the municipal support plan of the Directorate

3.8 SCOPA Resolution

There were no SCOPA resolutions received by the Department in the period under review.

3.9 Prior modifications to audit reports

The Audit Action Plan is in place to address all matters raised by the office of the Auditor General. On quarterly basis the department submitted action plans to the Auditor General.

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance.	Financial in which it first arose	Progress made in clearing / resolving the matter
None	None	None

3.10 Internal control unit

Internal Control Unit monitored the implementation of Post Audit Action Plans (PAAP) to ensure that, the matters with a significant impact in the audit opinion are addressed, verifies compliance, and register progress with relevant POEs.

3.11 Internal Audit and Audit Committee

Key activities:

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Key objectives:

Provide a value add risk based internal audit service to the department.

Summary of audit work done

For the financial year under review 22 assurance and advisory reports were issued to the Department. Work performed was based on a risk based internal audit plan and included audits of: risk management; supply chain management; financial statements; report on pre-determined objectives; audit action plans (external) and the pre-audit of bids above R10million before award. Based on the audit work performed internal control, risk management and governance processes are adequate and effective and recommendations for further improvement have been made to the Department.

Key activities and objectives of the audit committee;

Key activities:

The audit committee, amongst others, reviews the following:

(a) the effectiveness of the internal control systems;

(b) the effectiveness of the internal audit function;

(c) the risk areas of the institution's operations to be covered in the scope of internal and external audits;

(d) the adequacy, reliability and accuracy of the financial information provided to management and other users of such information;

(e) any accounting and auditing concerns identified as a result of internal and external audits;

(f) the institution's compliance with legal and regulatory provisions;

(g) 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

Key objectives:

To contribute to the oversight function of the design and implementation of effective corporate governance, financial and performance management, risk management and internal controls with a view of achieving quality service delivery.

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	Role	Date appointed	Date resigned	No meetings attended
Central Audit Committee						
Mr L.Z Fihlani	CA(SA)	External	Chairperson	1 August 2018	Term of office ended	1
Ms P. Mzizi	CA(SA)	External	Member	1 August 2018	Term of office ended	1
Mr P. Tjie	B.Com, PMD	External	Member	1 August 2018	Term of office ended	1
Ms. J. Masite	B.Com, CIA	External	Member	1 August 2018	Term of office ended	1

Name	Qualifications	Internal or external	Role	Date appointed	Date resigned	No meetings attended
Cluster Audit Committee						
Mr. P. Tjie	B.Com, PMD	External	Chairperson	1 August 2018	Term of office ended	3
Mr. L. Ally	CA(SA)	External	Member	1 August 2018	Term of office ended	3
Ms. H. Moller	Dip. Business Management	External	Member	1 August 2018	Term of office ended	3
Ms. N. Mtebele	B.Com, Higher Diploma in Taxation	External	Member	1 August 2018	Term of office ended	2

Name	Qualifications	Internal or external	Role	Date appointed	Date resigned	No meetings attended
	Central Audit Committee					
Ms P. Mzizi	CA(SA)	External	Chairperson	14 February 2022		1
Mr P. Tje	B.Com, PMD	External	Member	14 February 2022		1
Mr. L. Ally	CA(SA)	External	Member	14 February 2022		1
Cluster Audit Committee						
Mr P. Tje	B.Com, PMD	External	Chairperson	14 February 2022		1
Ms H Masedi	M.Com	External	Member	14 February 2022		1
Mr M. Terheyden	CA(SA)	External	Member	14 February 2022		1
Mr T Boltman	Certified Internal Auditor	External	Member	14 February 2022		1

3.12 Audit Committee Report

1. Legislative requirements

The Audit Committee herewith presents its report for the financial year ended 31 March 2022, as required by treasury regulation 3.1.13 read with section 77 of the Public Finance Management Act, 1999 (Act No. 1 of 1999, as amended by Act No. 29 of 1999).

2. Audit Committee Members and Attendance

The Audit Committee should meet at least four times per annum as the Central Audit Committee and also four times per annum as the Cluster Audit Committee as per its approved terms of reference. During the current year two scheduled meetings were held by the Central Audit Committee and one meeting was held by the Cluster Audit Committee.

3. 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, 1999 and Treasury Regulation 3.1.

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 its responsibilities as contained therein.

4. The effectiveness of internal control

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

From the various reports of the Internal Auditors and the audit report of the Auditor-General South Africa (AGSA) it was noted that matters were reported indicating deficiencies in the system of internal controls in areas pertaining to financial reporting, compliance with laws and regulations and material reporting on pre-determined objectives.

Through our analysis of audit reports and engagement with the Department we can report that the system on internal control for the period under review was not adequate and effective

A matter of concern for the Audit Committee that has been raised with the department continuously is that the department is currently not implementing all internal and external audit action plans agreed upon. Based on our interaction with the department we conclude that the action plan management system has not been implemented

adequately and effectively to address internal and external audit findings and the Audit Committee and Internal Audit have recommended specific improvements in this regard.

The Audit Committee remains concerned with the slow progress in the finalisation of irregular and fruitless and wasteful expenditure that has accumulated over various previous financial years. The current status of the implementation of the guideline(s) and instruction(s) as issued by National Treasury to resolve irregular and fruitless wasteful expenditure is inadequate. The Audit Committee however notes that the department has not incurred irregular expenditure in the current year.

5. Risk management

The Risk Management Committee has been appointed and is chaired by an independent chairperson and advises the accounting officer.
The Audit Committee is concerned with the capacity of the risk management function which will impact service delivery negatively if the situation is not addressed.

Based on the quarterly audit committee reviews, the departmental risk and fraud management system is not adequate and effective.

The Audit Committee remains concerned that not all ICT risks are being addressed or mitigated.

6. In-Year Management and Quarterly Reporting

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

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

The Audit Committee has engaged with management to remedy shortcomings relating to reports on performance against predetermined objectives.
7. Evaluation of Financial Statements

During the quarter 3 and 4 meetings the Department presented the annual financial statement preparation plan and a progress report to the Audit Committee. The draft annual financial statements reviewed by the Audit Committee were not reflective of the progress reported to the Committee.

The draft annual financial statements reviewed by the Audit Committee was not submitted timely and finalised and completed to the extent required to enable adequate and effective review thereof.

This compromised the assurance value of reviews performed by the Accountant General, Internal Audit and the Audit Committee. The Audit Committee has however reviewed the draft annual financial statements prepared by the department and has advised the accounting officer to ensure that all the review notes and comments of Internal Audit, the Accountant General and the Audit Committee are fully addressed prior to submission of the annual financial statements to the Auditor General South Africa.

Subsequently the material misstatements not corrected and corrected were also reviewed when the management report of the AGSA was discussed with the Audit Committee

8. Evaluation of Performance Information

The Audit Committee has reviewed the section on performance information included in the draft annual report prepared by the department and has advised the accounting officer to ensure that all the review notes and comments of the Internal Audit and Audit Committee are fully addressed prior to the submission of the annual report to the Auditor General South Africa.

The Audit Committee has discussed the external audit outcomes on the reporting on pre-determined objectives to be included in the annual report with the Auditor General South Africa and the Accounting Officer.

9. Compliance with laws and regulations

The Audit Committee is concerned with the status of compliance with laws and regulations. If the department does not implement an adequate and effective compliance framework and system, non compliance will continue to occur.

10. Internal Audit

The accounting officer is obliged, in terms of the Public Finance Management Act, 1999, to ensure that the department has a system of internal audit under the control and direction of the Audit Committee. The Audit Committee is satisfied that the internal audit function has properly discharged its functions and responsibilities during the year under review.

The Audit Committee also notes that the deficiencies in the risk management system mentioned above impact on the implementation of the risk based audit approach.

The Audit Committee is satisfied that the internal audit function maintains an effective internal quality assurance programme that covers all aspects of the internal audit activity and that as determined during the external quality assessment review, that a generally “conforms rating” can be applied to the internal audit work and the term “Conforms with the International Standards for the Professional Practice of Internal Auditing” may be used by the function.

11. Auditor General South Africa

We have reviewed the department's implementation plan for audit issues raised in the previous year and based on the interaction with the department and the internal audit reports, the committee is not satisfied that all matters have been adequately addressed.

The Audit Committee is not aware of any unresolved issues with respect to the current audit.
The Audit Committee concurs with the Auditor General South Africa's opinion on the annual financial statements

12. General

Signed on behalf of the Cluster Audit Committee by:

M.P. TJIE

Chairperson of the .....
Cluster Audit Committee **M P Tjie**
Date: 10 August 2022

3.13 B-BBEE Compliance Performance Information

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	**Response Yes / No**	**Discussion** *(include a discussion on your response and indicate what measures have been taken to comply)*
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	This is not in the department's mandate.
Developing and implementing a preferential procurement policy?	Yes	The departmental SCM policy has incorporated the requirements of the B-BBEE Act, 2013 and implementing a procurement requirement which is aligned with the Preferential Procurement Policy Framework Act and Preferential Procurement Regulations, 2017 as issued by National Treasury. The Department has applied the B-BBEE certificates levels 1 – 8 for allocation of preference points to qualifying suppliers for all procurement of goods and services from a transaction value of R 30 000 and above.
Determining qualification criteria for the sale of state-owned enterprises?	No	This is not in the mandate of the Department.
Developing criteria for entering into partnerships with the private sector?	Yes	The B-BBEE requirements are considered when preparing PPP agreements. No PPP agreements were entered into in the financial year under review
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	This is not in the mandate of the department.

ANNEXURE D

4. PART D: HUMAN RESOURCE MANAGEMENT

4.1. Legislations that govern Human Resource Management

Legislations governing human Resource Management		
☐ Employment Equity Act	☐ Protected Disclosure Act	☐ Public Service Act
☐ Skills Development Act	☐ Public Service Regulations, 2016 as amended	☐ Labour Relation Act
☐ Basic Conditions of Employment Act	☐ HRD Strategy	☐ National Strategic plan on HIV and AIDS & TB Management
☐ Departmental Recruitment and Selection policy	☐ Departmental Resettlement Policy	☐ Departmental Leave Management policy
☐ Departmental PILIR policy	☐ Departmental PMDS policy	☐ Departmental Retention policy
☐ DPSA Directives	☐ Departmental Service Termination policy	Code of conduct for the public service

4.2. Status of human resource in the department

Human resource in the Department is responsible for the provision of Strategic Human Resource Management & Development services in the department. Directorate: Human Resource Management & Development is divided into five (5) Sub: Directorates, namely:

- Organisational Design, HR Planning & Systems and
- Human Resource Utilisation and Capacity Development,
- Labour/Employee Relations,
- Employee Health and Wellness,
- Human Resource Administration.

4.3. Human Resource priorities for the year under and the impact of these priorities

4.3.1. Proposed Organisational Structure

- The Department to have a fit for purpose operational structure for the Department of Cooperative Governance and Traditional Affairs.

4.4 Workforce planning and key strategies to attract and recruit

4.4.1 Departmental Recruitment Policy/Strategy

- The Department has reviewed the recruitment policy to ensure that it is in line with the Human Resource Plan, Employment Equity and also in line with all Public Regulations Act 2016.
- An Employment Equity Committee is in place, the Committee has undergone training in order to give management and staff a proper advice on Employment Equity issues.

4.4.2 Staff Retention Strategy

- Although staff retention policy is in place, the Department found it difficult to retain skilled employees, since the Department cannot compete with private sectors in terms of salary packages and benefits.

4.4.3 Exit Management

- The Department has developed an exit management questionnaire/tool. The purpose of the questionnaire is to assist the department to circumvent future staff turnover due to resignations and transfers.

4.5 Employee performance management

- Moderation process took place through various programmes and subsequently payment was processed for 2021/22 financial year to qualifying officials.

4.6 Employee Health and Wellness Programme

The Department participated in the following activities:

- HIV, STI'S and TB Management
- SHERQ
- Wellness Management
- Health and Productivity

4.6.1 HIV and AIDS and TB Management

- Psychosocial support for officials provided.
- Approved EHWP operational plan in place.

4.6.2 SHERQ

- Covid-19 Risk Adjusted Plans approved and implemented successfully.
- Strengthened Internal capacity by contracting 44 screeners across the province to ensure screening is conducted in all Departmental buildings.
- Contracted 44 cleaners to substitute where there is shortage as a result of COVID-19.
- Reported of confirmed Covid-19 cases and contact tracing within the Department.
- Facilitation of Decontamination of offices in case of the Confirmed case in the buildings.
- SHERQ management policy approved.
- Provided weekly reports to Office of the Premier and Provincial Command Council

4.6.3 Wellness Management

- Continuous psychosocial support and information is being given to employees who present with challenges and concerns on a regular basis.
- Continuous Psychosocial support for officials with comorbidities.
- Facilitated the approval and submission of Wellness management Operational plan.
- Conducted workshop for employees covering topics across the pillars: - Financial wellness, HIV screening etc.

4.6.4 Health and Productivity

- Approved Health and Productivity Operational plan in place.

