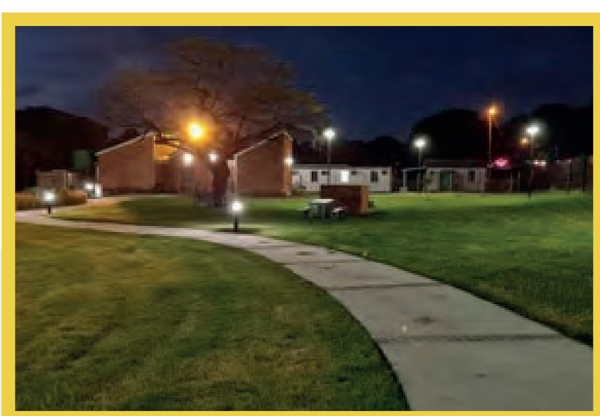
KWAZULU-NATAL PROVINCE

COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

REPUBLIC OF SOUTH AFRICA



ANNUAL REPORT

2021-2022 VOTE 11

GROWING KWAZULU-NATAL TOGETHER

KWAZULU-NATAL PROVINCE
COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

ANNUAL REPORT

2021/22 FINANCIAL YEAR

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

PROVINCE OF KWAZULU-NATAL

VOTE NO. 11

2.2 CONTENT

2.3 PART A : GENERAL INFORMATION

2.3.1. DEPARTMENT GENERAL INFORMATION

Department of Cooperative Governance and Traditional Affairs

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2.3.2. LIST OF ABBREVIATIONS/ACRONYMS

Acronym	Definition
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
ANC	African National Congress
APP	Annual Performance Plan
AU	African Union
BAS	Basic Accounting System
CAPEX	Capital Expenditure
CARC	Cluster Audit and Risk Committee
CFO	Chief Financial Officer
CMET	Comprehensive Monitoring and Evaluation Tool
CoC	Code of Conduct
COGTA	Department of Cooperative Governance and Traditional Affairs
COHOD	Committee Of Heads Of Departments
CSC	Community Service Centres
CWP	Community Works Programme

Acronym	Definition
CSD	Central Supplier Database
DDA	District Development Agency
DDM	District Development Model
DORA	Division of Revenue Act
DPSA	Department of Public Service and Administration
EPWP	Expanded Public Works Programme
GREC	Governance, Risk and Ethics Committee
GRAP	Generally Recognized Accounting Practice
HDI	Historically Disadvantaged Individuals
HOA	Home Owners Allowance
IDP	Integrated Development Plan
IGR	Intergovernmental Relations
IYM	In Year Monitoring
INEP	Integrated National Electrification Programme
KZN	KwaZulu-Natal
KZN COGTA	KwaZulu-Natal Department of Cooperative Governance and Traditional Affairs
LED	Local Economic Development
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant
MPSA	Minister for the Public Service and Administration
MSA	Municipal Systems Act
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
OHS	Occupational Health and Safety
PIAS	Provincial Internal Audit Services
PFMA	Public Finance Management Act

Acronym	Definition
PGDP	Provincial Growth and Development Plan
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SDBIP	Service Delivery Budget Improvement Plan
SDF	Spatial Development Framework
SDG	Sustainable Development Goals
SDIP	Service Delivery Improvement Plan
SHE	Safety, Health and Environmental
SMME	Small, Medium and Micro Enterprise
SMS	Senior Management Services
SPLUMA	Spatial Planning and Land Use Management Act
TAC	Traditional Administrative Centres
TB	Tuberculosis
TC	Traditional Council

2.3.3. FOREWORD BY THE MEC

Mr S ZIKALALA, MPL
MEC for Cooperative Governance and
Traditional Affairs

It gives us great pleasure to present the Annual Report for the 2021/2022 financial year for the Department of Cooperative Governance and Traditional Affairs. This report offers an overview of the work we put into capacitating KZN's 54 municipalities and into ensuring that they are governed and managed in a way that promotes delivery of quality services to communities. We might add that we have ensured this as we continued to fight the Covid-19 pandemic which has impacted our lives and the economy since early 2020.

At this point, we also wish to report that the Department has received yet another encouraging audit outcome, a clean audit for the financial year under audit review. This is a third clean audit in a row, and we are well on our way to making this a norm for our Department. This sends a clear message to the entire sphere of local government which this Department supports and oversees: by being able to manage our own resources with the ultimate accountability, we are leading by example when it comes to all KZN municipalities. It is obvious that our latest audit outcome would not have happened without the hard work of our dedicated officials and we do want to acknowledge the hard work and dedication of the team ably led by HOD Tubane.

Throughout 2021 we laid the groundwork for the Local Government Elections which took place on 3 November 2021. Our role in the elections was strictly political and supportive, as was our involvement post-elections, ensuring that all KZN municipalities would properly reconstitute and that all new and returning councillors become fully capacitated to discharge their duties. The new municipal landscape includes a large number of hung councils where the Department's hands-on support will be needed frequently and provided as necessary. We started with this task immediately after the elections.

During 2021/2022, the Department also continued to promote innovative solutions to challenges faced by the sphere of local government in KZN, including the continuous assessment of the state of local government, a process that was started in 2019, the deployment of local government specialists and the provision of financial and technical experts to municipalities. All of these initiatives have contributed to the much-needed stability and sustainability of our municipalities. It is for this reason that they we will continue to provide the additional resources going forward.

In the same vein, our implementation, during 2021/2022, of the District Development Model with the active participation of all relevant stakeholders has already made itself felt on the ground where it is facilitating local economic development and service delivery with districts as centres of decision making. In practice, municipal planning, budgeting and implementation of catalytic projects is now being concentrated at a district level and, going forward, we hope to see this trend fully internalised in all municipalities across the province.

This is also an opportune time to report on the implementation of the KZN Provincial Water Master Plan during 2021/2022, following the plan's completion in the previous financial year. The plan is continuously proving to be an enormous achievement in mapping and tackling the perennial issue of water provision in KZN's municipalities. In the course of its implementation, the plan is actively addressing both the existing water challenges and the long, medium and short-term solutions for every community in need of water services in our province.

This report also speaks to our challenges, including those emanating from the latest audit outcomes of KZN municipalities, such as the persistently high levels of unauthorised, irregular, fruitless and wasteful expenditure. Our response was a renewed call for stricter consequence management measures to be taken against those responsible for such expenditure. To make this happen, we provided targeted support and the requisite training for both councillors and municipal officials, primarily in aid of the Municipal Public Accounts Committees.

Another challenge worth mentioning here is poor revenue collection in many KZN municipalities. In some of them, this resulted in high and sometimes unsustainable - levels of debt owed to Eskom which in turn led to threats of several municipalities being disconnected from the national power grid. We stepped in rapidly to assist these municipalities with negotiating workable payment plans with Eskom and, to date, the municipalities in question have for the most part eliminated their arrears due to the power utility during 2021/2022.

But the biggest challenge came in early 2020 with the outbreak of the Covid-19 pandemic. Covid-19 caused serious damage to the socio-economic fabric of KZN by worsening poverty and exacerbating various social ills in our communities. We continue to assist municipalities to discharge their constitutional mandate as providers of basic services to communities amid such difficult circumstances. We are confident that in the end we will prevail.

Going forward, we will, as a Department that provides wide-ranging support to the sphere of local government in KZN, be working hard on the ground to mitigate the impact of the social unrest that swept through the Province in July 2021 as well as the massive floods of April and May 2022 that caused utter devastation in many of our municipalities. As always, we will be deploying a bottom-up approach, engaging broadly with communities and businesses and providing support to our local government institutions as and when needed.

In conclusion, we must acknowledge the contribution of our Head of Department, Mr Thando Tubane, managers and all employees as well as various stakeholders to our many achievements during 2021/2022. Without their hard work and dedication to the Department's cause, this very report would not be an account of the successes that it is. Our biggest strength rests in our people and we salute them all. I now have the pleasure of presenting this 2021/2022 Annual Report of KZN COGTA to the Provincial Legislature and all our stakeholders.

HON. S ZIKALALA, MPL
KZN MEC FOR COGTA

2.3.4. REPORT OF THE ACCOUNTING OFFICER

Mr T. Tubane
Head of Department for Cooperative Governance and Traditional Affairs

As the Accounting Officer, it is pleasing to submit the 2021/22 Annual Report of the KZN Department of Cooperative Governance and Traditional Affairs (hereafter referred to as the "Department") to the Provincial Legislature, Provincial Treasury, the media and the general public. For the 2021/2022 financial year, the Auditor-General has once again rewarded our hard work with a third consecutive clean audit outcome for both Vote 11 and the Traditional Levies and Trust Account. This report will unpack the Department's achievements during the year under review. The Department achieved 95% (188 of 197) planned annual targets set in the Annual Performance Plan and spent 99% of its allocated budget, which is a major feat for the Department. These achievements are a true reflection of the Department's commitment to service delivery and also clean governance.

We are now in the third year of the Covid-19 pandemic which has claimed thousands of lives to date and which has been a test of true leadership. Despite the challenges that came with the Pandemic, the Department did its best to minimize the impact of the pandemic in the 2021/2022 financial year. The financial year saw the election of new Councillors and new office-bearers. In contrast to the 2016 Local Government Elections, last year's polls in KZN were characterised by voter apathy which may be a reflection of popular dissatisfaction with the performance of municipalities. Although the elections were held successfully, there are areas where challenges were encountered, with some Councils remaining unstable due to the significant swings in party support across municipalities in the Province. Compared to the 2016 Local Government Elections, last year's municipal polls yielded an unprecedented high number of hung municipal councils in KZN. The Department remains committed in discharging its constitutional mandate to support, monitor and build the capacity of municipalities in the Province. Strong oversight from the Department will be required to monitor the functionality of Councils and to provide support where necessary. In order to implement our constitutional mandate in respect of community participation, the Department supported the establishment of ward committees in each ward in KZN municipalities, within the stipulated timeframes.

Post-elections, the Department also prioritised the capacitation of new and returning councillors through targeted, needs-directed interventions. Throughout the 2021/2022 financial year, the Department worked closely with municipalities to address the gaps identified in the skills audit undertaken during the previous financial year. In doing so, the Department ensured that municipalities are now prioritising the gaps identified in the skills audit in their workplace skills plans. In addition, the Department also deployed dedicated Local Government Champions in each of KZN's 10 districts and the metro. This has facilitated the resolution of countless service delivery issues on the ground where it matters the most. The Local Government Champions have been the "eyes and ears" of the Department and municipalities have taken advantage of their presence by utilising them as a bridge between the local and the provincial spheres of government in the Province.

We are also pleased that the majority of municipalities under Section 139 intervention have achieved an acceptable level of political and administrative stability, though some challenges still remain. Support was also intensified at Mtubatuba and uMkhanyakude districts, including the deployment of additional experts in the fields of governance, finance and infrastructure development. During the 2021/2022 financial year, the Department tabled a total of six forensic reports in terms of Section 106 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) at municipalities, namely Msunduzi (two reports), uThukela district, Alfred Duma, Abaqulusi, and Richmond. We have also monitored the implementation of recommendations of all other forensic reports tabled to date. A database on progress made in the implementation of recommendations has also been updated on a monthly basis.

Given the ongoing challenges at Msunduzi, in the 2021/2022 financial year, the Department enhanced the monitoring of the municipality's recovery plan. The Department specifically addressed the issues of Msunduzi's waste management, potholes, recurring electricity outages and strengthening the management capacity within the municipality. In addition to our ministerial representative at the municipality, other officials were deployed to work with the Msunduzi Local Municipality to resolve matters relating to government debt which has since been reduced from R225-million to below R150 million. The municipality has likewise secured grant funding worth over R20-million from the Development Bank of Southern Africa to resolve its billing challenges. The Department also deployed external financial experts and engineering experts to work with the municipality in resolving the major outage caused by storms in December 2021 in Northdale. A total amount of R25-million was allocated to assist Msunduzi with its ongoing electricity challenges, with R9-million transferred in the previous year. The remaining R16-million has been included in the current Budget.

I am happy to report that the District Development Model is already transforming the sphere of local government in KZN. This new and enhanced approach to intergovernmental relations is already operational in most of districts and the metro in the Province with all spheres of government actively engaging with one another in aligning and integrating their plans and budgets for shared implementation resulting in more effective service delivery. This alignment is now expressed in the model's One Plans which are now being finalised with our hands-on support throughout the Province with the exception of eThekwini whose One Plan is complete.

In the 2021/2022 financial year, we also began implementing the water interventions enshrined in the KZN Provincial Water Master Plan. A key part of our efforts were the accelerated province-wide water interventions that are aimed at improving general access to water for both communities and businesses. We have also intensified our support to municipalities by providing additional technical capacity to a number of districts, including Ugu and uMkhanyakude, to ensure that their existing conditional grants would be utilised effectively and the additional funding we provided for the Accelerated Water Programme was fully implemented. This technical support will be further intensified in the current year in the municipalities that lack such capacity. A number of deliverables were also achieved through our Accelerated Water Programme. The Department embarked on a programme to provide short-term relief to water-scarce areas throughout KZN region by installing new 230 boreholes in six districts. The scope of work for the programme included the assessment, drilling, yield testing, water quality testing, designing and equipping of boreholes at uThukela, uMkhanyakude, Zululand, Amajuba, Harry Gwala and uMzinyathi districts.

Ugu district is one of the Province's water "hotspots" as identified by the KZN Provincial Water Master Plan. During the 2021/2022 financial year, we transferred R19.3-million to Ugu for water infrastructure projects, including 12 boreholes in uMzumbe and uMuziwabantu local municipalities. We also appointed a technical expert who is stationed at Ugu to assist in unblocking the local water challenges and provided an additional R9-million for water services.

In addition to the newly established Water Rooms in water-challenged districts, Ugu as well as uMzinyathi and uMkhanyakude will, from 2022/2023 onwards, benefit from additional technical support in the form of an external service provider appointed for a period of two years. This will go a long way towards ensuring an un-interrupted water supply to the local communities.

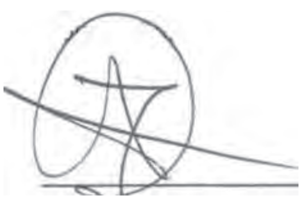
Good governance remains critical in the institutions of Traditional Leadership in order to provide effective support to the communities. The Department continued to support cultural platforms to enable the traditional communities the opportunity to share their cultures and customs, and to update their family trees. Traditional leaders remain a crucial link between government and traditional communities. The surge in the killings of traditional leaders remains a grave concern as also acknowledged in the State of the Province Address. Consequential efforts are being made to apprehend the criminals who are responsible for these gruesome assassinations. We call upon communities to come forward with any information that might assist the law enforcement to apprehend assassins.

During the 2021/2022 financial year, we continued with our efforts to uphold the dignity of the institution of traditional leadership by rehabilitating 26 imizi yezizwe at a total cost of R2.4-million. In August 2021, we, in partnership with Deloitte, also conducted induction workshops that sought to capacitate Amakhosi, together with their structures, with skills to fulfil their mandate. The new Traditional Khoi-San and Leadership Act was covered in these workshops to ensure that Amakhosi are equipped to implement the Act. The Provincial Executive Committee also successfully recognized 21 Amakhosi, and seven Amabambabukhosi. Some of these recognitions have brought finality to longstanding succession disputes.

Izinduna play a vital role in the promotion of indigenous practices that seek to maintain peace and stability in rural communities. We acknowledge that budget cuts affected our pace in addressing simple replacements of 332 Izinduna as appointed by Amakhosi during 2021/2022 but, in the end all Izinduna were replaced. Izinduna who are sharing izigodi are currently the only outstanding replacements.

The Department remains committed to ensuring that the constitutional and legislative mandates of the Department are fulfilled. The municipalities and the institutions of traditional leadership are central within these mandates. I wish to thank the Executive Authority for the trust placed on me as Accounting Officer of the Department. In addition, I wish to reiterate that the management and all officials of the Department remain the driving force behind all the achievements in the 2021/22 financial year and therefore wish to express my sincere gratitude.

Approval and sign off



MR T TUBANE
HEAD OF DEPARTMENT
DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

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

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

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

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

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

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

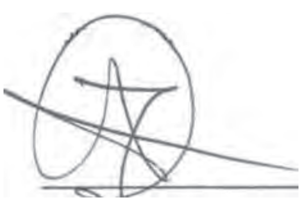
The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2022.

Yours faithfully



Mr Thando Tubane
Head of Department
Cooperative Governance and Traditional Affairs

2.3.6. STRATEGIC OVERVIEW

Vision

Capable and Cooperative Governance for Sustainable Service Delivery.

Mission

"KZN COGTA will coordinate and foster cooperation amongst governance institutions and build capacity to accelerate delivery of high quality services to communities".

Values

VALUE	DEFINITION
Transparency, integrity, professionalism and objectivity	Allowing service beneficiaries and staff to ask questions and responding to their enquiries honestly, frankly and timeously.
A high standard of fiscal discipline and accountability	All expenditure be accounted for and be aligned to departmental objectives.
Value for money	Adding value to the lives of service beneficiaries.
Open communication and consultation	Listening to, taking account of the views and paying heed to the needs of service beneficiaries, when deciding what services should be provided.
Respect for staff and investment in them as a valued asset	Treating staff with consideration and respect and assigning development programmes in line with the Department's objectives and providing a wellness programme.
Recognition of performance excellence	Rewarding and recognising staff for good performance.
Service excellence through teamwork, sound planning and committed implementation	Support programmes developed by the Department are designed and monitored to impact on service beneficiaries.

2.3.7. LEGISLATIVE AND OTHER MANDATES

CONSTITUTIONAL MANDATE

The following Sections of the 1996 Constitution stipulate mandates of the Department of Cooperative Governance and Traditional Affairs:

- Section 139 provides for provincial intervention in local government. This intervention in municipalities, includes the issuing of directives, and managing interventions by the Provincial Executive Council in accordance with the provisions of section 139(1) (a), (b) and (c);
- Section 154 determines that provincial governments must provide support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions in accordance with the provisions of section 154(1) and (2);
- Section 155(5) and (6) determines the types of municipalities in KwaZulu-Natal, and establishes municipalities in KwaZulu-Natal, thereafter the Municipalities, by legislative and other measures, must be monitored and supported, in addition to which the Department must promote the development of local government capacity, to enable municipalities to perform their functions and manage their own affairs; and
- Section 155 (7) stipulates that provincial governments have legislative and executive authority to see to the effective performance by municipalities of their functions in respect of matters listed in Schedules 4 and 5, by regulating the exercise by municipalities of their executive authority referred to in section 156(1).
- Chapter 12 of the Constitution of the Republic of South Africa, 1996 recognises the institution of traditional leadership and emphasises the significant role it plays in preserving the customs of traditional communities. It further defines the institution as an organ of state that justifies its place in the democratic dispensation especially in relation to governance issues.

LEGISLATIVE MANDATES

The Department administers the following legislations:

- Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)
- Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998)
- Local Government: Municipal Financial Management Act, 2003 (Act No. 53 of 2003)
- Local Government: Municipal Property Rates Act, 2004 (Act No. 6 of 2004)
- Local Government Demarcation Act, 1998 (Act No. 6 of 2004)
- Local Government Municipal Electoral Act, 2000 (Act No. 27 of 2000)
- Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2003)
- The National House of Traditional Leaders Act 2009 (Act No. 22 of 2009)
- The KwaZulu-Natal Traditional Leadership and Governance Act 2005 (Act Np. 5 of 2005)
- The White Paper on Traditional Leadership
- Disaster Management Act, 2002 (Act No. 57 of 2002)
- Spatial Planning and Land Use Management Act, 2013: (Act No. 16 of 2013)

- Infrastructure Development Act, 2014 (Act No. 23 of 2014)
- Municipal Fiscal Powers and Functions Act, 2007 (Act No. 12 of 2007)
- Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998)
- KwaZulu-Natal Planning and Development Act, 2008 (Act No. 6 of 2008)
- KwaZulu-Natal Pounds Act, 2006 (Act No. 3 of 2006)
- KwaZulu-Natal Cemeteries and Crematoria Act, 1996 (Act No. 32 of 2000)
- KwaZulu-Natal Determination of Types of Municipalities Act, 2000 (Act No. 7 of 2000)
- KwaZulu-Natal Traditional Leadership and Governance Act, 2005 (Act No. 5 of 2005)
- Fire Brigade Services Act, 1987 (Act No. 99 of 1987)

POLICY MANDATES

Policy mandates in the past created the parameters within which laws are developed. For example, the White Paper on Developmental Local Government created the policy environment for the development of the Municipal Structures, Systems, Financial Management and Intergovernmental Relations Acts. Policy mandates are also associated with policy pronouncements such as: The National Development Plan (NDP), Medium Term Strategic Framework (MTSF) and the Provincial Growth and Development Plan (PGDP) which then enhance the mandate for Cooperative Governance.

Sustainable Development Goals (SDG)

Department contributes to the following Sustainable Development Goals:
SDG 1: End Poverty
SDG 5: Gender Equality
SDG 6: Clean water and sanitation
SDG 7: Affordable and clean energy
SDG 8: Decent work and economic growth
SDG 9: Infrastructure, industrialization and innovation
SDG 10: Reduce inequality
SDG 11: Sustainable cities and communities
SDG 13: Climate action
SDG 16: Peace, justice and strong institutions
SDG 17: Strengthened partnerships for goals

African Union Agenda 2063

African Union Agenda is a “global strategy to optimise the use of Africa’s resources for the benefits of all Africans” (African Union Agenda 2063, 2015:1). It is a robust plan based on Pan Africanism and Renaissance with the intentions of addressing past injustice, learning from the lessons of the past. At the same time, build a bright future for the continent. African Union (AU) commits itself to Pan African vision of “an integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic in the international arena” (African Union Agenda 2063, 2015:1).

COGTA has an obligation towards goal 7 of the AU Agenda 2063, **environmentally sustainable and climate resilience and natural disasters preparedness and prevention**.

National Development Plan (NDP)

The National Development Plan is a plan for South Africa and provides a broad strategic framework to guide key choices and actions in order to eliminate poverty, reduce inequality and unemployment by 2030. The NDP approach draws extensively on the notion of capabilities, active citizenry and inclusive economy, enhancing the capacity of the state, and promoting leadership and partnerships throughout society. As with the Freedom Charter, NDP calls on our people to be part of an active citizenry and to take greater collective responsibility for their own development.

COGTA contributes to the delivery of the following chapters of the NDP:

- Chapter 4: Economic infrastructure
- Chapter 5: Environmental sustainability and resilience
- Chapter 6: Inclusive rural economy
- Chapter 8: Transforming Human Settlements
- Chapter 13: Building safer communities
- Chapter 15: Nation building and social cohesion

African National Congress (ANC) 2019 Election Manifesto

The 2019 ANC Election Manifesto pursues the vision of the NDP and seeks to address the triple challenges of unemployment, poverty and inequality. The commitments contained in the manifesto are in the spirit of "*Thuma Mina*" and aims to provide a better life for all. The seven priorities of the manifesto have been categorised as follows:

- Transforming the economy to serve all the people
- Advancing social transformation
- Security and comfort for all
- Safe communities, safe lives
- Capable, honest government
- A nation united in diversity
- South Africa. Africa and the world

Medium Term Strategic Framework (MTSF) 2019 - 2024

The 2019-24 MTSF represent priorities derived from the Manifesto of the ruling party

The MTSF identifies key areas, priorities, or goals for implementation by the 6th Administration. The goals are as follows:

1. Capable, Developmental & Honest Government
2. Economy and Jobs
3. Education, Skills and Health
4. Social Wage
5. Spatial Development & Human Settlements, Local Government
6. Social Cohesion and Safe Communities
7. Africa & The World

The MTSF further identified Women, Youth and People Living with Disabilities as priority for the 6th Administration.

Provincial Growth and Development Plan (PGDP)

The KwaZulu-Natal Provincial Growth and Development Plan (PGDP) is a comprehensive document that addresses the enormous triple challenge of poverty, inequality and unemployment. The PGDP espouses the Provincial vision that KwaZulu-Natal will be a prosperous Province with a healthy, secure and skilled population, acting as a gateway to Africa and the World. This is a long-term plan, which sets ambitious but achievable targets that will be realised by the year 2035. The National Development Plan guides the Department's operations and expressed in the Provincial Growth and Development Plan as outlined in the strategic goals and objectives below.

STRATEGIC GOALS	OBJECTIVES
Inclusive Economic Growth	• Develop and promote the agricultural potential of KZN • Enhance sectoral development through trade investment and business retention • Enhance spatial economic development • Improve the efficiency, innovation and variety of government-led job creation programmes • Promote SMME and entrepreneurial development • Enhance the Knowledge Economy
Human Resource Development	• Improve Early Childhood Development, Primary and Secondary Education • Support Skills alignment to Economic Growth • Enhance youth and adult skills development and life-long learning
Human And Community Development	• Eradicate poverty and improve social welfare services • Enhancing Health of Communities and Citizens • Safeguard Sustainable Livelihoods & Food Security • Promote Sustainable Human Settlements • Enhancing Safety & Security • Advance Social Cohesion and social capital • Promote Youth, Gender and Disability Advocacy & the

STRATEGIC GOALS	OBJECTIVES
	Advancement of Women
Infrastructure Development	• Development of Ports and Harbours Seaports and Airports • Development of Road & Rail Networks • Development of ICT Infrastructure • Ensure availability and sustainable management of water and • sanitation for all • Ensure access to affordable, reliable, sustainable and modern energy for all • Enhance KZN waste management capacity
Environmental Sustainability	• Enhance resilience of ecosystem services • Expand the application of green technologies • Adapt and respond to climate change
Governance and Policy	• Strengthen Policy, Strategy Co-ordination and Intergovernmental Relations (IGR) • Building Government Capacity • Eradicate Fraud & Corruption • Promote Participative, Facilitative & Accountable Governance
Spatial Equity	• Enhance the resilience of new and existing cities, towns and rural • nodes, ensuring equitable access to resources, social and economic opportunities • Ensure integrated land management use across the Province, ensuring equitable access to goods and services, attracting social and financial investment

KZN Poverty Eradication Master Plan

KZN Poverty Eradication Master Plan is a programme adopted by KZN government. The plan aims to ensure that government in partnership with all non-governmental partners work together to eradicate poverty through Operation Sukuma Sakhe (bottom up approach). The KwaZulu-Natal Poverty Eradication Master Plan regards agriculture to be the principal driving force for rural economies in the Province.

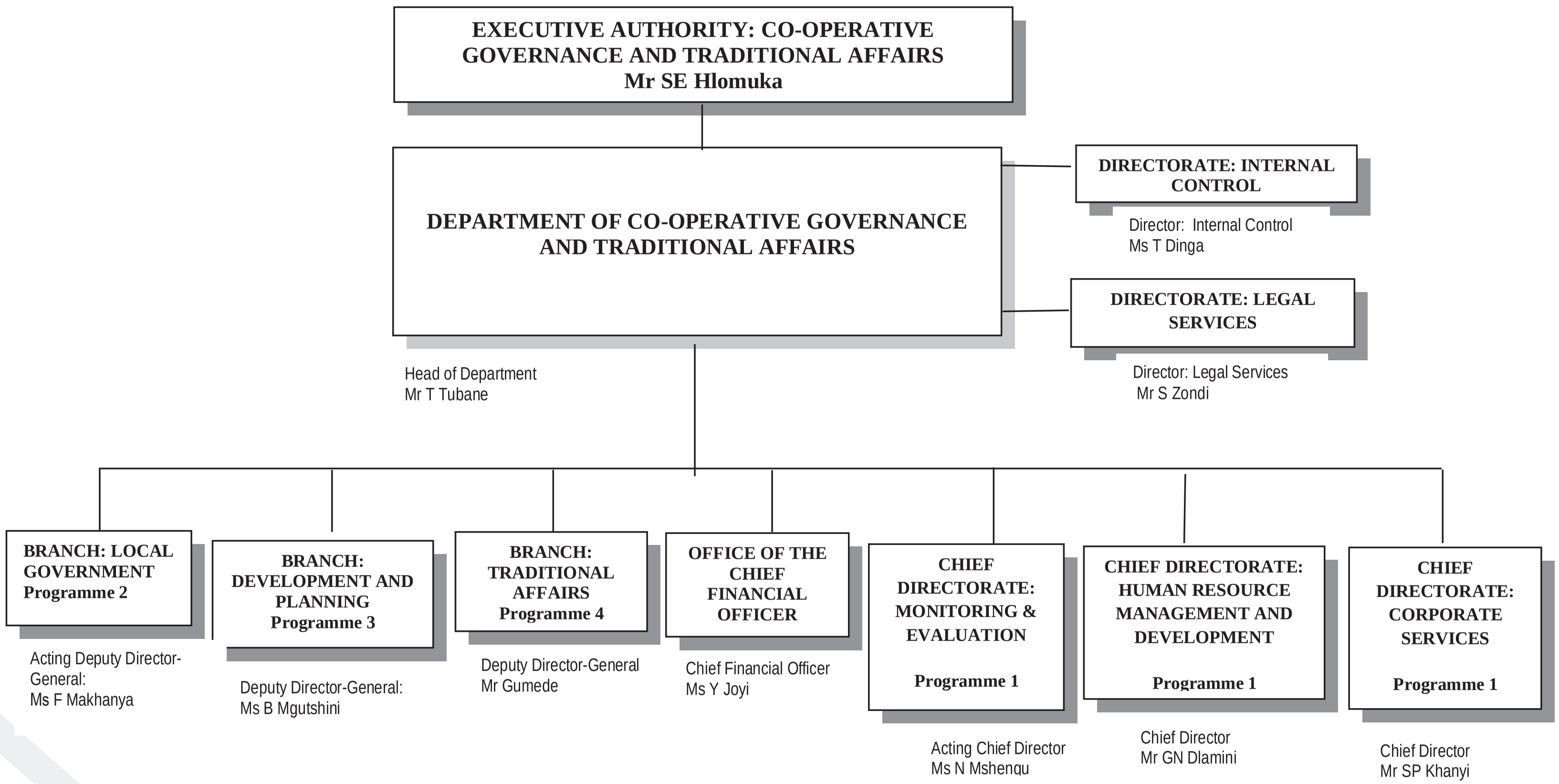
Back to Basics

The government launched the “Back to Basics programme” with the theme of “Serving Our Communities Better” and with the objective of ensuring a focused and strengthened local government by getting the basics right, providing basic services efficiently and effectively and in a caring manner together with other spheres of government.

The Back to Basics transformational agenda recognises that there are widely divergent levels of performance between different categories of municipalities – in terms of services, public engagement, good governance, financial management and technical capacity. The aim is to encourage all municipalities to become positively functional centres of good governance. There was also a need to set the proper standards for municipal performance.

- **Priority 1:** For those municipalities in a dysfunctional state, the aim was to provide support to them to perform at the very least the basic functions of local government. This will be through the monitoring of applicable policies and legislation and monitoring of performance to ensure accountability.
- **Priority 2:** For those municipalities who are functional but are not doing enough in critical areas of service delivery, they will receive support for them to progress to a higher path. Here the focus will be providing support to build strong municipal administrative systems and processes as well as to oversee the filling of administrative positions.
- **Priority 3: Supported m**unicipalities that are performing well to maintain their status as well as encouraged to move beyond the basics and transform the local space economy and integrate and densify communities to improve sustainability.
- **Priority 4: Monitored m**unicipalities in respect of their response to fraud and corruption in order to ensure that these practices are rooted out.

2.3.8. ORGANISATIONAL STRUCTURE



2.3.9. ENTITIES REPORTING TO THE MEC

There are no entities reporting to the MEC as indicated in the table below:

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Nil	Nil	Nil	Nil

2.4 PART B : PERFORMANCE INFORMATION

2.4.1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

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

Refer to page 188 of the Report of the Auditor General, published as Part E: Financial Information.

2.4.2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

Service Delivery Environment

The 2021/22 financial year continued to unfold within the global Covid-19 pandemic which started in 2020/21. This was the biggest challenge we have had to face as a country, province and the Department since the advent of democracy in 1994. The outbreak of Covid-19 pandemic necessitated a massive reprioritisation of all available resources through the implementation of cost-cutting exercise on our programmes.

The Department continued to implement cost-cutting measures to restore the sustainability of the provincial focus without compromising on our key priorities to facilitate the rollout of basic services such as water, that was essential during the fight against the spread of Covid-19. The budget resource allocation continues to shrink, pressuring for efficient use resources but still maximize productivity with the little resources at our disposal.

The present Covid-19 pandemic further propelled the department into taking precautionary measures to ensure the safety of all the employees through continuous disinfecting of the building, providing relevant information through various media platforms to promote employees wellbeing and raise awareness.

While we still battle the effects of the Covid-19, our province further experience the tragic July unrest which led to destruction of property, looting and several deaths. This further set back the strides that were being achieved in the fight against Covid-19 and service delivery in general. Some of the Community Service Centres were severely damaged and required to undergo measure repair.

Amidst the turbulence period brought about the Covid-19 pandemic and July 2021 unrest on government operations, the Department saw the finalisation of the permanent appointment of 120 former contract employees through following a legitimate recruitment process. These employees are now secure in their permanent employment and enjoying their full benefits of their permanent status.

The country went on the poles on the 1st of November 2021for the Local Government Elections. The Department worked in close collaboration with the Independent Electoral Commission (IEC) and in compliance with all the government-mandated Covis-19 protocols to deliver on the successful Local Government Elections. The 2021 Local Government Elections resulted into unprecedented high number of hung municipal councils in KZN. The lack of consensus and insufficient cooperation within the hung municipal councils is likely to be a dominant factor that could affect council decision-making and stability. This can potentially result in divided and dysfunctional councils, thus negatively impacting on service delivery.

Soon after the successful Local Government Elections, the focus turned into establishing the ward committees. Ward Committees are an important mechanism established to enhance participatory democracy in local government. All municipalities were supported to establish ward committees working with ward councillors, supported the convening of the meetings to report back to the communities on service delivery issues and to be always available to listen to and respond to community concerns.

Post Local Government Elections, the need to capacitate councillors was inevitable. This included conducting the councillors skills audit that aimed to determine educational level, years of experience in local government and the training needs of councillors. In collaboration with SALGA and other stakeholders, the Department rolled out Sector-Based Councillor Orientation Workshops. The Department worked closely with municipalities to address the gaps identified through the skills audit and these are prioritised in the municipalities workplace skills plans.

The Department always remain committed to ensure good governance and sound financial management. The Audit Outcomes of 2020/21 proved this correct by achieving a clean audit from the Auditor-General. To emulate the similar success, the Department began implementing the water interventions enshrined in the KZN Master Water Plan through supporting municipalities to increase their levels of water service in line with the ward profiles produced in the Provincial Water Master Plan. Furthermore, the Department made serious strides on the implementation of the District Development Model with the required structures re-established and Ones Plans developed and approved.

The killing of traditional leaders remains a serious concern as acknowledged the Hon, Premier in his State of the Province Address. The Department in partnership with the Department of Community Safety and Liaison, held a Provincial Imbizo with amakhosi and izinduna on the 22nd of September 2021 to deliberate on the possible mechanisms to curb the violence against traditional leaders.

The Department believe that traditional leaders need to be equipped with necessary skills and knowledge on matters of governance to serve their community. As a result, in August 2021, in partnership with Delloitte, conducted induction workshops to capacitate them and structures of traditional leadership with skills to fulfil their mandate. This included the new Traditional khoi-San and Leadership Act. Furthermore, training was conducted for Traditional Council Secretaries on computer training as part of boarder capacitation of Traditional Councils in the Province.

Service Delivery Improvement Plan

Purpose:
The purpose of Service Delivery Improvement Plan (SDIP) is to ensure an effective and efficient service delivery that is faster and responsive to the needs of the people.

Objectives:
(a) Identify the root cause towards the challenges that require intervention.
(b) Identify key services and standards that need to be improved over a three year cycle.
(c) Provide for a systematic process of documenting complaints within the Department
(d) Afford our clients with an opportunity for redress should standards fall below expected standards

The following are the key services identified for improvement:
(a) Support and strengthen capacity of municipalities to effectively deliver infrastructure services to the required standards and
(b) Provide support for community development to municipalities and institutions of traditional leadership.

The Department has completed and implemented a Service Delivery Improvement Plan. The tables below highlight the service delivery plan and the actual achievements.

Main services and standards

Key Service 1

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Support and strengthen capacity of Municipalities to effectively deliver infrastructure services to the required standards	Municipalities	13 Water Service Authorities were supported in 2017/18 FY with yard water connections and provision of basic level of sanitation.	Support 31 Municipalities in implementing infrastructure plans	51 implementation plans were assessed and support provided to all 51 Municipalities
			Strengthen the capacity of 31 Municipalities to efficiently deliver infrastructure services	Not achieved, however, 13 Water Service Authorities were capacitated on the COGTA portfolio Water Master Plan during a workshop held on the 11 & 30 June 2021.
		53 Municipalities were monitored on the delivery of infrastructure as required standards	Monitor 31 Municipalities on the implementation of infrastructure delivery programmes	Monitoring of the implementation of the Municipal Infrastructure Grant in 51 Municipalities in the Province was conducted through the compilation and analysis of the MIG DORA report on a monthly basis. Monitoring of the implementation of the Integrated National Electrification Programme (INEP) in all 10 Districts in the Province was also conducted through the compilation and analysis of the INEP DORA.
			53 Municipalities supported with the implementation of the Municipal Infrastructure Grant	51 Municipalities were supported with MIG

Batho Pele arrangements with beneficiaries (Consultation access etc.)

	Desired arrangements	Actual achievements
Consultation	Consultation will be done through the 11 District IGR forums	Consultation with districts was held quarterly through the MIG MBPAC meeting, AWG 14 Water Task team and AWG 14 Energy Task Team.
Courtesy	Respond and acknowledge to municipal queries within 7 working days.	This could not be measured; however, the coordinating structures were utilised to clarify issues pertaining to municipal infrastructure.
Access	Review and publish a step-by-step guideline to assist 31 municipalities with infrastructure planning circulated at IGR forums and Action Work Groups	The step-by-step guidelines were not reviewed and published however the water service development plans as well as the electricity master plan were reviewed in 2021 F/Y
Information	Information should be shared with municipalities 7 days before meetings via e-mails	Agenda and decision matrix are circulated 7 days before the meetings
Openness & Transparency	Provide quarterly progress and feedback to stakeholders and beneficiaries on projects implemented.	Reports were circulated in all the coordinating forums
Redress	100% of municipal infrastructure issues resolved.	100% of key economic nodes (Ethekwini, Mgungundlovu (Msunduzi), Ugu (Port Shepstone), Abaqulusi (Vryheid) and Kokstad) were supported to resolve and implement basic service delivery challenges.
Value for money	100% of municipalities completing projects and submitting close out reports within timeframe and budget.	Not achieved

Key Service 2

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Provide support for community development to municipalities and institutions of traditional leadership	Municipalities	Sections C regarding Batho Pele was assessed on the draft IDPs for 2018/2019 financial year utilising the IDP Framework Guideline & Criteria issued to assess all municipalities. 17 municipalities indicated to have a Batho Pele policy and procedure manual as well as a Service Delivery Charter and Standards. 10 municipalities indicated to have an SDIP in place and 12 indicated to have identified a service to be improved.	Support 54 municipalities with the implementation of Service Delivery Charter and Service Standards	54 Municipalities were supported with the implementation of Service Delivery Improvement Plan (SDIP), Service Delivery Charter and Service Standards in during the quarterly Integrated Complaints Forum.

Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
Consultation	1X quarterly Forum with Municipal BP/ Complaints Officer	Forums were held with municipal/ complaints officers per quarter of 2021/22 FY
Courtesy	Respond to Municipal BP/ Complaints Officers queries within 7 working days	Over and above the 7 days standards, queries related to Batho Pele are addressed at the Cogta provincial Rapid Response and Integrated Complaints Forum and the Provincial BP Forum held
Access	Allocate and provide contact details of staff to support 54 municipalities on the implementation of Service Charter and SDIP	Contact details were shared with all municipal BP coordinators at the Provincial Batho Pele forum.
Information	Annual municipal BP learning network and the Forum meetings will be utilized to share information relevant to the successful implementation of BP at Local Government level.	None was planned for 2021/22 F/Y due to the DPSA circular guiding the development of SDIP's

Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
Openness & Transparency	IDP assessment reports shared with BP/ Complaints Officers on the status of BP at Local Government level	Reports on the status of municipalities were shared with coordinators at the quarterly IDP forum attended by Municipal Batho Pele
Redress	100% of feedback surveys from municipalities analyzed and communicated to municipal BP/ Complaints Officers	None were planned for implementation during 2021/22 F/Y
Value for money	100% of municipalities implementing BP Programmes	63.6% of municipalities are implementing BP programmes.

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Comprehensive Monitoring and Evaluation Tool (CMET)	CMET dashboard	10 Electronic dashboards implemented

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
The department utilises various sources of complaints mechanism as established by the policy mainly through complaints receive telephonically, suggestion boxes and Presidential hotline	Electronic complaints system	The electronic complaints system has not been implemented, however, the department is utilising a manual system of recording complaints that are received through e-mail, telephone, social media sites of the department and walk-ins. These are recorded on a register.

Organisational environment

The Department is structured around four programmes, which are as follows.

- Programme 1: Administration - is the support service for the other three Programmes by ensuring that staff in the Department are capacitated to perform their functions.
- Programme 2: Local Governance - responsible for supporting Local Government structures in the municipalities on governance, administration, and financial management, legislative mandates of the municipalities, public participation, and capacity building and monitoring the performance of the municipalities.
- Programme 3: Development and Planning - responsible to provide planning and development support to the municipalities in KwaZulu-Natal through implementing programmes to accelerate service delivery in the communities. This include providing support related to disaster management, infrastructure for basic services, spatial planning and enhancing Local Economic Development.
- Programme 4: Traditional Affairs - support the Institutions of Traditional leadership on governance, conflict management, partnerships and participation on Municipal Councils in terms of Section 81 of the Municipal Structures Act 1998 (Act No.117 of 1998).

As of 31 March 2022 KZNCOGTA had a total of 1164 filled posts. Males constitute 39% (456) while females constitute 61% (708) of the workforce. At the senior management level males constitutes 36% (21/51) and females is 64% (37/58). The recruitment and selection processes of the Department are categorically focused towards achieving the employment levels in accordance with the Department of Public Service and Administration (DPSA) Transformation targets.

Going forward, the Department will continue to focus on the following areas of employment policy or practice barriers, to drive the achievement of our employment equity targets as stipulated in the Employment Equity Plan; recruitment procedures, appointments, training and development, promotions, succession and experience planning, and retention of designated personnel.

RACE/GENDER PER SALARY LEVEL AS AT 31 MARCH 2022										POST STATUS INFORMATION			
Salary Level	African		Coloured		Indian		White		Grand Total	Active Filled	Active Vacant	Total Posts	Disabled Employees
	Female	Male	Female	Male	Female	Male	Female	Male					
1	0	0	0	0	0	0	0	0	0	0	0	0	0
2	31	7	0	0	0	0	0	0	38	38	5	43	0
3	2	24	0	0	0	0	0	0	26	26	10	36	0
4	4	18	0	0	0	0	0	0	22	22	2	24	1
5	89	56	1	1	4	3	4	1	159	159	34	193	13
6	256	136	0	0	0	0	0	0	392	392	16	408	1
7	75	27	3	0	8	3	10	1	127	127	44	171	4
8	33	28	4	1	4	3	1	0	74	74	13	87	2
9	46	20	4	0	4	6	3	1	84	84	25	109	3
10	16	4	0	0	7	1	2	2	32	32	6	38	1
11	28	28	0	1	3	5	3	4	72	72	29	101	1
12	17	39	0	1	7	8	1	4	77	77	14	91	1
13	20	12	1	0	5	1	2	1	42	42	8	50	0
14	6	6	0	0	1	0	1	0	14	14	3	17	0
15	1	2	0	0	0	0	0	0	3	3	0	3	0
16	0	1	0	0	0	0	0	0	1	1	0	1	0
TOTAL	624	408	13	4	43	30	27	14	1163	1163	209	1372	27

Percentage Economically Active Population Group	KZN EAP QLFS 4-2017
African Female	42.8%
African Male	43.5%
Coloured Female	0.7%
Coloured Male	1.0%
Indian Female	3.2%
Indian Male	5.2%
White Female	1.3%
White Male	2.3%
Total	100%

	Target	Current
Disability target	2%	2.2%
SMS Target for Female	50%	62%
All level target for Female	54%	61%

It is the responsibility of the Department to organise itself in a manner that will maximise service delivery whilst fulfilling its mandate. The Department has examined its internal organizational environment and agrees that it needs to reconfigure its working arrangement to enhance the responsibility of co-ordination within and outside the Department. This environmental change will have very significant impact in the next five years. With the new reconfigured arrangement, the Department anticipates becoming more vigorously responsive to the needs of its clients. In addition, filling of critical posts remains critical for COGTA. Continuous capacitating of employees as per Personal Development Plans will work towards improving the service delivery.

Key policy developments and legislative changes

There have been no major changes to relevant policies or legislation that affected our operations during the reporting period under review besides the Covid-19 outbreak and social unrest.

2.4.3. PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACT AND OUTCOMES

COGTA is committed ensure that Local Government and Traditional Institutions improve their functionality. The main aim is to achieve the impact of "Sustainable, responsive and accountable Local Government and Traditional Institutions".

COGTA aim to realize this impact over five years through achieving the following outcomes:

a) Improved municipal and traditional institutional capacity
b) Improved coordination of service delivery
c) Improved institutional capacity.

Impact Statement	Outcomes	Outcome Indicators	Baseline	2021 Actual	2022 Actual	5 Year Target	Comments
sustainable, responsive and accountable Local Government and Traditional Institutions	1. Improved municipal and traditional institutional capacity	1. Number of municipalities with improved audit outcomes	9	9	10	54	Eight municipalities recorded improvement in their audit outcomes. Two municipalities maintained the clean audit and no further improvement is possible. King Cetshwayo which previously had an unqualified audit finding in the 2019/2020 audits obtained a clean audit in the latest audit period. The municipality joins Okhahlamba and uMhlathuze local municipalities that have obtained Clean audit opinions.
		2. Number of municipalities under statutory interventions	9	10	8	0	Council resolved to terminate the statutory intervention for two municipalities (Emadlangeni and Nquthu local municipalities), eight municipalities remained under statutory interventions during the financial year.
		3. Number of Traditional Institutions with improved functionality	New	-*	-*	307	*The process of assessing the functionality of the TC was not completed for the 2021/22 financial year. The half yearly assessment is planned to be concluded by the end of the 3rd quarter in 2022/23.
	2. Improved coordination of service delivery	4. Number of municipalities increasing households with access to basic services	New	-*	-*	44	*The process of assessing the households access to basic services was not completed for the 2021/22 financial year. The half yearly assessment is planned to be concluded by the end of the 3rd quarter in 2022/23.
	3. Improved institutional capacity	5. Number of Departmental Clean Audit outcomes achieved	0	1	1	5	The Department achieved clean audit outcomes on AFS, Performance Information and Trust and Levies Account.

The Department will continue to place importance on providing hands on support to our clients. This aims to ensure that municipalities improve their audit outcomes, municipalities under statutory intervention improve their governance and financial systems and traditional institutions function optimally to improve service delivery in rural communities and increasing access to basic services.

2.4.4. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

PROGRAMME ONE: ADMINISTRATION

Programme Purpose

This programme is dedicated to supporting all sub-programmes with the Department to be able to render quality services to the municipalities under the umbrella of Corporate Services.

List of sub-programme:

1. Office of the MEC
2. Office of the Head of Department
3. Organisational Development and Efficiency Service
4. Human Capacity Development
5. Auxiliary Services
6. Information Communication Technology
7. Financial Management
8. Internal Control
9. Strategic Planning and Service Delivery
10. Monitoring
11. Evaluation
12. Policy and Research
13. Legal Services
14. Corporate Communications

List of institutional outcomes:

1. Improved institutional capacity

ACHIEVEMENTS: PROGRAMME 1

Table 2.4.4.2

Programme One: Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Improved institutional capacity	Site inspections conducted	Number of Site inspections conducted	-	2	2	2	0	None
Improved institutional capacity	Clean Audit Opinion achieved	Number of Departmental clean audit opinions achieved	0	1	1	1	0	None
Improved institutional capacity	Payment of suppliers within 30 days	Percentage of suppliers paid within the thirty day period	98%	94%	100%	96%	-4%	184 invoices not paid in 30 days in the first quarter. This was due to insufficient funds and delayed certification by business units.
Improved institutional capacity	Development of Standard Operating Procedures	Number of Standard Operating Procedures developed	-	11	12	14	+2	Business Units requested for the development of additional Standard Operating procedures to for management of their operations
Improved institutional capacity	Organisation al Functionality Assessment	Number of Organisation al Functionality Assessments undertaken	-	1	1	1	0	None
Improved institutional capacity	All employees disclosing financial interests	Percentage of employees compliant with financial disclosure submission	-	99%	100%	100%	0%	None
Improved institutional capacity	Consequenc e management for under-performing staff	Percentage of underperform ing staff Performance Improvement Plans monitored	-	100%	100%	100%	0%	None
Improved institutional capacity	Interns Appointed	Number of interns appointed	-	-	65	65	0	None

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Improved institutional capacity	Departmental Buildings compliant with the Occupational Health and Safety Act	Percentage of Departmental Buildings compliant with the Occupational Health and Safety Act	100%	100%	100%	100%	0%	None
Improved institutional capacity	Provision of ICT Systems in relation to departmental needs	Percentage of compliance with ICT governance framework	-	100%	100%	100%	0%	None
Improved institutional capacity	Mitigation for financial mismanagement	Percentage reduction of UIFW	-	98%	50%	0%	-50%	The opening balance of Irregular expenditure had not reduced. This was coupled with fruitless and wasteful expenditure incurred on the payment of izinduna, no-shows and interest earned on accounts.
Improved institutional capacity	Departmental Programmes spending in line with approved budget	Number of programme budgets spent in accordance with approved budget	4	4	4	4	0	None
Improved institutional capacity	Procurement awarded to designated groups	Percentage of procurement awarded to designated groups	74%	45%	30%	83%	+53%	The SCM Procurement Strategy is to ensure that the Department achieves the Procurement targets towards designated groups. In order to achieve this target, quotations are requested from the Designated groups and bids are advertised with an objective criteria of BEE Level 1.
Improved institutional capacity	Implementation of Procurement Plan	Percentage compliance with the Procurement Plan	98.50%	100%	100%	100%	0%	None
Improved institutional capacity	Financial transactions assessed to identify irregular expenditure	Percentage of transactions assessed to identify irregular expenditure	-	100%	100%	100%	0%	None

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Improved institutional capacity	Determination testing conducted on UIFW	Percentage of transactions subjected to determination tests on UIFW conducted	-	100%	100%	100%	0%	None
Improved institutional capacity	Audits conducted on Bid Processes	Percentage of bid compliance audits conducted	-	100%	100%	100%	0%	None
Improved institutional capacity	Annual Performance Plan developed in line with National and Provincial Imperatives	Number of Annual Performance Plans developed	-	1	1	1	0	None
Improved institutional capacity	Annual Operational Plans aligned to Strategic Plans	Number Annual Operational Plans aligned to Strategic Plans	-	1	1	1	0	None
Improved institutional capacity	Excellence Programme implemented	Number of excellence programmes implemented	1	1	1	1	0	None
Improved institutional capacity	SDIP Implementation Monitored	Number of SDIPs monitored	1	1	1	1	0	None
Improved institutional capacity	Performance of the Department compliant with Annual Performance Plan requirements	Number of Performance reviews conducted	1	4	4	4	0	None
Improved institutional capacity	Evaluation of performance of departmental programmes	Number of evaluation studies conducted on Departmental programmes	8	4	4	4	0	None
Improved institutional capacity	Review of Departmental Policies	Number of Policies reviewed	25	36	8	21	+13	Direct and urgent requests were made by business units to review additional policies
Improved institutional capacity	Implementation of departmental policies monitored	Percentage of policies monitored	-	100%	100%	100%	0%	None

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Improved institutional capacity	Research studies undertaken to improve service delivery and innovation	Number of research studies conducted	8	3	4	4	0	None
Improved institutional capacity	Department compliant with legislation, policies and prescripts	Percentage compliance with legislation	70%	90%	100%	100%	0	None
Improved institutional capacity	Internal Communication Strategy implemented	Number of Communication Strategies Implemented	1	1	1	1	0	None
Improved institutional capacity	Local Government Communication Plan implemented	Number of Local Government Communication Plans implemented	1	1	1	1	0	None

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

No	Areas of underperformance	Strategy to overcome underperformance
1	**Specific targets not achieved:** This relates payment of suppliers within 30 days and reduction of UIFW	Non-compliance reports will be shared with management for further investigation and actions against non-compliant staff delaying the submission of invoices
		Explore options for the recovery of funds on no shows and facilitate condonation with the Provincial Treasury

PROGRAMME TWO: LOCAL GOVERNANCE

Programme Purpose:

The purpose of this Programme is to co-ordinate, support, promote and enhance governance administration and public participation in local government. Local Governance is responsible for supporting Local Government structures in the municipalities. The focus is to promote good governance; to coordinate municipal developments; to coordinate municipal IDP processes; to support municipalities to maintain sound financial management systems; to monitor the implementation of legislative mandates and policies of the municipalities; to promote community development and public participation; to enhance capacity and monitor the performance of the municipalities. This programme consists of the following sub-programmes:

List of sub-programme:

1. Local Government Specialists
2. Intergovernmental relations
3. IDP Coordination
4. Municipal Performance, Monitoring, Reporting and Evaluation
5. Municipal Governance and Administration
6. Synergistic Partnerships
7. Municipal Forensics
8. Municipal Finance
9. Public participation

List of institutional outcomes:

1. Improved municipal and traditional institutional capacity

ACHIEVEMENTS: PROGRAMME 2

Table 2.4.4.2

Programme Two : Local Governance								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Improved municipal and traditional institutional capacity	Distressed municipalities supported	Percentage of distressed municipalities supported	-	100%	100%	100%	0	None
Improved coordination of service delivery	District & Metro Hubs operational	Number of Districts and Metro Development Hubs operational	-	10	11	11	0	None
Improved coordination of service delivery	Technical Clusters operational	Number of Technical Clusters supported	-	44	44	44	0	None
Improved coordination of service delivery	Aligned integrated planning and implementation across departments and spheres of government	Number of municipal IDPs aligned to One Plans (District Development Plans)	-	54	54	54	0	None
Improved coordination of service delivery	Ward Based Plans aligned to IDPs	Number of municipalities with ward based plans aligned to IDPs	44	44	44	44	0	None
Improved coordination of service delivery	Support provided to Traditional Authorities to participate in IDP formulation and implementation	Number of Traditional Authorities supported to participate in IDP process	-	11	11	11	0	None
Improved coordination of service delivery	All municipalities with IDPs addressing service delivery and development challenges	Number of municipalities with legally compliant IDPs	54	54	54	54	0	None
Improved coordination of service delivery	Municipalities supported with Performance Management Systems	Number of municipalities supported to institutionalize performance management systems	54	54	54	54	0	None
Improved coordination of service delivery	Municipal Performance Report Compiled	Number of section 47 reports compiled as prescribed by the MSA	1	1	1	1	0	None

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Improved coordination of service delivery	Municipal Evaluations conducted	Number of evaluation studies conducted	1	1	1	1	0	None
Improved coordination of service delivery	Quarterly Municipal Performance assessments conducted in monitoring implementation of municipal IDPs & SDBIP's	Number of assessments conducted on municipal performance	-	4	4	4	0	None
Improved municipal and traditional institutional capacity	Municipal Administration support provided to municipalities	Number of municipalities supported to comply with MSA Regulations on the appointment of senior managers	54	54	54	54	0	None
Improved municipal and traditional institutional capacity	Oversight Structures Functional	Number of Municipalities supported to maintain functional oversight structures	-	54	54	54	0	None
Improved municipal and traditional institutional capacity	Municipalities under intervention monitored in line with the municipal turn around plans	Percentage of municipalities under intervention monitored in line with recovery plan	-	100%	100%	100%	0%	None
Improved municipal and traditional institutional capacity	Municipal accountability, consequence management, legislation and policies implemented	Percentage of fraud, corruption and maladministration cases investigated	100%	100%	100%	100%	0%	None
Improved municipal and traditional institutional capacity	Municipal accountability, consequence management, legislation and policies implemented	Percentage of forensic investigation findings implemented	-	100%	100%	100%	0%	None
Improved municipal and traditional institutional capacity	Municipal accountability, consequence management, legislation and policies implemented	Number of municipalities monitored on the extent to which anti-corruption measures are implemented	-	-	54	54	0	None
Improved municipal and traditional institutional capacity	Participation of Traditional Leaders in municipal councils	Number of municipalities with the participation of traditional leaders	52	52	52	52	0	None

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Improved municipal and traditional institutional capacity	Reduction of UIFW in municipalities	Number of municipalities supported to reduce Unauthorised, Irregular, Wasteful and Fruitless expenditure	-	-	54	54	0	None
Improved municipal and traditional institutional capacity	Municipalities achieving unqualified audit outcomes	Number of municipalities supported to achieve unqualified audit outcomes	-	54	54	54	0	None
Improved municipal and traditional institutional capacity	Support municipalities with the reduction of Eskom debt	Number of municipalities supported with the Reduction of Eskom Debt	-	-	3	5	+2	Support needed to be provided to Endumeni and Msunduzi municipalities as they were new debtors to Eskom
Improved municipal and traditional institutional capacity	Support municipalities with the reduction in consumer debt through active citizen participation	Number of Municipalities supported with the reduction of consumer debt	-	-	54	54	0	None
Improved municipal and traditional institutional capacity	Reduction in Government Debt	Number of municipalities supported to reduce government debt	54	54	54	54	0	None
Improved municipal and traditional institutional capacity	Section 131 of the MFMA submitted	Number of Reports submitted on state of municipal finance in terms of section 131 of the MFMA	1	1	1	1	0	None
Improved municipal and traditional institutional capacity	Municipalities guided to comply with MPRA	Number of municipalities guided to comply with the MPRA	-	-	44	44	0	None
Improved municipal and traditional institutional capacity	Municipalities monitored on the implementation of indigent policies	Number of municipalities monitored on the implementation of indigent policies	-	-	53	53	0	None

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Improved municipal and traditional institutional capacity	Municipalities monitored on the implementation of indigent policies	Number of municipalities monitored on the implementation of indigent policies	-	-	53	53	0	None
Improved municipal and traditional institutional capacity	Capacity Building strategy developed and implemented	Number of integrated capacity building strategy for local government implemented	-	1	1	1	0	None
Improved municipal and traditional institutional capacity	Skills Audit conducted for councillors	Number of skills audit conducted for councillors	1	1	1	1	0	None
Improved municipal and traditional institutional capacity	Capacity Building interventions conducted in municipalities	Number of capacity building interventions conducted in municipalities	-	-	16	16	0	None
Improved coordination of service delivery	Ward Committees Functional	Number of municipalities supported to maintain functional ward committees	44	44	44	44	0	None
Improved coordination of service delivery	War Rooms Functional	Number of War Rooms with CDWs functional	-	320	320	320	0	None
Improved coordination of service delivery	Municipal Rapid Response Teams functional	Number of municipal Rapid Response Teams functional	54	44	44	44	0	None
Improved coordination of service delivery	Municipalities monitored on the implementation of GBVF responsive Programmes	Number of Municipalities monitored on the implementation of GBVF responsive programmes	-	-	54	54	0	None
Improved coordination of service delivery	Municipalities supported to promote participation in community based local governance processes	Number of municipalities supported to promote participation in community based local governance processes	-	-	54	54	0	None
Improved coordination of service delivery	Municipalities supported to respond to community concerns	Number of municipalities supported to respond to community concerns	-	-	44	44	0	None
Improved coordination of service delivery	Municipalities supported with the establishment of Youth Units	Number of Municipalities supported with the establishment of Youth Units	-	-	54	54	0	None

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

No	Areas of underperformance	Strategy to overcome underperformance
	None	None

PROGRAMME THREE: DEVELOPMENT AND PLANNING

Programme Purpose:

The purpose of this programme is to promote informed integrated planning and development in the Province. Accelerated sustainable development can be achieved through effective integrated planning, local economic development and implementation of schemes and provision of basic services. This programme consists of the following sub-programmes:

List of sub-programme:

1. Local Economic Development (LED)
2. Spatial Planning
3. Development Information Services
4. Land Use Management
5. Survey Services
6. Municipal Infrastructure
7. Disaster Management

List of institutional outcomes:

1. Improved coordination of service delivery

ACHIEVEMENTS: PROGRAMME 3

Table 2.4.4.2

Programme Three : Development and planning								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Improved coordination of service delivery	Support functionality of DDAs	Number of District Development Agencies supported to achieve 80% functionality	-	7	7	7	0	None
Improved coordination of service delivery	Monitor implementation of Municipal LED Strategies	Number of municipal LED Strategies monitored for implementation	-	54	54	54	0	None
Improved coordination of service delivery	Implementation of Red Tape reduction framework	Number of municipalities monitored on the implementation of the Red Tape Reduction Framework	-	41	41	41	0	None
Improved coordination of service delivery	Rehabilitated Towns	Number of small towns rehabilitated	-	0	1	1	0	None
Improved coordination of service delivery	Township/Village economies – Support Municipal alignment to the Township/ Village concept	Number of municipalities supported with alignment to the Township/Village concept	-	44	44	44	0	None
Improved coordination of service delivery	Work opportunities reported through Community Works Programme	Number of work opportunities reported through Community Works Programme	-	-	44 000	46 829	+2829	Overachievement was due to allowance to over recruit by 10% to compensate for a high rate of drop outs. This is in line with CWP manual.
Improved coordination of service delivery	Increase participation in public employment programmes	Number of EPWP work opportunities created	1837	250	250	468	+218	The overachievement was due to close monitoring and uninterrupted implementation of infrastructure projects. In addition, most of the infrastructure projects have resumed after being impacted by Covid-19
Improved coordination of service delivery	Utilisation of Yellow Plant Monitored	Percentage of Yellow Plant fleet monitored on utilisation	-	100%	100%	100%	0%	None
Improved coordination of service delivery	Municipalities supported with Waste Management through EPWP	Number of Municipalities supported with Waste Management	-	44	44	37	-7	Inconsistencies identified by Auditor General in the number of municipalities supported. Figure amended as a recommendation by the Auditor General.

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Improved coordination of service delivery	CSCs rehabilitated/ maintained	Number of identified CSCs Rehabilitated/ maintained	-	11	15	17	+2	2 additional CSC Rehabilitated. Unrest Grant projects completed earlier than expected.
Improved coordination of service delivery	CSCs rehabilitated/ maintained	Number of CSCs constructed	-	2	4	4	0	None
Improved coordination of service delivery	Imizi Yezizwe rehabilitated/ maintained	Number of Imizi Yezizwe rehabilitated	-	2	27	26	-1	1 Inkosi declined the offer to rehabilitate due to safety concerns
Improved coordination of service delivery	Municipalities and TCs supported with functionality	Number of municipalities supported with Grade 1 CSCs Functionality	22	22	22	22	0	None
Improved coordination of service delivery	Municipalities and TCs supported with functionality	Number of Traditional Councils supported with Grade 2 CSCs Functionality	30	30	30	30	0	None
Improved coordination of service delivery	Municipalities supported with digitized service delivery	Number of CSCs digitized	-	2	2	2	0	None
Improved coordination of service delivery	Improved coordination of service delivery	Number of Provincial SDFs developed	-	-	1	1	0	None
Improved coordination of service delivery	Municipal SDFs comply with SPLUMA Provisions	Number of municipal SDFs compliant with SPLUMA development principle provisions	54	54	54	54	0	None
Improved coordination of service delivery	Strengthened municipal enforcement of SPLUMA principles in Land Use Schemes	Number of Land Use Schemes compliant with SPLUMA development principle provisions	-	17	17	17	0	None
Improved coordination of service delivery	District and Metro supported to develop One Plans	Number of District/Metro supported to develop One Plans	-	0	11	08	-3	None
Improved coordination of service delivery	Provincial Integrated Land Information System implemented	Number of functional Integrated Land Information Systems implemented	-	1	1	1	0	None

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Improved coordination of service delivery	Spatial Equity Monitoring and Planning Tool maintained	Number of functional Spatial Equity Monitoring and Planning Tool maintained	-	1	1	1	0	None
Improved coordination of service delivery	Institutional GIS capacity strengthened	Number of institutional GIS capacity strengthening programmes implemented	-	4	4	4	0	None
Improved coordination of service delivery	Co-ordinated awareness programmes on the importance and impact of land use management and planning	Number of awareness programmes on the importance and impact of land use management and planning conducted	-	3	4	4	0	None
Improved coordination of service delivery	Municipal development applications monitored	Number of Municipalities monitored in terms of development applications	-	44	44	44	0	None
Improved coordination of service delivery	Norms and Standards developed to regulate and guide land use management and planning on areas of provincial interest	Number of Provincial Norms and Standards developed	-	1	1	1	0	None
Improved coordination of service delivery	TCs supported to have clearly demarcated boundaries enabling integrated Land Use Management Systems	Percentage of TCs supported with boundary applications	100%	100%	100%	100%	0%	None
Improved coordination of service delivery	Infrastructure coordinating structures functional (Water, Sanitation Task Team, Electricity Task Team, MIG Forum)	Number of Infrastructure coordinating structures achieving 80% functionality	-	3	3	3	0	None
Improved coordination of service delivery	Water Service Authorities monitored on implementation of the Operation and Maintenance	Number of WSAs monitored on the implementation of Operation and Maintenance	-	14	14	14	0	None
Improved coordination of service delivery	Municipalities supported to increase yard water connections	Number of municipalities supported with increasing yard water connections	13	13	13	13	0	None
Improved coordination of service delivery	Municipalities supported to increase provision of basic level of sanitation services	Percentage of sanitation projects monitored for implementation	-	100%	100%	100%	0%	None

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Improved coordination of service delivery	Municipalities supported with the implementation of electrification programmes	Number of municipalities supported with the implementation of electrification programmes	-	17	15	25	+10	Additional support needed to be provided to 10 municipalities, in finalizing their motivations for funding in the next financial year.
Improved coordination of service delivery	Gauging stations Monitored on refurbishment	Percentage of gauging stations monitored for refurbishment	-	100%	100%	100%	0%	None
Improved coordination of service delivery	Reduction in delays in water use licences approvals	Percentage of water use licence applications monitored for approval	-	100%	100%	100%	0%	None
Improved coordination of service delivery	Bulk water supply projects monitored for Implementation	Percentage of regional bulk infrastructure projects Monitored for implementation	-	10	100%	100%	0%	None
Improved coordination of service delivery	Alternative water resource supplies provided to municipalities	Number of alternative water resource supply programmes implemented in municipalities	-	2	2	2	0	None
Improved coordination of service delivery	Districts monitored on the spending of National Grants	Number of Districts monitored on the spending of National Grants	-	10	10	10	0	None
Improved coordination of service delivery	Electricity Asset Management Framework developed	Number of Electricity Asset Management Frameworks developed	-	1	1	1	0	None
Improved coordination of service delivery	Municipalities monitored on the implementation of infrastructure delivery programmes	Number of municipalities monitored on the implementation of infrastructure delivery programmes	-	-	53	53	0	None
Improved coordination of service delivery	Municipal Councils capacitated on the Water Master Plan	Number of municipal Councils Capacitated on Water Master Plan	-	-	13	13	0	None
Improved coordination of service delivery	Municipalities monitored on the review of Water Service Development Plans	Number of municipalities monitored on the Review of Water Service Development Plans	-	-	13	13	0	None
Improved coordination of service delivery	Electricity Master Plan Reviewed	Number of Electricity Master Plans reviewed	-	-	1	1	0	None

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Improved coordination of service delivery	Municipalities supported to maintain functional Disaster Management Centres	Number of municipalities supported to maintain functional Disaster Management Centres	11	11	11	11	0	None
Improved coordination of service delivery	Disaster Management Advisory Forums held	Number Provincial Disaster Management Advisory Forums held	-	3	4	4	0	None
Improved coordination of service delivery	Municipalities supported on Fire Brigade Services	Number of municipalities supported on Fire Brigade Services	11	11	11	11	0	None
Improved coordination of service delivery	Districts and Metro supported with the development of Disaster Management Policies	Number of Districts and Metro supported with the development of Disaster Management Policy Frameworks	-	11	11	11	0	None

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE

No	Areas of underperformance	Strategy to overcome underperformance
1	**Approval of Districts and Metro One Plan**	Engage Political and Technical Hubs on the approval of the 3 outstanding plans to be finalized by the end of the 1st quarter of 2022/23.

PROGRAMME FOUR: TRADITIONAL INSTITUTIONAL MANAGEMENT

Purpose of the Programme

The purpose of this programme it to support and enhance the capacity if traditional institutions. It provides support on the establishment and functionality of the Institution of Traditional Leadership in KZN province for good governance. Good governance is critical for the Institutions of Traditional Leadership to provide effective support to the communities. This programme consists of the following sub-programmes:

List of sub-programme:

1. Traditional Institutional Administration
2. Traditional Resources Administration

List of institutional outcomes:

1. Improved municipal and traditional institutional capacity

ACHIEVEMENTS OF PROGRAMME 4

PROGRAMME FOUR: TRADITIONAL AFFAIRS

Table 2.4.4.2

Programme Four : Traditional Affairs

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Improved municipal and traditional institutional capacity	Implementation of guidelines by institutions of traditional leadership monitored	Number of guidelines monitored for implementation	-	-	5	5	0	None
Improved municipal and traditional institutional capacity	Resolution of succession claims/disputes	Percentage of Traditional Leadership succession claims/ disputes received and processed	100%	81%	100%	99%	-1%	The complainant was not available for the joint meeting reported that she was in Johannesburg so her matter was not finalized due to her unavailability
Improved municipal and traditional institutional capacity	Commissions of enquiry supported	Percentage of Commissions of enquiries supported	-	-	100%	0%	-100%	The Commission has not started holding the public hearings as yet. The Commission is still busy with the process of reviewing the documents and files from the erstwhile Commission.
Improved municipal and traditional institutional capacity	Functionality of the Provincial and Local House(s) and its sub-committees monitored	Number of Provincial Houses monitored for functionality	1	1	1	1	0	None

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/2022	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Improved municipal and traditional institutional capacity	Functionality of the Provincial and Local House(s) and its sub-committees monitored	Number of Local Houses monitored for functionality	11	11	11	11	0	None
Improved municipal and traditional institutional capacity	Maintained consolidated data base of support given to Amakhosi (Provincial House)	Number of databases of coordinated government support maintained	-	1	1	1	0	None
Improved municipal and traditional institutional capacity	Maintained database of Izinduna	Number of Izinduna Databases maintained	-	1	1	1	0	None
Improved municipal and traditional institutional capacity	Amakhosi recognized	Percentages recognitions Amakhosi concluded within 18 months of becoming vacant	100%	100%	100%	100%	0%	None
Improved municipal and traditional institutional capacity	Amakhosi recognized	Percentage of recognised Amakhosi with updated family trees	100%	100%	100%	100%	0%	None
Improved municipal and traditional institutional capacity	Participation of Amakhosi in Municipal Councils supported	Percentage of Amakhosi supported to participate in municipal councils	-	100%	100%	100%	0%	None
Improved municipal and traditional institutional capacity	Traditional Affairs turn around strategies implemented	Number of Traditional Affairs turn around strategies implemented	-	1	1	1	0	None
Improved municipal and traditional institutional capacity	Anti GBVF Intervention/campaigns for traditional leadership	Number of Anti GBVF Intervention/campaigns for traditional leadership	-	-	2	2	0	None
Improved municipal and traditional institutional capacity	Traditional Councils supported to perform their functions	Number of Traditional Councils supported to perform their functions	-	-	307	307	0	None

STRATEGY TO OVERCOME AREAS OF UNDERPERFORMANCE	Areas of underperformance	Strategy to overcome underperformance
1.	**Succession claims/disputes not finalized on time for the 4th quarter**	Make further contact to set up a meeting when the complainant is available for the dispute matters to be resolved within the 1st quarter of 2022/23 financial year.
2.	**Support commission on enquiries**	Support the commission on enquires when they start addressing them during the 2022/23 financial year.

Performance in relation to Standardized Outputs and Output Indicators for Sector with Concurrent Functions

Programme/Sub-programme	Performance measure	Audited Outcome for 2020/21	Target for 2021/2022 as per Annual Performance plan (APP)	Pre audited output for 2021/2022 as per Annual Report	Variance and/or comments
PROGRAMME TWO					
Integrated Development Planning	Number of municipalities with legally compliant IDPs	54	54	54	None
Municipal Performance Monitoring, Reporting and Evaluations	Number of municipalities supported to institutionalize the performance management system (PMS) (Linked to MTSF 2019 – 2024, Priority 1)	54	54	54	None
Municipal Performance Monitoring, Reporting and Evaluations	Number of Section 47 Reports compiled as prescribed by the MSA (Linked to MTSF 2019 – 2024, Priority 1) (B2B Pillar 5)	1	1	1	None
Municipal Governance and Administration	Number of municipalities supported to comply with MSA Regulations on the appointment of senior managers (Linked to MTSF 2019 – 2024, Priority 1)	54	54	54	None
Municipal Forensics	Number of municipalities monitored on the extent to which anti-corruption measures are implemented (Linked to MTSF 2019 – 2024, Priority 1)	-	54	54	None
Municipal Finance	Number of municipalities guided to comply with the MPRA (Linked to MTSF 2019 – 2024, Priority 1) (B2B Pillar 4)	-	44	44	None
Municipal Finance	Number of municipalities supported to reduce Unauthorised, Irregular, Wasteful and Fruitless expenditure (Linked to MTSF 2019 – 2024, Priority 1)	-	54	54	None
Municipal Finance	Number of municipalities monitored on the implementation of indigent policies (Sub-outcome 1) (B2B Pillar 2)	-	53	53	None
Capacity Building	Number of capacity building interventions conducted in municipalities (Linked to MTSF 2019 – 2024, Priority 1) (B2B Pillar 5)	-	16	16	None
Public Participation	Number of Municipalities monitored on the implementation of GBVF responsive programmes (Final M&E Plan for NSP on GBVF) (Pillar 2: Prevention and Restoration of Social Fabric)	-	54	54	None
Public Participation	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)	-	54	54	None
Public Participation	Number of municipalities supported to resolve community concerns	-	44	44	None
Public Participation	Number of municipalities supported to maintain functional ward committees (Linked to MTSF 2019 – 2024, Priority 1)	44	44	44	None

Programme/Sub-programme	Performance measure	Audited Outcome for 2020/21	Target for 2021/2022 as per Annual Performance plan (APP)	Pre audited output for 2021/2022 as per Annual Report	Variance and/or comments
PROGRAMME THREE					
LED-Community Works Programme	Number of work opportunities reported through Community Works Programme (CWP)	-	44 000	46 828	Overachievement was due to allowance to over recruit by 10% to compensate for a high rate of drop outs. This is in line with CWP manual.
Spatial Planning	Number of District/Metro supported to develop One Plans (MTSF 2019 – 2024, Priority 5: Spatial integration, human settlements, and local government)	0	11	8	Adoption of the One Plan at Umkhanyakude, Zululand districts was delayed due to instability of the council. Ugu One Plan was delayed due to lack of cooperation towards the development of One Plan which delayed the process of finalizing the adoption One Plan.
Municipal Infrastructure	Number of municipalities monitored on the implementation of infrastructure delivery programmes (Outcome 9, Sub-outcome 1) (B2B Pillar 5)	-	53	53	None
Municipal Infrastructure	Number of Districts monitored on the spending of National grants	10	10	10	None
Disaster Management	Number of municipalities supported to maintain functional Disaster Management Centres	11	11	11	None
Disaster Management	Number of municipalities supported on Fire Brigade Services	11	11	11	None

Programme/Sub-programme	Performance measure	Audited Outcome for 2020/21	Target for 2021/2022 as per Annual Performance plan (APP)	Pre audited output for 2021/2022 as per Annual Report	Variance and/or comments
PROGRAMME FOUR					
Traditional Institutional Support	Number of Traditional Councils supported to perform their functions.	-	307	307	None
Traditional Institutional Support	Percentage of succession disputes/ claims processed	81%	100%	99%	A complainant for one dispute was not available for the joint meeting due to their unavailability. This delayed the finalization of the dispute on time.

REPORTING ON THE INSTITUTIONAL RESPONSE TO THE COVID-19 PANDEMIC

Internal interventions

The COVID-19 pandemic is a situation unlike any other the South African government has been confronted with before. The virus poses an unprecedented health and economic crisis that threatens to reverse the country's development progress achieved in recent years, if not handled correctly. On the 15th of March 2020, the President of the Republic of South Africa declared COVID-19 a State of National Disaster, and instituted a Level 5 nation-wide lockdown that came into effect on the 26th of March 2020.

After a State of Disaster was declared, all sectors of South African society were called upon to respond to the COVID-19 pandemic. What was evident from the way, in which the pandemic was affecting countries globally, was that the country required a radical adjustment to the normal way of functioning, if the impact of the virus was to be minimised in South Africa.

Governments are on the forefront when it comes to responding to the spread of COVID-19. As such, they are required to respond to this societal health emergency with effective and immediate action. During the Level 5 lockdown, most of the Departmental staff were at home, working remotely, with the exception of a few essential staff to ensure continued support to the local government sector, and ultimately, the uninterrupted provision of basic services such as water, electricity and sanitation; services that are critical in fighting the community transmission of the Corona virus. The specific interventions employed by COGTA during this time are described in the findings section of this report.

The Department conducted the following interventions to ensure that all COGTA staff are safe from any risks:

- Health Awareness campaigns - Information, Education and Communication (IEC) material were collated from the WHO and NDOH and posted on the Departmental intranet.
- Procurement of Personal Protective Equipment (PPEs) for all staff.
- Health promotion - Health talks on COVID-19 were conducted at all COGTA Offices on sanitization, self-isolation and social distancing.
- Only essential staff members are at work whilst the rest of the staff are working from home.
- Auxiliary cleaning staff have been workshopped on the use of PPE's as well as the cleaning of door handles, taps and to ensure that soap dispensers are always filled.

External interventions

In response to the announcements made by the President of the Republic of South Africa; calling for a national lockdown in relation to the outbreak of the corona virus and the steps designed to contain it. The KZN COGTA MEC, put in place processes to give practical effect to the far reaching measures required to stem the tide of this pandemic. The Regulations issued, together with published Directions and Guideline Circulars were dispatched to all municipal structures through the channels established by KZN COGTA, to ensure that essential services could continue while the communities remained indoors during the lockdown.