4.7 Highlight achievements and challenge faced by the department, as well as future human resource plans/goals

Achievements
Approved start up organizational structure in place Appointments of 44 cleaners to assist with deep cleaning of offices across the Department buildings. Appointment of twenty (23) unemployed youth graduates on internship programmes
Challenges
Unable to attract and retain technical skilled personnel
Future plans
Improve % of women in SMS level Expedite filling of vacant funded positions

HR Oversight 1 April 2020-31 March 2022

Table 3.1.1 Personnel expenditure by programme for the 1 April 2021 and 31 March 22

Programme	Total expenditure	Personnel expenditure (excluding Goods & Services)	Training expenditure	Professional and special services expenditure	Personnel expenditure as a % of total expenditure	Average personnel cost per employee
17000001 ADMINISTRATION					0	R 0.00
17000002 LOCAL GOVERNANCE					0	R 0.00
17000003 DEVELOPMENT AND PLANNING					0	R 0.00
17000004 DLG&TA : TRADITIONAL LEADERSHIP					0	R 0.00
Total	**R0.00**	**R0.00**	**R0.00**	**R0.00**	0	R 0.00

Table 3.1.2 Personnel costs by salary band for the period 1 April 2021 and 31 March 2022

Salary band	Personnel expenditure (COE: SALARY & WAGES, SOCIAL CONTRIBUTIONS)	% of total personnel cost	No. of Employees	Average personnel cost per employee
Lower skilled (Levels 1-2)	R3,650,387.91	1	17	R 214,729.00
Skilled (Levels 3-5)	R18,095,450.71	5	61	R 296,647.00
Highly skilled production (Levels 6-8)	R185,224,725.02	55	464	R 399,191.00
Highly skilled supervision (Levels 9-12)	R70,821,305.23	21	111	R 638,030.00
Senior and Top Management (Level 13-16)	R26,347,921.61	8	21	R 1,254,663.00
Contract (Levels 1-2)	R2,899,874.41	1	19	R 152,625.00
Contract (Levels 3-5)	R680,132.09	0	3	R 226,711.00
Contract (Levels 6-8)	R214,152.07	0	1	R 214,152.00
Contract (Levels 9-12)	R4,326,323.99	1	5	R 865,265.00
Contract (Levels 13-16)	R857,105.93	0		R 0.00
Periodical Remuneration		0	212	R 0.00
Abnormal Appointment	R14,298,961.40	4		R 0.00
Total	**R327,416,340.37**	97	**914**	R 358,224.00

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2021 and 31 March 2022

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount	Salaries as a % of personnel costs	Amount	Overtime as a % of personnel costs	Amount	HOA as a % of personnel costs	Amount	Medical aid as a % of personnel costs
17000001 ADMINISTRATION	R 61,534,361.59	64	R 901,240.63	1	R 2,349,808.80	2	R 5,008,587.77	5
17000002 LOCAL GOVERNANCE	R 89,218,541.50	68	R 21,418.97	0	R 5,470,964.17	4	R 10,394,727.25	8
17000003 DEVELOPMENT AND PLANNING	R 20,874,898.88	63	R 182,507.89	1	R 715,944.16	2	R 1,367,465.34	4
17000004 DLG&TA : TRADITIONAL LEADERSHIP	R 41,572,456.95	63	R 23,002.15	0	R 1,582,053.98	2	R 3,153,117.25	5
Total	**R 213,200,258.92**	65	**R 1,128,169.64**	0	**R 10,118,771.11**	3	**R 19,923,897.61**	6

Table 3.1.4 Salaries, Overtime, Homeowners Allowance and Medical Assistance by salary bands for the period 1 April 2021 and 31 March 2022

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount	Salaries as a % of personnel costs	Amount	Overtime as a % of personnel costs	Amount	HOA as a % of personnel costs	Amount	Medical aid as a % of personnel costs
Lower skilled (Levels 1-2)	R 1,864,847.25	51	R 141,762.00	4	R 303,814.65	8	R 659,393.25	18
Skilled (Levels 3-5)	R 10,976,832.61	61	R 284,478.78	2	R 1,099,285.86	6	R 2,116,406.25	12
Highly skilled production (Levels 6-8)	R 127,116,396.53	69	R 431,892.55	0	R 7,726,863.14	4	R 14,620,227.44	8
Highly skilled supervision (Levels 9-12)	R 51,052,367.83	72	R 270,036.31	0	R 835,854.54	1	R 2,365,566.97	3
Senior and Top Management (Level 13-16)	R 16,262,367.13	62		0	R 152,952.92	1	R 162,303.70	1
Contract (Levels 1-2)	R 1,918,792.68	66		0		0		0
Contract (Levels 3-5)	R 472,332.03	69		0		0		0
Contract (Levels 6-8)	R 155,006.64	72		0		0		0
Contract (Levels 9-12)	R 2,840,769.92	66		0		0		0
Contract (Levels 13-16)	R 540,546.30	63		0		0		0
Periodical Remuneration		0		0		0		0
Abnormal Appointment		0		0		0		0
Total	**R 213,200,258.92**	65	**R 1,128,169.64**	0	**R 10,118,771.11**	3	**R 19,923,897.61**	6

Table 3.2.1 Employment and Vacancies by Programme, 31 March 2022

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
17000001 Administration	362	170	53	1
17000002 Local Governance	385	324	16	1
17000003 Development and Planning	91	51	44	0
17000004 DLG&TA : Traditional Leadership	164	141	14	0
Total	**1002**	**686**	**32**	**2**

Table 3.2.2 Employment and Vacancies by Salary Bands, 31 March 2022

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (Levels 1-2)	74	39	47	
Skilled (Levels 3-5)	166	93	44	
Highly skilled production (Levels 6-8)	567	428	25	1
Highly skilled supervision (Levels 9-12)	168	109	35	
MEC & Senior management (Levels 13-16)	27	17	37	0
Total	**1002**	**686**	**32**	**1**

Table 3.2.3 Employment and Vacancies by critical occupation, 31 March 2022

Occupations	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administrative related	167	120	28	
Architects town and traffic planners	5	3	40	
Building and other property caretakers	6	5	17	
Bus and heavy vehicle drivers	30	14	53	
Cleaners in offices, workshops, hospitals etc.	47	18	62	
Communication and information related	3	2	33	
Computer programmers	1	1	0	
Emergency services related	1	1	0	
Engineering services related	4	2	50	
Engineers and related professionals	6		100	
Finance and economics related	16	12	25	
Financial and related professionals	27	17	37	
Financial clerks and credit controllers	63	30	52	
Food services aids and waiters	1		100	
Human resources & organisational development & related professionals	29	11	62	
Human Resource clerks	26	11	58	
Human Resource related	29	7	76	
Legal related	2	2	0	
Library mail and related clerks	12	4	67	
Logistical support personnel	3	1	67	
Material-recording and transport clerks	2		100	
Messengers, porters and deliverers	2	1	50	
Other administrative & related clerks and organisers	356	306	14	1

Occupations	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Other administrative policy and related officers	50	35	30	
Other information technology personnel	2	2	0	
Other occupations	52	46	12	
Risk management and security services	8	3	63	
Secretaries & other keyboard operating clerks	26	16	39	
Senior managers	25	15	40	1
Social sciences related	1	1	0	
Total	**1002**	**686**	**32**	**2**

Table 3.3.1 SMS post information as on 31 March 2022

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			0		0
Salary Level 16	1	1	100		0
Salary Level 15	1	0	0	1	100
Salary Level 14	5	4	80	1	20
Salary Level 13	19	17	90	2	10.5
Grand Total	**26**	**22**	**84.6**	**4**	**15.4**

Table 3.3.2 SMS post information as on 30 September 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			0		0
Salary Level 16	1	1	100		0
Salary Level 15	2	1	50	1	50
Salary Level 14	6	6	100		0
Salary Level 13	17	14	82	3	17.6
Grand Total	**26**	**22**	**84.6**	**4**	**15.4**

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2021 and 31 March 2022

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	0
Salary Level 14	1	0	0
Salary Level 13	4	1	1
Total	**6**	**1**	**1**

Table 3.5.1 Annual turnover rates by salary band, 1 April 2021 to 31 March 2022

Salary band	Number of employees at beginning of period - 1 April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	17	0	0	0
Skilled (Levels 3-5)	65	2	8	12
Highly skilled production (Levels 6-8)	486	4	23	5
Highly skilled supervision (Levels 9-12)	108	7	11	10
Senior Management Service Band A (Level 13)	13	0	1	8
Senior Management Service Band B (Level 14)	6	0	2	33
Senior Management Service Band C (Level 15)		0	0	0
MEC & Senior Management Service Band D (Level 16)	1	1	1	100
Contracts	19	36	33	174
Periodical Remuneration	3	0	0	0
Abnormal Appointment	90	241	181	201
Total	**808**	**291**	**260**	**32**

Table 3.5.2 Annual turnover rates by critical occupation, 1 April 2021 to 31 March 2022

Occupation	Number of employees at beginning of period - 1 April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
ADMINISTRATIVE RELATED	291	13	19	7
ARCHITECTS TOWN AND TRAFFIC PLANNERS	4	0	1	25
BUILDING AND OTHER PROPERTY CARETAKERS	6	0	0	0
BUS AND HEAVY VEHICLE DRIVERS	14	1	2	14
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	22	85	50	227
COMMUNICATION AND INFORMATION RELATED	1	0	0	0
COMMUNITY DEVELOPMENT WORKERS	27	0	1	4
COMPUTER PROGRAMMERS.	1	0	0	0
ENGINEERING SCIENCES RELATED	2	0	0	0

Occupation	Number of employees at beginning of period - 1 April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
FINANCE AND ECONOMICS RELATED	12	1	2	17
FINANCIAL AND RELATED PROFESSIONALS	19	1	0	0
FINANCIAL CLERKS AND CREDIT CONTROLLERS	26	17	19	73
FIRE FIGHTING AND RELATED WORKERS	1	0	0	0
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF	8	5	1	13
HUMAN RESOURCES CLERKS	24	23	10	42
HUMAN RESOURCES RELATED	8	0	1	13
LEGAL RELATED	2	0	0	0
LIBRARY MAIL AND RELATED CLERKS	3	3	2	67
LOGISTICAL SUPPORT PERSONNEL	1	0	0	0
MESSENGERS PORTERS AND DELIVERERS	2	1	0	0
MOTOR VEHICLE DRIVERS	1	0	0	0
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	94	134	133	142
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS	71	0	6	9
OTHER INFORMATION TECHNOLOGY PERSONNEL.	3	0	0	0
OTHER OCCUPATIONS	124	4	8	7
PROFESSIONAL NURSE	0	1	0	0
RISK MANAGEMENT AND SECURITY SERVICES	6	1	1	17
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	12	0	0	0
SECURITY GUARDS	2	0	1	50
SENIOR MANAGERS	19	1	3	16
WORK PLANNERS	2	0	0	0
Total	**808**	**291**	**260**	**32**

Table 3.5.3 Reasons why staff left the department for the period 1 April 2021 and 31 March 2022

Termination Type	Number	% of Total Resignations
Death	12	5
Resignation	34	13
Expiry of contract	193	74
Dismissal – operational changes		0
Dismissal – misconduct	3	1
Dismissal – inefficiency		0
Discharged due to ill-health		0
Retirement	14	5
Transfer to other Public Service Departments	4	2
Other		0
Total	**260**	**100**
Total number of employees who left as a % of total employment		32

Table 3.5.4 Promotions by critical occupation for the period 1 April 2021 and 31 March 2022

Occupation	Employees 1 April 2021	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	291	3	1	290	100
ARCHITECTS TOWN AND TRAFFIC PLANNERS	4		0	3	75
BUILDING AND OTHER PROPERTY CARETAKERS	6		0	6	100
BUS AND HEAVY VEHICLE DRIVERS	14		0	13	93
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	22		0	22	100
COMMUNICATION AND INFORMATION RELATED	1		0	1	100
COMMUNITY DEVELOPMENT WORKERS	27		0	26	96
COMPUTER PROGRAMMERS.	1		0	1	100
ENGINEERING SCIENCES RELATED	2		0	2	100
FINANCE AND ECONOMICS RELATED	12	1	8	11	92
FINANCIAL AND RELATED PROFESSIONALS	19		0	20	105

Occupation	Employees 1 April 2021	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
FINANCIAL CLERKS AND CREDIT CONTROLLERS	26	1	4	29	112
FIRE FIGHTING AND RELATED WORKERS	1		0	1	100
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF	8	1	13	8	100
HUMAN RESOURCES CLERKS	24		0	15	63
HUMAN RESOURCES RELATED	8	1	13	9	113
LEGAL RELATED	2		0	2	100
LIBRARY MAIL AND RELATED CLERKS	3		0	3	100
LOGISTICAL SUPPORT PERSONNEL	1		0	1	100
MESSENGERS PORTERS AND DELIVERERS	2		0	3	150
MOTOR VEHICLE DRIVERS	1		0	1	100
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	94		0	94	100
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS	71		0	65	92
OTHER INFORMATION TECHNOLOGY PERSONNEL.	3		0	3	100
OTHER OCCUPATIONS	124	3	2	1	1
RISK MANAGEMENT AND SECURITY SERVICES	6		0	2	33
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	12		0	12	100
SECURITY GUARDS	2		0	1	50
SENIOR MANAGERS	19	1	5	17	90
WORK PLANNERS	2		0	2	100
TOTAL	**808**	**11**	**1**	**664**	**82**

Table 3.5.5 Promotions by salary band for the period 1 April 2021 and 31 March 2022

Salary Band	Employees 1 April 2021	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
Lower skilled (Levels 1-2)	17		0	17	100
Skilled (Levels 3-5)	65		0	63	97
Highly skilled production (Levels 6-8)	486	1	0	449	92
Highly skilled supervision (Levels 9-12)	108	8	7	88	82
Senior management (Levels 13-16)	20	2	10	18	90
Contracts	19		0	29	153
Periodical Remuneration	3		0		0
Abnormal Appointment	90		0		0
TOTAL	**808**	**11**	**1**	**664**	**82**

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2022

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials, and managers	14				6				20
Professionals	38	3			43			1	85
Technicians and associate professionals	141	1			210	1			353
Clerks	60	1			89	1			151
Service and sales workers	4								4
Skilled agriculture and fishery workers									

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Craft and related trades workers	1				1				2
Plant and machine operators and assemblers	12				1				13
Elementary occupations	52				22				74
Non-Permanent Workers	123				89				212
TOTAL	**445**	**5**	**0**	**0**	**461**	**2**	**0**	**1**	**914**
Employees with disabilities	4				7				11

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2022

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Exception - Political Office Bearers					1				1
Exception - Political Office Bearers - Traditional Leaders	40				3				43
Top Management									
Senior Management	15				5				20
Professionally qualified and experienced specialists and mid-management	21	1			23			1	46
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	191	3			296	2			492
Semi-skilled and discretionary decision making	45				19				64
Unskilled and defined decision making	10	1			25				36
Non-Permanent Workers	123				89				212
Total	**445**	**5**	**0**	**0**	**461**	**2**	**0**	**1**	**914**
Employees with disabilities	4				7				11