The Department has implemented several lockdown interventions to curb the spread of COVID-19 at both a provincial and local level. Overall, these intervention measures included:

- The monitoring of hotspot cases and potential threats;
- Hiring of water tankers to service an extimated 1400 households.
- Identification of Quarantine and Isolation sites;
- Identification of homeless shelters and provision of possible support;
- Awareness campaigns and distribution of hand sanitisers; and

The Department has also undertaken several measures to educate and raise community awareness about Covid-19. These measures include:

- Distribution of pamphlets and posters in strategic areas;
- Loud hailing by district and local municipalities;
- Increased political visibility through visits by leadership to taxi ranks and community facilities to enforce regulations; and
- Monitoring of unauthorised social gatherings.

The Traditional Leaders played a significant role in combating the spread of COVID-19, particularly, in the traditional rural areas of the KwaZulu-Natal Province. This was done primarily through the distribution of social relief parcels to the financially distressed in the province, in collaboration with the Local Government structures. The Department allocated permits to all EXCOs of the Local House of Traditional Leaders to ensure that AmaKhosi could continue carrying out mandatory work relative to curbing the spread of Covid-19.
The Department has also procured and distributed Personal Protective Equipment (PPEs) to Traditional Councils.

Table: Progress on Institutional Response to the COVID-19 Pandemic

Budget Programme	Intervention	Geographic location (Province/ District/local municipality) (Where Possible)	No. of beneficiaries (Where Possible)	Disaggregation of Beneficiaries (Where Possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Administration	Personal protective equipment	Ugu, Umkhanyakude, King Cetshwayo, Zululand, ilembe, Uthukela, Amajuba, Umzinyathi, Harry Gwala, Umgungundlovu, Mkondeni, SLP, Natalia, Mayville, Westville, Wadley and Queensburgh	2763	Programme 1 - 673 Programme 2 – 535 plus 400 CDWs Programme 3 - 189 Programme 4 – 166 plus 500 for TCs Interns - 300	300	116	Departmental Buildings compliant with the Occupational Health and Safety Act (COVID-19 Regulations)	Minimized the impact and the massive spread of COVID-19 in COGTA Buildings
Development and Planning	Hiring of water tankers	King Cetshwayo District (Umhlathuze)	350 hh	Not Possible	3,417	3,417	Provision of Alternative Water Supply (Covid 19 rapid response)	Increased the accessibility of water to support COVID-19 intervention Improved coordination of service delivery
		Zululand District	450 hh	Not Possible				
		uMkhanyakude District	600 hh	Not Possible				
Development and Planning	Disinfection of Traditional Administrative Centres	309 Traditional councils	309 Traditional councils	12 Local municipalities	476	476	None	Minimized the impact and the massive spread of COVID-19

LINKING PERORMANCE WITH BUDGETS: PROGRAMME EXPENDITURE

VOTE 11	2021/2022			2020/2021		
PROGRAMMES	**Final Appropriation**	**Actual Expenditure**	**(Over)/Under Expenditure**	**Final Appropriation**	**Actual Expenditure**	**(Over)/Under Expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
ADMINISTRATION	462,748	462,748	-	363,772	363,772	-
LOCAL GOVERNANCE	313,542	313,542	-	302,261	302,261	-
DEVELOPMENT AND PLANNING	503,592	494,918	**8,674**	302,561	302,505	56
TRADITIONAL INSTITUTIONAL MANAGEMENT	510,669	510,669	-	545,330	545,330	-
TOTAL	**1,796,551**	**1,781,877**	**8,674**	**1,513,924**	**1,513,868**	**56**

PROGRAMME ONE: ADMINISTRATION

Sub-programme expenditure

Sub- Programme Name	2021/2022			2020/2021		
	Final Appropriation	**Actual Expenditure**	**(Over)/ Under Expenditure**	**Final Appropriation**	**Actual Expenditure**	**(Over)/ Under Expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Office of the MEC	14,442	14,442	-	12,716	12,716	-
Corporate Services	448,306	448,306	-	351,056	351,056	-
Total	462,748	462,748	-	363,772	363,772	-

PROGRAMME TWO: LOCAL GOVERNANCE

Sub-programme expenditure

	2021/2022			2020/2021		
Sub- Programme Name	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Municipal Administration	53,387	53,387	-	54,035	54,035	-
Municipal Finance	41,088	41,088	-	45,708	45,708	-
Public Participation	180,640	180,640	-	165,349	165,349	-
Capacity Development	9,103	9,103	-	10,473	10,473	-
Municipal Performance, Reporting & Evaluation	29,324	29,324	-	26,696	26,696	-
IDP Co-Ordination	-	-	-	-	-	-
Total	**313,542**	**313,542**	-	**302,261**	**302,261**	-

PROGRAMME THREE: DEVELOPMENT AND PLANNING

Sub-programme expenditure

	2021/2022			2020/2021		
Sub- Programme Name	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Spatial Planning	27,254	27,254	-	25,464	25,464	-
Land Use Management	25,120	25,120	-	27,414	27,414	-
Local Economic Development	153,935	145,261	**8,674**	88,697	88,697	-
Municipal Infrastructure	266,240	266,240	-	143,903	143,903	-
Disaster Management	31,043	31,043	-	17,083	17,027	56
Total	**503,592**	**494,918**	**8,674**	**302 561**	**302 505**	**56**

PROGRAMME FOUR: TRADITIONAL AFFAIRS

Sub-programme expenditure

Sub-Programme Name	2021/2022			2020/2021		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Traditional Institutional Administration	442,622	442,622	-	471,476	471,476	-
Traditional Resource Administration	68,047	68,047	-	73,854	73,854	-
Total	**510,669**	**510,669**	-	**545 330**	**545 330**	**-**

2.4.5. TRANSFER PAYMENTS

The Department implement strict monitoring systems on all the transfers to the Public Entities and the Municipalities guided by the Transfer Manual. The Public Entities and Municipalities are required to sign agreements, provide approved business and implementation plans before the transfer is made. The agreements include breach clauses and remedy measures. Once the transfer is made, the Public Entities and Municipalities are expected to submit expenditure and progress reports to monitor implementation and expenditure on each transfer as part of the agreement. If some of the conditions of the agreement are not met and not resolved with the stipulated timeframe, the Department notifies the relevant Public Entities in writing and sometimes lead to the cancellation of the agreement and recovery of such transfer with incurred interest.

TRANSFERS MADE TO PUBLIC ENTITIES

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
Agribusiness Development Agency	Phezukomkhomo Agri Youth Project Primary Co-operative Limited	R 6 500 000	R 2 253 965	Project in progress.
Agribusiness Development Agency	Bulwer Agricultural precinct project	R 6 500 000	R 2 359 313	Project in progress.

TRANSFER PAYMENTS TO ALL ORGANISATIONS OTHER THAN PUBLIC ENTITIES

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Mkhambathini	Local Municipality	Rehabilitation of Mkhambathini CBD roads: Rehabilitation of Shepstone Street and Thomas-Jee Street	Yes	14,420	10 952	Project in progress
Ray Nkonyeni	Local Municipality	Construction of informal Trading and storage facilities, Hibberdene, Ezinqoleni & St Michael Sands Beach	Yes	8,000	54	Project in progress
Endumeni	Local Municipality	Massification	Yes	1 600	0	Project initiated
Harry Gwala	District Municipality	Water Massification Refurbishment of 20 Existing springs including JOJO Tanks with standpipes & protection to 6 existing springs-Bulwer Area	Yes	4 000	0	Project initiated
Umshwathi	Local Municipality	Extension of the Umshwathi Community Service Centre "Thusong Centre"	Yes	7 500	0	SCM process initiated
Ray Nkonyeni	Local Municipality	Electrification project ward 30-villages 240 connections Mdlozi, Bandlane,Mdlazi, Goqosi Shoba & Dlovunga	Yes	6 000	0	SCM process initiated
Umgungundlovu	District Municipality	Accelerated Sanitation intervention construction of 1110 Single pit precast VIP (Ventilated improved pit) Toilets Umshwathi, Mkhambathini. Impendle, Richmond, Mpofana and uMngeni	Yes	18 000	0	SCM process initiated
Harry Gwala	District Municipality	Accelerated water intervention1. 28 Solar driven boreholes with elevated tank stands and Taps. 2. 21 Spring Water protection .3. Franklin water upgrade abstraction works.	Yes	30 000	0	SCM process initiated
Newcastle	Local Municipality	Refurbishment of Sewer pump Stations Newcastle no.1 No.2 Ncandu, Ayliff,Tweefontein	Yes	8 700	0	SCM process initiated
Ugu	District Municipality	Accelerated Water intervention programme: Boreholes (New & Refurbishment)	Yes	4 000	0	SCM process initiated
Ugu	District Municipality	Accelerated water intervention programme: St Helens Rock water abstraction pump system replacement and Repairs (Pump 1.2.3.5&6)	Yes	15 300	0	SCM process initiated

Mtubatuba	Local Municipality	Small Town Rehabilitation programme-Construction of Kwamsane internal Roads phase 3-Cluster 2&3, Installation of Streetlights and concrete walkways between Kwabhozoza and town	Yes	11 500	0	SCM process initiated
Ilembe	District Municipality	Accelerated water intervention rehabilitation of Nsuze Dam &b Sidumbini Dam	Yes	2 700	0	SCM process initiated
Ilembe	District Municipality	Accelerated water intervention Augmentation of Sokesimbone water supply scheme & construction of portion a of Driefontein water supply scheme	Yes	22 300	0	SCM process initiated
Ugu	District Municipality	Umthavuna Raw Water Acceleration	Yes	6 400	0	SCM process initiated
Amajuba	District Municipality	Water Reticulation project	Yes	5 100	0	
Msunduzi	Local Municipality	Electrification project Eastwood	Yes	15 000	0	
Umzinyathi	District Municipality	Water Acceleration Intervention Project	Yes	7 500	0	

The table below reflects the transfer payments that were budgeted for in the period 1 April 2021 to 31 March 2022, but no transfer payments were made.

Name of transferee	Purpose for which the funds were to be used	Amount budgeted for (R'000)	Amount transferred (R'000)	Reasons why funds were not transferred
N/A	N/A	N/A	N/A	N/A

2.4.6. CONDITIONAL GRANTS

CONDITIONAL GRANTS AND EARMARKED FUNDS PAID

The table below describes each of the conditional grants and earmarked funds paid by the department.

Department/ Municipality to whom the grant has been transferred	
Purpose of the grant	
Expected outputs of the grant	
Actual outputs achieved	Nil
Amount per amended DORA	
Amount transferred (R'000)	
Reasons if amount as per DORA not transferred	
Amount spent by the department/ municipality (R'000)	
Reasons for the funds unspent by the entity	Nil
Monitoring mechanism by the transferring department	

CONDITIONAL GRANTS AND EARMARKED FUNDS RECEIVED

The table/s below details the conditional grants and ear marked funds received during for the period 1 April 2021 to 31 March 2022.

Conditional Grant 1: Integrated Grant for Provinces – EPWP

Department/ Municipality to whom the grant has been transferred	KZN Cooperative Governance and Traditional Affairs
Purpose of the grant	The expanded public works programme is one element within a broader government strategy to reduce poverty through the alleviation and reduction of unemployment.
Expected outputs of the grant	1) Expansion of public employment programmes by creation of more work opportunities. (2) Compensation of employees in line with the minimum wage rate of R95.44 (3) Reporting of the grant to the Provincial Treasury in the monthly In-Year tool used by Treasury (copy Public Works)
Actual outputs achieved	On track
Amount per amended DORA	N/A
Amount received (R'000)	R 1 994 million
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	R 1 994 million
Reasons for the funds unspent by the entity	N/A
Monitoring mechanism by the transferring department	1. In – Year Monitoring Reports 2. Quarterly Evaluation Reports 3. Annual Evaluation Reports
Department/ Municipality to whom the grant has been transferred	KZN Cooperative Governance and Traditional Affairs
Purpose of the grant	The expanded public works programme is one element within a broader government strategy to reduce poverty through the alleviation and reduction of unemployment.

2.4.7. DONOR FUNDS

Donor Funds Received

Name of donor	Nil
Full amount of the funding	
Period of the commitment	
Purpose of the funding	
Expected outputs	
Actual outputs achieved	
Amount received in current period (R'000)	
Amount spent by the department (R'000)	
Reasons for the funds unspent	
Monitoring mechanism by the donor	

2.4.8. CAPITAL INVESTMENT

Capital investment, maintenance and asset management plan

Infrastructure projects	2021/2022			2020/2021		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
New and replacement assets	69,277	69,277	-	87 304	87 304	0
Existing infrastructure assets	0	0	0	0	0	0
- Upgrades and additions	0	0	0	0	0	0
- Rehabilitation, renovations and refurbishments	18,925	10,251	8, 674	12,079	12,079	0
- Maintenance and repairs	5,368	5,368	0	1 , 531	1, 531	0
Infrastructure transfer	0	0	0	0	0	0
- **Current**	0	0	0	0	0	0
- **Capital**	201,020	201,020	0	0	0	0
Total	**294, 589**	**285, 915**	**8, 674**	**100, 914**	**100, 914**	**0**

2.5 PART C : GOVERNANCE

2.5.1. INTRODUCTION

The Department is commitment to maintain the highest standards of governance, which is fundamental to the management of public finances and resources. The Department has good governance structures in place to effectively and efficiently economically utilize the state resources, which is funded by the taxpayers

2.5.2. RISK MANAGEMENT

The Accounting Officer has committed the Department of Cooperative Governance and Traditional Affairs to a process of Risk Management that is aligned to the principles of good Corporate Governance, as supported by the Public Finance Management Act (PFMA), Act 1 of 1999 as amended by Act 29 of 1999. The Accounting Officer made certain that the Department has and maintains effective, efficient and transparent risk management in terms of Section 38(a) of the PFMA. Risk Management is not only the responsibility of the Accounting Officer, but is extended to all levels of management. The Risk Management function falls within the Internal Control business unit, which is the custodian of the Risk Management Policy and its accompanying Strategy. It coordinates the Risk Management activities throughout the Department.

The Department has an approved Risk Management policy, Risk Management Strategy and an approved Risk Management Implementation Plan.

The Department conducts regular risk assessments to determine the effectiveness of its risk management strategy and to identify new and emerging risks. The Departmental risk register is being monitored on a quarterly basis.

The Department has a Risk Management Committee that is formally appointed and fully functional. The implementation of risk mitigation plans was monitored and discussed at the Internal Governance, Risk and Ethics Committee (GREC) meetings where the committee advised management on the overall system of risk management, especially the mitigation of unacceptable levels of risk.

The Audit Committee advises the department on risk management and independently monitors the effectiveness of the system of risk management. The top 20 risks register is being presented to the Audit Committee on a quarterly basis, however in the 2021/22 FY the committee sat for only the first quarter as the members' contracts expired and Provincial Treasury is in the process of appointing new members.

The Department saw great progress in the management of risks. As a result, the Department has maintained a clean audit opinion for the 2021/22 financial year which is the third clean audit consecutively.
The unit has supported and advised management components in identifying and assessing risks while ensuring adherence to the approved Risk Appetite and Tolerance Framework of the Department; and also monitored and evaluated the implementation of risk mitigation plans across the Department.

The Department focused on the following key areas in the 2021-2022 financial year:

- The Departmental (GREC), chaired by the Accounting Officer of the Department was tasked, inter alia, to ensure the implementation of Enterprise Risk Management through its Terms of Reference.
- Review of Risk Management Strategy 2021/22 FY.
- Risk assessment workshops were conducted to review the register of the Department and to identify and assess any emerging risks.
- Review of Ethics and Corruption Risk Register.
- Monitoring of DDM Risk Register.
- Monitoring of COVID 19 Risk Register.
- Interventions to manage fundamental risks were put in place by management to enhance the internal control environment.
- Monitoring of the implementation of the 2021/2022 Risk Action/mitigation Plans.
- investigation on alleged fruitless and wasteful expenditure.
- The annual statistics for 2021/22 financial year show that out of ninety-nine (99) action plans that were agreed upon, nighty-six (96) action plans have been implemented. This amounts to ninety-seven percent (97%) of action plans implemented. The three percent (3%) that was not implemented was the Filling of vacancies within Internal Control unit (DD: Internal Control, DD: Risk Management and AD: Risk Management, Filling of vacant post within SCM (AD: Asset Management Traditional Affairs), and implementation of ECM.
- The risk register of the Department was monitored quarterly to ensure an improvement in the Department's Risk Management systems and maturity.
- The department has seen progress in the management of risks and this has transmitted into improvements in the department's performance.

2.5.3. FRAUD AND CORRUPTION

The Department has an Anti-Fraud and Corruption Management Policy and its accompanying Strategy that includes a Fraud Prevention Plan. Through these strategies, the Department aims to pronounce and adhere to its stance of "Zero tolerance to Fraud and Corruption". In light of this stance the Department has developed prevention, detection, response and deterrence mechanisms and attends to all fraud and corruption by applying these four pillars.

Fraud Prevention Plan Improvement Plan

Focus Areas		Initial rating	Recommendations			2020/21 Q4 Progress		
		Q1	Action Plan	Owner	Date	Revised Rating	Status	Progress Report
Governance	Code of Conduct	3	The department should customize and approve the public sectors' code of conduct, and reference it correctly in the department's fraud prevention plan.	Department	30/06/17	5	Completed	In terms of the PSA, the KZN provincial government is a legal entity, for all Labour issues the Department receives regulations from the provincial structures that has been approved by the provincial bargaining chamber and COHOD. The Department therefore cannot customize the Code of Conduct and such has been verbally communicated to CARC.
		3	The department should ensure that all employees sign annual declarations as confirmation of receipt and knowledge of the code of conduct.	Department	31/09/18	5	Completed	The Code of Conduct together with the declaration form has been signed by all Departmental officials. A copy of the CoC is provided to all new recruits who also sign a declaration for it. HRM&D also conducts presentations on the CoC at the induction courses and officials sign attendance registers.
	Fraud prevention Plan	4	The department's fraud policy should be reduced to 2 pages.	Department	31/03/17	5	Completed	The Department has benchmarked against other Policies and found that the current policy complies with the minimum requirements and will hence not be reducing

Focus Areas		Initial rating	Recommendations			2020/21 Q4 Progress		
		Q1	Action Plan	Owner	Date	Revised Rating	Status	Progress Report
								it two pages.
		3	The fraud prevention and implementation plans should be reviewed as detailed in the FPP assessment report.	Department	31/07/17	5	Completed	The Fraud Prevention plan of the Department now incorporates the action plans as per the report. The action plans have also been included on the Annual business plan to ensure implementation. The plan is being updated on a quarterly basis.
	Roles & responsibilities	4	Ethics Champion should be formally appointed, and the terms of reference of the existing Internal Risk Committee should be strengthened with detailed ethics-related functions.	Department	30/06/17	5	Completed	The Governance Risk and Ethics Committee (GREC) Terms of Reference have been updated to include Ethics management responsibilities. And the committee meets quarterly. The Ethics champion and officer have been appointed.
Prevention	Fraud Awareness	3	The PAIS should assist the department in conducting independent surveys to measure the effect of the fraud awareness training.	PIAS	28/02/17	5	Completed	The Department took a resolution that all its employees must complete online compulsory Ethics Course in the Public Service. 65 officials were identified as elementary staff and NSG has processed a request to conduct a face to face training in IsiZulu. 5 officials were identified as non-compliant due to various reasons such as suspension, incapacity leave etc. Compulsory ethics training by Senior Management

Focus Areas		Initial rating	Recommendations			2020/21 Q4 Progress		
		Q1	Action Plan	Owner	Date	Revised Rating	Status	Progress Report
	Conflict of Interest	3	The department should amend its policies to regulate conflict of interest declaration during supplier and employee recruitment processes.	Department	30/06/17	5	Completed	In terms of SCM processes all suppliers declare interest on the SBD4 form and verification is conducted on the CSD. For employee recruitment, all interview panel members sign a declaration of interest form. All employees declare their financial interests annually. From Deputy Director level upwards and for all Finance Officials, declarations are done on the E- Disclosure system. Assistant Director level and lower declare manually.
	Gift and Awards	3	The department should enforce the policy, including institution of disciplinary actions against non-compliance.	Department	31/12/17	5	Completed and monitored	The policy was work-shopped extensively. Gifts are registers submitted on monthly bases. Disciplinary action will be instituted for non-compliance.
	Pre-employment Screening	3	The department should take stock of all outstanding pre-employment screenings, and finalize them as a matter of urgency.	Department	30/06/17	5	Completed	All officials are vetted and screened before they are appointed.
	Fraud Risk Assessments	3	PIAS should assist the department with fraud risk assessments.	PIAS	28/02/17	5	Completed	Online (Microsoft forms) and manual ethics survey was conducted between a month of June and July 2021, a total of 13 Microsoft forms survey were received and 3 for manual survey. The risk register was updated according to the results and other form of information that was available e.g. audit reports.

Focus Areas		Initial rating	Recommendations			2020/21 Q4 Progress		
		Q1	Action Plan	Owner	Date	Revised Rating	Status	Progress Report
								PIAS has engaged the Department to redo the survey and projected to finalize the project by 28 February 2022
Detection	Avenues for reporting fraud and recording	3	The department should develop fraud incident report that will enable it to collect information related to perpetrated fraud.	Department	30/09/17	5	Completed	The Fraud Incident report has been developed by the Department and is being updated on a regular basis.
			Whistleblowing policy should be duly approved and signed as a stand-alone document. The policy should be widely distributed and work shopped to employees.	Department	30/04/17	5	Completed	The policy has been approved by the Accounting Officer as a stand alone document on 17 August 2020. The policy has been communicated to all officials through distribution on the Departmental notices.
			The department should maintain a centralized fraud incident register to record all allegations of fraud emanating internally and externally.	Department	30/09/17	5	Completed	The Fraud Incident report has been developed by the Department and is being updated on a regular basis
	Monitoring of fraud red flags	1	The department should identify and adopt appropriate set of red flags as part of its fraud risk assessment/surveys so that these can be monitored and acted upon on a regular basis.	Department	30/06/17	5	Completed	A Red flags register has been developed and is being updated on a quarterly basis.
	Internal Audit	3	Internal audit planning should be improved to pro-actively identify and include fraud risks in departmental internal audit plans.	PIAS	30/04/17	5	Completed	The audit plan includes fraud risks.

Focus Areas		Initial rating	Recommendations			2020/21 Q4 Progress		
		Q1	Action Plan	Owner	Date	Revised Rating	Status	Progress Report
	Responding to reported allegations	3	The department should supplement its fraud response with a decision matrix that will guide decisions to be taken along each crucial stage of dealing with reported allegations of fraud.	Department	31/05/17	5	**Completed**	The Fraud response procedure is included on the Investigations methodology which has been approved.
	Investigations Root Cause Analysis	0	The department should develop a forensic investigation methodology.	Department	30/06/17	5	**Completed**	The Investigations Methodology has been approved on the 25th June 2019.
		2	In each instance where fraud is detected, the department should reassess the adequacy and effectiveness of the internal control environment, and actively implement improvements.	Department	31/01/17	5	**Completed and monitored**	This exercise is being conducted by the Department after each incident. This is also part of the Department's Fraud incident report which has been developed and is updated on a regular basis.
	Review of fraud prevention policies.	3	Fraud prevention plan policy documents should be reviewed on a regular basis, while the fraud implementation plan should be reviewed on a quarterly basis.	Department	01/04/17	5	**Completed and monitored**	The Department reviews these documents on an annual basis or as a need arise. Recommendations of the Fraud Prevention Plan review are taken into account. Anti-Fraud Policy was last approved on the 3rd June 2019. The policy to be reviewed by 2th Quarter of 2022/2023.
Monitoring, evaluation & reporting	Review of fraud risk register	1	The department should review and update its fraud risks on a quarterly basis.	Department	30/04/17	5	**Completed and monitored**	Online (Microsoft forms) and manual ethics survey was conducted between a month of June and July 2021, a total of 13 Microsoft forms survey were received and 3 for manual survey. The risk register was updated according to the results and other form of information that was available e.g.

Focus Areas		**Initial rating**	**Recommendations**			**2020/21 Q4 Progress**		
		Q1	**Action Plan**	**Owner**	**Date**	**Revised Rating**	**Status**	**Progress Report**
								audit reports. PIAS has engaged the Department to redo the survey and projected to finalize the project by 28 February 2022.
	Annual reporting	3	The department should comply fully with the reporting requirements of section 40(3) of the PFMA, and National Treasury Annual Report guidelines.	Department	30/09/17	**5**	**Completed**	The Department reported properly in the previous Annual report where full details of all Investigations were reported on. This also included the response plan by the Department which is aligned to the fraud which had transpired.
	56%					**100%**	**Optimized**	The Department has implemented all of the recommendations.

The Department strives to identify and prevent fraud and/ or corruption before it actually occurs and apply mitigating controls through conducting Fraud Risk Assessments. In addition, all allegations of Fraud are investigated and followed up by the application of all remedies available within the full extent of the law as well as the application of appropriate prevention and detection controls. As a result, the Department had no fraud related case in the 2021/22 financial year.

2.5.4. MINIMISING CONFLICT OF INTEREST

In terms of Treasury Regulations 16A8.3, all Supply Chain Management (SCM) officials or other role players must disclose any conflict of interest that may arise. Therefore, all committee members are required to sign a declaration of interest at each bid committee meeting. Any official that has an interest in a particular bid may recuse himself or herself from that particular meeting. During the 2020/2021, financial year 2 members recused themselves.

If a SCM official or other role player or any family member have any business rest in any contract to be awarded, that official must disclose that interest and withdraw from anticipating in any manner what so ever in the process of that particular contract.

All bid documents must compel all bidders to declare any conflict of interest in a specific bid.

The Department is implementing the following measures to minimise conflict of interest and these are:

1. Annual financial disclosures by all officials particularly SCM staff;
2. Conduct of annual audit by internal audit on SCM unit;
3. Signing of Code of Conduct by staff particularly SCM staff;
4. Declarations of conflict of interests that are mandatory signed bid committee members;
5. Verification of declaration of interest signed by service providers when submitting bids; and
6. Conduct verification by using a prescribed checklist that test compliance of entities participating either on quotations and open tender bid.

2.5.5. CODE OF CONDUCT

All newly appointed employees undergo induction programme where they are workshopped on the code of conduct, ethics management and departmental policies. In the event where employees transgress any policy, the departmental disciplinary steps are taken against those employees.

2.5.6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Occupational Health and Safety (OHS), aims to protect employees from health and safety hazards in the workplace, which is governed by the OHS Act 85 of 1993. The employer is obliged to provide a workplace that is healthy and free from hazards, OHS Act 85 (section 1(b). The primary responsibility for ensuring a safe and healthy work environment that is without risk to employees and others lies with the Accounting Officer. The Department considers its employees as the most valuable assets and undertakes to safeguard them through providing and maintaining, as far as reasonably practical, a working environment that is safe and without risk to health of its employees.

Below is a brief description and nature of Health Safety and Environmental issues and the effect it has on the department.

The employer is obliged to provide a workplace that is healthy and free from hazards. This is which is regulated by the Occupational Health and Safety (OHS) Act 85 of 1993. Its main objective is to protect employees from health and safety hazards in the workplace. The primary responsibility for ensuring a safe and healthy work environment that is without risk to employees and others lies with the Accounting Officer. The Department considers its employees as the most valuable assets and undertakes to safeguard them through providing and maintaining, as far as reasonably practical, a working environment that is safe and without risk to health of its employees.

In order to comply with the OHS Act mentioned above, the following activities occurred:

1. Workplace quarterly inspections were carried out in all COGTA buildings to help identify existing hazards so that appropriate action can be taken. Safety representatives also conduct monthly inspections in their respective buildings. Remedial actions are taken in sorting out defects found during inspections through the departmental maintenance team, department of Works and other service providers. Buildings are then scored for compliance.
2. Occupational Health and Safety Steering Committee meetings are held quarterly where OHS reports for various buildings and other OHS issues are discussed to ensure the effectiveness of Health and Safety Management system.
3. Departmental OHS Risk register is available and used to monitor and mitigate health and safety risks. It is reviewed and updated annually.

4. Emergency Evacuation policy has been reviewed. Emergency evacuation drills commenced during the last quarter 2021/2022 following the relaxation of COVID-19 restrictions.
5. Health and safety; First Aid and Basic Fire Fighting training courses were provided for officials from different Business Units.
6. Regarding Covid-19; office buildings were disinfected on monthly basis and on adhoc basis when positive cases are reported.

2.5.7. PORTFOLIO COMMITTEES

DATE OF THE MEETING	MATTERS RAISED / RESOLUTION TAKEN	DEPARTMENTAL RESPONSES
15/03/2020	**COGTA01/04/2021** Committee **resolved:** That a report on how the department is going to assist municipalities in reducing consumer debt be tabled at the next meeting of the Committee. .	A detailed report was presented to the Committee.
29/07/2021	**COGTA17/07/2021** Committee **resolved:** that COGTA should submit a list of government departments that owe municipalities together with amounts owed by each department.	The department submitted the list to the Committee.
03/09/2021	**COGTA18/09/2021** Committee **resolved:** that a detailed report on the cost of boreholes in uMzinyathi District be presented at the next meeting of the Committee.	The report was prepared in presented to the Committee.

2.5.8. SCOPA RESOLUTIONS

STANDING COMMITTEE ON PUBLIC ACCOUNTS (SCOPA) RESOLUTIONS FOR THE 2021/22 FINANCIAL YEAR

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
Discussed 03 October 2021	Resolution 80/2021: Department of Co-Operative Governance and Traditional Affairs:	Irregular Expenditure R742 000.00	Noting that: Irregular Expenditure amounting to R742 000.00 was mainly attributable to a deviation from procurement requirements not being approved by a properly delegated official. The Committee resolves: - That the Accounting Officer report to the Committee by 30 June 2021 on steps taken to address the underlying causes for the Irregular expenditure and on whether the steps taken will avoid a recurrence of this finding and consequence management applied.	The alleged irregular expenditure incurred related to the appointment of administrators from a departmental panel of service providers. The Auditor-General was of the view that 3 quotations were not obtained when the appointments were made by the Department. On the other hand, the Department was of the view that the procurement was undertaken in terms of section 38 (4) of the SCM Policy of 2019 which made provision for a quotation to be obtained from the panel of service providers on a rotational basis. Be that as it may, an agreement was since reached with the Auditor-General that the Department will amend its internal policy to address the finding. The Department has subsequently amended its SCM Policy to take into consideration the circumstances in order to bring certainty to the matter and to prevent any future re-occurrence of the finding.	Yes

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
Discussed 03 October 2021	Resolution 81/2021: Department of Co-Operative Governance and Traditional Affairs	Fruitless and Wasteful Expenditure R11 000.00	Noting that: Fruitless and Wasteful Expenditure amounting to R11 000.00 was because of no shows at hotels by officials when reservations had been made by the department. The Committee resolves: - That the Accounting Officer report to the Committee by 30 June 2021 on the effectiveness of measures put in place to address this finding and consequence management applied, including steps taken to recover the money from officials responsible.	The amount relates to the following incidents:	Yes

INCIDENT (S)	AMOUNT	STEPS TAKEN TO RECOVER THE MONEY
No Show at Hotel	R 1400.00	The amount of R1400.00 was billed to the Department as a 'No Show' but after investigation, it was established that a cancellation was done late by the affected official due to a late cancellation of the meeting. The Department was, therefore, billed by the Hotel in line with their Management Policy. **The amount has been written off and the case has been closed.**
Debt for Recovery	R 1229.00	As part of consequence management, an amount of R1229.00 was handed over to **The Debtors Management Section and has since been recovered from the official.**
Debt for Recovery	R 2 485.00	Amount of R1069.00 was investigated by Labour Relations and the close out report recommended that the amount be written off as the official cannot be held liable. The official in question had no details of the booking and the Chief Director who had approved the booking has since left the Department and is not reachable. **The amount has been written off and the case has been closed.**
Debt Write Off	R 1 069.00	As part of consequence management, an amount of R2485.00 was handed over to the Debtors Management Section for recovery from the official. **The amount has been fully recovered by the Department.**
Debt Recovered	R 1 440.00	As part of consequence management, an amount of R1440.00 was sent to the Debtors Management Section and **has been successfully recovered from the official fully.**
Wrongly Classified as F&W Expenditure	R 3 750.00	Amount of R3750.00 was investigated with the Service Provider (Travel IT) and it was established that the cancellation had been done timeously by the affected official. **The department has therefore not been billed and the case has been closed as there was no loss**.
TOTAL	**R 11 373.00**	

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
Discussed 03 October 2021	Resolution 82/2021: Department of Co-Operative Governance and Traditional Affairs:	Material Underspending of the Budget: R24.48 million	Noting: As disclosed in the appropriation statement, the department materially underspent its budget on programme 3 – development and planning by R24.48 million, mainly due to the delays experienced on the project 'assessment of the state of infrastructure' in the province, that also resulted in the end date of the project being extended. The Committee resolves: - That the Accounting Officer report to the Committee by 30 June 2021 on steps taken to address the underlying causes for the underspending and on whether the steps taken will avoid a recurrence of this finding or similar findings of underspending in the 2020/21 financial year.	The previous allocation of R100.652 million had been allocated to COGTA during the 2019/20 Adjustment Estimate budget in November 2019. Notwithstanding the late allocation, within the remaining 5-month period, the Department managed to spend R76.380 million. The total allocation could therefore not be fully spent in the 2019/20 financial year as the project end date was the end of June 2020. The Department has instituted the following processes to ensure that under-expenditure/over expenditure is avoided in the future: 1. The Budget Committee sits on a monthly basis and as and when required to oversee the budget and to detect early warnings and implement immediate interventions. 2. The Department initiates procurement early to ensure sufficient time to complete the projects. 3. The procurement plan is scrutinised on a monthly basis to ensure that, where projects have not commenced and planned, the funding is re-allocated to other urgent projects. 4. A review of vacant post to be filled is done regularly to determine if posts should still be filled or not, guided by the operational requirements. 5. The Contract Management Unit within SCM plays a more active role in project management. 6. In ensuring accountability, the names of project managers have been included in the respective agreements, with clear responsibilities. 7. Contracts are scrutinized regularly to ensure that all requirements are met and penalties will be invoked when required. 8. All transfers are scheduled to take place in the second quarter of the financial year, to align with the municipal financial year. 9. Additional cost cutting measures have been updated to assist the Department in reducing expenditure on non-priority items in order to realize savings and move the funds to critical areas of service delivery. The above measures indeed assisted the Department in spending 100% of its budget allocation in the 2020/21 financial year.	Yes
Discussed 03 October 2021	Resolution 83/2021: COGTA:	Material Uncertainty Related to Financial Sustainabil	Noting that: According to note 26 to the financial statements, which indicates that the department has a liability to settle the back pay of allowances amounting to R1,47 billion at 31 March 2020 relating	Consultations between the National and Provincial Departments responsible for Finance and Traditional Affairs are currently underway through the Task Team tasked with deliberating on the matter and submitting recommendations to the National Ministers. The Department has also finalized the process of verification of all Izinduna to confirm the figures concerning the back-pay due to Izinduna.	No

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		ity: Back Pay of IziNduna Allowances of R1.47 billion	to iziNduna. The department is currently in negotiations with provincial and national treasuries as well as the provincial cabinet to seek funding. This matter indicates that a material uncertainty exists that may cast significant doubt on the department's ability to fund this liability. The Committee resolves: - That the Accounting Officer report to the Committee by 30 June 2021 on progress made in resolving the matter.		
Discussed 03 October 2021	Resolution 84/2021: Department of Co-Operative Governance and Traditional Affairs:	Grants Management	Noting that: The Department received R675 000.00 for Provincial disaster recovery grant and managed to spend only R288 000, indicating an underspending of R387000 (57%). The Committee resolves: - That the Accounting Officer report to the Committee by 30 June 2021 on whether the request for a roll-over has been approved by Treasury and that action plans put in place to ensure that the remaining grant is fully spent at year end.	In the 2019/20 Financial year, COGTA had requested a rollover of R387 000 relating to the Provincial Disaster Recovery Grant, however, the roll over request was not approved by the Provincial Treasury. The reason for the request was due to the fact that the nature of the professional fees was such that it could not be fully expended until all projects have reached project close out. The projects were largely delayed due to procurement processes having to be cancelled as the work had to be handed over to the Department of Public Works for implementation. Despite the challenges encountered, the projects have been finalized and the site hand overs took place during February and March 2020.	No

Date of meeting	Resolution No.	Subject	Details	Response by the department			Resolved (Yes/No)
Discussed 03 October 2021	Resolution 85/2021: COGTA:	Provincial Investigation on Audit Services and Directorate for Priority Crime Investigation: Alleged Fraud Involving the Payment of iziNduna Allowances	Noting that: (a) The provincial internal audit unit for departments conducted nine investigations from 1 January 2010 to 31 March 2020. These investigations related to allegations of irregularities in supply chain management, unauthorised changing of a service provider's bank details, diverting of catering services, abuse of official vehicles and subsistence and travel claims as well as allegations of maladministration against senior officials in the department. Of the nine investigations conducted, seven were finalised and concluded and two were still in progress. (b) The accounting officer had commenced with legal and disciplinary action against officials on the seven finalised investigations. (c) Directorate for Priority Crime Investigation, investigated an allegation of fraud involving the payment of iziNduna allowances, which covered the period 1 April 2017 to 31 March 2018. The allegation related to the unauthorised changing of iziNduna' s banking details, numerous irregular payments as well as the existence of a significant number of 'ghost' iziNduna. The investigation was concluded on 17 May 2019 and there were no criminal proceedings that followed. The Committee resolves: - That the Accounting Officer report to the Committee by 30 June 2021 on; [1] Progress made in the implementation of recommendations of the seven finalised investigations, including the legal and disciplinary action taken against officials implicated. [2] Progress made on the investigations still in progress, stating the time frame to finalize these investigations and challenges encountered in completing such investigations. [3] The findings and recommendations of the investigation concluded on 17 May 2019 and the reasons why no criminal action was instituted.	1. FR10/2010 (R1 064 447) – Completed	The request for investigation was based on allegations that the account information of a service provider was fraudulently changed to divert funds to another (wrong) service provider. The handwriting analysis indicated that an official of COGTA was responsible for forgery that purported to approve the changing of banking details to a fraudulent bank account	**1. Criminal Matter:** The matter was reported to SAPS PMB under CAS No. 117/06/10. The Department returned the original handwriting exhibits to the DPCI on 14/01/2015 for criminal court purposes. However, the criminal case was closed by the HAWKS despite numerous engagements. Their view is that the handwriting analysis done at the instance of the Department, which was also the basis of the criminal charge, was likely to be different from their handwriting experts and was therefore inconclusive. **2. Disciplinary Hearing:** One Employee was dismissed from the Public Service with effect from 1 April 2015. The employee successfully contested the dismissal in the GPSSBC, and the Department lodged an application with the Labour Court to review the decision of the GPSSBC to re-instate the employee. Pleadings have been exchanged and the review application is still pending before the Labour court. There has also been a civil dispute between the Attorneys representing the Department and the Department emanating from their exorbitant fees. However, to mitigate the potential damage arising from the failure to prosecute the review, the Department has taken a decision to settle the Attorneys' invoice in respect of this matter on a "without prejudice" basis in order for the Attorneys to release the file and for the instruction to be given to a new firm of Attorneys. The issue of the "other two officials" that were allegedly "negligent" has been dealt with, where it was explained that the internal investigation found the employees not negligent and therefore no disciplinary proceedings were instituted against them. These same employees were key witnesses in the case against the employee who forged the signatures of the responsibility manager and other employees.	
				2. FR40/2010 (R5 500 000)	The allegations involve a contractor of the department who was responsible for the closure of uMsekeli Municipal Support Properties	**1. Criminal Action:** Under UMhlali CAS 167/7/2010, the criminal action has been finalised: Accused No.1 passed away during the trial; Accused No.2 – was convicted and sentenced to a term of 10 years imprisonment and a R15 000.00 fine. The criminal case is finalised.	