Table 3.6.3 - Recruitment for the period 1 April 2021 to 31 March 2022

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Exception - Political Office Bearers					1				1
Top Management	1								1
Senior Management									
Professionally qualified and experienced specialists and mid-management	4				2				6
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3				4				7
Semi-skilled and discretionary decision making	2				2				4
Unskilled and defined decision making	11	1			12				24
Non-Permanent Workers	92				149				241
Total	**113**	**1**	**0**	**0**	**170**	**0**	**0**	**0**	**284**
TRANSFERS TO THE DEPARTMENT	5				2				7
TOTAL INCLUDING TRANSFERS TO DEPARTMENT	**118**	**1**	**0**	**0**	**172**	**0**	**0**	**0**	**291**
Employees with disabilities									0

Table 3.6.4 - Promotions for the period 1 April 2021 to 31 March 2022

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Exception - Political Office Bearers - Traditional Leaders	3								3
Top Management									
Senior Management	1				1				2
Professionally qualified and experienced specialists and mid-management	1				1				2
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1				3				4
Semi-skilled and discretionary decision making									
Unskilled and defined decision making									
Total	**6**	**0**	**0**	**0**	**5**	**0**	**0**	**0**	**11**
Employees with disabilities									0

Table 3.6.5 - Terminations for the period 1 April 2021 to 31 March 2022

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Exception - Political Office Bearers	1								1
Exception - Political Office Bearers - Traditional Leaders	1								1
Top Management	1								1
Senior Management	3								3
Professionally qualified and experienced specialists and mid-management	10								10
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	8				17				25
Semi-skilled and discretionary decision making	4				6				10
Unskilled and defined decision making	11	1			12				24
Non-Permanent Worker	73		1		107				181
Total Terminations	**112**	**1**	**1**	**0**	**142**	**0**	**0**	**0**	**256**
TRANSFER OF A PERSON TO ANOTHER PERSAL BUREAU & INTER DEPARTMENTAL TRANSFER (WITHIN NWPG)	3				1				4
TOTAL INCLUDING TRANSFERS OUT OF PERSAL	**115**	**1**	**1**	**0**	**143**	**0**	**0**	**0**	**260**
Employees with Disabilities									0

Table 3.6.6 Disciplinary action for the period 1 April 2021 and 31 March 2022

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0

Table 3.8.1 Performance Rewards by race, gender and disability, 1 April 2021 to 31 March 2022

RACE	GENDER	Beneficiary Profile			Cost	
		Number of beneficiaries	Number of employees	% of total within group	Cost	Average cost per employee
AFRICAN	FEMALE	113	461	25	R 854,598.52	R 7,562.80
	MALE	80	445	18	R 697,028.25	R 8,712.90
COLOURED	FEMALE	1	2	50	R 3,979.53	R 3,979.50
	MALE	2	5	40	R 17,582.58	R 8,791.30
INDIAN	FEMALE			0		R 0.00
	MALE			0		R 0.00
WHITE	FEMALE		1	0		R 0.00
	MALE			0		R 0.00
TOTAL		**194**	**914**	**21**	**R 1,573,188.88**	**R 8,109.20**
EMPLOYEES WITH DISABILITY		6	11	55	R 45,069.33	R 7,511.60

Table 3.8.2 Performance Rewards by salary bands for personnel below Senior Management Service, 1 April 2021 to 31 March 2022

SALARY BANDS	Benificiary Profile			Cost		Total cost as a % of the total personel expenditure
	No. of Beneficiaries	No. of Employees as at 31 March 2022	% of total within salary bands	Total Cost	Average cost per employee	
Lower Skilled (Levels 1-2)	10	17	59	R 27,256.71	R 2,725.70	0
Skilled (level 3-5)	33	61	54	R 114,673.04	R 3,474.90	0
Highly skilled production (level 6-8)	88	464	19	R 575,078.79	R 6,535.00	0
Highly skilled supervision (level 9-12)	54	111	49	R 609,725.31	R 11,291.20	0
Contract (Levels 1-12)		28	0		R 0.00	0
Total	**184**	**681**	**27**	**R 1,326,733.85**	**R 7,210.50**	**0**

Table 3.8.3 Performance Rewards by critical occupations, 1 April 2021 to 31 March 2022

Occupation	Benificiary Profile			Cost	
	No. of Beneficiaries	No. of Employees as at 31 March 2022	% of total within occupation	Total Cost	Average Cost per employee
Administrative related	34	288	12	R 353,815.02	R 10,406.30
Architects town and traffic planners	1	4	25	R 9,280.98	R 9,281.00
Building and other property caretakers		6	0		R 0.00
Bus and heavy vehicle drivers	10	12	83	R 23,115.19	R 2,311.50
Cleaners in offices workshops hospitals etc.	16	23	70	R 40,474.44	R 2,529.70
Communication and information related	1	1	100	R 5,733.54	R 5,733.50
Community development workers		26	0		R 0.00
Computer programmers	1	1	100	R 4,287.01	R 4,287.00
Engineering sciences related		2	0		R 0.00
Finance and economics related	5	11	46	R 49,966.46	R 9,993.30
Financial and related professionals	17	19	90	R 139,168.61	R 8,186.40
Financial clerks and credit controllers	9	28	32	R 86,051.47	R 9,561.30
Fire fighting and related workers		1	0		R 0.00

Occupation	Benificiary Profile			Cost	
	No. of Beneficiaries	No. of Employees as at 31 March 2022	% of total within occupation	Total Cost	Average Cost per employee
Human resources & organisational development & related professionals	4	11	36	R 21,111.06	R 5,277.80
Human resources clerks	8	40	20	R 85,606.31	R 10,700.80
Human resources related	5	8	63	R 34,699.80	R 6,940.00
Legal related	2	2	100	R 17,394.88	R 8,697.40
Library mail and related clerks	1	5	20	R 4,895.64	R 4,895.60
Logistical support personnel	1	1	100	R 5,648.94	R 5,648.90
Messengers, porters and deliverers	1	3	33	R 2,454.84	R 2,454.80
Motor vehicle drivers	1	1	100	R 2,567.07	R 2,567.10
Other administrative & related clerks and orgnaisers	37	201	18	R 179,318.14	R 4,846.40
Other administrative policy and related officers	18	64	28	R 146,212.18	R 8,122.90
Other information technology personnel	3	3	100	R 56,372.49	R 18,790.80
Other occupants	1	117	1	R 30,864.28	R 30,864.30
Risk management and security services	1	2	50	R 2,891.61	R 2,891.60
Secretaries and other keyboard operating clerks	8	12	67	R 31,198.66	R 3,899.80
Security guards		1	0		R 0.00
Senior managers	10	19	53	R 234,064.87	R 23,406.50
Work planners	1	2	50	R 5,995.39	R 5,995.40
TOTAL	**194**	**914**	**21**	**R 1,573,188.88**	**R 8,109.20**

Table 3.8.4 Performance related rewards (cash bonus) by salary bands for Senior Management Service, 1 April 2021 to 31 March 2022

SALARY BANDS	Benificiary Profile			Cost		Total cost as a % of the total personel expenditure
	No. of Beneficiaries	No. of Employees as at 31 March 2022	% of total within salary bands	Total Cost	Average cost per employee	
Senior Management Service Band A (Level 13)	8	15	53	R 153,678.27	R 19,209.80	0
Senior Management Service Band B (Level 14)	3	5	60	R 92,776.76	R 30,925.60	0
Senior Management Service Band C (Level 15)			0		R 0.00	0
MEC & Senior Management Service Band D (Level 16)		1	0		R 0.00	0
Contract (Levels 13-16)			0		R 0.00	0
Total	**11**	**21**	**52**	**R 246,455.03**	**R 22,405.00**	**0**

Table 3.9.1 Foreign workers by salary band for the period 1 April 2021 and 31 March 2022

SALARY BANDS	1 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
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)	1	50	1	100	0	0
Senior Management (Level 13-16)		0		0	0	0
Contract (Levels 1-2)		0		0	0	0
Contract (Levels 3-5)		0		0	0	0
Contract (Levels 6-8)		0		0	0	0
Contract (Levels 9-12)	1	50		0	-1	100
Periodical Remuneration		0		0	0	0
Abnormal Appointment		0		0	0	0
Grand Total	**2**	**100**	**1**	**100**	**-1**	**100**

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2021 and 31 March 2022

Occupation	1 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
ADMINISTRATIVE RELATED	1	50		0	-1	100
OTHER OCCUPATIONS	1	50	1	100	0	0
Grand Total	**2**	**100**	**1**	**100**	**-1**	**100**
		Formulas - please do not change or remove		Formulas - please do not change or remove		

Table 3.10.1 Sick leave, 1 January 2021 to 31 December 2021

SALARY BANDS	Total days	% days with medical certification	No. of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost
Lower skilled (Levels 1-2)	53	85	14	8	4	R 30,485.04
Skilled (Levels 3-5)	170	91	23	13	7	R 160,384.12
Highly skilled production (Levels 6-8)	708	92	89	50	8	R 1,049,127.41
Highly skilled supervision (Levels 9-12)	253	83	42	24	6	R 665,076.13
Senior management (Levels 13-16)	80	98	10	6	8	R 391,174.80
Grand Total	**1264**	**90**	**178**	**100**	**7**	**R 2,296,247.50**
		Formulas - please do not change or remove		Formulas - please do not change or remove		

Table 3.10.2 Disability leave (temporary and permanent), 1 January 2021 to 31 December 2021

SALARY BANDS	Total Days	% days with medical certification	No. of employees using Disability Leave	% of total employees using Disability Leave	Average days per employee	Estimated Cost
Lower skilled (Levels 1-2)		0		0	0	
Skilled (Levels 3-5)		0		0	0	
Highly skilled production (Levels 6-8)	79	100	3	75	26	R 148,682.20
Highly skilled supervision (Levels 9-12)	18	100	1	25	18	R 40,727.52
Senior management (Levels 13-16)		0		0	0	
Grand Total	**97**	**100**	**4**	**100**	**24**	**R 189,409.72**
		Formulas - please do not change or remove		Formulas - please do not change or remove		

Table 3.10.3 Annual leave 1 January 2021 to 31 December 2021

Salary bands	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	426	36	12
Skilled (Levels 3-5)	1404	68	21
Highly skilled production (Levels 6-8)	5392	349	15
Highly skilled supervision (Levels 9-12)	1988	91	22
Senior management (Levels 13-16)	526	23	23
Grand Total	**9736**	**567**	**17**
			Formulas - please do not change or remove

Table 3.10.4 Capped leave, 1 January 2021 to 31 December 2021

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 2022
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	23
Highly skilled production (Levels 6-8)	9	3	3	16
Highly skilled supervision (Levels 9-12)	10	1	10	12
Senior management (Levels 13-16)	0	0	0	9
Grand Total	**19**	**4**	**5**	**15**
			Formulas - please do not change or remove	

Table 3.10.5 Leave Payouts for period 1 April 2021 to 31 March 2022

Reason	Total Amount	No. of Employees	Average payment per employee
Leave payout for 2021/22 due to non-utilisation of leave for the previous cycle (LEAVE DISCOUNTING (UNUSED LEAVE CR))	R 0.00	0	R 0.00
Capped leave payouts on termination of service for 2021/22 (LEAVE GRATUITY)	R 0.00	0	R 0.00
Current leave payout on termination of service for 2021/22 (LEAVE DISCOUNTING \ GRATUITY (UNUSED LEAVE CR))	R 3,281,307.84	41	R 80,032.00
Grand Total	**R 3,281,307.84**	**41**	**R 80,032.00**
			Formulas - please do not change or remove

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.			
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.			
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.			
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.			
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.			
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.			
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.			
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.			

Table 3.12.6 Strike actions for the period 1 April 2021 and 31 March 2022

Total number of persons working days lost	0
Total costs working days lost	R0.00
Amount recovered as a result of no work no pay	R0.00

Table 3.12.7 Precautionary suspensions for the period 1 April 2021 and 31 March 2022

Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost of suspension(R'000)	R0.00

ANNEXURE E

Auditing to build public confidence

AUDITOR-GENERAL SOUTH AFRICA

Report of the auditor-general to the North West Provincial Legislature on vote no. 09: Department of Cooperative Governance and Traditional Affairs

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the North West Department of Cooperative Governance and Traditional Affairs set out on pages 106 to 142, which comprise the appropriation statement, the statement of financial position as at 31 March 2022, and the statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended 31 March 2022, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the North West Department of Cooperative Governance and Traditional Affairs as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) prescribed by National Treasury and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Division of Revenue Act 9 of 2021 (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.

Restatement of corresponding figures

7. As disclosed in note 44, the corresponding figures for 31 March 2021 were restated as a result of an error in the financial statements of the department at, and for the year ended, 31 March 2022.

Underspending of the vote

8. As disclosed in the appropriation statement, the department materially underspent the budget in total by R 20 897 000 on programme 3 (Development and planning) and programme 4 (Traditional affairs).

Irregular expenditure

9. As disclosed in note 31 to the financial statements, irregular expenditure of R549 255 000 that was incurred in previous years was still under investigation.

Impairment of receivables

10. As disclosed in note 15 to the financial statements, impairment of receivables of R40 004 000 was incurred as a result of impairment amounts owed by municipalities.

Other matter

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

Unaudited supplementary schedules

12. The supplementary information set out on pages 143 to 151 does not form part of 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

13. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS prescribed by National Treasury and the requirements of the PFMA and the DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
14. In preparing the financial statements, the accounting officer is responsible for assessing the department'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 there is no realistic alternative but to do so.

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

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

Report on the audit of the annual performance report

Introduction and scope

17. 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 findings but not to gather evidence to express assurance.
18. My procedures address the usefulness and reliability of the reported performance information, which must be based on the 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 also did 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.
19. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the department's annual performance report for the year ended 31 March 2022:

Programmes	Pages in the annual performance report
Programme 2– Local Governance	27 – 36

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

Programme 2 – Local Governance

Number of section 105(1) reports compiled as prescribed by MSA

22. The source information for measuring the planned indicator was not clearly defined and related systems and processes were not adequate to enable consistent measurement and reliable reporting of performance against the predetermined indicator definitions. As a result, limitations were placed on the scope of my work and I was unable to audit the reliability of the achievement of 4 reported against target 4 in the annual performance report.