<table>
<tr><th>Date of meeting</th><th>Resolution No.</th><th>Subject</th><th>Details</th><th>Response by the department</th><th>Resolved (Yes/No)</th></tr>
<tr>
<td>Discussed 03 October 2021</td>
<td>Resolution 115/2021 – Transversal resolution</td>
<td>Irregular Expenditure Recorded in the 2019/20 Financial Year</td>
<td>Noting that:
(a) The value of irregular expenditure for all provincial departments and entities in the 2018/19 Financial year was 12.45 billion, 2019/2020 was R 9,75 billion.
(b) The breakdown is as follows:
<table>
<tr><th>Department</th><th>2019/20
R</th></tr>
<tr><td>Office of the Premier</td><td>93 351 000</td></tr>
<tr><td>Agriculture and Rural Development</td><td>26 070 000</td></tr>
<tr><td>Economic Development and Tourism</td><td>55 850 000</td></tr>
<tr><td>Education</td><td>1 583 515 000</td></tr>
<tr><td>Provincial Treasury</td><td>25 812 000</td></tr>
<tr><td>Health</td><td>1 433 975 000</td></tr>
<tr><td>Human Settlements</td><td>5 352 236 000</td></tr>
<tr><td>Community Safety and Liaison</td><td>33 480 000</td></tr>
<tr><td>Sport and Recreation</td><td>7 140 000</td></tr>
<tr><td>Cooperative Governance and Traditional Affairs</td><td>742 000.00</td></tr>
<tr><td>Transport</td><td>5 500 000 000</td></tr>
<tr><td>Social Development</td><td>100 253 000</td></tr>
<tr><td>Public Works</td><td>11 475 000</td></tr>
<tr><td>Arts and Culture</td><td>97 182 000</td></tr>
</table>
(c) The main reasons for the irregular expenditure were:
• Payments made on</td>
<td>2. Disciplinary Action

[1] The following changes to the control environment were implemented by the Department in order to detect irregular expenditure and to prevent a recurrence of audit findings:
□ The Internal Control Business Unit performs compliance reviews on bids, before the Department makes an award, in order to identify deficiencies that could result in non-compliance with the Department's SCM processes and give rise to irregular expediture.

□ The SCM and Finance Business Units implemented the use of compliance checklists as a control to identify irregular expenditure.
□ The Internal Control Business Unit reviews the Finance and SCM checklist on a monthly basis to verify that the Business Units are completing the checklists to identify irregular expenditure.
□ The SCM Policy was also reviewed to address gaps raised by the Auditor-General.
[2-4] During the audit of procurement and contract management, the office of the Auditor-General indicated that the Department did not apply the principle of rotation in the appointment of Ministerial Representatives at uThukela and uMzinyathi District municipalities. After undertaking an investigation, the Department submitted a view that the appointment of the two Ministerial Representatives was indeed based on the application of rotation. In 2017, five Ministerial Representatives were appointed to the panel. Out of the five, two were no longer included as one was appointed in the public service and the other passed on). One Ministerial Representative was already appointed at Inkosi Langalibalele Municipality. Hence at the time of the appointments, only two Ministerial Representatives were available. They were therefore appointed simultaneously as there was no one else available on the panel and at no point did the Department disregard the rotation principle. For these reasons, the Department made a submission to the Auditor-General that the finding is not substantiated based on the process followed. Despite the submission, the Auditor-General concluded that the rotation policy was breached and that the deviation was not approved. The Department has subsequently amended its SCM Policy to take into consideration the circumstances in order to prevent any future re-occurrence. The finding is therefore resolved.
[5] There was no loss incurred by the Department.

[6] The irregular expenditure was not related to fraud, financial misconduct, corruption or other criminal conduct.</td>
<td>Yes</td>
</tr>
</table>

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			expired contracts • Fewer than three quotations obtained • Deviations from inviting competitive bids not in accordance with TR 16A6.4 • Non-submission of declaration of interest forms by suppliers • Use of implementing agents • Non- compliance with 30 days payments • Poor record keeping • No tax certificates or expired tax certificates • Non-adherence to local content prescripts • Contracts entered into with municipalities - no documentation (Human Settlements) (d) The PFMA provides that an Accounting Officer must take effective steps to prevent		

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			irregular expenditure, take disciplinary steps against any official who makes or permits irregular expenditure, and recover losses from officials responsible and that any wilful or negligent failure to comply with these prescripts constitute an act of financial misconduct. (e) The interventions proposed by departments to detect and prevent irregular expenditure in future. **The Committee resolves:** That the Accounting Officers of all departments report to the Committee by 30 June 2021 on the following: [1] Progress made in the implementation of the proposed interventions to improve the control environment to detect and prevent irregular expenditure and to avoid a recurrence of the audit findings in relation to irregular expenditure, as well the effectiveness of these interventions. [2] The reasons for these interventions not being implemented in		

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			the 2019/20 financial year and in prior years and why such omission does not constitute an act of financial misconduct. [3] Whether irregular expenditure reported in the annual financial statements in 2019/20 and not yet condoned, has been investigated, the outcomes and findings of the investigations, details of disciplinary steps taken against any official/ employee responsible for irregular expenditure and where investigations and disciplinary proceedings have not yet been concluded, the reasons and timeframes for anticipated completion. [4] In relation to irregular expenditure not yet condoned, steps taken to apply to Provincial Treasury for condonation and progress made and where application has not yet been made, the reasons for this. [5] Steps taken to recover losses from any official responsible for irregular expenditure and progress made in this regard. [6] Where irregular expenditure is related to fraud, corruption or other		

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			criminal conduct, whether the matter has been reported to the South African Police Service or the Provincial Treasury Internal Audit Services for investigation and progress made in such investigations.		
Discussed 03 October 2021	**Resolution 118/2021: Transversal Resolution:**	Procurement and Contract Management	**Noting that:** (a) The audit findings for thirteen departments on Procurement and Contract Management emanating from non-compliance with legislation, which overlap with the findings on irregular expenditure are as follows: Contracts were extended without the necessary approval of a properly designated official as required by section 44 of the PFMA and TR 8.2.1 & 8.2.2. Competitive bidding process was not followed. Goods and services of a transaction value above R500 000 were procured without inviting competitive bids and deviations were approved although it was practical to invite competitive bids as required by TR 16A.6.1 & TR16A.6.4. A minimum of three quotations were not obtained.	[1] There were no findings made on Procurement and Contract Management during the 2019-20 financial years. The last contract management audit performed by the Provincial Treasury was in the 2018-19 financial years and the Department resolved all the findings. The status of the audit findings have been included in the audit log, which is also presented to the Cluster Audit and Risk Committee on a quarterly basis. [2] Despite not having findings on the matter, the steps below herein have been implemented to prevent such occurrences: • Goods and Services of a transaction value above R500 000 are properly procured by ensuring that all the bidding processes are adhered to as per the Treasury Regulation 16a.6.1 &16A.6.4; • A minimum of three quotations are always obtained before a service provider is appointed save for exceptions outlined in the policy; • The Department of COGTA ensures that all bids with a Local Content requirement or quotation meet the minimum requirements for Local Content and Production requirements as per the regulation of Preferential Procurement Regulation 8(2) of 2017. • The Department also reports to the Department of Industry and Trade in order to ensure that the stipulated Local Content and Production minimum threshold are met. • The Department ensures that the recommended service provider is tax compliant as per CSD report. • The Department ensures that all awards that are made by the Department are in line with the SBD 4 declaration requirements. In addition, the Department also confirms with the CSD report whether suppliers are employed by the Government or not. • The Department always ensures that invitations for competitive bids are advertised at the stipulate minimum period as required by Department of Treasury. • COGTA bid committees are composed as required by Treasury Regulation 16(a)(b)&(c)	Yes

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			Non-compliance with Preferential Procurement Regulation 8(2) of 2017 on local content and production. Bid documentation did not stipulate the minimum threshold for local content and production.		
			Bid documentation for procurement of commodities designated for local content and production, did not stipulate the minimum threshold for local production and content, as required by the 2017 preferential procurement regulation 8(2). Similar non-compliance was also reported in the prior year.		
			Tax clearance certificates not provided as required by TR 16A9.1(d).		
			Contracts were awarded to bidders who did not submit a declaration on whether they are employed by the State as required by TR 16A8.3.		
			Invitations for competitive bids were not advertised for the minimum period as required by TR 16A6.3(c).		
			Bid committees were not composed as required by TR 16A6.2(a), (b) & (c).		
			Contracts were awarded to bidders based on preferential points not calculated in accordance with the Preferential Procurement Policy		

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			Framework Act, 2000. Contracts were awarded to bidders based on pre-qualification criteria that were not stipulated of were different from those stated in the bid invitation in contravention of Preferential Procurement Regulation 4(1) & (2). SCM processes were not followed by Municipalities performing work on behalf of the Department. (b) Non-compliance could have been avoided if management regularly monitored compliance and implemented appropriate controls and processes. (c) Provincial Treasury has identified support interventions following the 2019/20 audit outcomes. Departments are to submit detailed audit action plans to Treasury by 31 October 2019, which will be reviewed and discussed with all accounting officers, and which Treasury will monitor and report progress on to accounting		

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			officers quarterly. **The Committee resolves:** That all Accounting Officers report to the Committee by <u>30 June 2021</u> on the following: [1] Detailed audit action plans submitted to Provincial Treasury specifically to address findings on procurement and contract management plus a progress report on the effectiveness of the audit plans. [2] Steps implemented to ensure risk assessment processes and reviews are adequate to ensure that key compliance risks are mitigated and responded to in good time to prevent a recurrence.		
Discussed 03 October 2021	**Resolution 119/2021 - Transversal Resolution**	**Internal Investigations**	Noting that: Several departments have conducted internal investigations in the 2019/20 financial year relating to various alleged irregularities spanning, in some cases, over more than one financial year. Some of these investigations have been concluded while some are still in progress.	The three investigations have been completed, both from the perspective of investigation and implementation of the recommendations where the officials were still in the employ of the Department. The investigations related to the following matters: (a) The sale of 14 properties which belonged to a previous entity of COGTA, namely uMsekeli; (b) Maladministration and possible fraud and corruption in the SCM Unit; and (c) The irregular procurement of the Sage Pastel System. In respect of the other completed investigations where the implementation of the recommendations is still in progress, the copies of such reports will be provided to the Committee once the implementation thereof has been completed. This is to safeguard and	No - In progress

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			The Committee resolves: That Accounting Officers, by 30 June 2021: [1] Provide copies of all reports of investigations that have been completed in the 2019/20 financial year to the Committee. [2] Report to the Committee on progress made in the implementation of the recommendations contained in the reports, including disciplinary cases that have been initiated against officials and the outcomes thereof, criminal cases that have been opened, civil proceedings that have been commenced to recover monies and blacklisting of service providers. [3] Where investigations are still in progress, provide a report on the anticipated date of completion, challenges experienced in conducting or finalising the investigations and steps taken to address the challenges.	protect the integrity of the disciplinary steps that flow from the contents of such reports.	

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
Discussed 03 October 2021	***Resolution 120/2020 - Transversal Resolution –***	***Risk Management***	**Noting**: The report of the Provincial Audit and Risk Committee on the lack of adequate risk management in some departments and the slow progress made in the implementation of risk mitigation plans, particularly in addressing risks classified as critical and major. **The Committee resolves**: That the Accounting Officers of the relevant departments report to the Committee by 30 June 2021 on the following: [1] The steps taken to implement all outstanding risk mitigation plans identified in the 2019/20 departmental risk registers. [2] A progress report on the implementation of the 2020/21 departmental risk mitigation plans, particularly those relating to critical and major risks and steps taken to ensure a speedy implementation of risk mitigation plans. [3] Steps taken to capacitate the departmental risk management function, including risk	[1] With regard to the 2019/20 Risk Register, the Department had achieved 98% on implementation of agreed action plans. The 2% percent of action plans that were not implemented were: • Microsoft Migration • Procurement and installation of the Integrated Disaster Management Information System. • The Microsoft migration projected will be completed on 24 November 2021. • With regard to the measures put in place to mitigate the risk of lack of Information Management and a Communication system: • A system is now in place to report and record incidents; • The District Disaster Centers are notified of incidents reported through the system and they disseminate information to local municipalities; and • The use of social platforms (print & broadcast) to notify communities of reported incidents is also undertaken. • PDMC has partnered with South African weather services. [2]With regard to the 2020/21 Risk Mitigation Plans, the annual statistics show that out of eighty-two (82) action plans that were agreed upon, seventy-nine (79) action plans have been implemented. This amounts to ninety-six percent (96 %) of action plans implemented. • The 4% that was not implemented were: • the development and implementation of the formal agreement on the one-plan-one-budget within the Province and the required engagements with National Treasury, and • the training of fire fighters. The Department is currently monitoring the implementation of these action plans closely and they are projected to be implemented at the end of the third quarter of the 2021/22 Financial Year. [3] All members of the Risk Management Committee were capacitated through the E-learning Risk Management Course that is an online course provided by National Treasury which translates to 100% compliance. In the first quarter of the 2021/2022 Financial year, Risk	No - In progress

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			management training for members of the risk management committee. [4] Progress made in linking risks to departmental performance indicators.	Committee Members were also capacitated on the Combined Assurance Model by PIAS. Currently the Department is also capacitating Risk Champions through the E-learning Risk Management Course. [4] The 2021/22 Risk Register was developed using the Annual Performance Plan as a reference to ensure that risks are linked to key performance indicators and all key Departmental strategies.	
Discussed 03 October 2021	***Resolution 121/2021 - Transversal Resolution***	***Consequence Management (Transgressions)***	**Noting that**: (a) During the prior year audit (2017/18 financial year), the Auditor-General reported on findings relating to transgressions by officials or other role players for management to investigate. (b) During the current year audit (2018/19 financial year) the Auditor-General reported that some Departments had not investigated all of some of those matters or had not done so properly. (c) In the current year audit (2019/20 financial year), the Auditor-General identified further transgressions for	[1-3] The following transgressions were identified: (a) Three quotations were not obtained by the municipality with regard to the payments made to uMgungundlovu District Municipality and Greater Kokstad Local Municipality for catering services. The Department agreed with the finding on the basis that the Department had a collective responsibility with the municipality in ensuring compliance. A verbal warning was issued to the relevant official. (b) 1x Payment had been made on an expired contract with Gijima Security Services. The Department agreed with the finding due to SCM delays that had been encountered. Since 2 of the implicated officials are no longer with the Department, no consequence management steps could be taken against them. With regard to the 2 remaining officials, written warnings were issued against them. The Department has strengthened the controls and effectiveness of the system by appointing an Assistant Director: Contract Manager to perform this function. The Department also purchased a SMART-GOV application which is able to send notifications and alerts about contracts which are about to expire. (c) A variation more than the prescribed threshold had been made with no approval to Poorna Enterprises CC. The Department agreed with the finding due to the Business Unit misinterpreting the approval conditions. Letters were issued to the 4 implicated officials, inviting them to make representations in relation to the allegations made against them. Letters of consequence management were issued to 3 officials imposing written warnings against them. One of the officials had requested further particulars and was provided with same and has requested indulgence in order to respond substantially. It is anticipated that	No - In progress

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			management to investigate. **The Committee resolves**: That the Accounting Officers of the relevant departments report to the Committee by 30 June 2021 on the following: [1] The reasons for their failure to investigate and resolve all matters reported by the Auditor-General for investigation in the 2018/19 audit. [2] The steps taken to investigate and resolve all the 2018/19 as well as the 2019/20 matters reported by the Auditor-General for investigation and time frames for finalisation thereof. [3] The findings and recommendations, as well as the outcomes of each investigation, including disciplinary steps taken, civil proceedings commenced for recovery of losses, criminal cases opened where relevant and steps taken to "blacklist" suppliers, where applicable.	this matter will be finalised by the end of October 2021. All procurement-related submissions are now approved by the delegated official in SCM for appropriate guidance. (d) 10 payments were made to suppliers which were alleged to be in service of the state. The Department disagreed with the findings as the information relied upon for 8 suppliers was obtained from CSD reports, 1 'service provider' was actually a beneficiary of the Bursary Programme and the funding was for accommodation and 1 service provider had resigned as a Ministerial Representative prior to his appointment in another Department. No further corrective steps could therefore be taken in addition to the current control measures as the finding resulted from different interpretations. (e) 11 invoices were paid later than 30 days. The Department agreed with the finding and consequence management letters were issued to the affected officials. The invoices tracking tool is monitored on a weekly basis as an early alert in order to implement the required interventions. This is in addition to the current control measures. No losses were incurred by the Department as the services were rendered and there was value for money. There was also no criminal element in all the above matters.	

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
Discussed 03 October 2021	***Resolution 122/2021 - Transversal Resolution –***	***Predetermined Objectives***	**Noting**: (a) The material findings of the Auditor-General on the usefulness and reliability of the reported performance information of some Departments. (b) The root cause was the lack of proper performance management systems and processes and the failure by management to perform adequate verifications to ensure a complete performance report was supported by reliable information. (c) In some Departments this is a recurring finding where management has failed to implement action plans to address audit findings in previous financial years. **The Committee resolves**: That the Accounting Officers of the relevant departments report to the Committee by 30 June 2021 on	(a) There were no material findings on the usefulness and reliability of the performance information for KZN COGTA for 2019/20 financial year. (b) The current performance management systems and processes are working for KZN COGTA and management performs adequate verifications. (c) There are no recurring findings for KZN COGTA since AG did not raise any findings on performance management. (d) KZN COGTA continues to implement the current performance management systems and processes to prevent findings on performance information.	Yes

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			measures implemented to address the audit findings and to prevent a recurrence, with timeframes for implementation.		
Discussed 03 October 2021	***Resolution 123/2021 - Transversal Resolution –***	***Filling of Critical Posts***	**Noting**: That vacancies exist in critical management posts within departments, entities and the adverse effect this is having on audit findings, particularly on compliance with legislation, internal controls and financial and performance management. **The Committee resolves**: That the Accounting Officers of the relevant departments report to the Committee by 30 June 2021 on progress made in the filling of critical posts and the time frames for the filling of those posts.	The filling of posts is affected by various factors such as the availability of the budget and circumstances resulting from natural attrition. The are 25 posts that have been recently filled by the Department and 5 posts are in the final stages of filling. A further 25 posts have been advertised and two requests to fill 7 and 28 posts respectively have been submitted to the Office of the Premier for approval to fill. In addition, there have been 20 posts vacated through death, retirement and resignation, some of which were critical and this has necessitated the filling of these posts simultaneously as a matter of urgency. This will leave a further 17 posts remaining to be filled in the final quarter of 2021/2022. 4 posts are currently on hold due to varying reasons.	No - In progress
Discussed 03 October 2021	**Resolution 124/2021 - Transversal Resolution –**	**Material Misstatements in Annual Financial Statement**	**Resolution 125/2021 Transversal Resolution – Expenditure Management – Non-Payment of Invoices Within 30 Days** **Noting:** (a) The findings of the Auditor-	[1] The annual financial statements submitted by the Department of Cooperative Governance and Traditional Affairs for auditing were prepared in accordance with the prescribed financial reporting framework and no material misstatements were identified by the auditors. There was compliance with Section 40(1)(b) of the Public Finance Management Act, 1999. [2] and [3] Not applicable.	Yes

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
		s	General that some departments are not making payment within 30 days or within an agreed upon period after receipt of invoices, as required by Treasury Regulation 8.2.3. (b) This constitutes a contravention of section 38(1)(f) of the PFMA which provides that the accounting officer must pay all money owing by the department within the prescribed or agreed period. (c) An accounting officer commits an act of financial misconduct if she/he willfully or negligently fails to comply with a requirement of section 38 of the PFMA. **The Committee resolves:** That all relevant Accounting Officers submit a report to the Committee by <u>30 June 2021</u> on the reasons for non-payment of invoices within 30 days with sufficient particularity to enable the Committee to determine whether an act of financial misconduct was committed,		

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			the steps taken to address this audit finding and measures put in place to prevent a recurrence.		
Discussed 03 October 2021	**Resolution 125/2021 Transversal Resolution**	**Expenditure Management – Non-Payment of Invoices Within 30 Days**	**Noting:** (d) The findings of the Auditor-General that some departments are not making payment within 30 days or within an agreed upon period after receipt of invoices, as required by Treasury Regulation 8.2.3. (e) This constitutes a contravention of section 38(1)(f) of the PFMA which provides that the accounting officer must pay all money owing by the department within the prescribed or agreed period. (f) An accounting officer commits an act of financial misconduct if she/he willfully or negligently fails to comply with a requirement of section 38 of the PFMA. **The Committee resolves:**	The main reason for the non-payment of invoices within the prescribed period in the previous financial year was the unavailability of funds due to budget cuts occasioned by the re-prioritization of funds for COVID-19, although there were 5 instances where the invoices were allegedly verified late by the affected Managers. Consequence management is currently pending in this regard. It should also be noted that there has been instances where invoices were late, these instances were exacerbated by the fact that some of the functions are not within the Departments' control, which include not being in control of setting up the BAS payment run dates as well as other cash management functions as these are within the control of Provincial Treasury. This matter has been raised with KZN Treasury on various occasions including in the IN34 monthly reports. The Department has implemented the procedures detailed below to enhance its internal controls and the main reason of recorded instances relates to insufficient funds on the day of the payment run. **Steps Taken to address the audit findings:** • Weekly invoice registers are closely monitored and are submitted to the CFO after every scheduled payment run; • Business Units are reminded regularly of invoices that must be returned for processing; • The MANAGESEL system is closely managed when disbursing payments to ensure that the ageing of invoices is considered;	No - In progress

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			That all relevant Accounting Officers submit a report to the Committee by <u>30 June 2021</u> on the reasons for non-payment of invoices within 30 days with sufficient particularity to enable the Committee to determine whether an act of financial misconduct was committed, the steps taken to address this audit finding and measures put in place to prevent a recurrence.	• Dates of BAS Runs are shared with HR in order to improve communication. • Officials responsible are charged for non-compliance with Treasury Regulations 8.2.3	
Discussed 03 October 2021	***<u>Resolution 126/2021 –</u>***	***<u>Transversal Audit Findings and related matters</u>***	**Noting that**: Accounting Officers of some departments have made commitments in the current year audit (2019/20) and in prior year audits to resolve audit findings and related matters such as transfer payments, procurement, supply chain management, expenditure management, IT, vacancies, annual financial statements and internal control deficiencies, some of which have not yet been resolved. **The Committee resolves**: That the Accounting Officers of the relevant departments report to the	1. The Department has implemented 100% of the action plans for the Traditional Levies and Trust Account for the 2019-20 Auditor General Audit. 2. There are 7 action plans for the Department (Vote 11) based on the 2019-20 audit by the Auditor-General. This translates to only 14% of the total action plans for the Department that are outstanding. 3. These 7 action plans relate to ICT and are dependent on the implementation of the Microsoft platform. The Microsoft migration project is underway and is expected to be completed by 24 November 2021. 4. The balance of the 2 action plans that were not implemented will be resolved as follows: a) The identified EPWP vacant posts were not filled by the Department in the 2019-20 financial year due to budgetary constraints. The posts have since been filled and the incumbents have assumed duty. b) Invoices are being monitored up by the Department on a monthly basis to identify the root causes of the delays in the payment of invoices and the officials that have contributed to the delays. Where applicable, letters have been addressed to the relevant officials to request their representations on the allegation. The required	Yes

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			Committee by <u>30 June 2021</u> on the reasons for the commitments being unresolved, the steps taken to resolve the commitments and time frames for finalisation thereof.	consequence management will be actioned in this current financial year. It is believed that such steps will deter the practice of delaying the processing of invoices. The Department can also confirm that 100% Invoices have been paid from June to August 2021.	
Discussed 03 October 2021	***<u>Resolution 128/2021:</u>***	***<u>Departments: SMS Compliance with HRM Matters</u>***	**Noting that:** The Departments supplied the Committee with statistics of SMS members' compliance with Human Resources Management(HRM) matters as required by HRM and PFMA Regulations. **The Committee resolves: -** That the Accounting Officers report to the Committee by <u>30 June 2021</u> on the outcome of the implementation of the implemented turnaround strategy and measures taken to ensure full compliance with HRM and PFMA Regulations in relations to performance agreements, security vetting, financial disclosure and verifications of qualifications.	The Department has achieved 100% in the following compliance matters for SMS members; a) Financial Disclosure b) Performance Agreements c) Verification of Qualification With regard to the Security Vetting of SMS members, there are 26 SMS members who were vetted in the previous years and are still within the vetted period or duration of the results. 05 SMS members were vetted this quarter and are still awaiting confirmation of their security status from the SSA, and 04 Z204 forms have been handed over to SMS members for processing and onward submission to the SSA. The Department is anticipating to finalize the vetting of the remaining members by the end of the financial year.	Yes
Discussed 03 October 2021			**FORENSIC INVESTIGATIONS** ***<u>Resolution 129/2021 - Transversal</u>***	Progress on the matters listed has been covered in detail under Resolution 85/2021 above.	n/a

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			<u>Resolution – Forensic Investigations</u> **Noting that**: (a) The Provincial Internal Audit Services (Provincial Integrity Services) has completed the forensic investigations and has made recommendations which are either still in progress or are yet to be implemented by the relevant departments. (b) During the period under review, the Committee noted that there were eleven (11) forensic investigations from 1 April 2019 to 31 March 2020, all relating to alleged supply chain management, procurement irregularities and payment irregularities, conflicts of interests, mismanagement of funds, motor licensing irregularities and nepotism which the department has referred to the PIAS for investigation. (c) Nine (9) of these investigations were completed		

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			and two (2) investigations are in-progress. The Committee noted the status of nine (9) completed forensic investigations as follows: i. Two (2) investigations were closed during this period as the recommendations in the report were implemented and in two (2) investigations, the recommendations are currently being implemented by the department. ii. Six (6) of the completed investigations had disciplinary actions recommended of which two disciplinary proceedings were finalised during this period. iii. In respect of the remaining four (4) matters PIAS is awaiting the legal opinion from the Senior Counsel before a decision is made on whether or not to implement consequence management. iv. The committee further noted that in seven (7) of the		

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			completed matters, criminal proceedings were also recommended, of which one (1) criminal matter is in progress. v. In respect of the six (6) remaining matters, criminal cases are yet to be registered. These matters were also referred by PIAS for a legal opinion by from Senior Counsel on the practicality of implementing the recommendations in the reports. vi. The Department and PIAS are promptly urged to promptly finalise the outstanding in-progress investigations and should work together to implement the recommendations made in the finalised investigations. **The Committee resolves**: That the Accounting Officers of the relevant Departments report to the Committee by <u>30 June 2021</u> on: [1] The steps taken to implement the		

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			recommendations, progress made therein, the reasons for any delays and where no steps are being contemplated, a detailed explanation supported by legal opinion. [2] Where forensic investigations are being delayed due to insufficient documentation or information being provided by Departments, an explanation as well as a report on action taken against the guilty officials and steps taken to remedy the default.		
Discussed 03 October 2021	***Resolution 130/2021 - Transversal Resolution –***	***Shared Investigations***	**Noting that**: 1. Department of Agriculture and Rural Development (DARD) The shared internal audit unit for departments in the province conducted eight investigations covering the period 1 April 2009 to 30 June 2020. These investigations related to allegations of fraud, irregular expenditure and procurement irregularities. One investigation was completed, three were referred for criminal investigation, while four cases were in progress. 2. Economic Development, Tourism and	Progress on the matters listed has been covered in detail under Resolution 85/2021 above.	n/a

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			Environmental Affairs (EDTEA) The shared internal audit unit for departments in the province conducted 18 investigations covering the period 2016 to 2019. The investigations related to allegations of the possible irregularities relating to processes followed in securing departmental district offices, possible mismanagement of funds by a cooperative, fraud and corruption in the local economic development project, and possible irregularities relating to events management expenditure. Six of these investigations were completed and the implementation of recommendations are in progress, while 12 cases were still in progress. 3. Department of Education (DOE) Twenty-three cases were referred by the department to the shared forensic unit in the province to be investigated. These investigations related mainly to allegations of procurement irregularities and the mismanagement of funds. Ten of these investigations had been completed and 13 were still in progress.		

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			The implementation of the recommendations of the completed investigations was finalised for two cases while in progress for eight of them. 4. Department of Health (DOH) The shared internal audit unit for departments in the province conducted 11 investigations at the request of the department, covering the period 1 April 2014 to 31 March 2020. These investigations related to irregularities around deviation from work and variation orders in respect of projects managed by the department, and alleged fraud and corruption in the appointment and termination of service providers. Four of the investigations had been completed and seven were still in progress. Implementation of the recommendations are in progress for the completed investigations 5. Department of Human Settlements (DHS) Three investigations were conducted by the shared forensic audit unit for		

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			provincial departments covering the period March 2010 to March 2019. These investigations related to procurement irregularities and alleged fraud and corruption. Two investigations were still in progress as at year-end and one was completed. Recommendations from the completed investigation are in the process of being implemented. 6. Department of Community Safety and Liaison (DCSL) The shared internal audit unit for departments in the province conducted four investigations at the request of the department, which covered the period 2011 to 2020. The investigations cover issues of procurement irregularities and human resource management. All investigations were completed and recommendations are being implemented. 7. Cooperative Governance and Traditional Affairs (COGTA) The provincial internal audit unit for departments conducted nine investigations from 1 January 2010 to 31		

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			March 2020. These investigations related to allegations of irregularities in supply chain management, unauthorised changing of a service provider's bank details, diverting of catering services, abuse of official vehicles and subsistence and travel claims as well as allegations of maladministration against senior officials in the department. Of the nine investigations conducted, seven were finalised and concluded on and two were still in progress. The accounting officer had commenced with legal and disciplinary action against officials on the seven finalised investigations. 8. Department of Sports and recreation (DSR) Three investigations were conducted by the shared forensic audit unit for provincial departments covering the period March 2015 to March 2019. These investigations related to related to allegations of various procurement irregularities. Two investigations were still in progress at year-end and one was completed. The recommendations from the completed investigation are in the		

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			process of being implemented. 8. Department of Social Development (DSD) The provincial internal audit unit for departments conducted 11 investigations covering the period 1 December 2009 to 31 March 2020. These investigations related to allegations of fraud and corruption within the department's supply chain management function, the mismanagement of departmental funds by non-profit organisations, the human resource function, foster care grants, home community-based services, the youth development programme as well as subsistence and travel expenditure. Of the 11 investigations conducted, eight were completed and three were still in-progress at the date of this report. The accounting officer commenced with disciplinary action against officials on all eight of the finalised investigations. Of the eight finalised investigations, there were four investigations with criminal proceedings.		

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			9. Department of Public Works (DPW) The shared internal audit unit for departments in the province performed 16 investigations, which covered the period 2011 to 2020. The investigations were initiated based on allegations of possible irregularities with tender processes within the department, leasing of state houses, other lease rentals, appointments, possible fraudulent activities on the Works Information Management System (WIMS) and possible fraudulent activities with the illegal sale of provincial state land. Of the 16 investigations, 8 cases are currently in progress and 8 were finalised and implementation of recommendations for all the finalised cases is in progress. **The Committee resolves**: That the Accounting Officers of the relevant Departments report to the Committee by 30 June 2021 on: [1] The steps taken to implement the recommendations, the progress made therein, the reasons for any delays and where no steps are being		

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			contemplated, a detailed explanation supported by legal opinion. [2] Where forensic investigations are being delayed due to insufficient documentation or information being provided by Departments, an explanation as well as a report on action taken against the guilty officials and steps taken to remedy the default.		
Discussed 03 October 2021	***Transversal resolution 132/2021:***	***Officials Doing Business with The State***	**Noting that: -** (a) Regulation 13(c) of the Code of Conduct contained in the Public Service Regulations, 2016, prohibits officials from doing business with an organ of state or from being a director of a public or private company conducting business with an organ of state. (b) Section 8 of the Public Administration Management Act, 2014, makes it a criminal offence and further provides that it constitutes serious	[1] The Department has implemented its policy on Remunerative Work Outside Public Service (RWOPS). The Policy conforms to the norms and standards prescribed in Public Service Regulations, 2016. The Department also adheres to the Provincial Policy Framework on Conflict of Interest which is applicable to all employees at all levels (salary level 1 - 16) with an objective to restrict business interests of employees, and to promote good governance and ethical conduct. On a yearly basis, the designated employees i.e. (SMS members, MMS officials and all officials working in Finance and SCM) file their disclosures through the e-disclosure system. Other categories of employees appointed on salary level 1 – 10 disclose their interest manually using a prescribed form. The Department monitors adherence by all officials to the following compliance due dates: SMS: 30 April (e-disclosure) Level 1-10: 30 April (Manually submitted) Level 12: 30 June (e-disclosure) Level 11, SCM, Finance: 31 July (e-disclosure)	Yes

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			misconduct which may result in termination of employment. The Committee resolves that all Departments report by **<u>30 June 2021</u> on:** - [1] The steps taken to monitor compliance with the legal prescripts relating to the prohibition of officials doing business with the state. [2] Whether the Central Supplier Database is checked each time for verification to ensure that officials employed by the state or their companies are not awarded tenders or contracts. [3] Reports or notifications received in 2019/20 from National Treasury, the Department of Public Service and Administration and the Public Service Commission or from any other source regarding officials doing business with the state and if so, full details thereof. [4] The steps taken to implement	[2] Before an award is made, officials in the Procurement Section must obtain a CSD Report which is linked to the Persal system in order to verify that the directors of the bidding company are not employees of the state. This is done for all awards. [3] The notification received from DPSA on 3 July 2020 indicated that only 2 out of 36 employees that were appearing on the notification were employees of the Department. The rest were abnormal appointments i.e. amakhosi, izinduna and interns as they are an additional human resources to the establishment over a two-year period. The 2 employees are both employed as Community Development Workers. The 1 case was resolved as it was established that the incumbent is serving as the Chairperson of the Bhobhoyi Clinic Committee and she did not benefit as this was a voluntary work. The 2nd case was referred to Labour Relations. The investigation has been finalised and a final warning was issued in line with the DPSA guidelines. [4]. The matters have been covered in [3] above.	

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			consequence management in relation to transgressions, including details of disciplinary action and sanctions imposed, as well as criminal cases opened.		
03 March 2022	*Resolution 259/2021: Department of Co-Operative Governance and Traditional Affairs:*	*Fruitless and Wasteful Expenditure: R5.539 million*	Noting that: (a) The closing balance of fruitless and wasteful expenditure for the 2020/21 and prior financial years amounts to R5.539 million. (b) This includes an amount of R1.905 million relating to overpayments of iziNduna. The Committee resolves: - That the Accounting Officer report to the Committee on: [1] Progress made in the investigation of all fruitless and wasteful expenditure, the findings and recommendations of the investigations and the steps taken to implement the	5. As at the 31st of March 2021, the balance of the Fruitless and Wasteful Expenditure (FWE) was R5 539 606.54. 99.1% (R5 311 079.58) of the FWE relates to the overpayment of Izinduna in the 2018/2019 (R3 405 757, 18) and 2019/2020 (R1 905 322, 40) financial years respectively. The other balance on the FWE relates to no shows at hotels (R2 640) and interest to Bigen Africa (R17 174 .89), the cases (No Shows and Bigen Africa) are currently in progress:- - One of the two "no shows" case was resolved on the 4th of February 2022. - The other one "no show" case is still under investigation for finalisation. The outcome of the investigation will be tabled at a Departmental Loss Control Operation MBO scheduled to sit on 04 March 2022. - In respect of the Bigen Africa case, the matter is dependent on the availability of the primary witness who is still on medical leave. The Izinduna payments were investigated by Labour Relations and their recommendations were: a) A complete forensic investigation is to be undertaken on the appointment and payment of Induna and TC members. b) A complete risk assessment in respect of internal controls and procedures for such appointments and payments be undertaken and; c) Disciplinary procedures to be considered as identified in the report.	No - In progress

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			recommendations, including disciplinary action and the sanctions imposed, as well as steps taken to recover losses from the officials responsible or from other persons, if applicable, as well as timeframes for concluding these matters. [2] Measures put in place to prevent a recurrence.	The staff in Human Resource Administration involved in Izinduna payments were all disciplined in line with the Labour Relations Act as recommended by the investigation report. Letters of warning were issued to six employees in the Remunerations component. The Forensic Investigation Unit has also considered the files and is processing a request for approval to outsource the forensic investigations due to capacity challenges in the Unit. As at the 1st week of March 2022, the Department is reflecting a balance of R5 329 454.47 from the initial R5 539 606.54 of FWE. As indicated above, the greater part of the amount is as a result of the overpayment of Izinduna. 2. The Department has had no newly recorded cases relating to the Fruitless and Wasteful Expenditure (FWE) within the current financial year (2021/2022), due to preventative measures taken. The following preventative measures have been enforced to guard against future occurrences of Fruitless and Wasteful Expenditure (FWE):- 1. Various SOP's were created and implemented around the appointment, payment and termination of Izinduna; 2. Districts provide HR with timeous notification of deaths, resignations and removals; 3. HR freeze the stipends immediately upon notification, and also recalls payments if there is sufficient notification i.e. at least 2 days before the payment date 4. A monthly Reconciliation file is prepared as a control measure in collaboration with the Traditional Affairs Branch; and 5. A Monthly validation process of Persal payments is undertaken against the database maintained by the Traditional Affairs Branch.	

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
03 March 2022	*Resolution 260/2021: Department of Co-Operative Governance and Traditional Affairs:*	*Prior years' Irregular Expenditure of R243.927 million not yet condoned*	Noting that: Prior years' irregular expenditure amounting to R243.927 million has not yet been condoned. The Committee resolves: - That the Accounting Officer report to the Committee on: [1] Progress made in the investigation and determination testing of the prior years' irregular expenditure and submission thereof to Provincial Treasury for condonation, and time frames for concluding the investigations. [2] The findings and recommendations of completed investigations, steps taken to implement the recommendations, including disciplinary steps and the sanctions imposed and steps taken to recover losses from officials responsible for	The balance of R243 927 Million will be considered by the Department for an application for condonation by the Provincial Treasury once all determination testing and disciplinary steps have been finalized. Several transactions are currently being subjected to determination testing. The testing is 56% complete. 10% of transactions are still work in progress and the anticipated overall completion date is 31 March 2022. Consultants will perform the remaining 34% of transactions due to capacity constraints and the nature of the transactions. For this category, the application for condonation shall be prepared depending on the test results. A balance of R181 773 971.64 is with the Office of the Premier (OTP) for investigation. In respect of R44 015 489.21 (R38 524 655.38 + R5 490 833.83) where consultations with Legal Services were pending regarding the loss element. The process has been finalized and the matter will also be included in the next application for condonation. Lastly, R5 572 114.61 is currently with Legal Services to process and finalize disciplinary processes which has commenced. There has been no Irregular expenditure incurred within the current financial year 2021/22 due to the preventative measures implemented. The following preventative measures have been enforced to guard against further occurrences of Irregular Expenditure: 1. The Department has introduced and implemented an SCM compliance checklist. 2. The Department has reviewed the SCM processes to improve the SCM control environment. 3. The Department conducts monthly contract management reviews to detect any anomalies. 4. The Department has introduced a control whereby the Internal Control Unit also conducts a pre-audit before the Accounting Officer signs off the bid. 5. Department is audited by the Provincial Internal Audit (PIA), this enables the Department to detect any risk or control deficiencies and act by accordingly putting a corrective	No - In progress

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			the irregular expenditure. [3] Measures implemented to avoid a recurrence.	measure. 6. Whenever a risk is detected/identified, an Audit Improvement Strategy is implemented and monitored on weekly basis to ensure the risk is mitigated or reduced to an acceptable level or eliminated. 7. The Department has invested in a contract management system which seeks to identify contracts that are about to expire and issues alerts or notifications to the relevant stakeholders. 8. The Department performs/conducts a 100% voucher audit testing, this is intended to detect any transactions that might be potentially/alleged to be irregular.	
03 March 2022	*Resolution 261/2021: Department of Co-Operative Governance and Traditional Affairs:*	*Material Uncertainty Related to Financial Sustainability: Back Pay of IziNduna Allowances of R1.58 billion*	Noting that: (a) The department has a liability to settle the back pay of allowances amounting to R1,58 billion at 31 March 2021 relating to iziNduna. This matter indicates that a material uncertainty exists that may cast significant doubt on the department's ability to fund this liability and is a recurring finding. (b) The department is in negotiations with Provincial and National Treasury as well as the Provincial Executive Council to seek funding.	Over the years, the Department introduced improved controls due to numerous findings raised by the Auditor-General in the past and currently the control environment has been rated as fully effective for all payments currently made for Izinduna. The Department has also recently performed verifications to confirm the financial implications. The information on the provision disclosed has been updated. The verification process involved the following: - Verifying the accurate number of months each Induna was present in a financial year (appointment and termination dates). - Verifying the number of vacancies over the period as not all Izigodi had an appointed Induna. - Reconciling the figures as there were Izinduna who were paid R1100 which was later increased to R1300 from July 2015 onwards until the decision to pay according to the proclamation was taken and implemented. The calculations have been finalized and are confirmed as follows: 2227 – Current izinduna = R474 397 841.23	No - In progress

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			(c) The department has also finalized the process of verification of all IziNduna to confirm the figures concerning the back-pay due to IziNduna. The Committee resolves: - That the Accounting Officer report to the Committee on progress made in resolving the finding.	776 – Terminated izinduna = R 157 957 955.53 3003 - Total izinduna = R 632 355 796.76. The above information, including a detailed report, has been provided to Provincial Treasury. Written confirmation of receipt of the information has been received from Provincial Treasury with an indication that the information is currently being analysed. A further request was also made by Provincial Treasury for the meeting between both Departments to be convened after the tabling of the Provincial Budget. A date in this regard is awaited.	
03 March 2022	*Resolution 262/2021: Department of Co-Operative Governance and Traditional Affairs:*	*Investigations*	Noting that: (a) The provincial internal audit unit for departments conducted nine investigations from 1 January 2010 to 31 March 2020. These investigations related to allegations of irregularities in supply chain management, unauthorised changing of a service provider's bank details, diverting of catering services, abuse of official vehicles and subsistence and travel claims as well as allegations of maladministration against	**FR10/2010 – (R1 064 447)** **Criminal matter** As was previously reported, the HAWKS, despite engagements by the Department, closed the criminal case as they held the view that the evidence was inconclusive. The Department cannot take this matter any further. **Disciplinary hearing** The implicated employee was dismissed by the Department following a disciplinary enquiry. The employee referred a dispute of an alleged unfair dismissal to the Bargaining Council, which determined that the dismissal was unfair and ordered the employee's reinstatement. The Department took the Bargaining Council award on review in the Labour Court. The Department is pursuing the review which remains pending in the Labour Court. The other two employees were found not to be negligent and thus no disciplinary action could be taken against them. **FR40/2010 – R5 500 000** **Criminal action** The criminal case has been finalized with the First accused passing away during the trial and the Second accused being convicted and sentenced to 10 years imprisonment and a fine of R15	No - In progress

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			senior officials in the department. Of the nine investigations conducted, seven are finalised and two are still in progress. (b) The accounting officer has commenced with legal and disciplinary action against officials on the seven finalised investigations. The Committee resolves: - That the Accounting Officer report to the Committee on: [1] The findings and recommendations of each completed investigation, the amounts involved, progress made in the disciplinary matters and the nature of the sanctions imposed per matter, as well as progress made in the recovery of losses or amounts for which officials are liable. [2] Measure put in place to avoid	000.00 **Disciplinary action** The disciplinary action has been finalized after advising the HOD of DA&RD of the recommendations of the report. No further action can be taken by the Department in this regard. **Civil action** There is a pending matter in the High Court in respect of this matter. The Attorneys representing the Department prepared a Memorandum in terms of which they recommended a possible settlement of this matter out of court. The Memorandum was duly considered by the MEC and it was decided, due to the significance of the matter as it relates to property ownership, that the matter should proceed to trial. The attorneys were duly instructed to proceed with the matter. The matter remains pending in the High Court. **FR01/2015 – R100 000** **Criminal matter** The matter was reported to the SAPS in Port Shepstone under CAS No. 243/10/2016. The case was initially closed by the Specialised Commercial Crime Court, Durban on 29 May 2019. The Investigating Officer had also informed PIAS that she was no longer in possession of the docket and it was not in archives. After engagements between COGTA, Treasury and the SAPS, the docket was reconstructed. A Warning Statement has been submitted to the SAPS by the suspect in the Fraud case through her Attorney. The Department has provided the required assistance in the criminal investigation of the case; however there currently appears to be miscommunication between the SAPS and the prosecution. The Department still awaits the decision of the Public Prosecutor. **Disciplinary matter**	

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			a recurrence in each instance.	The employee was dismissed following a disciplinary enquiry and subsequently referred a dispute of an alleged unfair dismissal with the Bargaining Council. The dispute is currently pending. **Civil action** No civil action was recommended. **FR30/2016 – R19 000 000** After being invited to make representations, the employee submitted such representations and argued that a disciplinary sanction had already been imposed for the same matter and that doing so again will amount to double jeopardy. On the basis of the representations and the application of the principle of double-jeopardy, no further disciplinary steps could be taken against the employee. The matter is accordingly finalized. **FR09/2017 – (A&B – R12 425 278.78)** As previously reported, the two main employees who were implicated by the report are no longer in the employ of the Department. Consequently, no disciplinary steps can be taken against them by the Department. One of the recommendations related to the members of the BAC and consequently, the two members who are still in the employ of the Department were invited to make representations relating to the findings against them. Taking into account their representations, it has been determined that their defence is inadequate and, consequently, consequence management letters were issued against them. The matter is now finalized. **OTP – FR12/2018 (A, B & C)** The investigation is undertaken by the Office of the Premier.	

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				PIAS – FR34/2018 The investigation is undertaken by the Office of the Premier. All the areas of weaknesses identified in the reports are monitored in the departmental risk register in order for controls to be implemented.	
03 March 2022	*Resolution 290/2021 - Transversal Resolution –*	*Filling of Critical Posts*	Noting: That vacancies exist in critical management posts within departments and public entities and the adverse effect this is having on audit findings, particularly on compliance with legislation, internal controls and financial and performance management. The Committee resolves: That the Accounting Officers and Accounting Authorities of the relevant departments and public entities report to the Committee on progress made in the filling of critical management posts and the time frames for the filling of those posts.	Since 1 April 2021, the following 8 Senior Management posts were filled: - Director: Communications - Director: Human Capital Development - Chief Director: Disaster Management - Director: Organisational Development & Efficiency Services - Director: Conflict Management & Dispute Resolution - Director: Capacity Operations & Implementation - Director: Traditional Governance & Anthropology - Director: Traditional Institutional Support The following 2 senior management posts were re-advertised due to no suitable candidate being found: - Chief Director: Municipal LED Support – Shortlisting to take place on 01/03/2022. - Deputy Director-General: Local Government – Candidate to assume duties on 01 April 2022. Applications for the post of Director: Disaster Management Operations closed on 19/11/2021. Applications have been screened and a date is to be provided for shortlisting because shortlisting was postponed on 01/02/2022 due to unforeseen circumstances. The final submission for the approval of the recommended candidate to the post of Chief	No - In progress

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
				Director: Municipal Infrastructure is currently under consideration. Approval from the Honourable Premier to fill the post of Director: Municipal Finance was obtained on 5/11/2021. The post was advertised with a closing date of 11/02/2022 and is currently at screening stage. It is envisaged that all SMS posts which are at various stages as indicated above will be filled by the end of the current financial year.	
03 March 2022	*Resolution 291/2021 – Transversal Resolution:*	*Compliance with HRM matters*	Noting: The following reports on compliance by SMS members with Human Resources Management (HRM) matters. Department/Entity: Department of Cooperative Governance and Traditional Affairs Signing of Performance Agreements: 100% Security Vetting: 66% Submission of Financial Disclosures: 100% Verification of Qualifications: 82% The Committee resolves: - That the relevant Accounting Officers and Accounting Authorities report to the Committee on measures taken to ensure	SMS members were screened and vetted during interviews and some also participated in polygraph testing as prescribed for their level of security classification, and the SSA accordingly issued 26 SMS members with appropriate security clearances. The State Security Agency (SSA) has raised a concern in respect of the number of Z204 vetting forms received for vetting processes from all Departments and further stated that they have a limited capacity to finalize cases and this is causing delays in the process. - As indicated above, 26 SMS members were vetted in the previous years and are still within the vetted period or duration of the results. - An additional 14 members have also been vetted as of 2021-2022 financial year and these members have received their certificates from the SSA. - 10 additional vetting forms have been issued to SMS members for onward submission to SSA.	No - In progress

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			full compliance with HRM matters in relations to signing of performance agreements, security vetting, submission of financial disclosure forms and verification of qualifications.		
03 March 2022	*Transversal Resolution 292/2021:*	*Officials doing business with the State*	Noting that: - (a) Regulation 13(c) of the Code of Conduct contained in the Public Service Regulations 2016, prohibits officials from doing business with an organ of state or from being a director of a public or private company conducting business with an organ of state. (b) Section 8 of the Public Administration Management Act, 2014, makes it a criminal offence and further provides that it constitutes serious misconduct which may result in termination of employment. The Committee resolves: That all Accounting Officers report to the Committee on: - [1] The steps taken to monitor	1. The Department reviewed its policy on Remunerative Work Outside Public Service (RWOPS). The Policy conforms to the norms and standards prescribed in Public Service Act, 2016 and its Regulations. The Department also adheres to the Provincial Policy Framework on Conflict Of Interest, which is applicable to all employees at all levels (salary level 1 - 16) with an objective to restrict the business interest of employees, and to promote good governance and ethical conduct. On a yearly basis, designated employees i.e. (SMS members, MMS officials salary level 11 &12 and all officials working in Finance and SCM) file their disclosures through the e-disclosure system. Other categories of employees appointed on salary level 1 – 10 disclose their interest manually using a prescribed form. The compliance due dates are as follows: SMS: 30 April (e-disclosure) Level 1-10: 30 April (Manually submitted) Level 12: 30 June (e-disclosure) Level 11, SCM, Finance: 31 July (e-disclosure) All submitted e-disclosures are verified against the Companies and Intellectual Property Commission (CIPC) database. 2. Before an award is made, the SCM Unit obtains a CSD Report, which is linked to the Persal system in order to verify that the Directors of the bidding company are not employees of the state. 3. There were no notifications received from the DPSA or National Treasury for the reporting	Yes

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			compliance with the legal prescripts relating to the prohibition of officials doing business with the state. [2] Whether the Central Supplier Database is checked each time for verification to ensure that officials employed by the state or their companies are not awarded tenders or contracts. [3] Reports or notifications received in 2020/21 from National Treasury, the Department of Public Service and Administration and the Public Service Commission or from any other source regarding officials doing business with the state and if so, full details thereof. [4] Steps taken to implement consequence management in relation to transgressions, including details of disciplinary action and sanctions imposed, as well as criminal cases	period. 4. N/A	

Date of meeting	Resolution No.	Subject	Details	Response by the department	Resolved (Yes/No)
			opened.		

2.5.9 PRIOR MODIFICATIONS TO AUDIT REPORTS

The outcomes of 2020-21 Auditor General regulatory audit yielded positive results for the Department, as the Department received a clean audit opinion (no modifications).

2.5.10 INTERNAL CONTROL UNIT

The Department is committed to improve internal controls and risk management. It manages internal controls by setting objectives and by ensuring that the required control mechanisms and activities are in place. During the year under review, the Department continually assessed and evaluated internal controls to ensure that the existing control activities are effective, efficient, transparent and updated when necessary.

Internal audits were conducted according to the internal Audit Operational Plan to ensure that systems and controls are in place and adequately implemented. The Audit Improvement Strategy for the findings raised in the Internal Audit Reports was compiled in order to monitor the implementation of Management Action Plans.

Auditor General's Audit Improvement Strategy was also compiled and monitored to ensure that all findings raised were addressed.

In the 2021/22 financial year the Internal Control Unit continued to review bids for SCM compliance. All bids that were provided to Internal Control were scrutinized before the Accounting Officer signed to award the bids. This assisted in the reduction of instances of Irregular Expenditure stemming from not following SCM processes.

The Internal Control unit performed determination tests on alleged irregular expenditure to the value of R 913 707,25 that might be incurred by the Department.

The Determination tests reports were provided to the Accounting Officer and reflected:

- the root causes of the alleged irregular expenditure incurred,
- officials that were responsible,
- recommendations for the improvements in controls, and
- Consequence management where necessary.

In addition, the Internal Control unit also reviewed 30% of the payment vouchers from Quarter 1 to Quarter 3 of the financial year to determine if the Finance & SCM business units did implement compliance checklists to identify possible irregular expenditure. This also assisted the Department in improving controls to curb the occurrence of irregular expenditure.

2.5.11. INTERNAL AUDIT AND AUDIT COMMITTEES

Key activities and objectives of the Internal Audit

The Provincial Internal Audit Services (PIAS) exists as an independent, objective assurance and consulting service designed to add value and improve the KZNPG's operations. It helps the KZNPG departments to enhance and protect organisational values by providing risk-based and objective assurance, advice and insight and thereby accomplishes its objective by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes.

Summary of audit work done

PIAS-Assurance Services had completed 7 audit assignments for the year in terms of the annual internal audit operational plan as approved by the Cluster Audit and Risk Committee. These audits included full reviews as well as follow up reviews on both previous internal audit reports and the Auditor General reports. Full scope audit assignments for the current financial year included audits on Supply Chain Management, Covid-19 Procurement, Interim Financial Statements, Performance Information and Review of audit improvement strategy.

1. key activities and objectives of the Audit Committee

Internal Controls, Accounting Systems & Internal Audit
Review of the internal audit reports to manage critical risks and to ensure the adequacy and effectiveness of the departmental internal control structure including: • Financial and internal controls, • Accounting systems and reporting and • Corporate governance
Review any significant matters reported by the internal auditors and the extent to which the recommendations have been implemented by management; and provide any additional recommendations to Accounting Officers.
Direct the Accounting Officer to provide status reports detailing the progress made in implementing the Committee's recommendations.
Through PIAS reports, evaluate IT governance systems and the related internal controls.
Ensure that the relevant departmental management demonstrates accountability over internal control functions.
Consider the fact and potential of any limitation on the scope of internal audit, and if there is, report to the MEC for Finance via the Provincial Audit & Risk Committee.
Fraud Prevention
Ensure that the Accounting Officer develops and implement strategies, policies, procedures and systems to prevent and detect fraud and corruption.
Ensure that the Accounting Officer demonstrates some pro-activeness in maintaining anti-fraud and corruption strategies to protect the Provincial assets entrusted to them.

Review and evaluate the effectiveness of such strategies, policies/procedures.
Should a report to the Audit Committee, whether from the PIAS or any other source, implicate the Accounting Officer in fraud, corruption or negligence, the chairperson of the CARC must promptly report this to the relevant executive authority via the Chairperson of PARC.
Financial Statements
Ensure that the timing and nature of reports from the external auditor(s) are in accordance and comply with the requirements of the PFMA.
Consider key matters arising in the AGSA management report and audit report (including illegal acts or irregularities) and satisfy themselves that they are being properly followed up and resolved.
Consider the reports and function of the External Audit Steering committee to ensure that external audits are performed efficiently and that management co-operates with the AGSA.
Comment on its evaluation of the annual financial statements, the interim financial reports, the preliminary announcement of the AGSA report and any other announcement regarding the KZNPG's results or other financial information to be made public, prior to the submission to and approval by the Accounting Officer and/or Executive Authority.
Consider any accounting treatments, significant unusual transactions, or accounting judgments, which could be contentious to ensure that these are properly addressed.
In line with TR 3.1.13 (b), comment on the quality of IYM and monthly/quarterly reports submitted in terms of the PFMA and DoRA.
Risk Oversight
The Committee is an integral component of the risk management process and shall oversee: • Financial reporting risks • Fraud risk as it relates to financial reporting • IT risk as it relates to financial reporting • All other strategic and operational risks that may impede the department from achieving their business objectives.
Review the procedures for identifying business risks and mitigating their impact on the department.
Ensure that the Accounting Officer and Accounting Authority maintains and regularly reviews the system of risk management within their areas of responsibilities.
Review the results of the risk assessment to determine the material risks to which the departments may be exposed and evaluate strategies to mitigate those risks.
Ensure that the Accounting Officer has incorporated reputational and ethical risks and opportunities in the risk management process.
Combined Assurance
Ensure a coordinated approach to all assurance activities, and in particular the CARC shall: • Ensure that the combined assurance model relevant to the department is appropriate to address all the significant risks facing the department. • Monitor the relationship between the external and internal assurance providers.

• Comment on the effectiveness of the combined assurance model.
Integrated Reporting
Review the integrated report, including the financial statements, and should have regard to all factors and risks that may impact on the integrity of the integrated report, and in particular the Committee must: • Have regard to all factors that may impact on the integrity of the integrated/ annual report, including factors that may predispose management to present a misleading picture, significant judgements and reporting decisions made, monitoring or enforcement actions by a regulatory body, any evidence that brings into question previously published information; forward looking statements or information. a) Review disclosure of sustainability issues in the integrated report to ensure that it does not conflict with the financial information. b) Comment in the annual financial report on the financial statements, the accounting practices and the effectiveness of the internal financial controls. c) Consider whether the content of the summarised information provides a balanced view.
Ethics
Review the internal audit reports on compliance with the ethical code of conduct and policies of the Department based on the number of statutory, common law and other requirements which cover the ethical behaviour of senior management, and officials of the Departments.
Identify through PIAS reports, any violation of ethical conduct, environmental and social issues.
Provide advice on any identified potential conflict of interest.
Reporting Responsibilities
The Committees must report and make recommendations to the Accounting Officer on a regular basis (TR 3.1.12) – preferably quarterly.
The Committees should engage with Accounting Officers of respective departments at least on a quarterly basis.
The Committees may communicate any concerns they deem necessary to the executive authorities, Head of Provincial Treasury and the AG SA (TR 3.1.15).

2. Attendance of Audit Committee meetings by members of the Audit Committee Members

The PARC and GSCID CARC consisted of the members listed hereunder who have met as reflected below.

#	Name of Member	PARC Meetings Attended	GSCID CARC Meetings Attended
1.	Mr S Simelane (Acting Chairman of PARC and Economic CARC)	*2 of 2*	*1 of 1*
2	Mr V Ramphal	*2 of 2*	*1 of 1*
3.	Mr P Christianson	*2 of 2*	*N/A**
4.	Ms T Njozela	*2 of 2*	*N/A**
5.	Mr D O'Connor	*2 of 2*	*N/A**
6.	Mr M Tarr	*2 of 2*	*1 of 1*

** refers to PARC members who did not serve on the GSCID CARC*

2.5.12. AUDIT COMMITTEE REPORT

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).

The Provincial Audit and Risk Committee (PARC) is the shared audit and risk committee for the provincial departments, and is further sub-divided into three Cluster Audit & Risk Committees (CARC's) that provide oversight of key functions to the KZN Provincial Government Departments. The Department of Co-operative Governance & Traditional Affairs is served by the Governance, State Capacity and Institutional Development (GSCID) Cluster Audit & Risk Committee.

The Audit Committee reports that it has adopted formal terms of reference contained in its Audit and Risk Committee Charter. The Committee complied with its responsibilities arising from the Public Finance Management Act and Treasury Regulations; except that the Committee was not fully constituted for the full financial year.

1. Audit Committee Members and Attendance

The PARC and GSCID CARC consisted of the members listed hereunder who have met as reflected below.

#	Name of Member	PARC Meetings Attended	GSCID CARC Meetings Attended
1.	Mr S Simelane (Acting Chairman of PARC and Economic CARC)	*2 of 2*	*1 of 1*
2	Mr V Ramphal	*2 of 2*	*1 of 1*
3.	Mr P Christianson	*2 of 2*	*N/A**
4.	Ms T Njozela	*2 of 2*	*N/A**
5.	Mr D O'Connor	*2 of 2*	*N/A**
6.	Mr M Tarr	*2 of 2*	*1 of 1*

** refers to PARC members who did not serve on the GSCID CARC*

The contracts of five members ended on 31 October 2021 following two-terms of 3 years each. On 18 May 2022, new Provincial Audit and Risk Committee members were appointed by the MEC for Finance for a period of 3 years. The new Provincial Audit and Risk Committee met on 28 & 29 May 2022 to review the Annual Financial Statements for the 2021/22 financial year; and held a special PARC meeting in June 2022 to deal with outstanding internal audit reports relating to the 2022 financial year. The table below provides details of the newly constituted PARC and attendance of meetings held subsequent to the financial year-end:

#	NAME & SURNAME	MEETING	
		AFS Review	Special PARC
1.	Mr Z Zulu – **PARC Chairperson**	√	√
2.	Mr M Tarr	√	√
3.	Ms S Makhathini	√	√
4.	Mr S Mthethwa	√	√
5.	Ms R Ramphal	√	√
6.	Mr S Maharaj	√	√

2. The Effectiveness of Internal Control

The Committee has reviewed the reports of the Provincial Internal Audit Service (PIAS), the Audit Report on the Annual Financial Statements and Management Report of the Auditor General of South Africa (AGSA) and has commended the Department for the results of the audit, as there were no weaknesses identified in the control environment.

The Committee considered the appropriateness of management's interventions to ensure the control environment maintains its effectiveness.

3. Effectiveness of Internal Audit

PIAS activities were reviewed by the Committee during the special PARC and CARC monitoring processes. The Committee evaluated PIAS' reports detailing the assessment of the adequacy and effectiveness of controls designed to mitigate the risks associated with the operational and strategic activities of the department.

The PIAS planned to perform thirteen (13) audit assignments for the period under review, ten (10) were finalised by year end and three (3) IT audits were rolled over to the 2022/23 financial year with the formal approval of the Audit Committee as a result of the impact of the migration process that was not finalised by the Department.

The Committee is satisfied that PIAS performed effectively during the period under review. During the 2022/23 financial year, the Committee will continue to monitor the progress made by the PIAS against its operational plans in order to ensure that it continues to fulfil its mandate and add value to the Department.

4. Risk Management

The responsibilities of the Committee with respect to risk management are formally defined in its Charter. For the period under review, the Committee's responsibilities have been focused, amongst other things, on the quarterly review of the Department's risk register and monitoring progress against the risk management operational plan.

As at the end of the 2021/22 financial year, the Department's risk register status was as follows:

	Risk Grouping					Total
	Critical	Major	Moderate	Minor	Insignificant	
Number of Identified Risks	0	10	44	116	15	185
Number of Identified Action Plans	0	18	18	0	0	36
Number of Completed Action Plans	0	17	16	0	0	33
No. of Completed Action Plans as a Percentage (%)	N/A	94%	89%	N/A	N/A	92%

The Committee notes the progress made by the Department in implementing 92% of its risk mitigation plans and also noted the 116 risks classified as minor with no risk mitigation plans. The Department is advised to: 1) implement the remaining risk mitigation plans, particularly for risks classified as major and moderate and re-rate all risks that have completed action plans; and 2) implement the approved Provincial Risk Management and Combined Assurance Frameworks.

5. Quality of in year management and monthly/quarterly reports

Due to the Committee not being constituted for the full financial year, the Committee did not review all reports in respect to in year management and quarterly performance prepared and issued by the Accounting Officer during the year under review in terms of the PFMA and the Division of Revenue Act. The newly appointed Committee will in the 2022/23 financial year ensure that all its responsibilities are met.

The Committee however noted the material uncertainty relating to the financial sustainability of the Department with total liabilities of the department exceeding the total assets; this is mainly due to the provision raised for the payment of back-pay of allowances to IziNduna amounting to R631,8 billion at 31 March 2022. The Committee noted that the department is currently in negotiations with Provincial and National Treasuries as well as the Provincial Cabinet to seek funding however the matter indicates that a material uncertainty exists that may cast significant doubt on the department's ability to fund this liability.

6. Evaluation of Financial Statements

The Committee has:

- Reviewed and discussed the Annual Financial Statements, including the audit report, with the Accounting Officer, Auditor General and PIAS;
- Reviewed the Auditor General's Management Report;
- Reviewed the Department's processes for compliance with legal and regulatory provisions,
- Reviewed the conclusion on the usefulness and reliability of performance information resulting from the external audit of the Department.

Based on the reports of the PIAS and the Auditor General, the Committee commended the Department for submitting the Annual Financial Statements that were free from material misstatements.

7. Forensic Investigations

The Committee draws attention to the paragraph in the audit report relating to investigations. The department and Forensic Investigation Services at the Office of the Premier are urged to promptly finalise the outstanding investigations and implement recommendations in the finalised investigations.

8. Auditor-General's Report

The Committee has met with the Auditor General of South Africa to discuss and evaluate the issues that emanated from the current regulatory audit.

The Committee will ensure that corrective actions in respect of the detailed findings emanating from the current regulatory audit continue to be monitored on a quarterly basis through the CARC processes.

The Committee concurs with and accepts the conclusion of the Auditor General's opinion on the Annual Financial Statements of an unqualified audit opinion with no findings, and is of the opinion that the Audited Annual Financial Statements be accepted and read together with the report of the Auditor General.

9. Appreciation

The Committee wishes to express its appreciation to the Management of the Department, the Auditor General of South Africa, and the Provincial Internal Audit Services for the co-operation and support they have provided to enable us to compile this report.

Mr Z Zulu
Chairperson: Provincial Audit and Risk Committee
28 July 2022

2.5.13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The Departments RET Objectives are implemented by utilising a holistic and focused strategy to promote Black Economic Empowerment by ensuring that 60% of all bids are awarded to Africans. The Departments SCM procurement preferential strategy where appropriate is to target BBBEE level 1 service providers and for amounts above R5m, provide for the sub-contracting of at least 30% of the contact value to a suitable Level 1 B-BBEE supplier or a Black-owned Company. During the 2020/2021 financial year, 64.36% of the procurement spent was awarded to BBBEE level 1 companies.

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade and Industry.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	**Response Yes / No**	**Discussion** (*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 applicable to COGTA.
Developing and implementing a preferential procurement policy?	Yes	The SCM Policy Implement Preferential Procurement initiatives in line with the latest Preferential Procurement Regulations of 2017. The department apply measures of preference by introducing pre-conditions that advances preferential procurement preferences.
Determining qualification criteria for the sale of state-owned enterprises?	No	This is not applicable to COGTA
Developing criteria for entering into partnerships with the private sector?	No	This is not applicable to COGTA
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	This is not applicable to COGTA

2.6 PART D : HUMAN RESOURCE MANAGEMENT

2.6.1. INTRODUCTION

The Department prescribes to the value of investing in staff as a valued asset and has taken every effort to ensure that policies are in place to promote the health and wellness of officials through various programmes and interventions including health risk assessments.

COVID-19 has changed how we work, and for some of us, where we work from. COVID-19 continues to have an impact on the workplace but the department has taken several measures to ensure that the risks are mitigated and that worker's rights to a safe and healthy work environment takes precedent whilst maintaining high productivity levels. It is with sadness that during the last four COVID-19 pandemic Waves; 13 officials succumbed to the virus.

In the latter part of 2021; a prayer session was hosted by the HOD and this was followed up by counselling sessions for officials and families of the deceased. There were 247 employees that tested positive for Covid-19. The access and provision of professional services for employees in need of psychological or related assistance, and financial wellness advocacy continued unabated.

The implementation of National Guidelines for mitigating COVID-19 risks in the workplace and the application of standard operating procedures, provided a unique but safe experience for our employees. Sporting activities were reignited by the Provincial Department of Sports and Recreations and under strict COVID protocols; were able to host a successful event in Richards Bay. Information, education and communication health promotion material on HIV, AIDS, STI's and TB; financial literacy, substance abuse, psychosocial elements, COVID-19 and chronic diseases were disseminated to all employees via electronic platforms. The wellness centre continues to manage COVID-19 positive cases and standard operating procedures are strictly followed to mitigate further risks.

During the reporting period, the department trained five hundred and employees as a measure to enhance their performance. Furthermore, various priority training programmes were conducted in line with the Workplace Skills Plan (WSP), including:

- Programme and Project Management
- Emotional Intelligence.
- Ethics in the Public Service (Elementary)
- Conflict Management and Dispute Resolution
- Problem Solving and Decision Making
- Project Management
- Coaching for Leadership
- First Aid Training

In addition, the department provided study assistance opportunities by issuing bursaries to a total of 87 students which included the MEC's discretionary bursaries and the Office of the Premier's youth development initiatives.
The Department continued to administer and monitor the twenty-eight (28) internal progressing students who are officials of the department and were awarded bursaries by the in the previous years.
As at the end of the 2020/2021 financial year the Department had fifty-nine (59) interns. Out of the 59 interns, the Department extended the contracts for the thirty (30) interns by a further 9 months with an aim to assist them with their training plans as they were affected by the prevalence of the COVID-19 pandemic.

During the year under review, performance management and development was undertaken aimed at objectively evaluating the performance of employees as required by the Public Service Regulations, 2016. The performance information and assessments of officials was handled in accordance with the DPSA Determination and Directive on the Performance Management and Development System of employees of 2018 for levels 1-12 and Chapter 4 of the SMS Handbook for Senior Management Service (SMS) Members.

All eligible employees were assessed in line with the set objectives as stipulated in their respective performance agreements and work plans for the 2019/20 performance cycle and performance assessments were finalised and rewards were processed during the 2020/2021 financial year.

2.6.2 HUMAN RESOURCES OVERSIGHT STATISTICS

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

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

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2021 and 31 March 2022

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	462 788,00	174 761,00	0,00	0,00	37,80	444,00
Development & planning	494 918,00	145 992,00	0,00	0,00	29,50	170,00
Local governance	313 540,00	252 747,00	0,00	0,00	80,60	488,00
Traditional institutional management	510 669,00	155 757,00	0,00	0,00	30,50	40,00
Total	**1 781 915,00**	**729 258,00**	**0,00**	**0,00**	**40,90**	**128,00**

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

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
01 Lower skilled (Levels 1-2)	1 080,00	0,10	11,00	98 182,00
02 Skilled (Levels 3-5)	38 480,00	3,50	196,00	196 327,00
03 Highly skilled production (Levels 6-8)	314 356,00	28,50	900,00	349 284,00
04 Highly skilled supervision (Levels 9-12)	222 203,00	20,10	267,00	832 221,00
05 Senior management (Levels >= 13)	71 101,00	6,40	58,00	1 225 879,00

09 Other	380,00	0,00	2,00	190 000,00
10 Contract (Levels 1-2)	1 305,00	0,10	0,00	0,00
11 Contract (Levels 3-5)	18 090,00	1,60	8,00	2 261 250,00
12 Contract (Levels 6-8)	16 992,00	1,50	8,00	2 124 000,00
13 Contract (Levels 9-12)	6 521,00	0,60	4,00	1 630 250,00
14 Contract (Levels >= 13)	2 416,00	0,20	1,00	2 416 000,00
18 Contract Other	49 956,00	4,50	766,00	65 217,00
19 Periodical Remuneration	17 687,00	1,60	488,00	36 244,00
20 Abnormal Appointment	329 879,00	29,90	2 978,00	110 772,00
TOTAL	1 090 446,00	98,80	5 687,00	191 744,00

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 (R'000	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personne l costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	105 370,00	82,70	374,00	0,30	2 647,00	2,10	4 966,00	3,90
Development & planning	36 353,00	84,00	40,00	0,10	1 054,00	2,40	1 618,00	3,70
Local governance	108 155,00	88,30	0,00	0,00	1 729,00	1,40	2 507,00	2,00
System & institutional development	237 731,00	81,50	18,00	0,00	7 945,00	2,70	16 395,00	5,60
Traditional institutional management	8 473,00	87,50	4,00	0,00	148,00	1,50	128,00	1,30
Total	159 852,00	31,40	0,00	0,00	1 955,00	0,40	5 696,00	1,10

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2021 and 31 March 2022

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs

01 Lower skilled (Levels 1-2)	799,00	74,00	5,00	0,50	68,00	6,30	69,00	6,40
02 Skilled (Levels 3-5)	29 339,00	75,90	251,00	0,60	1 966,00	5,10	2 896,00	7,50
03 Highly skilled production (Levels 6-8)	257 446,00	81,10	89,00	0,00	9 995,00	3,10	22 396,00	7,10
04 Highly skilled supervision (Levels 9-12)	192 332,00	83,90	7,00	0,00	2 568,00	1,10	5 062,00	2,20
05 Senior managemen t (Levels >= 13)	63 486,00	86,00	0,00	0,00	825,00	1,10	645,00	0,90
09 Other	298,00	78,40	0,00	0,00	0,00	0,00	0,00	0,00
10 Contract (Levels 1-2)	1 292,00	98,90	13,00	1,00	0,00	0,00	0,00	0,00
11 Contract (Levels 3-5)	17 747,00	97,70	72,00	0,40	30,00	0,20	128,00	0,70
12 Contract (Levels 6-8)	16 697,00	97,50	0,00	0,00	27,00	0,20	115,00	0,70
13 Contract (Levels 9-12)	6 047,00	87,70	0,00	0,00	0,00	0,00	0,00	0,00
14 Contract (Levels >= 13)	2 228,00	88,70	0,00	0,00	0,00	0,00	0,00	0,00
18 Contract Other	49 469,00	98,90	0,00	0,00	0,00	0,00	0,00	0,00
19 Periodical Remunerati on	17 687,00	100,00	0,00	0,00	0,00	0,00	0,00	0,00
20 Abnormal Appointmen t	1 067,00	0,30	0,00	0,00	0,00	0,00	0,00	0,00
Total	655 933,00	59,40	436,00	0,00	15 479,00	1,40	31 310,00	2,80

3.2. Employment and Vacancies

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

The following tables summarise the number of posts on the establishment, the number of employees, the vacancy rate, and whether there are any staff that are additional to the establishment.
This information is presented in terms of three key variables:

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

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

Table 3.2.1 Employment and vacancies by programme as on 31 March 2022

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Administration - Permanent	320,00	249,00	22,20	1,00
Administration - Permanent	156,00	134,00	14,10	66,00
Development & planning - Permanent	866,00	814,00	6,00	691,00
Local governance - Permanent	640,00	561,00	12,30	6,00
Traditional institutional management - Permanent	15,00	11,00	26,70	0,00
System & Institutional Development - Permanent	483,00	452,00	6,40	311,00
Total	2 480,00	2 221,00	10,40	1 075,00

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2022

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
01 Lower Skilled (Levels 1-2), Permanent	16,00	11,00	31,30	0,00
02 Skilled (Levels 3-5), Permanent	241,00	196,00	18,70	18,00
03 Highly Skilled Production (Levels 6-8), Permanent	1 022,00	900,00	11,90	288,00
04 Highly Skilled Supervision	340,00	267,00	21,50	2,00

(Levels 9-12), Permanent				
05 Senior Management (Levels >= 13), Permanent	72,00	58,00	19,40	0,00
09 Other, Permanent	768,00	768,00	0,00	765,00
11 Contract (Levels 3-5), Permanent	8,00	8,00	0,00	2,00
12 Contract (Levels 6-8), Permanent	8,00	8,00	0,00	0,00
13 Contract (Levels 9-12), Permanent	4,00	4,00	0,00	0,00
14 Contract (Levels >= 13), Permanent	1,00	1,00	0,00	0,00
TOTAL	2 480,00	2 221,00	10,40	1 075,00

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2022

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy rate	Number of additional to the establishment
ADMINISTRATIVE RELATED, Permanent	1 135,00	1 023,00	9,90	759,00
ALL ARTISANS IN THE BUILDING METAL MACHINERY ETC., Permanent	1,00	1,00	0,00	0,00
ARCHITECTS TOWN AND TRAFFIC PLANNERS, Permanent	25,00	17,00	32,00	0,00
AUXILIARY AND RELATED WORKERS, Permanent	1,00	1,00	0,00	0,00
BUILDING AND OTHER PROPERTY CARETAKERS, Permanent	3,00	2,00	33,30	1,00
CARTOGRAPHERS AND SURVEYORS, Permanent	2,00	2,00	0,00	0,00
CARTOGRAPHIC SURVEYING AND RELATED TECHNICIANS, Permanent	20,00	16,00	20,00	0,00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC., Permanent	24,00	22,00	8,30	5,00
CLIENT INFORM CLERKS(SWITCHB RECEPT INFORM CLERKS), Permanent	5,00	5,00	0,00	0,00
COMMUNICATION AND INFORMATION RELATED,	18,00	15,00	16,70	0,00

Permanent				
COMMUNITY DEVELOPMENT WORKERS, Permanent	398,00	385,00	3,30	0,00
ENGINEERING SCIENCES RELATED, Permanent	1,00	1,00	0,00	0,00
ENGINEERS AND RELATED PROFESSIONALS, Permanent	5,00	4,00	20,00	0,00
FINANCE AND ECONOMICS RELATED, Permanent	41,00	34,00	17,10	0,00
FINANCIAL AND RELATED PROFESSIONALS, Permanent	32,00	28,00	12,50	0,00
FINANCIAL CLERKS AND CREDIT CONTROLLERS, Permanent	37,00	28,00	24,30	1,00
FOOD SERVICES AIDS AND WAITERS, Permanent	10,00	9,00	10,00	0,00
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS, Permanent	2,00	1,00	50,00	0,00
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER, Permanent	1,00	1,00	0,00	0,00
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF, Permanent	11,00	10,00	9,10	0,00
HUMAN RESOURCES CLERKS, Permanent	14,00	10,00	28,60	0,00
HUMAN RESOURCES RELATED, Permanent	41,00	34,00	17,10	1,00
INFORMATION TECHNOLOGY RELATED, Permanent	6,00	4,00	33,30	0,00
LEGAL RELATED, Permanent	2,00	2,00	0,00	0,00
LIBRARY MAIL AND RELATED CLERKS, Permanent	26,00	20,00	23,10	0,00
LIGHT VEHICLE DRIVERS, Permanent	3,00	3,00	0,00	0,00
MESSENGERS PORTERS AND DELIVERERS, Permanent	24,00	21,00	12,50	6,00
MINING GEOLOGY & GEOPHYSICAL & RELATED TECHNICIANS, Permanent	7,00	7,00	0,00	0,00
MOTOR VEHICLE DRIVERS, Permanent	1,00	1,00	0,00	0,00

NATURAL SCIENCES RELATED, Permanent	3,00	3,00	0,00	0,00
OPERATIONAL PLANNING, Permanent	1,00	0,00	100,00	0,00
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS, Permanent	90,00	69,00	23,30	1,00
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS, Permanent	34,00	25,00	26,50	0,00
OTHER OCCUPATIONS, Permanent	299,00	292,00	2,30	290,00
PROFESSIONAL NURSE, Permanent	1,00	1,00	0,00	0,00
REGULATORY INSPECTORS, Permanent	15,00	11,00	26,70	2,00
RISK MANAGEMENT AND SECURITY SERVICES, Permanent	1,00	0,00	100,00	0,00
SAFETY HEALTH AND QUALITY INSPECTORS, Permanent	1,00	1,00	0,00	0,00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS, Permanent	41,00	32,00	22,00	0,00
SECURITY OFFICERS, Permanent	13,00	12,00	7,70	1,00
SENIOR MANAGERS, Permanent	73,00	61,00	16,40	5,00
TRADE LABOURERS, Permanent	5,00	5,00	0,00	3,00
TRADE RELATED, Permanent	7,00	2,00	71,40	0,00
TOTAL	2 480,00	2 221,00	10,40	1 075,00

3.3 Filling of SMS Posts

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

Table 3.3.1 SMS post information as on 31 March 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	**1**	**1**	**100**	**0**	**0**
Salary Level 15	**3**	**2**	**66**	**1**	**33**
Salary Level 14	**16**	**13**	**82**	**3**	**18**
Salary Level 13	**50**	**42**	**84**	**8**	**16**
Total	**70**	**58**	**82**	**12**	**17**

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	**1**	**1**	**100**	**0**	**0**
Salary Level 15	**3**	**2**	**66**	**1**	**33**
Salary Level 14	**16**	**12**	**75**	**4**	**25**
Salary Level 13	**50**	**40**	**80**	**10**	**20**
Total	**70**	**55**	**78**	**15**	**21**

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2021 and 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	1	1	100	0	0
Salary Level 15	3	2	66	1	33
Salary Level 14	16	13	82	3	18
Salary Level 13	50	42	84	8	16
Total	70	58	82	12	17

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2021 and 31 March 2022

Reasons for vacancies not advertised within six months
Due to the cost cutting there has been a delay in getting the approval to fill the vacant posts.