Number of consolidated municipal post audit action plan assessment report submitted to Legislature

23. I was unable to obtain sufficient appropriate audit evidence that systems and processes were established to enable consistent measurement and reliable reporting of performance against the predetermined indicator definitions. This was due to insufficient measurement definitions and processes. I was unable to validate the existence of systems and processes by alternative means. As a result, limitations were placed on the scope of my work and I was unable to audit the reliability of the achievement of 1 reported against target 1 in the annual performance report.

Number of Municipalities supported to resolve community concerns

24. Adequate systems and processes were not established to enable consistent measurement, data collection and reliable reporting of performance against the predetermined indicator definitions. As a result, limitations were placed on the scope of my work and I was unable to audit the reliability of the achievement of 5 reported against target 8 in the annual performance report.

Other matters

25. I draw attention to the matters below.

Achievement of planned targets

26. Refer to the annual performance report on pages 24 to 45 for information on the achievement of planned targets for the year and management's explanations provided for the overachievement of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraphs 22 to 24 of this report.

Adjustment of material misstatements

27 I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Programme 2: Local governance. As management subsequently corrected only some of the misstatements, I reported material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on audit of compliance with legislation

Introduction and scope

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

29 The material findings on compliance with specific matters in key legislation are as follows:

Financial statements

30 The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1)(b) of the PFMA. Material misstatements identified by the auditors in the submitted financial statements were subsequently corrected which resulted in the financial statements receiving an unqualified opinion.

Procurement and contract management

31 Some of the contracts participated into, the terms and conditions are not the same in accordance with Treasury Regulation 16A6.6.

Asset Management

32 Proper control systems were not in place at the department to ensure the maintenance of assets, as required by treasury regulation 10.1.1(a).

Consequence management

33 I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred fruitless and wasteful expenditure as required by section 38(1)(h)(iii) of the PFMA. This was because investigations into fruitless and wasteful expenditure were not performed.

Other information

34 The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report thereon and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

35 My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

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

37 I did not receive the other information prior to the date of this auditor's report. After I receive and read this information, and if I conclude that there is a material misstatement, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

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

39 Leadership did not adequately review the source information and the supporting evidence for the achievement reported on performance information to ensure it correlates to the indicator being reported. Leadership also did not ensure that what is reported as achievement is supported by input that is sufficient to substantiate conclusions made on the reports that supports the reported achievement.

40 Management's internal controls and processes over the preparation and presentation of financial statements and performance information were not adequate to ensure that the financial statements and performance report were free from material misstatements. Furthermore, management did not ensure proper application of the accounting framework to recognise transactions in the annual financial statements. Non-compliance with laws and regulations could have been prevented had compliance been properly reviewed and monitored and control measures implemented.

Auditor General

31 July 2022

Potchefstroom

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

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in the auditor's report, I also:

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

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting officer wth a statement that I have complied with relevant ethical requirements regarding independence, and communicate 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.

ACCOUNTING POLICIES

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 09

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2022

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 comprises of departmental allocations as well as direct charges against the revenue fund (i.e., statutory appropriation).

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

8.4	**Leases**
8.4.1	**Operating leases** Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. Operating lease payments received are recognised as departmental revenue. The operating lease commitments are recorded in the notes to the financial statements.
8.4.2	**Finance leases** Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. 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.
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. <Indicate when prepayments and advances are expensed and under what circumstances.>

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.

	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 liabilities** Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable

	that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.
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** 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** [*Insert information on the following: that management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation; and the requirement from which the department has departed, the nature of the departure and the reason for departure*.]
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 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	**Transfer of functions** Transfer 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. Transfer 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.

NORTH WEST: LOCAL GOVERNMENT AND TRADITIONAL AFFAIRS
Appropriation Statement
for the year ended 31 March 2022

Appropriation per programme

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Voted funds and Direct charges	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Programme									
1. **ADMINISTRATION**	181,613	-	9,800	191,413	189,616	1,797	99.1%	156,501	152,612
2. **LOCAL GOVERNANCE**	175,840	-	(14,000)	161,840	157,276	4,564	97.2%	152,536	150,295
3. **DEVELOPMENT AND PLANNING**	195,480	-	(2,637)	192,843	179,485	13,358	93.1%	198,050	197,008
4. **TRADITIONAL AFFAIRS**	136,132	-	6,837	142,969	135,430	7,539	94.7%	116,531	115,932
Programme sub total	**689,065**	**-**	**-**	**689,065**	**661,807**	**27,258**	**96.0%**	**623,618**	**615,847**
Statutory Appropriation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**689,065**	**-**	**-**	**689,065**	**661,807**	**27,258**	**96.0%**	**623,618**	**615,847**
Reconciliation with Statement of Financial Performance									
Add:									
Departmental receipts				1,005				36	
Actual amounts per Statement of Financial Performance (Total				**690,070**				**623,654**	
Add: Aid assistance					-				-
Prior year unauthorised expenditure approved without funding									
Actual amounts per Statement of Financial Performance Expenditure					**661,807**				**615,847**

Appropriation per economic classification	2021/22							2020/21	
	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
Current payments	**488,048**	**-**	**(3,442)**	**484,606**	**474,232**	**10,374**	**97.9%**	**415,431**	**408,082**
Compensation of employees	332,804	(2,058)	-	330,746	325,144	5,602	98.3%	328,997	322,023
Salaries and wages	286,972	(4,312)	381	283,041	279,456	3,585	98.7%	278,812	276,369
Social contributions	45,832	2,254	(381)	47,705	45,688	2,017	95.8%	50,185	45,654
Goods and services	155,244	2,044	(3,442)	153,846	149,074	4,772	96.9%	86,434	86,055
Administrative fees	620	(304)	24	340	313	27	92.1%	153	147
Advertising	2,091	(16)	(78)	1,997	1,997	-	100.0%	674	674
Minor assets	2,666	(1,454)	(100)	1,112	1,099	13	98.8%	100	100
Audit costs: External	7,696	(3,534)	-	4,162	4,162	-	100.0%	5,141	5,141
Bursaries: Employees	644	99	-	743	743	-	100.0%	680	680
Catering: Departmental activities	1,784	411	(230)	1,965	1,905	60	96.9%	635	629
Communication (G&S)	2,149	(565)	(247)	1,337	1,238	99	92.6%	1,957	2,032
Computer services	168	1,787	-	1,955	1,955	-	100.0%	2,041	2,041
Consultants: Business and advisory services	13,892	(740)	(2,363)	10,789	9,552	1,237	88.5%	76	76
Legal services	21,764	(11,585)	2,758	12,937	12,582	355	97.3%	5,553	5,552
Contractors	3,386	(344)	-	3,042	2,915	127	95.8%	1,733	1,733
Agency and support / outsourced services	33,975	17,814	(712)	51,077	50,927	150	99.7%	20,890	20,890
Fleet services (including government motor transport)	10,591	2,278	-	12,869	12,797	72	99.4%	11,918	11,918
Consumable supplies	3,421	(244)	(1,328)	1,849	1,642	207	88.8%	1,840	1,834
Consumable: Stationery, printing and office supplies	3,685	(1,420)	(60)	2,205	2,010	195	91.2%	1,208	1,208
Operating leases	17,241	3,635	-	20,876	20,517	359	98.3%	17,226	17,213
Property payments	11,960	(4,195)	-	7,765	7,259	506	93.5%	7,212	6,808
Transport provided: Departmental activity	229	(27)	-	202	72	130	35.6%	-	-
Travel and subsistence	12,569	1,651	(1,102)	13,118	12,148	970	92.6%	5,886	5,886
Training and development	2,773	(917)	-	1,856	1,723	133	92.8%	542	542
Operating payments	430	23	-	453	328	125	72.4%	757	745
Venues and facilities	1,304	(203)	(4)	1,097	1,091	6	99.5%	201	196
Rental and hiring	206	(106)	-	100	99	1	99.0%	11	10
Interest and rent on land	-	14	-	14	14	-	100.0%	-	4
Interest (Incl. interest on unitary payments (PPP))	-	14	-	14	14	-	100.0%	-	4
Transfers and subsidies	**155,058**	**-**	**19,763**	**174,821**	**159,777**	**15,044**	**91.4%**	**186,734**	**186,525**
Provinces and municipalities	122,189	-	21,763	143,952	132,709	11,243	92.2%	160,514	160,513
Municipalities	122,189	-	21,763	143,952	132,709	11,243	92.2%	160,514	160,513
Municipal bank accounts	122,189	-	21,763	143,952	132,709	11,243	92.2%	160,514	160,513
Non-profit institutions	28,234	-	(1,476)	26,758	23,506	3,252	87.8%	22,554	22,383
Households	4,635	-	(524)	4,111	3,562	549	86.6%	3,666	3,629
Social benefits	4,635	-	(524)	4,111	3,562	549	86.6%	3,213	3,176
Other transfers to households	-	-	-	-	-	-	-	453	453
Payments for capital assets	**45,959**	**-**	**(16,558)**	**29,401**	**27,677**	**1,724**	**94.1%**	**21,367**	**21,154**
Buildings and other fixed structures	13,991	1,500	1,442	16,933	16,925	8	100.0%	14,246	14,245
Buildings	13,991	1,500	1,442	16,933	16,925	8	100.0%	14,246	14,245
Machinery and equipment	31,968	(1,500)	(18,000)	12,468	10,752	1,716	86.2%	7,121	6,909
Transport equipment	20,000	-	(20,000)	-	-	-	-	2,274	2,272
Other machinery and equipment	11,968	(1,500)	2,000	12,468	10,752	1,716	86.2%	4,847	4,637
Payment for financial assets	**-**	**-**	**237**	**237**	**121**	**116**	**51.1%**	**86**	**86**
	689,065	**-**	**-**	**689,065**	**661,807**	**27,258**	**96.0%**	**623,618**	**615,847**

Programme 1: ADMINISTRATION

	2021/22							2020/21	
	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. **OFFICE OF THE MEC**	11,877	15,340	1,255	28,472	28,452	20	99.9%	9,462	8,476
2. **CORPORATE SERVICES**	169,736	(15,340)	8,545	162,941	161,164	1,777	98.9%	147,039	144,136
	181,613	**-**	**9,800**	**191,413**	**189,616**	**1,797**	**99.1%**	**156,501**	**152,612**
Economic classification									
Current payments	**173,270**	**-**	**7,800**	**181,070**	**180,798**	**272**	**99.8%**	**148,651**	**144,975**
Compensation of employees	91,054	-	5,000	96,054	95,894	160	99.8%	95,633	91,982
Salaries and wages	77,762	639	4,981	83,382	83,236	146	99.8%	80,056	79,472
Social contributions	13,292	(639)	19	12,672	12,658	14	99.9%	15,577	12,510
Goods and services	82,216	(14)	2,800	85,002	84,890	112	99.9%	53,018	52,989
Administrative fees	391	(225)	-	166	164	2	98.8%	100	99
Advertising	1,942	(16)	-	1,926	1,926	-	100.0%	674	674
Minor assets	1,554	(1,448)	-	106	106	-	100.0%	100	100
Audit costs: External	7,696	(3,534)	-	4,162	4,162	-	100.0%	5,141	5,141
Bursaries: Employees	644	99	-	743	743	-	100.0%	567	567
Catering: Departmental activities	728	241	-	969	969	-	100.0%	284	280
Communication (G&S)	1,085	19	-	1,104	1,057	47	95.7%	548	548
Computer services	168	1,787	-	1,955	1,955	-	100.0%	2,041	2,041
Consultants: Business and advisory services	229	(20)	-	209	209	-	100.0%	76	76
Legal services	19,659	(10,985)	2,800	11,474	11,437	37	99.7%	4,212	4,212
Contractors	1,846	(604)	-	1,242	1,241	1	99.9%	1,442	1,442
Agency and support / outsourced services	2,178	16,098	-	18,276	18,261	15	99.9%	-	-
Fleet services (including government motor transport)	4,627	1,478	-	6,105	6,105	-	100.0%	8,477	8,477
Consumable supplies	903	(152)	-	751	751	-	100.0%	798	797
Consumable: Stationery, printing and office supplies	3,055	(1,264)	-	1,791	1,791	-	100.0%	1,207	1,207
Operating leases	16,172	3,255	-	19,427	19,427	-	100.0%	17,226	17,213
Property payments	10,861	(3,995)	-	6,866	6,865	1	100.0%	6,812	6,808
Transport provided: Departmental activity	100	(27)	-	73	72	1	98.6%	-	-
Travel and subsistence	4,668	26	-	4,694	4,687	7	99.9%	2,008	2,008
Training and development	2,098	(375)	-	1,723	1,723	-	100.0%	542	542
Operating payments	305	23	-	328	328	-	100.0%	609	609
Venues and facilities	1,101	(289)	-	812	812	-	100.0%	143	138
Rental and hiring	206	(106)	-	100	99	1	99.0%	11	10
Interest and rent on land	-	14	-	14	14	-	100.0%	-	4
Interest (Incl. interest on unitary payments (PPP))	-	14	-	14	14	-	100.0%	-	4
Transfers and subsidies	**3,401**	**-**	**(237)**	**3,164**	**2,741**	**423**	**86.6%**	**3,344**	**3,343**
Households	3,401	-	(237)	3,164	2,741	423	86.6%	3,344	3,343
Social benefits	3,401	-	(237)	3,164	2,741	423	86.6%	2,891	2,890
Other transfers to households	-	-	-	-	-	-	-	453	453
Payments for capital assets	**4,942**	**-**	**2,000**	**6,942**	**5,956**	**986**	**85.8%**	**4,420**	**4,208**
Machinery and equipment	4,942	-	2,000	6,942	5,956	986	85.8%	4,420	4,208
Transport equipment	-	-	-	-	-	-	-	33	32
Other machinery and equipment	4,942	-	2,000	6,942	5,956	986	85.8%	4,387	4,176
Payment for financial assets	**-**	**-**	**237**	**237**	**121**	**116**	**51.1%**	**86**	**86**
	181,613	**-**	**9,800**	**191,413**	**189,616**	**1,797**	**99.1%**	**156,501**	**152,612**