Reasons for vacancies not filled within six months
Due to the cost cutting there has been a delay in getting the approval to fill the vacant posts.

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

Reasons for vacancies not advertised within six months
Due to the cost cutting there has been a delay in getting the approval to fill the vacant posts.

Reasons for vacancies not filled within six months
Due to the cost cutting there has been a delay in getting the approval to fill the vacant posts.

3.4 Job Evaluation

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

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 2021 and 31 March 2022

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
01 Lower Skilled (Levels 1-2)	16,00	0,00	0,00	0,00	0,00	0,00	0,00
02 Skilled (Levels 3-5)	241,00	0,00	0,00	0,00	00,00	0,00	0,00
03 Highly Skilled Production (Levels 6-8)	1 022,00	0,00	0,00	0,00	0,00	0,00	0,00
04 Highly Skilled Supervision (Levels 9-12)	340,00	1,00	0,30	0,00	0,00	0,00	0,00
05 Senior Management Service Band A	50,00	1,00	2,00	0,00	0,00	0,00	0,00
06 Senior Management Service Band B	16,00	0,00	0,00	0,00	0,00	0,00	0,00
07 Senior Management Service Band C	4,00	0,00	0,00	0,00	0,00	0,00	0,00
08 Senior Management Service Band D	1,00	0,00	0,00	0,00	0,00	0,00	0,00
09 Other	768,00	0,00	0,00	0,00	0,00	0,00	0,00
11 Contract (Levels 3-5)	8,00	0,00	0,00	0,00	0,00	0,00	0,00
12 Contract (Levels 6-8)	8,00	0,00	0,00	0,00	0,00	0,00	0,00

13 Contract (Levels 9-12)	4,00	0,00	0,00	0,00	0,00	0,00	0,00
17 Contract Band D	1,00	0,00	0,00	0,00	0,00	0,00	0,00
TOTAL	2 480,00	2,00	0,08	0,00	0,00	0,00	0,00

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

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2021 and 31 March 2022

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

Employees with a disability	**0**

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

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2021 and 31 March 2022

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
Total number of employees whose salaries exceeded the level determined by job evaluation				**0**

Percentage of total employed	**0**

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2021 and 31 March 2022

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

Employees with a disability	0.00	0.00	0.00	0.00	0.00

- The table below indicate that there were no cases where the salary levels were higher than those determined by job evaluation:

Total number of Employees whose salaries exceeded the grades determine by job evaluation	**None**

3.5 Employment Changes

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

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2021 and 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
01 Lower Skilled (Levels 1-2) Permanent	5,00	9,00	2,00	40,00
02 Skilled (Levels 3-5) Permanent	130,00	78,00	10,00	7,70
03 Highly Skilled Production (Levels 6-8) Permanent	884,00	64,00	38,00	4,30
04 Highly Skilled Supervision (Levels 9-12) Permanent	268,00	16,00	15,00	5,60
05 Senior Management Service Band A Permanent	37,00	4,00	2,00	5,40

06 Senior Management Service Band B Permanent	12,00	0,00	0,00	0,00
07 Senior Management Service Band C Permanent	2,00	0,00	0,00	0,00
08 Senior Management Service Band D Permanent	1,00	0,00	0,00	0,00
09 Other Permanent	666,00	87,00	116,00	17,40
10 Contract (Levels 1-2) Permanent	10,00	0,00	10,00	100,00
11 Contract (Levels 3-5) Permanent	86,00	6,00	83,00	96,50
12 Contract (Levels 6-8) Permanent	51,00	1,00	44,00	86,30
13 Contract (Levels 9-12) Permanent	8,00	1,00	5,00	62,50
15 Contract Band B Permanent	1,00	0,00	1,00	100,00
17 Contract Band D Permanent	1,00	0,00	0,00	0,00
TOTAL	2 162,00	266,00	326,00	15,10

Table 3.5.2 Annual *turnover rates by critical occupation for the period 1 April 2021 and 31 March 2022*

Critical occupation	Number of employees at beginning of period-April 2021	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
ADMINISTRATIVE RELATED Permanent	961,00	100,00	164,00	17,10
ALL ARTISANS IN THE BUILDING METAL MACHINERY ETC. Permanent	2,00	0,00	0,00	0,00
ARCHITECTS TOWN AND TRAFFIC PLANNERS Permanent	18,00	0,00	1,00	5,60
AUXILIARY AND RELATED WORKERS Permanent	2,00	0,00	1,00	50,00
BUILDING AND OTHER PROPERTY CARETAKERS Permanent	3,00	0,00	1,00	33,30
CARTOGRAPHERS AND SURVEYORS Permanent	2,00	0,00	0,00	0,00
CARTOGRAPHIC SURVEYING AND RELATED TECHNICIANS Permanent	17,00	4,00	5,00	29,40
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC. Permanent	23,00	6,00	7,00	30,40

CLIENT INFORM CLERKS(SWITCHB RECEPT INFORM CLERKS) Permanent	5,00	3,00	3,00	60,00
COMMUNICATION AND INFORMATION RELATED Permanent	14,00	4,00	2,00	14,30
COMMUNITY DEVELOPMENT WORKERS Permanent	391,00	0,00	6,00	1,50
ENGINEERING SCIENCES RELATED Permanent	1,00	0,00	0,00	0,00
ENGINEERS AND RELATED PROFESSIONALS Permanent	5,00	0,00	0,00	0,00
FINANCE AND ECONOMICS RELATED Permanent	41,00	5,00	8,00	19,50
FINANCIAL AND RELATED PROFESSIONALS Permanent	31,00	2,00	4,00	12,90
FINANCIAL CLERKS AND CREDIT CONTROLLERS Permanent	27,00	9,00	7,00	25,90
FOOD SERVICES AIDS AND WAITERS Permanent	11,00	4,00	6,00	54,50
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS Permanent	2,00	0,00	0,00	0,00
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER Permanent	1,00	0,00	0,00	0,00
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF Permanent	10,00	3,00	2,00	20,00
HUMAN RESOURCES CLERKS Permanent	12,00	6,00	9,00	75,00
HUMAN RESOURCES RELATED Permanent	37,00	3,00	5,00	13,50
INFORMATION TECHNOLOGY RELATED Permanent	4,00	1,00	0,00	0,00
LEGAL RELATED Permanent	2,00	0,00	0,00	0,00
LIBRARY MAIL AND RELATED CLERKS Permanent	22,00	8,00	10,00	45,50
LIGHT VEHICLE DRIVERS Permanent	6,00	0,00	3,00	50,00
MESSENGERS PORTERS AND DELIVERERS Permanent	22,00	7,00	7,00	31,80
MINING GEOLOGY & GEOPHYSICAL & RELATED TECHNICIANS Permanent	7,00	0,00	0,00	0,00
MOTOR VEHICLE DRIVERS Permanent	1,00	0,00	0,00	0,00
NATURAL SCIENCES RELATED Permanent	3,00	0,00	0,00	0,00

OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS Permanent	65,00	26,00	27,00	41,50
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS Permanent	13,00	13,00	5,00	38,50
OTHER OCCUPATIONS Permanent	284,00	27,00	13,00	4,60
PROFESSIONAL NURSE Permanent	1,00	0,00	0,00	0,00
ROAD WORKERS Permanent	1,00	0,00	1,00	100,00
SAFETY HEALTH AND QUALITY INSPECTORS Permanent	1,00	0,00	0,00	0,00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS Permanent	35,00	5,00	8,00	22,90
SECURITY GUARDS Permanent	8,00	6,00	2,00	25,00
SECURITY OFFICERS Permanent	1,00	0,00	1,00	100,00
SENIOR MANAGERS Permanent	56,00	15,00	12,00	21,40
TRADE LABOURERS Permanent	3,00	1,00	0,00	0,00
TRADE RELATED Permanent	2,00	2,00	2,00	100,00
TOTAL	2 162,00	266,00	326,00	15,10

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

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

Termination Type	Number	% of Total Resignations
01 Death, Permanent	10,00	3,10
02 Resignation, Permanent	67,00	20,60
03 Expiry of contract, Permanent	217,00	66,60
06 Discharged due to ill health, Permanent	3,00	0,90
07 Dismissal-misconduct, Permanent	6,00	1,80
09 Retirement, Permanent	23,00	7,10

TOTAL	326,00	100,00
Total number of employees who left as a % of total employment	**16.6%**	

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	961,00	10,00	1,00	298,00	31,00
ALL ARTISANS IN THE BUILDING METAL MACHINERY ETC.	2,00	0,00	0,00	2,00	100,00
ARCHITECTS TOWN AND TRAFFIC PLANNERS	18,00	0,00	0,00	22,00	122,20
AUXILIARY AND RELATED WORKERS	2,00	0,00	0,00	2,00	100,00
BUILDING AND OTHER PROPERTY CARETAKERS	3,00	0,00	0,00	2,00	66,70
CARTOGRAPHERS AND SURVEYORS	2,00	0,00	0,00	2,00	100,00
CARTOGRAPHIC SURVEYING AND RELATED TECHNICIANS	17,00	0,00	0,00	17,00	100,00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	23,00	0,00	0,00	21,00	91,30
CLIENT INFORM CLERKS(SWITCHB RECEPT INFORM CLERKS)	5,00	0,00	0,00	5,00	100,00
COMMUNICATION AND INFORMATION RELATED	14,00	1,00	7,10	13,00	92,90
COMMUNITY DEVELOPMENT WORKERS	391,00	0,00	0,00	387,00	99,00
ENGINEERING SCIENCES RELATED	1,00	0,00	0,00	1,00	100,00
ENGINEERS AND RELATED PROFESSIONALS	5,00	0,00	0,00	4,00	80,00
FINANCE AND ECONOMICS RELATED	41,00	0,00	0,00	39,00	95,10

FINANCIAL AND RELATED PROFESSIONALS	31,00	0,00	0,00	30,00	96,80
FINANCIAL CLERKS AND CREDIT CONTROLLERS	27,00	2,00	7,40	25,00	92,60
FOOD SERVICES AIDS AND WAITERS	11,00	0,00	0,00	11,00	100,00
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS	2,00	0,00	0,00	1,00	50,00
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER	1,00	0,00	0,00	1,00	100,00
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF	10,00	0,00	0,00	10,00	100,00
HUMAN RESOURCES CLERKS	12,00	0,00	0,00	10,00	83,30
HUMAN RESOURCES RELATED	37,00	1,00	2,70	35,00	94,60
INFORMATION TECHNOLOGY RELATED	4,00	1,00	25,00	5,00	125,00
LEGAL RELATED	2,00	0,00	0,00	2,00	100,00
LIBRARY MAIL AND RELATED CLERKS	22,00	0,00	0,00	21,00	95,50
LIGHT VEHICLE DRIVERS	6,00	0,00	0,00	3,00	50,00
MESSENGERS PORTERS AND DELIVERERS	22,00	0,00	0,00	21,00	95,50
MINING GEOLOGY & GEOPHYSICAL & RELATED TECHNICIANS	7,00	0,00	0,00	7,00	100,00
NATURAL SCIENCES RELATED	3,00	0,00	0,00	3,00	100,00
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	65,00	1,00	1,50	60,00	92,30
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS	13,00	0,00	0,00	14,00	107,70
OTHER OCCUPATIONS	284,00	0,00	0,00	1,00	0,40
PROFESSIONAL NURSE	1,00	0,00	0,00	1,00	100,00
REGULATORY INSPECTORS	9,00	0,00	0,00	9,00	100,00

ROAD WORKERS	1,00	0,00	0,00	0,00	0,00
SAFETY HEALTH AND QUALITY INSPECTORS	1,00	0,00	0,00	1,00	100,00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	35,00	0,00	0,00	35,00	100,00
NATURAL SCIENCES RELATED	3,00	0,00	0,00	3,00	100,00
SECURITY GUARDS	8,00	0,00	0,00	12,00	150,00
SECURITY OFFICERS	1,00	0,00	0,00	1,00	100,00
SENIOR MANAGERS	56,00	3,00	5,40	51,00	91,10
TRADE LABOURERS	3,00	0,00	0,00	4,00	133,30
TRADE RELATED	2,00	0,00	0,00	2,00	100,00
TOTAL	2 162,00	19,00	0,90	1 192,00	55,10

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

Salary Band	Employees 1 April 2021	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
01 Lower Skilled (Levels 1-2), Permanent	5,00	0,00	0,00	3,00	60,00
02 Skilled (Levels 3-5), Permanent	130,00	0,00	0,00	132,00	101,50
03 Highly Skilled Production (Levels 6-8), Permanent	884,00	1,00	0,10	587,00	66,40
04 Highly Skilled Supervision (Levels 9-12), Permanent	268,00	11,00	4,10	268,00	100,00
05 Senior Management (Levels >= 13), Permanent	52,00	6,00	11,50	56,00	107,70
09 Other, Permanent	666,00	0,00	0,00	1,00	0,20
10 Contract (Levels 1-2), Permanent	10,00	0,00	0,00	9,00	90,00
11 Contract (Levels 3-5), Permanent	86,00	0,00	0,00	79,00	91,90
12 Contract (Levels 6-8), Permanent	51,00	0,00	0,00	48,00	94,10
13 Contract (Levels 9-12), Permanent	8,00	1,00	12,50	8,00	100,00

14 Contract (Levels >= 13), Permanent	2,00	0,00	0,00	1,00	50,00
TOTAL	2 162,00	19,00	0,90	1 192,00	55,10

3.6 Employment Equity

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

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
01 - SENIOR OFFICIALS AND MANAGERS	25,00	0,00	1,00	1,00	29,00	1,00	6,00	2,00	65,00
02 - PROFESSIONALS	175,00	1,00	12,00	6,00	316,00	3,00	14,00	10,00	537,00
03 - TECHNICIANS AND ASSOCIATE PROFESSIONALS	401,00	3,00	13,00	7,00	617,00	6,00	19,00	10,00	1 076,00
04 - CLERKS	45,00	0,00	6,00	0,00	99,00	3,00	6,00	5,00	164,00
05 - SERVICE SHOP AND MARKET SALES WORKERS	14,00	1,00	1,00	0,00	5,00	0,00	0,00	0,00	21,00
07 - CRAFT AND RELATED TRADE WORKERS	3,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	3,00
08 - PLANT AND MACHINE OPERATORS AND ASSEMBLERS	4,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	4,00
09 - LABOURERS AND RELATED WORKERS	293,00	0,00	0,00	0,00	56,00	0,00	0,00	0,00	349,00
99 - UNKNOWN	1,00	0,00	0,00	0,00	1,00	0,00	0,00	0,00	2,00
TOTAL	961,00	5,00	33,00	14,00	1 123,00	13,00	45,00	27,00	2 221,00
Employees with disabilities	9,00	0,00	2,00	0,00	13,00	0,00	3,00	2,00	29,00

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	
01 Top Management, Permanent	2,00	0,00	0,00	0,00	1,00	0,00	0,00	0,00	3,00
02 Senior Management, Permanent	17,00	0,00	1,00	1,00	26,00	1,00	6,00	3,00	55,00
03 Profesionally qualified and experienced specialists and mid-management, Permanent	93,00	2,00	20,00	11,00	106,00	5,00	21,00	9,00	267,00

04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	459,00	1,00	7,00	1,00	399,00	6,00	13,00	14,00	900,00
05 Semi-skilled and discretionary decision making, Permanent	89,00	1,00	2,00	1,00	98,00	1,00	3,00	1,00	196,00
06 Unskilled and defined decision making, Permanent	1,00	0,00	0,00	0,00	10,00	0,00	0,00	0,00	11,00
07 Not Available, Permanent	288,00	1,00	3,00	0,00	474,00	0,00	2,00	0,00	768,00
08 Contract (Top Management), Permanent	1,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1,00
10 Contract (Professionaly Qualified), Permanent	1,00	0,00	0,00	0,00	3,00	0,00	0,00	0,00	4,00
11 Contract (Skilled Technical), Permanent	4,00	0,00	0,00	0,00	4,00	0,00	0,00	0,00	8,00
12 Contract (Semi-Skilled), Permanent	6,00	0,00	0,00	0,00	2,00	0,00	0,00	0,00	8,00
TOTAL	961,00	5,00	33,00	14,00	1 123,00	13,00	45,00	27,00	2 221,00

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	
02 Senior Management, Permanent	3,00	0,00	0,00	0,00	1,00	0,00	0,00	0,00	4,00
03 Professionally qualified and experienced specialists and mid-management, Permanent	9,00	0,00	0,00	0,00	7,00	0,00	0,00	0,00	16,00
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	35,00	0,00	0,00	0,00	28,00	0,00	1,00	0,00	64,00
05 Semi-skilled and discretionary decision making, Permanent	38,00	1,00	1,00	0,00	36,00	1,00	1,00	0,00	78,00
06 Unskilled and defined decision making, Permanent	1,00	0,00	0,00	0,00	8,00	0,00	0,00	0,00	9,00
07 Not Available, Permanent	37,00	0,00	1,00	0,00	47,00	0,00	2,00	0,00	87,00
10 Contract (Professionally qualified), Permanent	0,00	0,00	0,00	0,00	1,00	0,00	0,00	0,00	1,00
11 Contract (Skilled technical), Permanent	0,00	0,00	0,00	0,00	1,00	0,00	0,00	0,00	1,00
12 Contract (Semi-skilled), Permanent	3,00	0,00	0,00	0,00	2,00	0,00	1,00	0,00	6,00
TOTAL	126,00	1,00	2,00	0,00	131,00	1,00	5,00	0,00	266,00
Employees with disabilities	**4.00**	**0.00**	**0.00**	**0.00**	**9.00**	**0.00**	**1.00**	**0.00**	**14.00**

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	
02 Senior Management, Permanent	0,00	0,00	0,00	0,00	0,00	4,00	0,00	0,00	4,00
03 Professionally qualified and experienced specialists and mid-management, Permanent	4,00	0,00	0,00	4,00	0,00	5,00	0,00	0,00	5,00
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	0,00	0,00	0,00	0,00	0,00	1,00	0,00	0,00	1,00
TOTAL	4,00	0,00	0,00	4,00	0,00	10,00	0,00	0,00	10,00
Employees with disabilities	2.00	0.00	0.00	0.00	4.00	0.00	0.00	0.00	6.00

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	
02 Senior Management, Permanent	2,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	2,00
03 Professionally qualified and experienced specialists and mid-management, Permanent	7,00	0,00	1,00	3,00	3,00	1,00	0,00	0,00	15,00
04 Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	20,00	0,00	1,00	0,00	13,00	1,00	2,00	1,00	38,00
05 Semi-skilled and discretionary decision making, Permanent	4,00	0,00	0,00	0,00	6,00	0,00	0,00	0,00	10,00
06 Unskilled and defined decision making, Permanent	2,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	2,00
07 Not Available, Permanent	54,00	0,00	1,00	0,00	60,00	0,00	1,00	0,00	116,00

09 Contract (Senior Management), Permanent	0,00	0,00	0,00	0,00	1,00	0,00	0,00	0,00	1,00
10 Contract (Professionally qualified), Permanent	2,00	0,00	0,00	0,00	3,00	0,00	0,00	0,00	5,00
11 Contract (Skilled technical), Permanent	16,00	0,00	0,00	0,00	27,00	0,00	1,00	0,00	44,00
12 Contract (Semi-skilled), Permanent	35,00	1,00	1,00	0,00	43,00	1,00	2,00	0,00	83,00
13 Contract (Unskilled), Permanent	2,00	0,00	0,00	0,00	8,00	0,00	0,00	0,00	10,00
TOTAL	144,00	1,00	4,00	3,00	164,00	3,00	6,00	1,00	326,00
Employees with disabilities	**2.00**	**0.00**	**1.00**	**1.00**	**3.00**	**0.00**	**0.00**	**3.00**	**7.00**

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

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
DISMISSAL	2,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	2,00
FINAL WRITTEN WARNING	1,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1,00
SUSPENDED WITHOUT PAYMENT	1,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1,00
TOTAL	4,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	4,00

Table 3.6.7 Skills development for the period 1 April 2021 to 31 March 2022

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, Senior Officials and Managers	**18,00**	**0,00**	**1,00**	**1,00**	**25,00**	**1,00**	**6,00**	**2,00**	**54,00**
Professionals	**175,00**	**1,00**	**12,00**	**6,00**	**315,00**	**3,00**	**14,00**	**10,00**	**536,00**
Technicians and Associate Professionals	**121,00**	**2,00**	**10,00**	**7,00**	**151,00**	**6,00**	**17,00**	**10,00**	**324,00**
Clerks	**45,00**	**0,00**	**6,00**	**0,00**	**97,00**	**3,00**	**6,00**	**5,00**	**162,00**
Service and Sales Workers	**14,00**	**1,00**	**1,00**	**0,00**	**5,00**	**0,00**	**0,00**	**0,00**	**21,00**
Skilled Agriculture and Fishery Workers	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
Craft and related Trades Workers	**3,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**3,00**

Plant and Machine Operators and Assemblers	**4,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**4,00**
Elementary Occupations	**30,00**	**0,00**	**0,00**	**33,00**	**33,00**	**0,00**	**0,00**	**0,00**	**63,00**
Employees with disabilities	**7,00**	**0,00**	**2,00**	**12,00**	**12,00**	**0,00**	**3,00**	**2,00**	**26,00**
TOTAL	**417,00**	**4,00**	**32,00**	**59,00**	**638,00**	**13,00**	**46,00**	**29,00**	**1193,00**

3.7 Signing of Performance Agreements by SMS Members

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 2021

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	0	0	0	0
Salary Level 16	01	01	01	2
Salary Level 15	04	03	03	8.2
Salary Level 14	10	14	14	20.4
Salary Level 13	34	32	32	69.4
Total	49	52	52	100

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

Reasons
Not Applicable

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

Reasons
Not Applicable

3.8 Performance Rewards

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

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

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African, Female	167,00	1 110,00	15,00	4 044,28	24 217,00
African, Male	118,99	952,00	12,50	2 796,96	23 506,00
Asian, Female	16,00	42,00	38,10	371,95	23 247,00
Asian, Male	15,00	31,00	48,40	526,13	35 075,00
Coloured, Female	9,00	13,00	69,20	246,01	27 334,00
Coloured, Male	1,00	5,00	20,00	21,48	21 476,00
Total Blacks, Female	192,00	1 165,00	16,50	4 662,24	24 282,00
Total Blacks, Male	134,99	988,00	13,70	3 344,57	24 776,00
White, Female	8,00	25,00	32,00	210,47	26 309,00
White, Male	3,00	14,00	21,40	106,39	35 463,00
Employees with a disability	9,00	29,00	31,00	130,14	14 460,00
TOTAL	346,99	2 221,00	15,60	8 453,80	24 363,00

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2021 to 31 March 2022

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
01 Lower Skilled (Levels 1-2)	2,00	11,00	18,20	12,08	6 039,00	

02 Skilled (Levels 3-5)	52,99	196,00	27,00	768,25	14 498,00	
03 Highly Skilled Production (Levels 6-8)	104,00	900,00	11,60	2 030,75	19 526,00	
04 Highly Skilled Supervision (Levels 9-12)	115,00	267,00	43,10	4 057,91	35 286,00	
09 Other	0,00	768,00	0,00	0,00	0,00	
10 Contract (Levels 1-2)	34,50	8,00	431,30	500,67	14 512,00	
11 Contract (Levels 3-5)	19,50	8,00	243,80	377,00	19 333,00	
12 Contract (Levels 6-8)	4,00	4,00	100,00	114,28	28 569,00	
13 Contract (Levels 9-12)	338,49	2 162,00	15,70	7 914,27	23 381,00	
TOTAL	2,00	11,00	18,20	12,08	6 039,00	

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2021 to 31 March 2022

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
FINANCIAL CLERKS AND CREDIT CONTROLLERS	9,00	28,00	32,10	186,61	20 735,00
HUMAN RESOURCES CLERKS	2,00	10,00	20,00	43,15	21 573,00
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF	6,00	10,00	60,00	146,10	24 350,00
MESSENGERS PORTERS AND DELIVERERS	7,50	21,00	35,70	116,17	15 490,00
ALL ARTISANS IN THE BUILDING METAL MACHINERY ETC.	0,00	1,00	0,00	0,00	0,00
SAFETY HEALTH AND QUALITY INSPECTORS	1,00	1,00	100,00	15,06	15 064,00
FINANCE AND ECONOMICS RELATED	14,00	34,00	41,20	423,76	30 269,00
NATURAL SCIENCES RELATED	3,00	3,00	100,00	149,49	49 831,00
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	24,00	69,00	34,80	423,39	17 641,00
AUXILIARY AND RELATED	2,00	1,00	200,00	23,46	11 730,00

WORKERS					
OTHER OCCUPATIONS	1,00	292,00	0,30	17,38	17 380,00
LEGAL RELATED	0,00	2,00	0,00	0,00	0,00
FINANCIAL AND RELATED PROFESSIONALS	10,00	28,00	35,70	201,88	20 188,00
BUILDING AND OTHER PROPERTY CARETAKERS	1,00	2,00	50,00	7,22	7 221,00
ARCHITECTS TOWN AND TRAFFIC PLANNERS	9,00	17,00	52,90	331,18	36 798,00
ADMINISTRATIVE RELATED	134,50	1 023,00	13,10	3 549,24	26 388,00
COMMUNICATION AND INFORMATION RELATED	1,00	15,00	6,70	16,81	16 812,00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	18,00	32,00	56,30	295,05	16 392,00
LIBRARY MAIL AND RELATED CLERKS	7,00	20,00	35,00	103,13	14 733,00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	8,50	22,00	38,60	72,08	8 480,00
HUMAN RESOURCES RELATED	18,00	34,00	52,90	636,48	35 360,00
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER	0,00	1,00	0,00	0,00	0,00
MINING GEOLOGY & GEOPHYSICAL & RELATED TECHNICIANS	4,00	7,00	57,10	116,27	29 066,00
TRADE LABOURERS	0,50	5,00	10,00	6,32	12 631,00
GENERAL LEGAL ADMINISTRATION & REL. PROFESSIONALS	0,00	1,00	0,00	0,00	0,00
REGULATORY INSPECTORS	1,00	11,00	9,10	48,51	48 513,00
CARTOGRAPHIC SURVEYING AND RELATED TECHNICIANS	3,00	16,00	18,80	44,01	14 669,00
OTHER ADMINISTRATIVE POLICY AND RELATED OFFICERS	6,00	25,00	24,00	119,52	19 920,00
PROFESSIONAL NURSE	1,00	1,00	100,00	53,40	53 402,00

SENIOR MANAGERS	7,00	61,00	11,50	474,87	67 839,00
CLIENT INFORM CLERKS(SWITCHB RECEPT INFORM CLERKS)	1,00	5,00	20,00	7,48	7 484,00
ENGINEERS AND RELATED PROFESSIONALS	2,00	4,00	50,00	95,55	47 773,00
CARTOGRAPHERS AND SURVEYORS	0,00	2,00	0,00	0,00	0,00
TRADE RELATED	2,50	2,00	125,00	20,83	8 333,00
LIGHT VEHICLE DRIVERS	2,99	3,00	99,70	70,50	23 580,00
ENGINEERING SCIENCES RELATED	1,00	1,00	100,00	32,71	32 714,00
MOTOR VEHICLE DRIVERS	0,00	1,00	0,00	0,00	0,00
SECURITY GUARDS	8,00	12,00	66,70	82,07	10 259,00
FOOD SERVICES AIDS AND WAITERS	5,00	9,00	55,60	32,12	6 424,00
COMMUNITY DEVELOPMENT WORKERS	22,00	385,00	5,70	397,82	18 083,00
INFORMATION TECHNOLOGY RELATED	3,50	4,00	87,50	94,15	26 901,00
TOTAL	346,99	2 221,00	15,60	8 453,80	24 363,00

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

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	8,00	42,00	19,00	477,26	59 657,60	1,00
Band B	0,50	13,00	3,80	62,27	124 549,50	0,30
Band C	0,00	2,00	0,00	0,00	0,00	0,00
Band D	0,00	2,00	0,00	0,00	0,00	0,00
Total	8,50	59,00	14,40	539,54	63 474,80	0,70

3.9 Foreign Workers

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

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

Salary band	01 April 2021`		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
Highly skilled production (Levels 6-8)	1,00	16,70	0,00	0,00	- 1,00	33,30
Highly skilled supervision (Levels 9-12)	2,00	33,30	2,00	66,70	0,00	0,00
Other	2,00	33,30	0,00	0,00	- 2,00	66,70
Senior management (Levels 13-16)	1,00	16,70	1,00	33,30	0,00	0,00
TOTAL	6,00	100,00	3,00	100,00	- 3,00	100,00

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

Major occupation	01 April 2021		31 March 2022		Change	
	Number	% of total	Number	% of total	Number	% Change
Other occupations	1,00	16,70	0,00	0,00	- 1,00	33,30
Professionals and managers	4,00	66,70	2,00	66,70	- 2,00	66,70
Technicians and associated	1,00	16,70	1,00	33,30	0,00	0,00
professionals						
TOTAL	6,00	100,00	3,00	100,00	- 3,00	100,00

3.10 Leave utilisation

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

Table 3.10.1 Sick leave for the period 1 January 2021 to 31 December 2022

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Contract (Levels 1-2)	43,00	86,00	4,00	0,80	11,00	23,00
Contract (Levels 3-5)	302,00	77,50	44,00	8,70	7,00	276,00
Contract (Levels 6-8)	136,00	89,00	19,00	3,80	7,00	185,00
Contract (Levels 9-12)	28,00	92,90	3,00	0,60	9,00	89,00
Contract Other	210,00	80,50	42,00	8,30	5,00	76,00
Highly skilled production (Levels 6-8)	1 510,00	92,20	182,00	36,10	8,00	2 223,00
Highly skilled supervision (Levels 9-12)	971,00	90,10	125,00	24,80	8,00	3 076,00
Lower skilled (Levels 1-2)	10,00	100,00	2,00	0,40	5,00	6,00
Senior management (Levels 13-16)	197,00	95,40	21,00	4,20	9,00	963,00
Skilled (Levels 3-5)	405,00	84,20	62,00	12,30	7,00	388,00

TOTAL	3 812,00	89,00	504,00	100,00	8,00	7 307,00

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2021 to 31 December 2021

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Contract (Levels 1-2)	4,00	100,00	1,00	2,80	4,00	2,00
Contract (Levels 3-5)	52,00	100,00	3,00	8,30	17,00	48,00
Contract Other	4,00	100,00	1,00	2,80	4,00	2,00
Highly skilled production (Levels 6-8)	980,00	100,00	17,00	47,20	58,00	1 425,00
Highly skilled supervision (Levels 9-12)	442,00	100,00	9,00	25,00	49,00	1 447,00
Senior management (Levels 13-16)	136,00	100,00	2,00	5,60	68,00	724,00
Skilled (Levels 3-5)	57,00	100,00	3,00	8,30	19,00	59,00
TOTAL	1 675,00	100,00	36,00	100,00	47,00	3 708,00

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the Public Service Co-ordinating Bargaining Council in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 3.10.3 Annual Leave for the period 1 January 2021 to 31 December 2021

Salary band	Total days taken	Average per Employee	Number of Employees using Annual Leave
Contract (Levels 1-2)	148,00	19,00	8,00
Contract (Levels 13-16)	7,00	7,00	1,00
Contract (Levels 3-5)	1 466,92	18,00	80,00
Contract (Levels 6-8)	730,92	18,00	41,00
Contract (Levels 9-12)	91,00	15,00	6,00
Contract Other	1 756,00	8,00	224,00
Highly skilled production (Levels 6-8)	9 828,00	20,00	502,00
Highly skilled supervision (Levels 9-12)	5 210,00	21,00	251,00

Lower skilled (Levels 1-2)	135,00	34,00	4,00
Other	17,00	17,00	1,00
Senior management (Levels 13-16)	836,00	18,00	47,00
Skilled (Levels 3-5)	2 863,00	24,00	117,00
TOTAL	23 088,84	18,00	1 282,00

Table 3.10.4 Capped leave for the period 1 January 2021 to 31 December 2021

Salary Band	Total Days of Capped Leave Taken	Average Number of Days Taken per Employee	Average Capped Leave per Employee as at End of Period	Number of Employees using Capped Leave
Contract (Levels 1-2)	0,00	0,00	0,00	0,00
Contract (Levels 13-16)	0,00	0,00	0,00	0,00
Contract (Levels 3-5)	0,00	0,00	0,00	0,00
Contract (Levels 6-8)	0,00	0,00	0,00	0,00
Contract (Levels 9-12)	0,00	0,00	0,00	0,00
Contract Other	0,00	0,00	0,00	0,00
Highly skilled production (Levels 6-8)	0,00	0,00	71,00	0,00
Highly skilled supervision (Levels 9-12)	11,00	11,00	59,00	1,00
Lower skilled (Levels 1-2)	0,00	0,00	40,00	0,00
Senior management (Levels 13-16)	0,00	0,00	45,00	0,00
Skilled (Levels 3-5)	29,00	10,00	77,00	3,00
TOTAL	40,00	10,00	69,00	4,00

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

Table 3.10.5 Leave pay outs for the period 1 April 2021 and 31 March 2022

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
ANNUAL - DISCOUNTING WITH RESIGNATION (WORK DAYS)	760,00	52,00	14 615,00

ANNUAL - DISCOUNTING: CONTRACT EXPIRY (WORK DAYS)	163,00	25,00	6 520,00
ANNUAL - GRATUITY: DEATH/RETIREMENT/MEDICAL RETIREMENT(WORK	1 478,00	43,00	34 372,00
CAPPED - GRATUITY: DEATH/RETIREMENT/MEDICAL RETIREMENT(WORK	2 852,00	27,00	105 630,00
TOTAL	5 254,00		

3.11 HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
Elementary Occupations	• Compulsory Protective wear and uniforms • Trained first-aiders per COGTA site to handle minor injuries. • First-aid kits per COGTA Site. • Condom Dispensers at all COGTA sites

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.	Yes		**Director: Ms N Dlamini: Human Capital Development**
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.	Yes		• Number of Employee Health and Wellness Staff : • 4 Permanent staff • 1 Contract staff • 1 Intern • Annual Budget: R 3 039 079
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so,	Yes		As per Employee Health and Wellness Strategic

indicate the key elements/services of this Programme.			Framework • HIV, AIDS, STI's and TB Management • Wellness Management • Health and Productivity Management
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	Yes		Approved Wellness Committee • Legal Services • Human Capital Development • Employee Health and Wellness • Unions • Human Resource Administration • Auxiliary Services • Traditional Houses • Peer Educators • Training and Development

Question	Yes	No	Details, if yes
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.	Yes		• HIV, AIDS, STI's and TB Policy • Wellness management Policy • Health and Productivity Management Policy • Sexual Harassment Policy • Bereavement Policy • Sports and Recreation Policy • Employee Health and Wellness Strategic Framework (2019) • BCEA 75(1997) • NSP 2017-2022
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.	Yes		• Confidential referral and counselling • Staff Induction and Orientation Programmes • HIV and AIDS, STI and TB Training for Interns • Confidential HIV Testing and Post Management by Service provider • Stigma mitigation awareness information
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	Yes		• Employees are encouraged to screen 4 times a year • Employees received personal confidential counselling when required. • Approximately 350 staff members attend wellness screening in the past year over two quarters (COVID-19 restrictions for the remaining quarters). More than 22% of attendees Staff undergo HIV Counselling and Testing. About 166 employees who have disclosed their status are supported by the wellness centre. • More than 86% of staff that attended the World AIDS day event in Amajuba District tested for HIV.

8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	Yes		• Quarterly Wellness Report from External Service Provider • Operational Plans for Office of the Premier and DPSA: ➢ HIV, AIDS, STI's and TB Policy ➢ Wellness management Policy ➢ Health and Productivity Management Policy • Departmental Wellness Committee Meeting • Systems Monitoring Tool populated for the Office of the Premier and DPSA • Implementation Review Report (4 Quarters) + Annual Report) to Office of The Premier and DPSA

3.12 Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2021 and 31 March 2022

Subject matter	Date
Total number of Collective agreements	None

Notes

- If there were no agreements, keep the heading and replace the table with the following:

Total number of Collective agreements	None

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2021 to 31 March 2022

Outcomes of disciplinary hearings	Number	% of total
DISMISSAL	2,00	50,00
FINAL WRITTEN WARNING	1,00	25,00
SUSPENDED WITHOUT PAYMENT	1,00	25,00
TOTAL	4,00	100,00

- If there were no agreements, keep the heading and replace the table with the following:

Total number of Disciplinary hearings finalised	None

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2021 and 31 March 2022

Type of misconduct	Number	% of total
ABSENT FROM WORK WITHOUT REASON OR PERMISSION	1,00	33,30
DISRESPECT/ABUSIVE OR INSOLENT BEHAVIOUR	1,00	33,30
PERFORMS POORLY FOR REASONS OTHER THAN INCAPACITY	1,00	33,30
TOTAL	3,00	100,00

Table 3.12.4 Grievances lodged for the period 1 April 2021 to 31 March 2022

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

Table 3.12.5 Disputes lodged with Councils for the period 1 April 2021 to 31 March 2022

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

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

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

Table 3.12.7 Precautionary suspensions for the period 1 April 2021 to 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)	0

3.13 Skills development

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

Table 3.13.1 Training needs identified for the period 1 April 2021 and 31 March 2022

Occupational category	Gender	Number of employees as at 1 April 2021	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and	Female	29,00	0,00	11,00	2,00	13,00

managers	Male	28,00	0,00	10,00	1,00	11,00
Professionals	Female	351,00	0,00	20,00	7,00	27,00
	Male	201,00	0,00	16,00	4,00	20,00
Technicians and associate professionals	Female	194,00	0,00	17,00	2,00	19,00
	Male	146,00	0,00	14,00	2,00	16,00
Clerks	Female	110,00	0,00	15,00	0,00	15,00
	Male	50,00	0,00	10,00	0,00	10,00
Service and sales workers	Female	4,00	0,00	0,00	0,00	0,00
	Male	14,00	0,00	0,00	0,00	0,00
Skilled agriculture and fishery workers	Female	0,00	0,00	0,00	0,00	0,00
	Male	0,00	0,00	0,00	0,00	0,00
Craft and related trades workers	Female	0,00	0,00	0,00	0,00	0,00
	Male	4,00	0,00	3,00	0,00	3,00
Plant and machine operators and assemblers	Female	0,00	0,00	0,00	0,00	0,00
	Male	7,00	0,00	3,00	0,00	3,00
Elementary occupations	Female	34,00	0,00	7,00	0,00	7,00
	Male	27,00	0,00	7,00	0,00	7,00
Gender sub totals	Female	722,00	0,00	70,00	11,00	81,00
	Male	477,00	0,00	63,00	7,00	70,00
TOTAL		**1199,00**	**0,00**	**133,00**	**18,00**	**151,00**

Table 3.13.2 Training provided for the period 1 April 2021 and 31 March 2022

Occupational category	Gender	Number of employees as at 1 April 2021	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	29,00	0,00	8,00	1,00	9,00
	Male	28,00	0,00	36,00	1,00	37,00
Professionals	Female	351,00	0,00	13,00	1,00	14,00
	Male	201,00	0,00	9,00	2,00	11,00
Technicians and associate	Female	194,00	0,00	9,00	1,00	10,00

professionals	Male	146,00	0,00	8,00	1,00	9,00
Clerks	Female	110,00	0,00	10,00	0,00	10,00
	Male	50,00	0,00	7,00	0,00	7,00
Service and sales workers	Female	4,00	0,00	1,00	1,00	2,00
	Male	14,00	0,00	0,00	1,00	1,00
Skilled agriculture and fishery workers	Female	N/A	0,00	N/A	N/A	N/A
	Male	N/A	0,00	N/A	N/A	N/A
Craft and related trades workers	Female	0,00	0,00	0,00	0,00	0,00
	Male	4,00	0,00	0,00	0,00	0,00
Plant and machine operators and assemblers	Female	0,00	0,00	3,00	0,00	3,00
	Male	7,00	0,00	1,00	0,00	1,00
Elementary occupations	Female	34,00	0,00	1,00	1,00	0,00
	Male	27,00	0,00	4,00	1,00	5,00
Gender sub totals	Female	722,00	0,00	45,00	5,00	50,00
	Male	477,00	0,00	65,00	6,00	71,00
TOTAL		**1199,00**	**0,00**	**110,00**	**11,00**	**121,00**

3.14 Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2021 and 31 March 2022

Nature of injury on duty	Number	% of total
Required basic medical attention only	0.00	0.00
Temporary Total Disablement	0.00	0.00
Permanent Disablement	0.00	0.00
Fatal	0.00	0.00
Total	**0.00**	**0.00**

3.15 Utilisation of Consultants

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

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

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2021 and 31 March 2022

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Perform Powers and Functions services	1	180	R 1,824,687.50
Experts in Dispute Resolution	1	180	R 398,000.00
Support to the Office of the CFO	2	210	R 986,701.00
Forensic Investigations at Nquthu Local Municipality	1	150	R 1,788,000.00
Geohydrolody studies, design and project management	1	720	R 3,156,000.00
Professional Services for the renovations at Mayville	1	30	R 290,000.00
Variation order for the Water Intervention	1	30	R 935,150.00
Financial Expert to provide support to Utukela DM to improve audit outcomes	1	390	R 4,369,262.89
Financial Expert to provide support to Umkhanyakude DM to improve audit outcomes	1	390	R 4,150,000.00
Financial Expert to provide support to Mpofana DM to improve audit outcomes	1	390	R 4,185,680.00
Financial Expert to provide support to Ugu DM to improve audit outcomes	1	390	R 4,450,000.00
Financial Expert to provide support to Amajuba DM to improve audit outcomes	1	390	R 3,847,142.00
Financial Expert to provide support to Alfred Duma DM to improve audit outcomes	1	390	R 4,094,400.00
Co-rdination support for KZN Land Summit	1	180	R 493,350.00
Technical experts to support dysfunctional municipalities	1	360	R 17,522,780.00
Conditional assessments of TAC's	1	240	R 2,838,500.00

Rollout basic computer training to 295 TC secretaries	1	30	R 498,500.00
Financial Expert to provide support to Umzinyathi Municipality to improve audit outcomes	1	390	R 4,100,000.00
Financial Expert to provide support to Nquthu Municipality to improve audit outcomes	1	390	R 2,227,680.00
Training for officials attent the Financial ans Non- Financial Manager Course	1	30	R 62,500.00
Governance Expert at Umkhanyakude	1	150	R 450,000.00
Governance Expert at Nquthu	1	150	R 445,050.00

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

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
28	22	7230	R 71 615 925.89

Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 and 31 March 2022

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Perform Powers and Functions services	100.00%	100.00%	1
Experts in Dispute Resolution	100.00%	100.00%	1
Support to the Office of the CFO	100.00%	100.00%	2
Forensic Investigations at Nquthu Local Municipality	100.00%	100.00%	1
Geohydrolody studies, design and project management	100.00%	100.00%	1
Perform Powers and Functions services	100.00%	100.00%	1
Professional Services for the renovations at Mayville	100.00%	100.00%	1
Variation order for the Water Intervention	100.00%	100.00%	1
Financial Expert to provide support to Utukela DM to improve audit outcomes	100.00%	100.00%	1

Financial Expert to provide support to Umkhanyakude DM to improve audit outcomes	100.00%	100.00%	1
Financial Expert to provide support to Mpofana DM to improve audit outcomes	100.00%	100.00%	1
Financial Expert to provide support to Ugu DM to improve audit outcomes	100.00%	100.00%	1
Financial Expert to provide support to Amajuba DM to improve audit outcomes	100.00%	100.00%	1
Financial Expert to provide support to Alfred Duma DM to improve audit outcomes	100.00%	100.00%	1
Co-rdination support for KZN Land Summit	100.00%	100.00%	1
Technical experts to support dysfunctional municipalities	100.00%	100.00%	1
Conditional assessments of TAC's	100.00%	100.00%	1
Rollout basic computer training to 295 TC secretaries	100.00%	100.00%	1

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Governance Expert at Inkosi Langalibalele Local Municipality	100.00%	100.00%	1
Governance Expert at Ugu	100.00%	100.00%	1
Governance Expert at Umzinyathi	100.00%	100.00%	1
Develop content and conduct capacity building with DDA	0%	0%	1
Financial Expert to provide support to Msunduzi Municipality to improve audit outcomes	100.00%	100.00%	1
Financial Expert to provide support to Inkosi Langalibalele Local Municipality to improve audit outcomes	100.00%	100.00%	1
Financial Expert to provide support to Umzinyathi Municipality to improve audit outcomes	100.00%	100.00%	1
Financial Expert to provide support to Nquthu Municipality to improve audit outcomes	100.00%	100.00%	1
Training for officials attent the Financial ans Non-Financial Manager Course	100.00%	100.00%	1
Governance Expert at Umkhanyakude	100.00%	100.00%	1
Governance Expert at Nquthu	100.00%	100.00%	1

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2021 and 31 March 2022

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
NIL	NIL	NIL	NIL

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

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2021 and 31 March 2022

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

3.16 Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2021 and 31 March 2022

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

PART E : FINANCIAL INFORMATION

Department of Cooperative Governance and Traditional Affairs

Audit report for the year ending 31 March 2022

Report of the auditor-general to the KwaZulu-Natal Provincial Legislature on vote no. 11: 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 Department of Cooperative Governance and Traditional Affairs set out on pages 197 to 329 which comprise the appropriation statement, statement of financial position as at 31 March 2022, the statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of 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) as prescribed by the National Treasury and the requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2021 (Act No. 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.

Material uncertainty relating to funding for back pay of allowances

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

7. I draw attention to note 28 to the financial statements, which indicates that the department has a liability to settle the back pay of allowances amounting to R631,80 million at 31 March 2022 relating to *iziNduna.* The department was in negotiations with provincial and national treasuries as well as the provincial cabinet to seek funding. This matter indicates that a material uncertainty exists that may cast significant doubt on the department's ability to fund this liability.

Other matter

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

Unaudited supplementary schedules

9. The supplementary information set out on pages 314 to 329 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of the accounting officer for the financial statements

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

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

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

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

13. 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

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

15. My procedures address the usefulness and reliability of the reported performance information, which must be based on the department's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

16. 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 programme 3 - development and planning, presented in the department's annual performance report for the year ended 31 March 2022.

17. 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.

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

Other matters

19. I draw attention to the matters below.

Achievement of planned targets

20. Refer to the annual performance report on pages 37 to 58 for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets.

Adjustment of material misstatements

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

Report on the audit of compliance with legislation

Introduction and scope

22. 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.

23. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

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

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

26. 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 during the audit or otherwise appears to be materially misstated.

27. The other information I obtained prior to the date of this auditor's report is the accounting officer's report. The member of executive committee (MEC's) foreword and the audit committee's report are expected to be made available to me after 31 July 2022.

28. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

29. After I receive and read the MEC's foreword and the audit committee's report, 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

30. 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. I did not identify any significant deficiencies in internal control.

Other reports

31. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the department's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

32. The provincial internal audit unit for departments conducted seven investigations from 1 January 2010 to 31 March 2020. These investigations related to allegations of irregularities in supply chain management, unauthorised changing of a service

provider's bank details, diverting of catering services, abuse of official vehicles and subsistence and travel claims as well as allegations of maladministration against senior officials in the department. Five investigations were finalised and concluded on and two were still in progress. The accounting officer had commenced with legal or disciplinary action against the responsible officials for the finalised investigations.

33. The accounting officer instituted a forensic investigation to investigate the robbery and hijacking of state vehicles of the department by appointing a private investigator. The investigation covered the 2020 and 2021 years and were still in progress at the date of this report.

Auditor - General

Pietermaritzburg

29 July 2022

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 this auditor's report, I also:

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

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

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DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

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
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme									
1. Administration	446,872	3,892 -	11,984	462,748	462,748	-	100.0%	363 772	363 772
2. Local Governance	333,362	-1,814	-18,006	313,542	313,542	-	100.0%	302 261	302 261
3. Development and Planning	467,327	-613	36,878	503,592	494,918	8,674	98.3%	302 561	302 505
4. Traditional Institutional Management	542,990	-1,465	-30,856	510,669	510,669	-	100.0%	545 330	545 330

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2022

TOTAL	**1,790,551**	**-**	**-**	**1,790,551**	**1,781,877**	**8,674**	**99.5%**	**1 513 924**	**1 513 686**
Reconciliation with statement of financial performance									
ADD				10,058				**35 319**	
Departmental receipts									
Actual amounts per statement of financial performance (total revenue)				**1,800,609**				1 549 243	
Actual amounts per statement of financial performance (total expenditure)					**1,781,877**				1 513 868

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2022

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	**1,516,612**	**-32,243**	**-54,407**	**1,429,962**	**1,429,962**	**-**	**100.0%**	**1,328,663**	**1,328,607**
Compensation of employees	745,852	-	-16,594	729,258	729,258	-	100.0%	706,163	706,163
Salaries and wages	657,294	-	-11,269	646,025	646,025	-	100.0%	625,494	624,672
Social contributions	88,558	-	-5,325	83,233	83,233	-	100.0%	80,669	81,491
Goods and services	770,307	-32,243	-37,807	700,257	700,257	-	100.0%	622,492	622,436
Administrative fees	2,088	-653	-404	1,031	1,031	-	100.0%	706	476
Advertising	15,789	-	-715	15,074	15,074	-	100.0%	4,990	7,111
Minor assets	966	17	-385	598	598	-	100.0%	226	414
Audit costs: External	14,177	-	-4,750	9,427	9,427	-	100.0%	7,149	6,521

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2022

Bursaries: Employees	15	-	30	45	45	-	100.0%	190	16
Catering: Departmental activities	1,299	-995	455	759	759	-	100.0%	640	603
Communication	13,957	-752	1,406	14,611	14,611	-	100.0%	9,056	10,128
Computer services	70,267	-12,971	-4,873	52,423	52,423	-	100.0%	37,028	29,735
Consultants: Business and advisory services	98,240	-	-14,646	83,594	83,594	-	100.0%	86,452	91,902
Legal services	17,473	-917	-1,352	15,204	15,204	-	100.0%	5,429	7,376
Contractors	18,702	-1,033	-4,738	12,931	12,931	-	100.0%	2,636	2,320
Agency and support / outsourced services	13,046	-	-3,280	9,766	9,766	-	100.0%	8,857	9,001
Fleet services	15,303	-	-343	14,960	14,960	-	100.0%	15,966	15,209
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	500	-
Inventory: Food and food supplies	4,196	-	-112	4,084	4,084	-	100.0%	714	1,234
Inventory: Materials and supplies	3,207	-	281	3,488	3,488	-	100.0%	1,984	1,313
Inventory: Other supplies	6,458	-	194	6,652	6,652	-	100.0%	7,185	7,158

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2022

Consumable supplies	4,243	-696	792	4,339	4,339	-	100.0%	1,653	1,933
Consumable: Stationery, printing and office supplies	13,474	-12	-228	13,234	13,234	-	100.0%	5,497	5,310
Operating leases	31,468	-475	2,474	33,467	33,467	-	100.0%	15,212	15,387
Property payments	45,808	-477	3,663	48,994	48,994	-	100.0%	33,028	36,028
Travel and subsistence	24,701	-7,668	-1,207	18,240	18,240	-	100.0%	14,691	11,956
Training and development	1,046	-	42	1,088	1,088	-	100.0%	51	51
Operating payments	349,082	-5,611	-12,486	330,985	330,985	-	100.0%	357,752	358,340
Rental and hiring	5,302	-	-39	5,263	5,263	-	100.0%	4,900	2,914
Interest and rent on land	453	-	-6	447	447	-	100.0%	8	8
Interest	-	-	-	-	-	-	-	8	8
Rent on land	453	-	-6	447	447	-	100.0%	-	-
Transfers and subsidies	**178,276**	**19,620**	**33,352**	**231,248**	**231,248**	**-**	**100.0%**	**38,830**	**38,830**
Provinces and municipalities	154,590	-	33,914	188,504	188,504	-	100.0%	491	491
Provinces	570	-	-86	484	484	-	100.0%	491	491
Provincial agencies and funds	570	-	-86	484	484	-	100.0%	491	491
Municipalities	154,020	-	34,000	188,020	188,020	-	100.0%	-	-

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2022

Municipal agencies fund	154,020	-	34,000	188,020	188,020	-	100.0%	-	-
Departmental agencies and accounts	13,000	-	-	13,000	13,000	-	100.0%	-	-
Departmental Agencies	13,000	-	-	13,000	13,000	-	100.0%	-	-
Non profit institutions	200	19,620	-	19,820	19,820	-	100.0%	26,082	26,082
households	10,486	-	-562	9,924	9,924	-	100.0%	12,257	12,257
Social benefits	5,716	-	2,151	7,867	7,867	-	100.0%	9,233	10,111
Other transfers to households	4,770	-	-2,713	2,057	2,057	-	100.0%	3,024	2,146
Payments for capital assets	**95,663**	**12,623**	**9,290**	**117,576**	**108,902**	**8,674**	**92.6%**	**144,711**	**144,711**
Buildings and other fixed structures	77,718	-	10,484	88,202	79,528	8,674	90.2%	99,383	99,383
Buildings	5,106	-	15,089	20,195	11,521	8,674	57.0%	19,787	19,787
Other fixed structures	72,612	-	-4,605	68,007	68,007	-	100.0%	79,596	79,596
Machinery and equipment	17,945	-348	-1,194	16,403	16,403	-	100.0%	36,433	36,433
Transport equipment	4,855	-	-891	3,964	3,964	-	100.0%	1,238	1,238
Other machinery and equipment	13,090	-348	-303	12,439	12,439	-	100.0%	35,195	35,195

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2022

Software and Intangible assets	-	12,971	-	12,971	12,971	-	100.0%	8,895	8,895
Payments for financial assets	**-**	**-**	**11,765**	**11,765**	**11,765**	**-**	**100.0%**	**1,720**	**1,720**
Totals	**1,790,551**	**-**	**-**	**1,790,551**	**1,781,877**	**8,674**	**99.5%**	**1,513,924**	**1,513,868**

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2022

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	14,680	-187	-51	14,442	14,442	-	100.0%	12,716	12,716
2. Corporate Services	432,192	4,079	12,035	448,306	448,306	-	100.0%	351,056	351,056
Total for sub programmes	**446,872**	**3,892**	**11,984**	**462,748**	**462,748**	**-**	**100.0%**	**363,772**	**363,772**
Economic classification									
Current payments	**427,082**	**-12,971**	**1,196**	**415,307**	**415,307**	**-**	**100.0%**	**312,260**	**312,260**
Compensation of employees	175,130	-	-369	174,761	174,761	-	100.0%	170,403	170,403
Salaries and wages	154,705	-	-393	154,312	154,312	-	100.0%	150,328	150,323

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2022

Social contributions	20,425	-	24	20,449	20,449	-	100.0%	20,075	20,080
Goods and services	251,499	-12,971	1,571	240,099	240,099	-	100.0%	141,849	141,849
Administrative fees	627	-	62	689	689	-	100.0%	233	223
Advertising	15,627	-	-641	14,986	14,986	-	100.0%	4,779	6,933
Minor assets	587	-	-80	507	507	-	100.0%	23	154
Audit costs: External	14,177	-	-4,750	9,427	9,427	-	100.0%	7,149	6,521
Bursaries: Employees	15	-	30	45	45	-	100.0%	190	16
Catering: Departmental activities	44	-	256	300	300	-	100.0%	27	29
Communication	6,450	-	2,400	8,850	8,850	-	100.0%	4,819	5,451
Computer services	70,267	-12,971	-4,873	52,423	52,423	-	100.0%	37,028	29,735
Consultants: Business and advisory services	16,572	-	-188	16,384	16,384	-	100.0%	4,178	7,121
Legal services	13,732	-	1,472	15,204	15,204	-	100.0%	5,429	7,376
Contractors	1,553	-	449	2,002	2,002	-	100.0%	1,131	1,209
Agency and support / outsourced services	150	-	-150	-	-	-	-	930	1,471
Fleet services	15,303	-	-343	14,960	14,960	-	100.0%	15,966	15,209

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2022

Inventory : Materials and supplies	-	-	-	-	-	-	-	1,000	-
Consumable supplies	2,197	-	322	2,519	2,519	-	100.0%	1,638	1,857
Consumable: Stationery, printing and office supplies	11,476	-	46	11,522	11,522	-	100.0%	5,136	4,830
Operating leases	28,926	-	3,225	32,151	32,151	-	100.0%	13,899	14,047
Property payments	45,321	-	3,663	48,984	48,984	-	100.0%	33,008	36,028
Transport provided: Departmental activity	-	-	-	-	-	-	-	-	-
Travel and subsistence	7,272	-	784	8,056	8,056	-	100.0%	4,946	3,509
Training and development	1,046	-	42	1,088	1,088	-	100.0%	51	51
Operating payments	72	-	-70	2	2	-	100.0%	289	79
Rental and hiring	85	-	-85	-	-	-	-	-	-
Interest and rent on land	453	-	-6	447	447	-	100.0%	8	8
Interest (Incl. interest on unitary payments (PPP))	-	-	-	-	-	-	-	8	8
Transfers and subsidies	**9,325**	**-**	**1,868**	**7,457**	**7,457**	**-**	**100.0%**	**8,710**	**8,710**
Provinces and municipalities	570	-	-86	484	484	-	100.0%	491	491

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2022

Provinces	570	-	-86	484	484	-	100.0%	491	491
Provincial agencies and funds	570	-	-86	484	484	-	100.0%	491	491
Households	8,755	-	-1,782	6,973	6,973	-	100.0%	8,219	8,219
Social benefits	4,042	-	931	4,973	4,973	-	100.0%	5,195	6,238
Other transfers to households	4,713	-	-2,713	2,000	2,000	-	100.0%	3,024	1,981
Payments for capital assets	**10,465**	**16,863**	**891**	**28,219**	**28,219**	**-**	**100.0%**	**42,797**	**42,797**
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Machinery and equipment	10,465	3,892	891	15,248	15,248	-	100.0%	33,902	33,902
Transport equipment	4,855	-	-891	3,964	3,964	-	100.0%	1,238	1,238
Other machinery and equipment	5,610	3,892	1,782	11,284	11,284	-	100.0%	32,664	32,664
Software and Other Intanglble Assets	-	12,971	-	12,971	12,971	-	100.0%	8,895	8,895
Payment for Financial Assets	**-**	**-**	**11,765**	**11,765**	**11,765**	**-**	**100.0%**	**5**	**5**
	446,872	**3,892**	**11,984**	**462,748**	**462,748**	**-**	**100.0%**	**363,772**	**363,772**

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2022

1.1 Office of the MEC									
2021/22								2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**14,412**	-	**-110**	**14,302**	**14,302**	-	**100.0%**	**12,564**	**12,564**
Compensation of employees	10,831	-	-701	10,130	10,130	-	100.0%	10,176	10,176
Goods and services	3,581	-	591	4,172	4,172	-	100.0%	2,388	2,388
Transfers and subsidies	-	-	**59**	**59**	**59**	-	**100.0%**	-	-
Household	-	-	**59**	**59**	**59**	-	**100.0%**	-	-
Payments for capital assets	**268**	**-187**	-	**81**	**81**	-	**100.0%**	**152**	**152**
Machinery and equipment	268	- 187	-	81	81	-	100.0%	152	152
Payment for Financial Assets				-		-	-	-	

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2022

	14,680	- 187	-51	14,442	14,442	-	100.0%	12,716	12,716

Subprogramme: 1.2: CORPORATE SERVICES

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	412,670	-	1,306	401,005	401,005	-	100.0%	299,696	299,696

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2022

		12,971							
Compensation of employees	164,299	-	332	164,631	164,631	-	100.0%	160,227	160,227
Goods and services	247,918	- 12,971	980	235,927	235,927	-	100.0%	139,461	139,461
Interest and rent on land	453	-	-6	447	447	-	100.0%	8	8
Transfers and subsidies	**9,325**	**-**	**1,927**	**7,398**	**7,398**	**-**	**100.0%**	**8,710**	**8,710**
Provinces and municipalities	570	-	86 -	484	484	-	100.0%	491	491
Households	8,755	-	1,841	6,914	6,914	-	100.0%	8,219	8,219
Payments for capital assets	**10 465**	**3893**	**891**	**28,138**	**28,138**	**-**	**100.0%**	**42,645**	**42,645**
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	10,197	4,079	891	15,248	15,248	-	100.0%	33,750	33,750
Software and other intangible assets	**-**	**12,971**	**-**	**12,971**	**12,971**	**-**	**100.0%**	**8,895**	**8,895**

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2022

Payment for financial assets	**-**	**-**	**11,765**		**11,765**	**-**	**100.0%**	**5**	**5**
Total	**446,872**	**3,892**	**11,984**	**462,748**	**462,748**	**-**	**100.0%**	**351,056**	**351,056**

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**	66,701	-255	-13,059	53,387	53,387	-	100.0%	54,035	54,035
2 **MUNICIPAL FINANCE**	43,139	-561	-1,490	41,088	41,088	-	100.0%	45,708	45,708
3 PUBLIC PARTICIPATION	183,499	-329	-			-	100.0%	165,349	

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2022

			2,530	180,640	180,640				165,349
	9,790	-33	-	9,103	9,103	-	100.0%	10,473	
4 CAPACITY DEVELOPMENT			654						10,473
MUNICIPAL	30,233	-	-			-	100.0%	26,696	
PERFORMANCE,		636	273	29,324	29,324				26,696
5 REPORTING & EVALUATION									
6 IDP CO-ORDINATION	-	-	-	-	-	-	-	-	-
		-	-						
	333,362	**1,814**	**18,006**	**313,542**	**313,542**	**-**	**100.0%**	**302,261**	**302,261**
Economic classification									
			17,254						
	329,479	**17**			**312,242**	**-**	**100.0%**	**300,304**	**300,304**
Current payments				**312,242**					
Compensation of									
employees	252,573	-	174	252,747	252,747	-	100.0%	242,377	242,377
	215,602	-	-40	215,562		-	100.0%	205,911	205,890
Salaries and wages					215,562				

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2022

Social contributions	36,971	-	214	37,185	37,185	-	100.0%	36,466	36,487
Goods and services	76,906	17	-17,428	59,495	59,495	-	100.0%	57,927	57,927
Administrative fees	284	-	-112	172	172	-	100.0%	274	146
Advertising	32	-	-15	17	17	-	100.0%	38	5
Minor assets	302	17	-233	86	86	-	100.0%	157	183
Catering: Departmental activities	335	-	95	430	430	-	100.0%	397	430
Communication (G&S)	5,448	-	-877	4,571	4,571	-	100.0%	3,571	4,006
Consultants: Business and advisory services	37,415	-	10,708	26,707	26,707	-	100.0%	38,315	38,468
Contractors									

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APPROPRIATION STATEMENT
for the year ended 31 March 2022

	9,678	-	-1,507	8,171	8,171	-	100.0%	1,350	1,011
Agency and support / outsourced services	12,896	-	-3,130	9,766	9,766	-	100.0%	7,927	7,530
Consumable supplies	448	-	480	928	928	-	100.0%	6	67
Consumable: Stationery, printing and office supplies	943	-	189	1,132	1,132	-	100.0%	344	350
Operating leases	800	-	-336	464	464	-	100.0%	464	493
Travel and subsistence	5,225	-	-1,098	4,127	4,127	-	100.0%	4,424	4,578
Operating payments	1,300	-	-222	1,078	1,078	-	100.0%	660	660
Rental and hiring	1,800	-	46	1,846	1,846	-	100.0%	-	-
Transfers and subsidies									

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2022

	614	**-**	**139**	**753**	**753**	**-**	**100.0%**	**1,181**	**1,181**
Households	614	-	139	753	753	-	100.0%	2,361	2,361
Social benefits	614	-	139	753	753	-	100.0%	2,361	2,361
Payments for capital assets	**3,269**	**-1,831**	**-891**	**547**	**547**	**-**	**100.0%**	**776**	**776**
Machinery and equipment	3,269	-1,831	-891	547	547	-	100.0%	776	776
Other machinery and equipment	3,269	-1,831	-891	547	547	-	100.0%	776	776
	333,362	**-1,814**	**-18,006**	**313,542**	**313,542**	**-**	**100.0%**	**302,261**	**302,261**

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2022

2.1 Municipal 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
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**65,189**	**17**	**-12,357**	**52,849**	**52,849**	**-**	**100.0%**	**53,406**	**53,406**
Compensation of employees	34,290	-	483	34,773	34,773	-	100.0%	35,650	35,650
Goods and services	30,899	17	-12,840	18,076	18,076	-	100.0%	17,756	17,756
Transfers and subsidies	**197**	**-**	**189**	**386**	**386**	**-**	**100.0%**	**265**	**265**
HouseHolds	197	-	189	386	386	-	100.0%	265	265
Payments for capital assets	**1,315**	**-272**	**-891**	**152**	**152**	**-**	**100.0%**	**364**	**364**

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2022

Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1,315	-272	-891	152	152	-	100.0%	364	364
Payment for financial assets				**-**		**-**	**-**	**-**	
	66,701	**-255**	**-13,059**	**53,387**	**53,387**	**-**	**100.0%**	**54,035**	**54,035**

2.2 Municipal Finance									
2021/22								2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2022

Current payments	**42,578**	**-**	**-1,490**	**41,088**	**41,088**	**-**	**100.0%**	**45,603**	**45,603**
Compensation of employees	17,870	-	294	18,164	18,164	-	100.0%	16,312	16,312
Goods and services	24,708	-	-1,784	22,924	22,924	-	100.0%	29,291	29,291
Transfers and subsidies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	**561**	**-561**	**-**	**-**	**-**	**-**	**-**	**105**	**105**
Machinery and equipment	561	-561	-	-	-	-	-	105	105
Payment for financial assets				**-**		**-**	**-**	**-**	
	43,139	**-561**	**-1,490**	**41,088**	**41,088**	**-**	**100.0%**	**45,708**	**45,708**

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2022

2.3 Public Participation

2021/22								2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**182,744**	**-**	**-2,462**	**180,282**	**180,282**	**-**	**100.0%**	**164,614**	**164,614**
Compensation of employees	164,438	-	-167	164,271	164,271	-	100.0%	157,878	157,878
Goods and services	18,306	-	-2,295	16,011	16,011	-	100.0%	6,736	6,736
Transfers and subsudies	**369**	**-**	**-68**	**301**	**301**	**-**	**100.0%**	**687**	**687**
Households	369	-	-68	301	301	-	100.0%	687	687
Payments for capital assets	**386**	**-329**	**-**	**57**	**57**	**-**	**100.0%**	**48**	**48**
Machinery and equipment	**386**	**-329**	**-**	**57**	**57**	**-**	**100.0%**	**48**	**48**
	183,499	**-329**	**-2,530**	**180,640**	**180,640**	**-**	**100.0%**	**165,349**	**165,349**

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2022

2.4 Capacity Development									
2021/22								2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**9,440**	**-**	**-654**	**8,786**	**8,786**	**-**	**100.0%**	**10,331**	**10,331**
Compensation of employees	8,264	-	-284	7,980	7,980	-	100.0%	7,579	7,579

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APPROPRIATION STATEMENT
for the year ended 31 March 2022

Goods and services	1,176	-	-370	806	806	-	100.0%	2,752	2,752
Payments for capital assets	**350**	**-33**	**-**	**317**	**317**	**-**	**100.0%**	**142**	**142**
Machinery and equipment	350	-33	-	317	317	-	100.0%	142	142
Payment for financial assets				-		-	-	-	
	9,790	**-33**	**-654**	**9,103**	**9,103**	**-**	**100.0%**	**10,473**	**10,473**

2.5 Municipal Performance, Reporting & evaluation									
2021/22								**2020/21**	
	Adjusted Appropriatio	**Shifting of Funds**	**Virement**	**Final Appropriati**	**Actual Expenditur**	**Variance**	**Expenditur e**	**Final Appropriati**	**Actual expenditur**

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2022

	n			on	e		as % of final appropriation	on	e
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**29,528**	**-**	**-291**	**29,237**	**29,237**	**-**	**100.0%**	**26,350**	**26,350**
Compensation of employees	27,711	-	-152	27,559	27,559	-	100.0%	24,958	24,958
Goods and services	1,817	-	-139	1,678	1,678	-	100.0%	1,392	1,392
Transfers and subsidies	**48**	**-**	**18**	**66**	**66**	**-**	**100.0%**	**229**	**229**
Households	48	-	18	66	66	-	100.0%	229	229
Payments for capital assets	**657**	**-636**	**-**	**21**	**21**	**-**	**100.0%**	**117**	**117**
Machinery and equipment	657	-636	-	21	21	-	100.0%	117	117
Payment for financial assets				-		-	-	-	
	30,233	**-636**	**-273**	**29,324**	**29,324**	**-**	**100.0%**	**26,969**	**26,969**

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APPROPRIATION STATEMENT
for the year ended 31 March 2022

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	29,205	-	-1,951	27,254	27,254	-	100.0%	25,464	25,464
2. Land use Management	26,116	-	-996	25,120	25,120	-	100.0%	27,414	27,414
3. Local Economic Development	153,993	-	-58	153,935	145,261	8,674	94.4%	88,697	88,697
4. Municipal Infrastructure	226,680	-613	40,173	266,240	266,240	-	100.0%	143,903	143,903

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2022

5. Disaster Management	31,333	-	-290	31,043	31,043	-	100.0%	17,083	17,027
Total for sub programmes	**467,327**	**-613**	**36,878**	**503,592**	**494,918**	**8,674**	**98.3%**	**302,561**	**302,505**
Economic classification									
Current payments	**219,881**	**-**	**-7,173**	**212,708**	**212,708**	**-**	**100.0%**	**200,579**	**200,579**
Compensation of employees	148,370	-	-2,377	145,993	145,993	-	100.0%	136,478	136,478
Salaries and wages	135,147	-	-2,451	132,696	132,696	-	100.0%	124,251	124,251
Social contributions	13,223	-	74	13,297	13,297	-	100.0%	12,227	12,716
Goods and services	71,511	-	-4,796	66,715	66,715	-	100.0%	64,101	64,045
Administrative fees	252	-	-82	170	170	-	100.0%	199	107
Advertising	130	-	-59	71	71	-	100.0%	173	173
Minor assets	40	-	-40	-	-	-	-	-	-
Catering: Departmental activities	106	-	-77	29	29	-	100.0%	216	144
Communication (G&S)	1,276	-	-85	1,191	1,191	-	100.0%	666	671

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APPROPRIATION STATEMENT
for the year ended 31 March 2022

Consultants: Business and advisory services	44,253	-	-3,751	40,502	40,502	-	100.0%	43,959	46,313
Contractors	2,543	-	-1,627	916	916	-	100.0%	55	-
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	500	-
Inventory: Food and food supplies	4,196	-	-112	4,084	4,084	-	100.0%	714	1,234
Inventory: Materials and supplies	3,207	-	281	3,488	3,488	-	100.0%	984	1,313
Inventory: Other supplies	6,458	-	194	6,652	6,652	-	100.0%	7,185	7,158
Consumable supplies	889	-	3	892	892	-	100.0%	9	9
Consumable: Stationery, printing and office supplies	650	-	-70	580	580	-	100.0%	17	130
Operating leases	989	-	-137	852	852	-	100.0%	849	847
Property payments	10	-	-	10	10	-	100.0%	20	-
Travel and subsistence	2,885	-	884	3,769	3,769	-	100.0%	3,055	2,505
Operating payments	210	-	-118	92	92	-	100.0%	559	455
Rental and Hiring	3,417	-	-	3,417	3,417	-	100.0%	4,900	2,914

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2022

Transfers and subsidies	**167,371**	**-**	**34,761**	**202,132**	**202,132**	**-**	**100.0%**	**1,190**	**1,190**
Provinces and municipalities	154,020	-	34,000	188,020	188,020	-	100.0%	-	-
Municipalities	154,020	-	34,000	188,020	188,020	-	100.0%	-	-
Municipal bank accounts	154,020	-	34,000	188,020	188,020	-	100.0%	-	-
Departmental agencies and accounts	13,000	-	-	13,000	13,000	-	100.0%	-	-
Departmental agencies	13,000	-	-	13,000	13,000	-	100.0%	-	-
Households	351	-	761	1,112	1,112	-	100.0%	1,190	1,190
Social benefits	351	-	761	1,112	1,112	-	100.0%	1,190	1,190
Payments for capital assets	**80,075**	**-613**	**9,290**	**88,752**	**80,078**	**8,674**	**90.2%**	**100,792**	**100,792**
Buildings and other fixed structures	77,718	-	10,484	88,202	79,528	8,674	90.2%	99.383	99,383
Buildings	5,106	-	15,089	20,195	11,521	8,674	57.0%	19,787	19,787
Other fixed structures	72,612	-	-4,605	68,007	68,007	-	100.0%	79,596	79,596
Machinery and equipment	2,357	-613	-1,194	550	550	-	100.0%	1,409	1,409
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	2,357	-613	-1,194	550	550	-	100.0%	1,409	1,409

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2022

Total	**467,327**	**-613**	**-36,878**	**503,592**	**494,918**	**8,674**	**98.3%**	**302,561**	**302,561**

3.1 Spatial 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**

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2022

Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**28,787**	-	**-1,568**	**27,219**	**27,219**	-	**100.0%**	**25,038**	**25,038**
Compensation of employees	23,214	-	-88	23,126	23,126	-	100.0%	21,859	21,859
Goods and services	5,573	-	-1,480	4,093	4,093	-	100.0%	3,179	3,179
Transfers and subsidies	-	-	35	35	35	-	100.0%	-	-
Households	-	-	**35**	**35**	**35**	-	**100.0%**	-	-
Payments for capital assets	418	-	-418	-	-	-	-	426	426
Machinery and equipment	**418**	-	**-418**	-	-	-	-	**426**	**426**
	29,205	-	**-1,951**	**27,254**	**27,254**	-	**100.0%**	**25,464**	**25,464**

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APPROPRIATION STATEMENT
for the year ended 31 March 2022

Subprogramme: 3.2: LAND USE MANAGEMENT

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure

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APPROPRIATION STATEMENT
for the year ended 31 March 2022

Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**25,498**	**-**	**- 561**	**24,937**	**24,937**	**-**	**100.0%**	**26,546**	**26,546**
Compensation of employees	23,668	-	-228	23,440	23,440	-	100.0%	25,362	25,362
Goods and services	1,830	-	- 333	1,497	1,497	-	100.0%	1,184	1,184
Transfers and subsidies	**231**	**-**	**- 82**	**149**	**149**	**-**	**100.0%**	**512**	**512**
Households	231	-	- 82	149	149	-	100.0%	512	512
Payments for capital assets	**387**	**-**	**-353**	**34**	**34**	**-**	**100.0%**	**356**	**356**

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APPROPRIATION STATEMENT
for the year ended 31 March 2022

Subprogramme: 3.3:
LOCAL ECONOMIC DEVELOPMENT

Machinery and equipment	387	-	- 353	34	34	-	100.0%	356	356
Total	**26,116**	**-**	**-996**	**25,120**	**25,120**	**-**	**100.0%**	**27,414**	**27,414**

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APPROPRIATION STATEMENT
for the year ended 31 March 2022

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**80,793**	**-**	**- 2,536**	**78,257**	**78,257**	**-**	**100.0%**	**68,539**	**68,539**
Compensation of employees	67,207	-	- 1,247	65,960	65,960	-	100.0%	61,533	61,533
Goods and services	13,586	-	- 1,289	12,297	12,297	-	100.0%	7,006	7,006
Transfers and subsidies	**54,458**	**-**	**721**	**55,179**	**55,179**	**-**	**100.0%**	**371**	**371**
Provinces and municipalities	41,420	-	-	41,420	-	-	100.0%	-	-
Departmental agencies and accounts	13,000	-	-	13,000	13,000	-	100.0%	-	-
Households	**38**	**-**	**721**	**759**	**759**	**-**	**100.0%**	**371**	**371**

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2022

Payments for capital assets	**18,742**	**-**	**1,757**	**20,499**	**11,825**	**8,674**	**57.7%**	**19,787**	**19,787**
Buildings and other fixed structures	18,416	-	1,779	20,195	11,521	8,674	57.7%	19,787	19,787
Machinery and equipment	326	-	-22	304	304	-	100.0%	-	-
Total	**153,993**	**-**	**-58**	**153,935**	**145,261**	**8,674**	**94.4%**	**88,697**	**88,697**