Programme 2: LOCAL GOVERNANCE

	2021/22							2020/21	
	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. MUNICIPAL ADMINISTRATION	119,366	1,200	(12,000)	108,566	108,396	170	99.8%	108,022	106,828
2. MUNICIPAL FINANCE	37,278	(1,081)	(1,507)	34,690	33,626	1,064	96.9%	27,704	27,386
3. MUNICIPAL PERFORMANCE MONITORING, REPORTING AND EVALUATION	19,196	(119)	(493)	18,584	15,254	3,330	82.1%	16,810	16,081
	175,840	**-**	**(14,000)**	**161,840**	**157,276**	**4,564**	**97.2%**	**152,536**	**150,295**
Economic classification									
Current payments	**175,735**	**-**	**(14,000)**	**161,735**	**157,189**	**4,546**	**97.2%**	**152,354**	**150,145**
Compensation of employees	147,403	-	(12,000)	135,403	131,756	3,647	97.3%	132,523	130,338
Salaries and wages	125,118	(1,482)	(12,000)	111,636	109,547	2,089	98.1%	109,143	107,994
Social contributions	22,285	1,482	-	23,767	22,209	1,558	93.4%	23,380	22,344
Goods and services	28,332	-	(2,000)	26,332	25,433	899	96.6%	19,831	19,807
Administrative fees	32	(24)	-	8	5	3	62.5%	19	14
Advertising	80	-	(9)	71	71	-	100.0%	-	-
Catering: Departmental activities	130	142	(7)	265	212	53	80.0%	10	8
Communication (G&S)	87	-	(50)	37	4	33	10.8%	1,214	1,213
Agency and support / outsourced services	24,674	-	(811)	23,863	23,862	1	100.0%	17,875	17,875
Consumable supplies	96	(2)	(58)	36	27	9	75.0%	22	18
Consumable: Stationery, printing and office supplies	53	-	-	53	33	20	62.3%	-	-
Travel and subsistence	2,978	(117)	(1,061)	1,800	1,147	653	63.7%	592	592
Operating payments	125	-	-	125	-	125	-	95	83
Venues and facilities	77	1	(4)	74	72	2	97.3%	4	4
Transfers and subsidies	**105**	**-**	**-**	**105**	**87**	**18**	**82.9%**	**182**	**150**
Households	105	-	-	105	87	18	82.9%	182	150
Social benefits	105	-	-	105	87	18	82.9%	182	150
Payments for capital assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Payment for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	175,840	**-**	**(14,000)**	**161,840**	**157,276**	**4,564**	**97.2%**	**152,536**	**150,295**

Programme 3: DEVELOPMENT AND PLANNING

	2021/22							2020/21	
	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. SPATIAL PLANNING	3,824	62	(300)	3,586	3,369	217	93.9%	3,552	3,451
2. LEDP	6,446	(57)	(1,096)	5,293	5,216	77	98.5%	4,890	4,694
3. MUNICIPAL INFRASTRUCTURE	151,234	197	2,279	153,710	147,305	6,405	95.8%	169,582	169,301
4. DISASTER MANAGEMENT	26,555	(164)	(2,520)	23,871	17,699	6,172	74.1%	14,808	14,586
5. LDP	7,421	(38)	(1,000)	6,383	5,896	487	92.4%	5,218	4,976
	195,480	**-**	**(2,637)**	**192,843**	**179,485**	**13,358**	**93.1%**	**198,050**	**197,008**
Economic classification									
Current payments	**48,291**	**-**	**(4,400)**	**43,891**	**42,370**	**1,521**	**96.5%**	**37,434**	**36,393**
Compensation of employees	37,711	(2,058)	(3,000)	32,653	31,256	1,397	95.7%	33,940	32,900
Salaries and wages	33,197	(2,487)	(2,600)	28,110	27,075	1,035	96.3%	29,456	28,843
Social contributions	4,514	429	(400)	4,543	4,181	362	92.0%	4,484	4,057
Goods and services	10,580	2,058	(1,400)	11,238	11,114	124	98.9%	3,494	3,493
Administrative fees	71	(95)	24	-	-	-	-	15	15
Minor assets	1,000	(6)	-	994	993	1	99.9%	-	-
Catering: Departmental activities	355	118	8	481	474	7	98.5%	253	253
Communication (G&S)	178	(10)	(160)	8	8	-	100.0%	-	-
Agency and support / outsourced services	3,223	1,716	99	5,038	5,001	37	99.3%	-	-
Consumable supplies	1,994	80	(1,270)	804	738	66	91.8%	1,018	1,017
Consumable: Stationery, printing and office supplies	200	(130)	(60)	10	-	10	-	-	-
Travel and subsistence	3,391	462	(41)	3,812	3,811	1	100.0%	2,160	2,160
Training and development	142	(142)	-	-	-	-	-	-	-
Operating payments	-	-	-	-	-	-	-	37	37
Venues and facilities	26	65	-	91	89	2	97.8%	11	11
Transfers and subsidies	**122,189**	**-**	**21,763**	**143,952**	**132,709**	**11,243**	**92.2%**	**160,514**	**160,513**
Provinces and municipalities	122,189	-	21,763	143,952	132,709	11,243	92.2%	160,514	160,513
Municipalities	122,189	-	21,763	143,952	132,709	11,243	92.2%	160,514	160,513
Municipal bank accounts	122,189	-	21,763	143,952	132,709	11,243	92.2%	160,514	160,513
Payments for capital assets	**25,000**	**-**	**(20,000)**	**5,000**	**4,406**	**594**	**88.1%**	**102**	**102**
Machinery and equipment	25,000	-	(20,000)	5,000	4,406	594	88.1%	102	102
Transport equipment	20,000	-	(20,000)	-	-	-	-	-	-
Other machinery and equipment	5,000	-	-	5,000	4,406	594	88.1%	102	102
Payment for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	195,480	**-**	**(2,637)**	**192,843**	**179,485**	**13,358**	**93.1%**	**198,050**	**197,008**

Programme 4: TRADITIONAL AFFAIRS

	2021/22							2020/21	
	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 LEADERSHIP SUPPORT**	136,132	-	6,837	142,969	135,430	7,539	94.7%	116,531	115,932
	136,132	**-**	**6,837**	**142,969**	**135,430**	**7,539**	**94.7%**	**116,531**	**115,932**
Economic classification									
Current payments	**90,752**	**-**	**7,158**	**97,910**	**93,875**	**4,035**	**95.9%**	**76,992**	**76,569**
Compensation of employees	56,636	-	10,000	66,636	66,238	398	99.4%	66,901	66,803
Salaries and wages	50,895	(982)	10,000	59,913	59,598	315	99.5%	60,157	60,060
Social contributions	5,741	982	-	6,723	6,640	83	98.8%	6,744	6,743
Goods and services	34,116	-	(2,842)	31,274	27,637	3,637	88.4%	10,091	9,766
Administrative fees	126	40	-	166	144	22	86.7%	19	19
Advertising	69	-	(69)	-	-	-	-	-	-
Minor assets	112	-	(100)	12	-	12	-	-	-
Bursaries: Employees	-	-	-	-	-	-	-	113	113
Catering: Departmental activities	571	(90)	(231)	250	250	-	100.0%	88	88
Communication (G&S)	799	(574)	(37)	188	169	19	89.9%	195	271
Consultants: Business and advisory services	13,663	(720)	(2,363)	10,580	9,343	1,237	88.3%	-	-
Legal services	2,105	(600)	(42)	1,463	1,145	318	78.3%	1,341	1,340
Contractors	1,540	260	-	1,800	1,674	126	93.0%	291	291
Agency and support / outsourced services	3,900	-	-	3,900	3,803	97	97.5%	3,015	3,015
Fleet services (including government motor transport)	5,964	800	-	6,764	6,692	72	98.9%	3,441	3,441
Consumable supplies	428	(170)	-	258	126	132	48.8%	2	2
Consumable: Stationery, printing and office supplies	377	(26)	-	351	186	165	53.0%	1	1
Operating leases	1,069	380	-	1,449	1,090	359	75.2%	-	-
Property payments	1,099	(200)	-	899	394	505	43.8%	400	-
Transport provided: Departmental activity	129	-	-	129	-	129	-	-	-
Travel and subsistence	1,532	1,280	-	2,812	2,503	309	89.0%	1,126	1,126
Training and development	533	(400)	-	133	-	133	-	-	-
Operating payments	-	-	-	-	-	-	-	16	16
Venues and facilities	100	20	-	120	118	2	98.3%	43	43
Transfers and subsidies	**29,363**	**-**	**(1,763)**	**27,600**	**24,240**	**3,360**	**87.8%**	**22,694**	**22,519**
Non-profit institutions	28,234	-	(1,476)	26,758	23,506	3,252	87.8%	22,554	22,383
Households	1,129	-	(287)	842	734	108	87.2%	140	136
Social benefits	1,129	-	(287)	842	734	108	87.2%	140	136
Other transfers to households	-	-	-	-	-	-	-	-	-
Payments for capital assets	**16,017**	**-**	**1,442**	**17,459**	**17,315**	**144**	**99.2%**	**16,845**	**16,844**
Buildings and other fixed structures	13,991	1,500	1,442	16,933	16,925	8	100.0%	14,246	14,245
Buildings	13,991	1,500	1,442	16,933	16,925	8	100.0%	14,246	14,245
Machinery and equipment	2,026	(1,500)	-	526	390	136	74.1%	2,599	2,599
Transport equipment	-	-	-	-	-	-	-	2,241	2,240
Other machinery and equipment	2,026	(1,500)	-	526	390	136	74.1%	358	359
Payment for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	136,132	**-**	**6,837**	**142,969**	**135,430**	**7,539**	**94.7%**	**116,531**	**115,932**

NORTH WEST: LOCAL GOVERNMENT AND TRADITIONAL AFFAIRS
Notes to the Appropriation Statement

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

Detail of these transactions can be viewed in the note on Transfers and subsidies 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 to 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	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
ADMINISTRATION	191,413	189,616	1,797	1%
Administration under expenditure is due to Capital Assets procurement not effected.				
LOCAL GOVERNANCE	161,840	157,276	4,564	3%
Compensation of Employees is the main cause for the under spending due to vacant and funded posts not yet field.The recruitment process is still underway.				
DEVELOPMENT AND PLANNING	192,843	179,485	13,358	7%
Transfer Payments under spent due to Water & Sanitation invoices which did not reach the Department on time for processing within the financial year.				
TRADITIONAL AFFAIRS	142,969	135,430	7,539	5%
Goods and Services under expenditure is mainly attributed to Postponement of Reconstitution of Tribal Councils by National Department.				

4.2 Per economic classification:

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
Current expenditure				
Compensation of employees	330,746	325,144	5,602	2%
Goods and services	153,846	149,074	4,772	3%
Interest and rent on land	14	14	0	0%
Transfers and subsidies				
Provinces and municipalities	143,952	132,709	11,243	8%
Non-profit institutions	26,758	23,506	3,252	12%
Households	4,111	3,562	549	13%
Payments for capital assets				
Buildings and other fixed structures	16,933	16,925	8	0%
Machinery and equipment	12,468	10,752	1,716	14%
Payments for financial assets	237	121	116	49%

Compensation of Employees under spent due to vacant and funded posts not yet filled. Transfers and subsidies underspent due to Water & Sanitation projects. Goods and Services under expenditure is mainly attributed to postponement of Reconstitution of Tribal Councils by the National Department. Capital Payments under expenditure is as a result of delay in procurement of office furniture- and equipment for the Disaster Centre and expected new appointments. Payments for Financial Assets under spent due to some of the transactions in the system that did not process in this financial year and carried over to 2022/23 financial year.

4.3 Per conditional grant

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Approp.
	R'000	R'000	R'000	%
EXPANDED PUBLIC WORKS PROGRAMME				
	2,058	2,021	37	2%

Resignations and absenteeism of beneficiaries during implementation of the programme caused the under expenditure.

NORTH WEST: LOCAL GOVERNMENT AND TRADITIONAL AFFAIRS
Statement of Financial Performance

	Note	2021/22 R'000	2020/21 R'000
REVENUE			
Annual appropriation	1	689,065	623,618
Statutory appropriation		-	-
Departmental revenue	2	1,005	36
NRF Receipts		-	-
Aid assistance		-	-
TOTAL REVENUE		**690,070**	**623,654**
EXPENDITURE			
Current expenditure			
Compensation of employees	3	325,144	319,909
Goods and services	4	149,074	88,169
Interest and rent on land	5	14	4
Aid assistance		-	-
Total current expenditure		**474,232**	**408,082**
Transfers and subsidies			
Transfers and subsidies	7	159,777	186,525
Aid assistance		-	-
Total transfers and subsidies		**159,777**	**186,525**
Expenditure for capital assets			
Tangible assets	8	27,677	21,154
Intangible assets		-	-
Total expenditure for capital assets		**27,677**	**21,154**
Unauthorised expenditure approved without funding		- -	-
Payments for financial assets	6	121	86
TOTAL EXPENDITURE		**661,807**	**615,847**
SURPLUS/(DEFICIT) FOR THE YEAR		**28,263**	**7,807**
Reconciliation of Net Surplus/(Deficit) for the year			
Voted Funds		27,258	7,771
Annual appropriation		27,242	7,771
Conditional grants		37	-
Departmental revenue and NRF Receipts	13	1,005	36
Aid assistance		-	-
SURPLUS/(DEFICIT) FOR THE YEAR		**28,263**	**7,807**

NORTH WEST: LOCAL GOVERNMENT AND TRADITIONAL AFFAIRS
Statement of Financial Position

	Note	2021/22 R'000	2020/21 R'000
ASSETS			
Current Assets		**29,618**	**114,862**
Unauthorised expenditure		-	-
Cash an cash equivalents	9	28,809	46,630
Other financial assets		-	-
Prepayments and advances	10	-	-
Receivables	11	809	68,232
Loans		-	-
Aid assistance prepayments		-	-
Aid assistance receivable		-	-
Non-Current Assets		**41,404**	**-**
Investments		-	-
Receivables	11	41,404	-
Loans		-	-
Other financial assets		-	-
TOTAL ASSETS		**71,022**	**114,862**
LIABILITIES			
Current Liabilities		**30,568**	**74,660**
Voted funds to be surrendered to the Revenue Fund	12	27,258	74,556
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	86	62
Bank overdraft		-	-
Payables	14	3,224	42
Aid assistance repayable		-	-
Aid assistance unutilised		-	-
Non-Current Liabilities			
Payables		-	-
TOTAL LIABILITIES		**30,568**	**74,660**
NET ASSETS		**40,454**	**40,202**
Represented by:			
Capitalisation reserve		-	-
Recoverable revenue		40,454	40,202
Retained funds		-	-
Revaluation reserves		-	-
TOTAL		**40,454**	**40,202**

NORTH WEST: LOCAL GOVERNMENT AND TRADITIONAL AFFAIRS
Statement of Changes in Net Assets

NET ASSETS	Note	2021/22 R'000	2020/21 R'000
Capitalisation Reserves			
Opening balance		-	-
Transfers:			
Movement in Equity			-
Movement in Operational Funds			-
Other movements			-
Closing balance		-	-
Recoverable revenue			
Opening balance		40,202	40,004
Transfers		**252**	**198**
Irrecoverable amounts written off			-
Debts revised			-
Debts recovered (included in departmental receipts)			-
Debts raised		252	198
Closing balance		**40,454**	**40,202**
Retained funds			
Opening balance		-	-
Transferred from voted funds to be surrendered (Parliament/Legislatures ONLY)			-
Utilised during the year			-
Other			-
Closing balance		-	-
Revaluation Reserves			
Opening balance		-	-
Revaluation adjustment (Housing departments)			-
Transfers			-
Other			-
Closing balance		-	-
TOTAL		**40,454**	**40,202**

NORTH WEST: LOCAL GOVERNMENT AND TRADITIONAL AFFAIRS
Cash Flow Statement

	Note	2021/22 R'000	2020/21 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		**690 547**	**623 999**
Annual appropriated funds received	1,1	689 065	623 618
Statutory appropriated funds received		-	-
Departmental revenue received	2	1 478	366
Interest received	2,2	4	15
NRF Receipts		-	-
Aid assistance received		-	-
Net (increase)/ decrease in working capital		70 605	15 833
Surrendered to Revenue Fund		-76 014	-341
Surrendered to RDP Fund/Donor		-	-
Current payments		-474 218	-407 914
Interest paid	5	-14	-
Payments for financial assets		-121	-86
Transfers and subsidies paid		-159 777	-186 525
Net cash flow available from operating activities	15	**51 008**	**44 966**
CASH FLOWS FROM INVESTING ACTIVITIES			
Distribution/dividend received		-	-
Payments for capital assets	8	-27 677	-21 154
Proceeds from sale of capital assets		-	-
(Increase)/ decrease in loans		-	-
(Increase)/ decrease in investments		-	-
(Increase)/ decrease in other financial assets		-	-
(Increase)/decrease in non-current receivables	11	-41 404	-
Net cash flows from investing activities		**-69 081**	**-21 154**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/ (decrease) in net assets		252	198
Increase/ (decrease) in non-current payables		-	-
Net cash flows from financing activities		**252**	**198**
Net increase/ (decrease) in cash and cash equivalents		-17 821	24 010
Cash and cash equivalents at beginning of period		46 630	22 620
Unrealised gains and losses within cash and cash equivalents			-
Cash and cash equivalents at end of period	16	**28 809**	**46 630**

NORTH WEST: LOCAL GOVERNMENT AND TRADITIONAL AFFAIRS
Notes to the Annual Financial Statements

1

1.1 Annual Appropriation

		2021/22			2020/21		
	Programmes	Final Appropriation R'000	Actual Funds Received R'000	Funds not requested/not received R'000	Final Appropriation R'000	Appropriation Received R'000	Funds not requested/ not received R'000
1	ADMINISTRATION	191,413	191,413	-	156,501	156,501	-
2	LOCAL GOVERNANCE	161,840	161,840	-	152,536	152,536	-
3	DEVELOPMENT AND PLANNING	192,843	192,843	-	198,050	198,050	-
4	TRADITIONAL AFFAIRS	142,969	142,969	-	116,531	116,531	-
	Total	**689,065**	**689,065**	**-**	**623,618**	**623,618**	**-**

The department received all the appropriated funds.

		Note	2021/22 R'000	2020/21 R'000
1.2	**Conditional grants****			
	Total grants received	31	2,058	2,114

Conditional Grants relates to Expanded Public Works Programme (EPWP).

		Note	2021/22 R'000	2020/21 R'000
2	**Departmental Revenue**			
	Sales of goods and services other than capital assets	2.1	328	284
	Interest, dividends and rent on land	2.2	4	15
	Transactions in financial assets and liabilities	2.3	1,150	82
	Total revenue collected		**1,482**	**381**
	Less: Own revenue included in appropriation	13	477	345
	Departmental revenue collected		**1,005**	**36**

The department has over collected revenue with an amount of R1 million and 5 thousand rand.

		Note	2021/22 R'000	2020/21 R'000
2.1	**Sales of goods and services other than capital assets**	2		
	Sales of goods and services produced by the department		312	273
	Other sales		312	273
	Sales of scrap, waste and other used current goods		16	11
	Total		**328**	**284**

Cellphone scrap payments and commissions for collections are included.

		Note	2021/22 R'000	2020/21 R'000
2.2	**Interest, dividends and rent on land**	2		
	Interest		4	15
	Total		**4**	**15**

Charges on overdue accounts.

		Note	2021/22 R'000	2020/21 R'000
2.3	**Transactions in financial assets and liabilities**	3		
	Other Receipts including Recoverable Revenue		1,150	82
	Total		**1,150**	**82**

Included is the payment from Human Settlements and another payment from pension of ex-employees

		Note	2021/22 R'000	2020/21 R'000
3	**Compensation of Employees**			
3.1	**Salaries and wages**			
	Basic salary		214,507	219,029
	Performance award		1,635	2,450
	Service Based		578	276
	Compensative/circumstantial		3,495	3,073
	Other non-pensionable allowances		59,243	49,448
	Total		**279,458**	**274,276**

The increase on Compensation of Employees relates to cost of living adjustment made during the financial year as per the DPSA notice.

		Note	2021/22 R'000	2020/21 R'000
3.2	**Social Contributions**			
	Employer contributions			
	Pension		25,335	26,003
	Medical		20,121	19,520
	Bargaining council		73	72
	Insurance		157	38
	Total		**45,686**	**45,633**
	Total compensation of employees		**325,144**	**319,909**
	Average number of employees		804	826

The increase on Compensation of Employees relates to cost of living adjustment made during the financial year as per the DPSA notice.

		Note	2021/22 R'000	2020/21 R'000
4	**Goods and services**			
	Administrative fees		313	147
	Advertising		1,996	674
	Minor assets	4.1	1,099	100
	Bursaries (employees)		743	680
	Catering		1,905	628
	Communication		1,238	2,032
	Computer services	4.2	1,955	2,041
	Consultants: Business and advisory services		9,552	76
	Legal services		12,582	5,553
	Contractors		2,915	1,733
	Agency and support / outsourced services		50,928	23,003
	Audit cost – external	4.3	4,162	5,141
	Fleet services		12,796	11,918
	Consumables	4.4	3,652	3,043
	Operating leases		20,517	17,213
	Property payments	4.5	7,259	6,809
	Rental and hiring		100	10
	Transport provided as part of the departmental activities		72	-
	Travel and subsistence	4.6	12,147	5,885
	Venues and facilities		1,092	196
	Training and development		1,723	542
	Other operating expenditure	4.7	328	745
	Total		**149,074**	**88,169**

The major increases on Goods and Services relates to Consultants, Legal Fees, Agency and Support Outsourced Services and Travel and Subsistence.

		Note	2021/22 R'000	2020/21 R'000
4.1	**Minor assets**	4		
	Tangible assets		**1,099**	**100**
	Machinery and equipment		1,099	100
	Total		**1,099**	**100**

Due to eased Covid-19 restrictions, there was an increase in procurement of minor assets.

		Note	2021/22 R'000	2020/21 R'000
4.2	**Computer services**	4		
	SITA computer services		205	500
	External computer service providers		1,750	1,541
	Total		**1,955**	**2,041**

The costs include software license paid to the Office of the Premier.

		Note	2021/22 R'000	2020/21 R'000
4.3	**Audit cost – external**	4		
	Regularity audits		4,162	5,141
	Total		**4,162**	**5,141**

The costs relate to statutory audit carried out by the Auditor General of South Africa.

		Note	2021/22 R'000	2020/21 R'000
4.4	**Consumables**	4		
	Consumable supplies		1,642	1,836
	Uniform and clothing		347	378
	Household supplies		888	470
	Communication accessories		2	-
	IT consumables		355	335
	Other consumables		50	653
	Stationery, printing and office supplies		2,010	1,207
	Total		**3,652**	**3,043**

Detailed breakdown of consumables is disclosed.

		Note	2021/22 R'000	2020/21 R'000
4.5	**Property payments**	4		
	Other		7,259	6,809
	Total		**7,259**	**6,809**

		Note	2021/22 R'000	2020/21 R'000
4.6	**Travel and subsistence**	4		
	Local		12,147	5,885
	Total		**12,147**	**5,885**

Expenditure incurred is solely on local travel.

		Note	2021/22 R'000	2020/21 R'000
4.7	**Other operating expenditure**	4		
	Resettlement costs		14	91
	Other		314	654
	Total		**328**	**745**

			2021/22 R'000	2020/21 R'000
4.8	**Remuneration of members of a commission or committee (Included in Consultants: Business and advisory services)**			
	(Treasury Regulation 20.2.4)			
	Name of Commission / Committee	**No. of members**		
	Risk and Ethics Management Committee	1	30	-
				-
	Total		**30**	**-**

Remuneration for committee member who is not an employee of the Department.

		Note	2021/22 R'000	2020/21 R'000
5	**Interest and Rent on Land**			
	Interest paid		14	4
	Total		**14**	**4**

Interest paid on overdue account of electricity

		Note	2021/22 R'000	2020/21 R'000
6	**Payments for financial assets**			
	Debts written off	6.1	121	86
	Total		**121**	**86**

Staff debt written off in the year under review

		Note	2021/22 R'000	2020/21 R'000
6.1	**Debts written off**	6		
	Nature of debts written off			
	Recoverable revenue written off			
	Staff Debt		121	86
	Total		121	86
	Total debt written off		**121**	**86**

Write-off implemented as per approval.

		Note	2021/22 R'000	2020/21 R'000
7	**Transfers and Subsidies**			
	Provinces and municipalities		132,709	160,513
	Non-profit institutions	ANNEXURE 1F	23,506	22,383
	Households	ANNEXURE 1G	3,562	3,629
	Total		**159,777**	**186,525**

The amount of Provinces and Municipalities have been disclosed on Annexure 1A.

		Note	2021/22 R'000	2020/21 R'000
8	**Expenditure for capital assets**			
	Tangible assets		**27,677**	**21,154**
	Buildings and other fixed structures	29	16,925	14,245
	Machinery and equipment	27	10,752	6,909
	Intangible assets		**-**	**-**
	Total		**27,677**	**21,154**

Assets disclosed in the related notes.

8.1 Analysis of funds utilised to acquire capital assets - 2021/22

	Voted Funds R'000	Aid assistance R'000	TOTAL R'000
Tangible assets	**27,677**	**-**	**27,677**
Buildings and other fixed structures	16,925		**16,925**
Machinery and equipment	10,752		**10,752**
Intangible assets	**-**	**-**	**-**
Total	**27,677**	**-**	**27,677**

Payments towards movable assets procured, finance leases during the financial year and payment made for construction of Ba ga Shuping Traditional Offices.

8.2 Analysis of funds utilised to acquire capital assets - 2020/21

	Voted Funds	Aid assistance	TOTAL
	R'000	R'000	R'000
Tangible assets	**21,154**	**-**	**21,154**
Buildings and other fixed structures	14,245	-	**14,245**
Machinery and equipment	6,909	-	**6,909**
Intangible assets	**-**	**-**	**-**
Total	**21,154**	**-**	**21,154**

	2021/22	2020/21
	R'000	R'000
8.3 Finance lease expenditure included in Expenditure for capital assets		
Tangible assets		
Machinery and equipment	3,474	2,299
Total	**3,474**	**2,299**

	Note	2021/22	2020/21
		R'000	R'000
9 Cash and Cash Equivalents			
Consolidated Paymaster General Account		28,820	46,630
Disbursements		-11	-
Total		**28,809**	**46,630**

Cash at the bank including voted funds to be surrendered.

10 Prepayments and Advances

10.1 Prepayments (Expensed)

	'Balance as at 1 April 2021	Less: Received in the current year	Add/Less: Other	Add: Current Year prepayments	Amount as at 31 March 2022
	R'000	R'000	R'000	R'000	R'000
Listed by economic classification					
Goods and services	-			832	832
Total	**-**	**-**	**-**	**832**	**832**

The Department is obliged by contractual obligation to pay insurance for the fleet to secure or assure the availability of fleet liability to all eligible risks in line with Chapter 9, 5.2.2 of the AMD. The nature of service as stipulated in the contract requires an upfront payment for fitting the cover on the vehicle as an "annual premium". There is therefore no breakdown over the months/quarters. By dishonoring the payment upfront the department would have been assuming the risks attached, in bridge of the contract and/or without renewed insurance contract. It is clear from the contractor that the renewal of insurance falls due on the 1st April 2022. It would have been risky for the Department to wait to settle the payment in April as the system would not have been running on the 1st. The Department cannot bank on the 1 month grace period as payment systems usually undergo technicalities, which may take long to resolve/resume at the beginning of the financial year.

10.2 Advances paid (Expensed)

	Balance as at 1 April 2021	Less: Received in the current year	Add/Less: Other	Add: Current Year advances	Amount as at 31 March 2022
	R'000	R'000	R'000	R'000	R'000
National departments	-				-
Provincial departments	32	-32			-
Public entities	-				-
Other institutions	-				-
Total	**32**	**-32**	**-**	**-**	**-**

The amount of R32 350,92 was refunded to the department by Community Safety as they were unable to procure the vehicle canopy for the department.

Advances paid (Expensed)	Balance as at 1 April 2020 R'000	Less: Received in the current year R'000	Add/Less: Other R'000	Add: Current Year advances R'000	Amount as at 31 March 2021 R'000
Provincial departments	-	-	-	32	32
Total	**-**	**-**	**-**	**32**	**32**

Amount surrendered as previous year's expenditure.

		Note	2021/22 Current R'000	2021/22 Non-current R'000	2021/22 Total R'000	2020/21 Current R'000	2020/21 Non-current R'000	2020/21 Total R'000
11	**Receivables**							
	Claims recoverable	11.1		853	853	27,490	-	27,490
	Recoverable expenditure	11.2			-	-10	-	-10
	Staff debt	11.3	426	547	973	748	-	748
	Fruitless and wasteful Expenditure	11.4		40,004	40,004	40,004	-	40,004
	Other receivables	11.5	383		383	-	-	-
	Total		**809**	**41,404**	**42,213**	**68,232**	**-**	**68,232**

Amont owed to the Department.

		Note	2021/22 R'000	2020/21 R'000
11.1	**Claims recoverable**	11		
	Provincial departments			27,490
	Public entities		853	-
	Total		**853**	**27,490**

The amount owed by Auditor General.

		Note	2021/22 R'000	2020/21 R'000
11.2	**Recoverable expenditure (disallowance accounts)**	11		
	(Group major categories, but list material items)			
	Sal: ACB Recall: CA			-10
	Total		**-**	**-10**

		Note	2021/22 R'000	2020/21 R'000
11.3	**Staff debt**	11		
	(Group major categories, but list material items)			
	Debt Account: CA		973	748
	Total		**973**	**748**

Amount owed by former and current employees to the Department.

		Note	2021/22 R'000	2020/21 R'000
11.4	**Other receivables**	11		
	(Group major categories, but list material items)			
	Statutory Appropriation receivables			-
	SAL: RECOVERABLE		383	-
	Total		**383**	**-**

Amount owed by department of Human Settlements and Office of the Premier for secondment of officials.

		Note	2021/22 R'000	2020/21 R'000
11.5	**Fruitless and wasteful expenditure**	11		
	Opening balance		40,004	40,004
	Less amounts recovered			-
	Less amounts written off			-
	Transfers from note 32 Fruitless and Wasteful expenditure			-
	Interest			-
	Total		**40,004**	**40,004**

Amount owed by different municipalities for demolitions and rectifications of RDP houses.

		Note	2021/22 R'000	2020/21 R'000
11.6	**Impairment of receivables**			
	Estimate of impairment of receivables		40,004	-
	Total		**40,004**	**-**

Impairement of municipalities debts as there is no prospect that the Municipalities will afford settlement of the debt raised.

		Note	2021/22 R'000	2020/21 R'000
12	**Voted Funds to be Surrendered to the Revenue Fund**			
	Opening balance		74,556	66,785
	Prior period error			
	As restated		74,556	66,785
	Transfer from statement of financial performance (as restated)		27,258	7,771
	Add: Unauthorised expenditure for current year			-
	Voted funds not requested/not received		-	-
	Transferred to retained revenue to defray excess expenditure			-
	Paid during the year		-74,556	-
	Closing balance		**27,258**	**74,556**

Appropriated funds not utilised during the financial year to be surrendered to the Revenue Fund.

		Note	2020/21 R'000
12.1	**Prior period error**		
	Relating to 2020/21		**168**
	Adjustment of Voted funds to be surrendered for an amount overcharged to the department of Human Settlements for personnel payments made on their behalf.		168
	Total		**168**

Perior year adjustment .

		Note	2021/22 R'000	2020/21 R'000
13	**Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund**			
	Opening balance		62	22
	Prior period error			
	As restated		62	22
	Transfer from Statement of Financial Performance (as restated)		1,005	36
	Own revenue included in appropriation		477	345
	Transfer from aid assistance			-
	Transfer to voted funds to defray expenditure (Parliament/Legislatures ONLY)			-
	Paid during the year		-1,458	-341
	Closing balance		**86**	**62**

Outstanding revenue collected during March not yet paid to the revenue fund at the end of the fianancial year.

		Note	2021/22 R'000	2020/21 R'000
14	**Payables - current**			
	Clearing accounts	14.1	92	4
	Other payables	14.2	3,132	38
	Total		**3,224**	**42**

Amount owed by the department to other institutions.

		Note	2021/22 R'000	2020/21 R'000
14.1	**Clearing accounts**	14		
	(Identify major categories, but list material amounts)			
	Sal:Income Tax:CL		30	4
	Sal:GEHS Refund Control Acc:CL		62	-
	Total		**92**	**4**

Amount owed by the department to other institutions.

		Note	2021/22 R'000	2020/21 R'000
14.2	**Other payables**	14		
	(Identify major categories, but list material amounts)			
	Department of Health		210	-
	Department of Community Safety		260	-
	Office of the Premier		-	25
	Department of Education		-	5
	UNISA		-	3
	Sale of Scrap		-	3
	Department of Public Works		8	2
	Mahikeng Local Municipality		2,632	-
	Seapolelo		3	-
	GEMS		19	-
	Total		**3,132**	**38**

Amount owed by the department to other institutions.

		Note	2021/22 R'000	2020/21 R'000
15	**Net cash flow available from operating activities**			
	Net surplus/(deficit) as per Statement of Financial Performance		28,263	7,807
	Add back non cash/cash movements not deemed operating activities		22,745	37,159
	(Increase)/decrease in receivables		67,423	105,672
	(Increase)/decrease in prepayments and advances		-	10
	(Increase)/decrease in other current assets		-	-
	Increase/(decrease) in payables – current		3,182	-89,681
	Proceeds from sale of capital assets			-
	Proceeds from sale of investments			-
	(Increase)/decrease in other financial assets		-	-
	Expenditure on capital assets		27,677	21,154
	Surrenders to Revenue Fund		-76,014	-341
	Surrenders to RDP Fund/Donor			-
	Voted funds not requested/not received			-
	Own revenue included in appropriation		477	345
	Other non-cash items			-
	Net cash flow generated by operating activities		**51,008**	**44,966**

An amount of R76 million surrendered to the Provincial Revenue Fund includes outstanding for 2019/20 and 2020/21 audited financial years.

		Note	2021/22 R'000	2020/21 R'000
16	**Reconciliation of cash and cash equivalents for cash flow purposes**			
	Consolidated Paymaster General account		28,820	46,630
	Fund requisition account		-	-
	Cash receipts		-	-
	Disbursements		-11	-
	Cash on hand		-	-
	Cash with commercial banks (Local)		-	-
	Cash with commercial banks (Foreign)		-	-
	Total		**28,809**	**46,630**

Includes the amount to be surrendered to the Provincial Revenue Fund.

		Note	2021/22 R'000	2020/21 R'000
17	**Contingent liabilities and contingent assets**			
17.1	**Contingent liabilities**			
	Liable to **Nature**			
	Claims against the department	Annex 3B	16,641	16,633
	Total		**16,641**	**16,633**

At this stage the department cannot with certainity disclose when the cases will be finalised.

		Note	2021/22 R'000	2020/21 R'000
18	**Capital commitments**			
	Buildings and other fixed structures		1,090	12,324
	Machinery and equipment		4,000	-
	Total		**5,090**	**12,324**

Commitment for Ba ga Shuping construction of Traditional Offices is within the project cost, but the contract period is still to be extended. Procument of fire fighting truck for Mahikeng Local Municipality still under going modifications.

					2021/22 R'000	2020/21 R'000
19	**Accruals and payables not recognised**					
	19.1	**Accruals**				
		Listed by economic classification	**30 days**	**30+ days**	**Total**	**Total**
		Goods and services	2,367	765	3,132	2,023
		Transfers and subsidies	2,013	-	2,013	4,491
		Capital assets				1,503
		Total	**4,380**	**765**	**5,145**	**8,017**

Listed by programme level	Note	2021/22 R'000	2020/21 R'000
Administration		2,583	1,843
Local Governance		3	24
Development and Planning		2,016	4,566
Traditional Affairs		543	1,584
Total		**5,145**	**8,017**

Payment outstanding for services rendered as invoices were not received at year end.

					2021/22 R'000	2020/21 R'000
	19.2	**Payables not recognised**				
		Listed by economic classification	**30 days**	**30+ days**	**Total**	**Total**
		Other		18,541	18,541	18,541
		Total	**-**	**18,541**	**18,541**	**18,541**

Listed by programme level	Note	2021/22 R'000	2020/21 R'000
Local Governance		18,541	18,541
Total		**18,541**	**18,541**

Outstanding payment for service rendered and invoice received at year end but not yet processed.

***Included* in the above totals are the following:**	Note	2021/22 R'000	2020/21 R'000
Confirmed balances with departments			646
Confirmed balances with other government entities	Annex 5	18,541	23,770
Total		**18,541**	**24,416**

		Note	2021/22 R'000	2020/21 R'000
20	**Employee benefits**			
	Leave entitlement		26,691	29,008
	Service bonus		8,334	8,655
	Performance awards		-	1,805
	Capped leave		11,656	14,185
	Other		490	534
	Total		**47,171**	**54,187**

At this stage the department is not able to reliably measure the long term portion of the long service awards. Leave entitlement includes negative balances amounting to R61 863,88.

21 Lease commitments

21.1 Operating leases

2021/22	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year			17,109	3,800	20,909
Later than 1 year and not later than 5 years				2,971	2,971
Total lease commitments	**-**	**-**	**17,109**	**6,771**	**23,880**

2020/21	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	13,557	2,794	16,351
Later than 1 year and not later than 5 years	-	-	-	3,553	3,553
Total lease commitments	**-**	**-**	**13,557**	**6,347**	**19,904**

Department has five buildings that have been leased.

21.2 Finance leases **

2021/22	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year				2,924	2,924
Later than 1 year and not later than 5 years				4,310	4,310
Total lease commitments	**-**	**-**	**-**	**7,234**	**7,234**

2020/21	Specialised military assets	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	954	954
Later than 1 year and not later than 5 years	-	-	-	251	251
Total lease commitments	**-**	**-**	**-**	**1,205**	**1,205**

The department has finance lease with Vodacom for cellphones and data.

Lease agreements for all Buildings are renewed annualy through the approval of Department of Public Works and have 10% escalation clause, at the end of the contract for machinery and equiment the supplier takes back the expired leased machines and the department enters into a new contracts.

	Note	2021/22 R'000	2020/21 R'000
22 Irregular expenditure			
22.1 Reconciliation of irregular expenditure			
Opening balance		549,706	549,255
Prior period error			-
As restated		549,706	549,255
Add: Irregular expenditure - relating to prior year		-	-
Add: Irregular expenditure - relating to current year		-	451
Less: Prior year amounts condoned		-	-
Less: Current year amounts condoned		-	-
Less: Prior year amounts not condoned and removed		-	-
Less: Current year amounts not condoned and removed		-	-
Less: Amounts recoverable (current and prior year)		-	-
Less: Amounts written off		-	-
Closing balance		**549,706**	**549,706**
Analysis of closing balance			
Current year			-
Prior years		549,706	549,706
Total		**549,706**	**549,706**

Contravention of SCM processes.

		2021/22
22.2	**Details of irregular expenditure under assessment (not included in the main note)**	**R'000**
	Incident	
	Truck procured through RT57 contract currently being modified into a fire fighting truck.	2,632
	Total	**2,632**

		Note	2020/21
			R'000
22.3	**Prior period error**		
	Relating to 2020/21		**451**
	Irregular expenditure discovered during 2020/21 financial year audit		451
	Total		**451**

		2021/22
22.4	**Details of the non-compliance where an institution is involved in an inter-institutional arrangement**	**R'000**
	Incident	
	Construction of Ba ga Shuping Traditional Offices	3,485
	Total	**3,485**

Possible irregular expenditure under assessment involving Department of Public Works.

			2021/22	2020/21
23	**Fruitless and wasteful expenditure**		**R'000**	**R'000**
23.1	**Reconciliation of fruitless and wasteful expenditure**			
	Opening balance		1,604	1,604
	Prior period error			-
	As restated		1,604	1,604
	Fruitless and wasteful expenditure – relating to prior year	32.2		-
	Fruitless and wasteful expenditure – relating to current year	32.2	14	4
	Less: Amounts recoverable	15.6		-
	Less: Amounts written off	32.4	-14	-4
	Closing balance		**1,604**	**1,604**

			2021/22
23.2	**Details of current and prior year fruitless and wasteful expenditure – added current year (under determination and investigation)**		
	Incident	**Disciplinary steps taken/criminal**	**R'000**
	Eskom Interest	None. Amount written off.	14
	Total		**14**

		2021/22
23.3	**Details of fruitless and wasteful expenditure written off**	
	Incident	**R'000**
	Eskom Interest incurred on overdue accounts.	14
	Total	**14**

24 **Related party transactions**

	Note	2021/22 R'000	2020/21 R'000
In kind goods and services provided/received			
List in kind goods and services between department and related party			
The department of Cooperative Governance and Traditional Affairs is providing in-kind goods and services for office accomodation to the Department of Human Settlements Employees. The Department could not measure the rental amount, security, electricity and water consumption by the department of Human Settlements Employees.			-
Total		**-**	**-**

List related party relationships and the nature thereof

All entities in the provincial sphere of government are related parties, as a result all provincial departments, trading entities,schedule 3C and 3D public entities as well as the provincial legislature are related parties to the department." The Cabinet resolved to invoke section 100(1)(a) Of the Constitution on 23 May 2018 at the department, together with interventions at other provincial departments. In this regard an Inter-Ministerial Task Team (IMTT) was established constitutedof several ministers to address the challenges facing the province.The department is related to administrators and all officials that have been seconded by the MEC to municipalities. Tribal and Trust Fund for Traditional Councils amounting to R23 506m was paid in support of the running of traditional councils in the Province.

		No. of Individuals	2021/22 R'000	2020/21 R'000
25	**Key management personnel**			
	Political office bearers (provide detail below)			-
	Officials:	2	2,051	1,405
		1	955	1,699
		6	7,160	8,123
		17	18,466	17,798
	Family members of key management personnel	2	664	905
	Total		**29,296**	**29,930**

Ms EM Mmutle has been appointed as Acting Chief Director from the 01 August 2021 and Mr JK Mashigo has been seconded to Department of Human Settlements from the 01 August 2021.Ms ME Mashigo is related to Mr JK Mashigo and Ms LG Sepeng is ralated to Mr FM Sepeng.

		Note	2021/22 R'000	2020/21 R'000
26	**Provisions**			
	Construction of Bahurutshe ba ga Shuping Traditional Council Offices		2,022	1,121
	Total		**2,022**	**1,121**

The disclosed amount relates to retention.

26.1 Reconciliation of movement in provisions - 2021/22

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Provision 4 R'000	Total provisions R'000
Opening balance			1,121		1,121
Increase in provision			901		901
Closing balance	**-**	**-**	**2,022**	**-**	**2,022**

Reconciliation of movement in provisions - 2020/21

	Provision 1 R'000	Provision 2 R'000	Provision 3 R'000	Provision 4 R'000	Total provisions R'000
Opening balance	-	-	-	-	-
Increase in provision	1,121	-	-	-	1,121
Closing balance	**1,121**	**-**	**-**	**-**	**1,121**

Retention amount to be paid after the relevant defects notification period.

27 Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing balance R'000
MACHINERY AND EQUIPMENT	44,890		4,646	1,619	47,917
Transport assets	19,851		-	-	19,851
Computer equipment	11,823		2,581	1,327	13,077
Furniture and office equipment	11,423		1,420	123	12,720
Other machinery and equipment	1,793		645	169	2,269
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**44,890**	**-**	**4,646**	**1,619**	**47,917**

During physical verification there were assets on the floor that are not on the asset register, currently the department cannot determine the value of those assets.

Movable Tangible Capital Assets under investigation

	Number	Value
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		R'000
Machinery and equipment	20	499

Machinery and equipment to the value of R499 077,23 are under investigation. The assets are on the assets register but not on the floor.

27.1 Movement for 2020/21

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

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	40,818	-	6,023	1,951	44,890
Transport assets	16,171		3,680	-	19,851
Computer equipment	11,903		1,280	1,360	11,823
Furniture and office equipment	10,823		764	164	11,423
Other machinery and equipment	1,921		299	427	1,793
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**40,818**	**-**	**6,023**	**1,951**	**44,890**

27.2 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	6,861	-	6,861
Value adjustments						-
Additions				1,099		1,099
Disposals				739		739
TOTAL MINOR ASSETS	**-**	**-**	**-**	**7,221**	**-**	**7,221**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets				85		85
Number of minor assets at cost				3,245		3,245
TOTAL NUMBER OF MINOR ASSETS	**-**	**-**	**-**	**3,330**	**-**	**3,330**

Minor Capital Assets under investigation

	Number	Value
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		R'000
Machinery and equipment	22	151

Machinery and equipment to the value of R51 151,61 are under investigation. The assets are on the assets register but not on the floor.During physical verification there were assets on the floor that are not on the asset register, currently the department can not determine the value of those assets.

Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	-	-	7,022	-	7,022
Prior period error	-	-	-	-	-	-
Additions	-	-	-	652	-	652
Disposals	-	-	-	813	-	813
TOTAL MINOR ASSETS	**-**	**-**	**-**	**6,861**	**-**	**6,861**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	98	-	98
Number of minor assets at cost	-	-	-	3,303	-	3,303
TOTAL NUMBER OF MINOR ASSETS	**-**	**-**	**-**	**3,401**	**-**	**3,401**

Comprise of Assets less than R5 000,00

28 Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
SOFTWARE	308			308
TOTAL INTANGIBLE CAPITAL ASSETS	**308**	**-**	**-**	**308**

Movement for 2020/21

28.1 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	308	-	-	-	308
TOTAL INTANGIBLE CAPITAL ASSETS	308	-	-	-	308

29 Immovable Tangible Capital Assets

MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	152,166	1,195	-	153,361
Non-residential buildings	152,166	1,195		153,361
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	152,166	1,195	-	153,361

Movement for 2020/21

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

	Opening balance	Prior period error	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000
STRUCTURES	152,166	-	-	-	152,166
Non-residential buildings	152,166		-	-	152,166
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	152,166	-	-	-	152,166

Capital Work-in-progress

29.2 CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2022

	Note	Opening Balance 1 April 2021	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing Balance 31 March 2022
	Annexure 7	R'000	R'000	R'000	R'000
Buildings and other fixed structures		16,903	15,730	-	32,633
Machinery and equipment		-	2,632	-	2,632
TOTAL		16,903	18,362	-	35,265

Construction of Bahurushe ba ga Shuping Tribal Offices and fire fighting truck for Mahikeng Local Municipality.

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2021

	Note	Opening Balance	Prior period error	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing Balance 31 March 2021
	Annexure 7	R'000	R'000	R'000	R'000	R'000
Buildings and other fixed structures		5,466	-	14,245	2,808	16,903
TOTAL		5,466	-	14,245	2,808	16,903

30 Prior period errors

2020/21

30.1 Correction of prior period errors	Note	Amount bef error correction R'000	Prior period error R'000	Restated amount R'000
Expenditure: (e.g. Compensation of employees, Goods and services, Tangible capital assets, etc.)				
Compensation of Employees	5	321,855	-1,946	319,909
Goods and Services	6	86,059	2,110	88,169
Interest and Rent on land	7		4	4
Key Management Pesonnel	34	14,040	15,890	29,930
Net effect		**421,954**	**16,058**	**438,012**

Compensation of Employees was increased by an amount of R168 000 overcharged to Department of Human Settlement for expenditure incurred on their behalf,furthermore it was also reduced by EPWP amount of R2 114 000 which was incorrectly classified under compensation of employees instead of goods and services as directed by the Provincial Treasury. Goods and services was corrected with debit amount of R2114 0000 for EPWP and credited with R4 000 for interest paid on overdue accounts that was paid under goods and services. Interest and Rent on Land relates to interest on overdue accounts

Assets: (e.g. Receivables, Investments, Accrued departmental revenue, Movable tangible capital assets, etc.)				
Receivables	15	68,400	-168	68,232
Net effect		**68,400**	**-168**	**68,232**

Reduction in Claims Recoverable for Compensation of Employees amount overcharged to Department of Human Settlement for expenditure incurred on their behalf

Liabilities: (e.g. Payables current, Voted funds to be surrendered, Commitments, Provisions, etc.)				
Voted Funds to be Surrendered	18	**74,724**	-168	74,556
Commitments	25	10,521	1,803	12,324
Provisions	37	2,924	-1,803	1,121
Payables not Recognised(SIU)	27	-	18,541	18,541
				-
Net effect		**88,169**	**18,373**	**106,542**

Increase in expenditure for Compensation of Employees amount due to reduction of the amount claimed from Department of Human Settlements for expenditure incurred on their behalf. Increase in Commitment due to incorrect calculation of retention retention amount. Provisions decreases due to incorrect calculation of retention amount. SIU payables not recognised in the previous financial year.

Other: (e.g. Irregular expenditure, fruitless and wasteful expenditure, etc.)				
Irregular expenditure	31	549,255	451	549,706
Net effect		**549,255**	**451**	**549,706**

Irregular expenditure relating to 2020/21 financial year

NORTH WEST: LOCAL GOVERNMENT AND TRADITIONAL AFFAIRS
Notes to the Annual Financial Statements

31 STATEMENT OF CONDITIONAL GRANTS RECEIVED

	GRANT ALLOCATION					SPENT				2020/21	
NAME OF GRANT	Division of Revenue Act/Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by department	Amount spent by department	Under / (overspending)	% of available funds spent by dept	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
EXPANDED PUBLIC WORKS PROGRAMME	2 058				2 058	2 058	2 021	37	98%	2 114	2 114
					-			-			
					-			-			
	2 058	-	-	-	2 058	2 058	2 021	37		2 114	2 114

NORTH WEST: LOCAL GOVERNMENT AND TRADITIONAL AFFAIRS
Notes to the Annual Financial Statements

32 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.

		Note	2021/22 R'000	2020/21 R'000
33	**COVID 19 Response Expenditure**	ANNEXURE 11		
	Compensation of employees		-	-
	Goods and services		385	949
	Transfers and subsidies		-	-
	Expenditure for capital assets		-	102
	Other		-	-
	Total		385	1,051

Covid 19 expenses declined as restriction were eased in 2021/22, as opposed to 2020/21.

NORTH WEST: LOCAL GOVERNMENT AND TRADITIONAL AFFAIRS
Annexures to the Annual Financial Statements

Annexure 1A
STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2020/21	
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Mun B/Acc: Municipal Bank Account	122 189		21 763	143 952				132 709	132 709		100%	160 514	160 513
				-									
Total	122 189	-	21 763	143 952	-	-	-	132 709	132 709	-		160 514	160 513

The allocation relates to the Provincial Equitable Share and is not included in the DORA. The Department underspent due to late submission of invoices by Municipalities, which could not be processed owing to the system cut off.

NORTH WEST: LOCAL GOVERNMENT AND TRADITIONAL AFFAIRS
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ANNEXURE 1F
STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2020/21
	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							
NPI: Tribal and Trust Fund	28 234		(1 476)	26 758	23 506	88%	22 554
				-			
	28 234	-	(1 476)	26 758	23 506		22 554
Subsidies							
	-	-	-	-	-		-
Total	28 234	-	(1 476)	26 758	23 506		22 554

NORTH WEST: LOCAL GOVERNMENT AND TRADITIONAL AFFAIRS
Annexures to the Annual Financial Statements

ANNEXURE 1G
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2020/21
	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							
Social Benefits	4 635		(524)	4 111	3 562	87%	3 213
Households Other	-			-			453
	4 635	-	(524)	4 111	3 562		3 666
Subsidies							
	-	-	-	-	-		-
Total	4 635	-	(524)	4 111	3 562		3 666

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ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2022

NATURE OF LIABILITY	Opening balance 1 April 2021	Liabilities incurred during the year	Liabilities paid/ cancelled/ reduced during the year	Liabilites recoverable (Provide details hereunder)	Closing balance 31 March 2022
	R'000	R'000	R'000	R'000	R'000
Claims against the department					
Summons issued for services rendered	16 511				16 511
Summons for payment for the Supply of Tent, Podium and Sound System	69				69
Summons for damages (car accident)	53				53
The Plaintiff issued summons against an employee at COGTA for cost incurred as a result of motor vehicle accident		8			8
					-
Subtotal	16 633	8	-	-	16 641
Environmental liability					
					-
Subtotal	-	-	-	-	-
Other					
					-
Subtotal	-	-	-	-	-
TOTAL	16 633	8	-	-	16 641

NORTH WEST: LOCAL GOVERNMENT AND TRADITIONAL AFFAIRS
Annexures to the Annual Financial Statements

ANNEXURE 4
CLAIMS RECOVERABLE

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Office of the Premier	53				53	-
Department of Human Settlements	329				329	-
					-	-
	382	-	-	-	382	-
OTHER GOVERNMENT ENTITIES						
Auditor General South Africa			853		853	-
					-	-
	-	-	853	-	853	-
Total	382	-	853	-	1 235	-

NORTH WEST: LOCAL GOVERNMENT AND TRADITIONAL AFFAIRS
Annexures to the Annual Financial Statements

ANNEXURE 5
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2022	31/03/2021	31/03/2022	31/03/2021	31/03/2022	31/03/2021
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Department of Community Safety and Transport	872	516			872	516
Justice and Constitutional Development		113			-	113
Public Service and Administration		17			-	17
					-	-
Subtotal	872	646	-	-	872	646
Non-current						
Subtotal	-	-	-	-	-	-
Total Departments	872	646	-	-	872	646

OTHER GOVERNMENT ENTITY						
Current						
Mafikeng Local Municipality		628			-	628
Eskom		75			-	75
Auditor General South Africa		3			-	3
Telkom		16			-	16
Moses Kotane LM		4,491			-	4,491
SITA		16			-	16
					-	-
Subtotal	-	5,229	-	-	-	5,229
Non-current						
Special Investigation Unit	18,541	18,541			18,541	18,541
					-	-
Subtotal	18,541	18,541	-	-	18,541	18,541
Total Other Government Entities	18,541	23,770	-	-	18,541	23,770
TOTAL INTERGOVERNMENTAL PAYABLES	19,413	24,416	-	-	19,413	24,416

ANNEXURE 7
Movement in Capital Work-in-Progress
MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2022

	Opening balance	Current Year Capital WIP	Ready for use (Asset register) / Contract terminated	Closing balance
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	-	2,632	-	2,632
Transport assets		2,632		2,632
BUILDINGS AND OTHER FIXED STRUCTURES	16,903	15,730	-	32,633
Other fixed structures	16,903	15,730		32,633
TOTAL	16,903	18,362	-	35,265

Construction of Bahurutshe ba ga Shuping Tradtional Council offices and fire fighting truck for Mahikeng Local Municipality.

MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE YEAR ENDED 31 MARCH 2021

	Opening balance	Prior period errors	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	5,466	-	14,245	(2,808)	16,903
Other fixed structures	5,466		14,245	(2,808)	16,903
TOTAL	5,466	-	14,245	(2,808)	16,903

NORTH WEST: LOCAL GOVERNMENT AND TRADITIONAL AFFAIRS
Annexures to the Annual Financial Statements

ANNEXURE 11
COVID 19 RESPONSE EXPENDITURE
Per quarter and in total

Expenditure per economic classification	APRIL 2021	MAY 2021	JUN 2021	Subtotal Q1	JUL 2021	AUG 2021	SEPT 2021	Subtotal Q2	OCT 2021	NOV 2021	DEC 2021	Subtotal Q3	JAN 2022	FEB 2022	MAR 2022	Subtotal Q4	2021/22 TOTAL	2020/21 TOTAL
	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	R'000	R'000	R'000	R'000	R'000
Compensation of employees				-				-				-				-	-	
Goods services	3	91	(77)	17	-	30	45	75	10	4	-	14	(4)	130	153	279	385	949
Catering: Departmental Activities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	174
Cons Supplies	3	91	(77)	17	-	30	45	75	10	4	-	14	(4)	130	153	279	385	775
Transfers and subsidies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
				-				-				-				-	-	
Expenditure for capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	102
Other Machinery and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	102
				-				-				-				-	-	
Other expenditure not listed above	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
				-				-				-				-	-	
TOTAL COVID 19 RESPONSE EXPENDITURE	3	91	(77)	17	-	30	45	75	10	4	-	14	(4)	130	153	279	385	1 051


2030
NDP