Subprogramme: 3.4: MUNICIPAL INFRASTRUCTURE

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APPROPRIATION STATEMENT
for the year ended 31 March 2022

	2021/22							2020/21	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	54,059	-	-2,467	51,592	51,592	-	100.0%	63,795	63,795
Compensation of employees	20,171	-	-479	19,692	19,692	-	100.0%	15,777	15,777
Goods and services	33,888	-	-1,988	31,900	31,900	-	100.0%	48,018	48,018

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2022

Transfers and subsidies	**112,600**	**-**	**34,041**	**146,641**	**146,641**	**-**	**100.0%**	**135**	**135**
Provinces and municipalities	**112,600**	**-**	**34,000**	**146,600**	**146,600**	**-**	**100.0%**	**-**	**-**
Households	**-**	**-**	**41**	**41**	**41**	**-**	**100.0%**	**135**	**135**
Payments for capital assets	**60,021**	**-613**	**8,599**	**68,007**	**68,007**	**-**	**100.0%**	**79,973**	**79,973**
Buildings and other fixed structures	59,302	-	8,705	68,007	68,007	-	100.0%	79,973	79,973
Machinery and equipment	719	-613	-106	-	-	-	-	377	377
Total	**226,680**	**-613**	**40,173**	**266,240**	**266,240**	**-**	**100.0%**	**143,903**	**143,903**

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2022

3.5 Disaster Management									
2021/22								**2020/21**	
	Adjusted Appropriation	**Shifting of Funds**	**Virement**	**Final Appropriation**	**Actual Expenditure**	**Variance**	**Expenditure as % of final appropriation**	**Final Appropriation**	**Actual expenditure**
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**30,744**	**-**	**-41**	**30,703**	**30,703**	**-**	**100.0%**	**16,661**	**16,605**
Compensation of employees	14,110	-	-335	13,775	13,775	-	100.0%	11,947	11,947
Goods and services	16,634	-	294	16,928	16,928	-	100.0%	4,714	4,658
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	**82**	**-**	**46**	**128**	**128**	**-**	**100.0%**	**172**	**172**
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Households	82	-	46	128	128	-	100.0%	172	172
Payments for capital assets	**507**	**-**	**-295**	**212**	**212**	**-**	**100.0%**	**250**	**250**
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	507	-	-295	212	212	-	100.0%	250	250
Payment for financial assets				**-**		**-**	**-**	**-**	
	31,333	**-**	**-290**	**31,043**	**31,043**	**-**	**100.0%**	**17,083**	**17,027**


BUDGET
ACRYLIC PVA

	31,333	-	-290	31,043	31,043	-	100.0%	17,083	17,027

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2022

	31,333	-	-290	31,043	31,043	-	100.0%	17,083	17,027

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2022

Economic classification									
Current payments	**540,170**	**-19,289**	**-31,176**	**489,705**	**489,705**	**-**	**100.0%**	**515,520**	**515,520**
Compensation of employees	169,779	-	-14,022	155,757	155,757	-	100.0%	156,905	156,905
Salaries and wages	151,840	-	-8,385	143,455	143,455	-	100.0%	145,004	144,697
Social contributions	17,939	-	-5,637	12,302	12,302	-	100.0%	11,901	12,208
Goods and services	370,391	-19,289	-17,154	333,948	333,948	-	100.0%	358,615	358,615
Administrative fees	925	-653	-272	-	-	-	-	-	-
Minor assets	37	-	-32	5	5	-	100.0%	5	5
Catering: Departmental activities	814	-995	181	-	-	-	-	-	-
Communication	783	-752	-31	-	-	-	-	-	-
Legal services	3,741	-917	-2,824	-	-	-	-	-	-
Contractors	4,928	-1,033	-2,053	1,842	1,842	-	100.0%	100	100.0
Consumable supplies	709	-696	-13	-	-	-	-	-	-
Consumable: Stationery, printing and office supplies	405	-12	-393	-	-	-	-	-	-

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APPROPRIATION STATEMENT
for the year ended 31 March 2022

Operating leases	753	-475	-278	-	-	-	-	-	-
Property payments	477	-477	-	-	-	-	-	-	-
Travel and subsistence	9,319	-7,668	637	2,288	2,288	-	100.0%	2,266	1,364
Operating payments	347,500	-5,611	-12,076	329,813	329,813	-	100.0%	356,244	357,146
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	**966**	**19,620**	**320**	**20,906**	**20,906**	**-**	**100.0%**	**27,749**	**27,749**
Non-profit institutions	200	19,620	-	19,820	19,820	-	100.0%	26,082	26,082
Households	766	-	320	1,086	1,086	-	100.0%	1,667	1,667
Social benefits	709	-	320	1,029	1,029	-	100.0%	1,667	1,502
Other Transfers to Households	57	-	-	57	57	-	100.0%	-	165
Payments for capital assets	**1,854**	**-1,796**	**-**	**58**	**58**	**-**	**100.0%**	**346**	**346**
Buildings and Other fixed Structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	1,854	-1,796	-	58	58	-	100.0%	349	349
Other machinery and equipment	1,854	-1,796	-	58	58	-	100.0%	349	349
Total	**542,990**	**-1,465**	**-30,856**	**510,669**	**510,669**	**-**	**100.0%**	**545,330**	**545,330**

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APPROPRIATION STATEMENT
for the year ended 31 March 2022

4.1 Traditional Institutional 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
Economic classification	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**	**%**	**R'000**	**R'000**
Current payments	**459,915**	**-8,997**	**-17,658**	**433,260**	**433,260**	**-**	**100.0%**	**463,390**	**463,390**
Compensation of employees	100,891	-	-711	100,180	100,180	-	100.0%	104,780	104,780
Goods and services	359,024	-8,997	-16,947	333,080	333,080	-	100.0%	358,610	358,610
Transfers and subsidies	**250**	**8,997**	**81**	**9,382**	**9,382**	**-**	**100.0%**	**6,230**	**6,230**
Non-profit institutions	200	8,997	-	9,197	9,197	-	100.0%	6,065	6,065
Households	50	-	81	131	131	-	100.0%	165	165
Payments for capital assets	**273**	**-239**	**-**	**34**	**34**	**-**	**100.0%**	**141**	**141**
Machinery and equipment	273	-239	-	34	34	-	100.0%	141	141
Payment for financial assets	-	-	-	-	-	-	-	**1,715**	**1,715**
	460,438	**-239**	**-17,577**	**442,622**	**442,622**	**-**	**100.0%**	**471,476**	**471,476**

Subprogramme: 4.2: TRADITIONAL RESOURCE 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
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	80,255	-10,292	-13,518	56,445	56,445	-	100.0%	52,130	52,130

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APPROPRIATION STATEMENT
for the year ended 31 March 2022

Compensation of employees	68,888	-	-13,311	55,577	55,577	-	100.0%	52,125	52,125
Goods and services	11,367	-10,292	-207	868	868	-	100.0%	5	5
Transfers and subsidies	**716**	**10,623**	**239**	**11,578**	**11,578**	**-**	**100.0%**	**21,519**	**21,519**
Non-profit institutions	-	10,623	-	10,623	10,623	-	100.0%	20,017	20,017
Households	716	-	239	955	955	-	100.0%	1,502	1,502
Payments for capital assets	**1,581**	**-1,557**	**-**	**24**	**24**	**-**	**100.0%**	**205**	**205**
Machinery and equipment	1,581	-1,557	-	24	24	-	100.0%	205	205
Total	**82,552**	**-1,226**	**-13,279**	**68,047**	**68,047**	**-**	**100.0%**	**73,854**	**73,84**

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2022

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 on Payments for financial assets to the Annual Financial Statements.

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

5.

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Administration	462,748	462,478	-	100.0%
Local Governance	313,542	313,542	-	100.0%
Development and Planning	503,592	494,918	-	98.0%
Traditional Institutional Management	510,669	510,669	-	100.0%

4.2 Per economic classification	Final	Actual	Variance	Variance as a % of Final

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NOTES TO THE APPROPRIATION STATEMENT

for the year ended 31 March 2022

	Appropriation	Expenditure		Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	729,258	729,258	-	100.0%
Goods and services	700,257	700,257	56	100.0%
Interest and rent on land	447	447	-	-
Transfers and subsidies				
Provinces and municipalities	188,504	188,504	-	100.0%
Departmental agencies and accounts	13,000	13,000	-	100.0%
Non-profit institutions	19,820	19,820	-	100.0%
Households	9,924	9,924	-	100.0%
Payments for capital assets				
Buildings and other fixed structures	88,202	79,528	8 674	100.0%
Machinery and equipment	16,403	16,403	-	100.0%
Payments for financial assets	11,765	11,765	-	100.0%

4.3 Per conditional grant	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
EPWP Integrated Grant for Provinces	1,994	1,994	-	100.0%

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2022

	Note	2021/22	2020/21
		R'000	R'000
REVENUE			
Annual appropriation	1	1 790 551	1 513 924
Departmental revenue	2	10 058	35 319
TOTAL REVENUE		**1 800 609**	**1 549 243**
EXPENDITURE			
Current expenditure			
Compensation of employees	3	729 258	706 163
Goods and services	4	700 257	622 436
Interest and rent on land	5	447	8
Total current expenditure		**1 429 962**	**1 328 607**
Transfers and subsidies			
Transfers and subsidies	6	231 248	38 830
Total transfers and subsidies		**231 248**	**38 830**
Expenditure for capital assets			
Tangible assets	8	95 931	135 816
Intangible assets	8	12,971	8 895

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STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2022

Total Expenditure for Capital Assets		**108,902**	**144 711**
Payment for financial assets	***7***	**11 765**	1 720
TOTAL EXPENDITURE		**1 781 877**	**1 513 868**
SURPLUS/(DEFICIT) FOR THE YEAR		**18 732**	**35 375**
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		**8 674**	**56**
Annual appropriation		8 674	56
Conditional Grants		-	-
Departmental revenue and NRF Receipts	***13***	10 058	35 319
SURPLUS/(DEFICIT) FOR THE YEAR		**18 732**	**35 375**

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

STATEMENT OF FINANCIAL POSITION
as at 31 March 2022

	Note	2021/22	2020/21
		R'000	R'000
ASSETS			
Current assets		**4 126**	**(13 220)**
Unauthorised expenditure	*9*	210	210
Cash and cash equivalents	*10*	(502)	(21 508)
Receivables	*11*	4 418	8 078
Non-current assets		**13 518**	**22 742**
Receivables	*11*	13 518	22 742
TOTAL ASSETS		**17 644**	**9 522**
LIABILITIES			
Current liabilities		**11 262**	**3 279**
Voted funds to be surrendered to the Revenue Fund	*12*	8 674	56
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	*13*	947	1 545
Bank overdraft	*14*	-	168
Payables	*15*	1 641	1 510

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

STATEMENT OF FINANCIAL POSITION
as at 31 March 2022

	Note	2021/22	2020/21
		R'000	R'000
Non-Current Liabilities			
Payables	*15.1*	3 861	3 033
TOTAL LIABILITIES		**15 123**	**6 312**
NET ASSETS		**2 521**	**3 210**
Represented by:			
Recoverable revenue		2 521	3 210
TOTAL		**2 521**	**3 210**

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2022

NET ASSETS				2021/22		2020/21
		Note		R'000		R'000
Recoverable revenue						
Opening balance				3 210		3 085
Transfers				**(689)**		**125**
Debts recovered (included in departmental receipts)				(1 998)		(1 720)
Debts raised				1 309		1 845
Closing balance				**2 521**		**3 210**
TOTAL				**2 521**		**3 210**

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

CASH FLOW STATEMENT
for the year ended 31 March 2022

	Note	2021/22	2020/21
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		**1 800 609**	**1 547 737**
Annual appropriated funds received	***1.1***	1 790 551	1 513 924
Departmental revenue received	***2***	8 597	32 942
Interest received	***2.2***	1 461	871
Net (increase)/decrease in working capital		3 791	3 562
Surrendered to Revenue Fund		(10 712)	(58 383)
Current payments		(1 429 515)	(1 328 599)
Interest paid	***5***	(447)	(8)
Payments for financial assets		(11 765)	(1 720)
Transfers and subsidies paid		(231 248)	(38 830)
Net cash flow available from operating activities	***17***	**120 713**	**123 759**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	***8***	(108,902)	(144 711)
Proceeds from sale of capital assets	***2.3***	-	1506
(Increase)/decrease in non-current receivables		9 224	(8 229)
Net cash flows from investing activities		**(99,678)**	**(151 434)**

CASH FLOWS FROM FINANCING ACTIVITIES

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CASH FLOW STATEMENT
for the year ended 31 March 2022

Increase/(decrease) in net assets		(689)	125
Increase/ (decrease) in non-current payables		828	1 243
Net cash flows from financing activities		**139**	**1 368**
Net increase/(decrease) in cash and cash equivalents		21 174	(26 307)
Cash and cash equivalents at beginning of period		(21 676)	4 631
Cash and cash equivalents at end of period	***10***	**(502)**	**(21 676)**

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

Annual Appropriation

1.1 Annual Appropriation

	2021/22			2020/21	
	Final Appropriation	Actual Funds Received	Funds not requested/not received	Final Appropriation	Appropriation received
	R'000	R'000	R'000	R'000	R'000
Administration	446 872	446 872	-	359 877	359 877
Local Governance	333 362	333 362	-	294 490	294 490
Development and Planning	467 327	467 327	-	315 921	315 921
Traditional Institutional Management	542 990	542 990	-	543 636	543 636
Total	**1 790 551**	**1 790 551**	**-**	**1 513 924**	**1 513 686**

"The department commenced paying iziNduna as per Provincial Executive decision from December 2016 in line with the Presidential proclamation which was effective from 1 April 2016. The President signs the Public Office bearers' proclamations on an annual basis. There are four proclamations that have been signed to date with the first being effective from 1 April 2013. The effect of commencing to pay iziNduna as public office bearers only from 2016 resulted in a historic liability to the value of R631 million as disclosed in note 26.

Following the meeting with the National Minister of Finance and National Minister of COGTA, a technical task team jointly led by Department of Traditional Affairs and National Treasury was formed. During the engagement session with the ministers, it was acknowledged that the liability requires the involvement and commitment of all relevant parties. This was followed by a meeting of officials wherein it was resolved that a technical task team to look at among other things, the approach in addressing a liability and recommendations to be made to the relevant ministers and MECs.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

1.2 Conditional grants

	Note	2021/22	2020/21
		R'000	R'000
Conditional grants	***39***		
Total grants received		1,994	2 777
Provincial grants included in Total Grants received		-	-

** It should be noted that the conditional grants received are included in the amounts per the final appropriation above

2. Departmental revenue

	Note	2021/22	2020/21
		R'000	R'000
Sales of goods and services other than capital assets	2.1	1 576	1 519
Interest, dividends and rent on land	2.2	1 461	871
Sales of capital assets	2.3	-	1 506
Transactions in financial assets and liabilities	2.4	7 021	31 423
Departmental revenue collected		**10 058**	**35 319**

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

2.1 Sales of goods and services other than capital assets

	Note	2021/22	2020//21
	2	R'000	R'000
Sales of goods and services produced by the department		1 572	1 519
Sales by market establishment		676	728
Other sales		896	791
Sales of scrap, waste and other used current goods		4	-
Total		**1 576**	**1 519**

2.2 Interest, dividends and rent on land

	Note	2021/22	2020/21
	2	R'000	R'000
Interest		1 461	871
Total		**1 461**	**871**

2.3 Sale of capital assets

	Note	2021/22	2020/21
	2	R'000	R'000
Tangible assets		-	1 506
Machinery and equipment		-	1 506

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VOTE 11

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

Total		**-**	**1 506**

3.4 Transactions in financial assets and liabilities

	Note	2021/22	2020/21
		R’000	R’000
Receivables		7 021	31 423
Other Receipts including Recoverable Revenue		-	-
Total		**7 021**	**31 423**

3.1 Salaries and Wages

	Note	2021/22	2020/21
		R’000	R’000
Basic salary		494 177	517 661
Performance award		8 688	69
Service Based		606	647
Compensative/circumstantial		35 557	18 684

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

Periodic payments	342	-
Other non-pensionable allowances	106 655	87 611
Total	**646 025**	**624 672**

3.2 Social contributions

	Note	2021/22	2020/21
		R'000	R'000
Employer contributions			
Pension		50 751	50 418
Medical		31 770	30 560
UIF		36	39
Bargaining council		189	258
Insurance		487	216
Total		**83 233**	**81 491**
Total compensation of employees		**729 258**	**706 163**
Average number of employees		**1 972**	**2 065**

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

4 Goods and services

	Note	2021/22	2020/21
		R'000	R'000
Administrative fees		1 031	475
Advertising		15 074	7 111
Minor assets	4.1	598	414
Bursaries (employees)		45	16
Catering		759	602
Communication		14 611	10 128
Computer services	4.2	52 423	29 735
Consultants: Business and advisory services		83 594	91 902
Legal services		15 204	7 376
Contractors		12 931	2 320
Agency and support / outsourced services		9 766	9 001
Audit cost – external	4.3	9 427	6 521
Fleet services		14 960	15 209
Inventory	4.4	14 224	9 704
Consumables	4.5	17 573	7 243
Operating leases		33 467	15 388
Property payments	4.6	48 994	36 028
Rental and hiring		5 263	2

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

			914
Transport provided as part of the department activities		-	-
Travel and subsistence	***4.7***	18 240	11 957
Training and development		1 088	51
Other operating expenditure	***4.8***	330 985	358 341
Total		**700 257**	**622 436**

4..1 Minor assets

	Note	2021/22	2020/21
	4	R'000	R'000
Tangible assets		598	414
Machinery and equipment		598	414
Total		**598**	**414**

4.2 Computer services

	Note	2021/22	2020/21
	4	R'000	R'000

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

SITA computer services	24 011	19 633
External computer service providers	28,412	10 102
Total	**52,423**	**29 735**

4.3 Audit cost – External

	Note	2021/22	2020/21
	4	R'000	R'000
Regularity audits		9 427	6 521
Total		**9 427**	**6 521**

4.4 Inventory

	Note	2021/22	2020/21
	4	R'000	R'000
Food and food supplies		4 084	1 234
Materials and supplies		10 140	1 313
Other supplies	***4.4.1***	-	7 157
Total		**14 224**	**9 704**

4.4.1 Other supplies

	Note	2021/22	2020/21
		R'000	R'000
Assets for Distribution		-	6 217

Machinery and equipment	-	6 217
Other Assets for distribution	-	-
Other	-	940
Total	**-**	**7 157**

4.5. Consumables

	Note	2021/22	2020/21
	4	R'000	R'000
Consumable supplies		4 339	1 933
Uniform and clothing		2 177	53
Household supplies		425	1 212
Building material and supplies		-	93
Communication accessories		-	-
IT consumables		205	513
Other consumables		1 532	62
Stationery, printing and office supplies		13 234	5310
Total		**17 573**	**7 243**

4.6 Property payments

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	Note	2021/22	2020/21
	4	R'000	R'000
Municipal services		21 474	18 320
Property maintenance and repairs		27 520	2 613
Other		-	15 095
Total		**48 994**	**36 028**

4.7 Travel and subsistence

	Note	2021/22	2020/21
	4	R'000	R'000
Local		18 143	11 940
Foreign		96	17
Total		**18 240**	**11 957**

4.8 Other operating expenditure

	Note	2021/22	2020/21
	4	R'000	R'000
Professional bodies, membership and subscription fees		-	-
Resettlement costs		-	-
Other		330 985	358 341
Total		**330 984**	**358 341**

Included in other operating expenditure under other is expenditure for Honoraria which include payment of IziNduna R329 812 665.56 .

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5. Interest and rent on land

	Note	2021/22	2020/21
		R'000	R'000
Interest paid		447	8
Total		**447**	**8**

6. **Transfers and Subsidies**

	Note	2021/22	2020/21
		R'000	R'000
Provinces and Municipalities	*40*	188 504	491
Department agencies and accounts	*Annexure 1B*	13 000	-
Public corporations and Private enterprise		-	-
Non-Profit institutions	*Annexure 1F*	19 820	26 082
Households	*Annexure 1G*	9 924	12 257
Total		**231 248**	**38 830**

7 . Payment for financial assets		**11 765**	**1 720**
Debts written off		**11 765**	**1 720**

8 Expenditure for capital assets			
Tangible assets		**95 932**	**135 816**
Building and Other fixtures	*35.4*	79 529	99 383
Machinery and Equipment	*33.1*	16 403	36 433

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Intangible assets	***34***	12,971	8 895
Software		12,971	8 895
Total		**108,902**	**144 711**

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

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	**95 931**	**-**	**95 932**
Buildings and other fixed structures	79 528	-	79 529
Machinery and equipment	16 403	-	16 403
Intangible assets	**12,971**	**-**	**12,971**
Software	12,971	**-**	12,971
Total	108,902	-	108,902

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

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	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	**135 816**	**-**	**135 816**
Buildings and other fixed structures	99 382	-	**99 382**
Machinery and equipment	36 434	-	**36 434**
Intangible assets	**8,895**	**-**	**8,895**
Total	144 711	**-**	**144 711**

9 Unauthorised Expenditure

9.1 Reconciliation of unauthorised expenditure

	Note	2021/22	2020/21
		R'000	R'000
Opening balance		210	210
Prior period error		-	-
As restated		210	210
Unauthorised expenditure-discover in the current year(as restated)		-	-
Closing balance		**210**	**210**

	2021/22	2020/21
Analysis of closing balance		
Unauthorised expenditure awaiting authorisation	210	210
Total	**210**	**210**

9.2 Analysis of unauthorised expenditure awaiting authorisation per

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Transfers and subsidies	0	0
Total	**0**	0

9.3 Analysis of unauthorised expenditure awaiting authorisation per type

Unauthorised expenditure incurred not in accordance with the purpose of the vote or main	-	-
Total	**-**	-

10. Cash and Cash equivalents

Consolidated Paymaster General Account	(506)	(21 513)
Disbursement	(1)	-
Cash on hand	5	5
Total	**(502)**	**(21 508)**

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11. Receivables

		2021/22			2020/21		
		Current	**Non-current**	**Total**	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
	Note						
Claims recoverable	***11.1***	797	546	1 343	1 622	1 984	3 606
Recoverable expenditure	***11.2***	2 542	6 242	8 784	4 114	6 592	10 706
Staff debt	***11.3***	648	-	648	561	-	561
Other receivables	***11.4***	431	6 730	7 161	1 781	14 166	15 947
Total		**4 418**	**13 518**	**17 936**	**8 078**	**22 742**	**30 820**

11.1 Claims recoverable

	Note and annex	2021/22	2020/21
	12	R'000	R'000
National Government		-	39
Provincial departments		-	23

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Public entities	1 343	3 544
Total	**1 343**	**3 606**

11.2 Recoverable expenditure (disallowance accounts)

	Note	2021/22	2020/21
	11	R'000	R'000
(Group major categories, but list material items)			
Payment Fraud		1 039	1 039
Salary Reversal		2 912	2 638
Income Tax		-	148
Medical Aid		-	3
Deduction Disallowance		21	55
"Tax Recoveries		41	29
ACB Recalls		1 571	1 505
Pension Fund		14	14
Pension Recoverable		8	38
Online Travel		3 178	5 237
Total		**8 784**	**10 706**

11.3 Staff debt

	Note	2021/22	2020/21
	11	R'000	R'000

(Group major categories, but list material

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items)

Arrears on House Rent	2	12
Bursary Debt	251	278
Leave Without Pay	-	4
Overpaid Salary	33	-
Tax Debt	-	1
Telephone	29	6
Vehicle Damage	326	252
Fruitless and Wasteful expenditure	1	1
Damaged Laptop	6	7
Total	**648**	**561**

9.4 Other receivables

	Note	201/22	2020/21
	11	R'000	R'000
(Group major categories, but list material items)			
Ex-Employees		4 689	11 175
External Debtors		2 472	4 772
Total		**7 161**	**15 947**

11.5 Impairment of receivables

	Note	2021\22	2020/21

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	R'000	R'000
Estimate of impairment of receivables	2,143	16 851
Total	**2,143**	**16 851**

12. Voted funds to be surrendered to the Revenue Fund

	Note	2021/22	2020/21
		R'000	R'000
Opening balance		56	24 651
Prior period error		-	-
As restated		56	24 651
Transfer from statement of financial performance (as restated)		8 674	56
Paid during the year		(56)	(24 651)
Closing balance		**8 674**	**56**

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

	Note	2021/22	2020/21
		R'000	R'000
Opening balance		1 545	(42)
Transfer from Statement of Financial Performance (as restated)		10 058	35 319
Paid during the year		(10 656)	(33 732)
Closing balance		**947**	**1 545**

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14. Bank overdraft

	Note	2021/22	2020/21
		R'000	R'000
Consolidated Payments General Account		-	168
		-	**168**

15. Payables – current

	Note	2021/22	2020/21
		R'000	R'000
Advances received	*15.1*	50	109
Clearing accounts	*15.2*	1 641	1 510
Total		**1 691**	**1 619**

15.1 Other Payables

Credit balances from debt over collection
50 109

15.2 Clearing accounts

	Note	2021/22	2020/21
	21	R'000	R'000
Description			
(Identify major categories, but list material amounts)			
ACB Recalls		1 418	1 130
Bargaining Councils		-	1

Salary Reversal	-	3
Income Tax	223	336
Pension Fund	-	2
Medical Aid	-	38
Garnishee	-	-
Total	**1 641**	**1 510**

16.Payables Non-current	One or two years	Two to three years	More than three years	Total 2021/22	Total 2020/21
	R'000	R'000	R'000	R'000	R'000
Other payables	441	608	2 812	3 861	3 033

Other payables

	Note	2021/22	2020/21
		R'000	R'000
ACB Recalls		2 887	2 108
Appeal Board		49	49
Salary Reversal		593	612

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Pension Fund	264	264
Medical aid	38	-
Claims Receivables	30	-
Total	**3 861**	**3 033**

17. Net cash flow available from operating activities

	Note	2021/22	2020/21
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		18 732	35 375
Add back non cash/cash movements not deemed operating activities		101 981	(88 384)
(Increase)/decrease in receivables		3 660	3 291
(Increase)/decrease in prepayments and advances		-	382
Increase/(decrease) in payables – current		131	(111)
Proceeds from sale of capital assets		-	(1 506)
Expenditure on capital assets		108 902	144 711
Surrenders to Revenue Fund		(10 712)	(58 383)
Voted funds not requested/not received		-	-
Net cash flow generated by operating activities		**120 713**	**123 759**

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

	Note	2021/22	2020/21
		R'000	R'000
Consolidated Paymaster General account		(506)	(21 681)
Disbursements		(1)	-
Cash on hand		5	5
Total		**(502)**	**(21 676)**

19 Contingent liabilities and contingent assets

19.1 Contingent liabilities

		Note	2021/22	2020/21
			R'000	R'000
Liable to	Nature			
Housing loan guarantees	**Employees**	***Annex 3A***	-	-
Claims against the department		***Annex 3B***	7 259	4 443
Intergovernmental payables (unconfirmed balances)		***Annex 5***	3 049	2 667
Total			**10 308**	**7 110**

20. Commitments

Current expenditure	Note	2021/22 March 31

Capital Commitments

Specify class of asset

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Building and fixed structures	14 039
Machinery and Equipment	454
Total Commitments	**14 493**

The reporting templates have changed in the current financial year due to updates in MCS and capital commitments are now disclosed per asset class. The previous year capital commitments was disclosed as; part of payment capital of R78 109 000, once off payment of R566 000, IDT capital payment of 71 358 000 and KZN Department of public works of R6 309 000. In total it was R156 342 000.

21 Accruals and payables not recognised

21.1 Accruals

			2021/22	2020/21
			R'000	R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	6 199	654	**6 853**	20 654
Transfers and subsidies	2	-	**2**	263
Capital assets	146	5	**151**	-
Total	**6 352**	**654**	**7 006**	**20 917**

	Note	2021/22	2020/21
		R'000	R'000
Listed by programme level			
Administration		6 165	14 702
Local Governance		394	5 517
Development and Planning		281	540

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Traditional Institutional Management	166	158
Total	**7 006**	**20 917**

21.2 Payables not recognised

			2021/22	2020/21
			R'000	R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	8 259	-	**8 259**	56 210
Intrest and rest on land	1 514		**1 514**	
Capital assets	-	-	**-**	15 200
Total	**9 773**	**-**	**9 773**	**71 410**

	Note	2021/22	2020/21
		R'000	R'000
Listed by programme level			
Administration		3 361	23 129
Local Governance		371	6 071
Development and Planning		5 961	20 461
Traditional Institutional Management		80	21 749
Total		**9 773**	**71 410**

	Note	2021/22	2020/21
Included in the above totals are the following:		R'000	R'000

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Confirmed balances with other departments	***Annex 5***	13,900	7 852
Total		**13,900**	**7 852**

22 Employee benefits

	Note	2021/22	2020/21
		R'000	R'000
Leave entitlement		47 673	60 949
Service bonus		15 828	15 621
Performance Awards		-	25 016
Capped leave commitments		22 665	-
Other		588	647
Total		**86 754**	**102 233**

23. Lease commitments

23.1 Operating leases

2021/22	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	23 662	1 949	25 611
Later than 1 year and not later than 5 years	-	-	8 488	2 251	10 739
Total lease	-	-	**32 150**	**4 200**	**63 350**

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commitments

2020/21	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	21 357	1 390	22 747
Later than 1 year and not later than 5 years	-	-	117	1 663	1 780
Total lease commitments	**-**	**-**	**21 474**	**3 053**	**24 527**

23.2 Finance leases expenditure **

2021/22	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	8 940	8 940
Later than 1 year and not later than 5 years	-	-	-	4 113	4 113

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Total lease commitments	**-**	**-**	**-**	**13 053**	**13 053**

2020/21	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	4 974	4 974
Later than 1 year and not later than 5 years	-	-	-	3 222	3 222
Later than five years	**-**	**-**	**-**	**-**	**-**
Total lease commitments	-	-	-	8 196	8 196

24. Irregular expenditure

24.1 Reconciliation of irregular expenditure

	Note	2021/22	2020/21
		R'000	R'000
Opening balance		243 927	303 964
Prior period error		(6 886)	(6 724)
As restated		237 041	297 240
Add: Irregular expenditure – relating to prior year		-	1 534

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Add: Irregular expenditure – relating to current year	-	-
Less: Prior year amounts condoned	(7 213)	(54 847)
Closing balance	**229 828**	**243 927**

Analysis of awaiting condonation per age classification

Current year	-	-
Prior years	229 828	243 927
Total	**229 828**	**243 927**

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

Incident	**Condoned by (condoning authority)**	**2021/22**
		R'000
Overtime exceeding limit	Kzn Provincial treasury	405
SCM procedure not followed		6 808
Total		**7 213**

24.3 Prior period error

	Note	2020/21
		R'000

Nature of prior period error	
Relating to prior year *[affecting the opening balance]*	**(6 886)**
Incorrect classification into irregular	(6 886)
Relating to 2017/18	**-**
Total	**(6 886)**

25. Fruitless and wasteful expenditure

25.1Reconciliation of fruitless and wasteful expenditure

	Note	2021/22	2020/21
		R'000	R'000
Opening balance		5 539	3 501
Prior period error		(6)	-
As restated		5 533	3 501
Fruitless and wasteful expenditure – relating to prior year	*25..2*	-	2 028
Fruitless and wasteful expenditure – relating to current year	*25..2*	-	11
Less: Amounts recovered		(4)	(1)
Less: Amounts written off	***25..4***	(12)	-
Closing balance		**5 517**	**5 539**

25.2 Analysis of awaiting resolution per economic classification

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Current			
754	**-**		
Capital			
-	**-**		
Total			**754**
-			

25.3 Details of fruitless and wasteful expenditure – Recoverable Incident

Incident	**Disciplinary steps taken/criminal proceedings**	**221/22** **R'000**
No show at hotel	Recovery	3
Vehicle Damages	Recovery	1
Total		**4**

25.4 Details of fruitless and wasteful expenditure – Write off

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Incident	Disciplinary steps taken
Contract exceeding payment value	**Written off**
6	
No show	**Written off**
6	
Total	
12	

25.5 Analysis of current year but not on the main note

Incident	**Disciplinary steps taken/criminal proceedings**	**221/22** **R'000**
Overpaid salary to interns	Under investigation	731

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No show	Under investigation	14
Total		**745**

25.6 Prior period error

	Note	2020/21
		R'000
Nature of prior period error		**(6)**
Relating to prior years 2021/22 *[affecting the opening balance]*		(6)
Total		**(6)**

26 Related party transactions

Relates to Traditional Levies and Trust Account for Current and Transfer Payments to the value of R19 820 334,38 in relation to the support given the institution of traditional leadership.

27 Key management personnel

	No. of Individuals	2021/22	2020/21
		R'000	R'000
Political office bearers (provide detail below)	1	1 999	1 978
Officials:			

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Level 16	1	2 391	2 271
Level 15	3	3 324	3 958
Level 14	15	18 961	18 565
Family members of key management personnel	2	1 102	1 063
Total		**27 777**	**27 835**

28 Provisions

	Note	2020/21	2019/20
		R'000	R'000
Increased in provision		1 575 218	1 472 166
Change in provision due to change in estimation of inputs		**(944 135)**	**103 052**
Total		**631 083**	**1 575 218**

During the financial year, the department engaged National Minister of Cogta in order to develop a motivation to Treasury for the payment of the izinduna back-pay which had been included in disclosure note of the AFS from 2016/2017 to 2020/2021 financial year at an amount of R1,5 billion. The basis for the assumptions used in determination of the provision were number of Izigodi,all Izigodi were filled for the full period in question and allowance per Proclamation (adjusted for the annual inflationary increase).

During the engagement with the minister, data was for the first time, provided in extensive detail including the names of the affected izinduna, period of service and their izigodi. As a result in determining the provision for the current financial year, the basis for the assumptions used has changed from the prior years, as explained above, to the new basis of names of the affected izinduna, period of service and allowance per

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Proclamation (adjusted for the annual inflationary increase).The amount for the provision disclosed in the current financial statement is R631m and it represents a reduction of R944, 28m from the prior year. While the discussions are underway with National Cogta and National Treasury, further verifications and authentication of Izinduna is being done by all parties involved.

28.1 Reconciliation of movement in provisions – 2021/22

	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	**R'000**	**R'000**	R'000
Opening balance	1 575 218	-	-	**1 575 218**
Increase in provision	-	-	-	**-**
Change in provision due to change in estimation of inputs	(944 135)	-	-	**(944 135)**
Closing balance	**631 083**	-	-	**631 083**

Reconciliation of movement in provisions – 2020/21

	Provision 1	Provision 2	Provision 3	Total provisions
	R'000	**R'000**	**R'000**	R'000

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Opening balance	1 472 166	-	-	**1 472 166**
Increase in provision	103 052	-	-	**103 052**
Change in provision due to change in estimation of inputs	-	-	-	**-**
Closing balance	**1 575 218**	-	-	**1 575 218**

The department commenced paying iziNduna as per Provincial Executive decision from December 2016 in line with the Presidential proclamation which was effective from 1 April 2016. The President signs the Public Office bearers' proclamations on an annual basis. There are four proclamations that have been signed to date with the first being effective from 1 April 2013. The effect of commencing to pay iziNduna as public office bearers only from 2016 resulted in a historic liability to the value of R631 million.

Following the meeting with the National Minister of Finance and National Minister of COGTA , a technical task team jointly led by Department of Traditional Affairs and National Treasury was formed. During the engagement session with the Ministers, it was acknowledged that this liability requires the involvement and commitment of all relevant parties. This was followed by a meeting of officials wherein it was resolved that a technical task team to look at among other things, the approach in addressing a liability and recommendations to be made to the relevant Ministers and MECs.

29 Movable Tangible Capital Assets

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

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	176 171	**-**	**16 402**	**2 390**	**190 183**
Transport assets	65 179	-	3 964	-	69 143

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Computer equipment	88 244	-	12 263	1 996	98 511
Furniture and office equipment	16 721	-	95	220	16 596
Other machinery and equipment	6 027	-	80	174	5 933
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**176 171**	**-**	**16 402**	**2 390**	**190 183**

29.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	16 402	**-**	**-**	**-**	16 402
Transport assets	3 964	-	-	-	3 964
Computer equipment	12 263	-	-	-	12 263
Furniture and office equipment	95	-	-	-	95

Other machinery and equipment	80	-	-	-	80
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	**16 402**	**-**	**-**	**-**	**16 402**

29.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	-	2 390	2 390	**-**
Transport assets	-	-	-	-
Computer equipment	-	1 996	1 996	-
Furniture and office equipment	-	220	220	-
Other machinery and equipment		174	174	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	**2 390**	**2 390**	**-**

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29.3. Movement for 2020/21

MOVEMENT IN 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	144 900	-	**36 433**	**5 162**	**176 171**
Transport assets	68 936	-	1 238	4 995	65 179
Computer equipment	53 661	-	34 735	152	88 244
Furniture and office equipment	16 347	-	374	-	16 721
Other machinery and equipment	5 956	-	86	15	6 027
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**144 900**	-	**36 433**	**5 162**	**176 171**

30. Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 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	-	-	-	16 332	-	16 332

Additions	**-**	**-**	**-**	598	-	598
Disposals	**-**	**-**	**-**	(377)	-	(377)
TOTAL MINOR ASSETS	-	-	-	16 553	-	**16 553**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	**-**	**-**	**-**	10 304	**-**	10 304
Number of minor assets at cost	**-**	**-**	**-**	10 858	**-**	10 858
TOTAL NUMBER OF MINOR ASSETS	-	-	-	**21 162**	-	**21 162**

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

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	**-**	**-**	**-**	15 929	**-**	15 929
Prior period	**-**	**-**	**-**	-	**-**	-

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error						
Additions	-	-	-	414	-	414
Disposals	-	-	-	11	-	11
TOTAL MINOR ASSETS	-	-	-	**16 332**	-	**16 332**

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	10 714	-	10 714
Number of minor assets at cost	-	-	-	10 653	-	10 653
TOTAL NUMBER OF MINOR ASSETS	-	-	-	**21 367**	-	**21 367**

31 Intangible Capital Assets

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

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

	OPENING BALANCE	VALUE ADJUSTMENTS	ADDITIONS	DISPOSALS	TOTAL
	R’000	R’000	R’000	R’000	R’000
Patents, licence, copy right,	**8 895**	-	12 971		21 866

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brand

TOTAL INTANGIBLE CAPITAL ASSETS	**8 895**	-	**12 971**	**21 866**

31.1 ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	CASH	NON-CASH	DEVELOPMENT WORK IN PROGRESS CURRENT COST	RECEIVED CURRENT	TOTAL
	R’000	R’000	R’000	R’000	R’000
SOFTWARE	12 971	-	-	-	**12 971**
TOTAL INTANGIBLE CAPITAL ASSETS	**12 971**	-	**-**	**-**	**12 971**

Movement for 2020/21

31.2 MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE PERIOD ENDED 31 MARCH 2021

	Opening balance	Value adjustments	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000	R'000

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SOFTWARE	8 895	-	-	8 895

32 Immovable Tangible Capital Assets 2021/22

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

	Opening balance	Value adjustments	Additions	Disposals	Closing Balance
	R'000		R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	88 312	-	**158 909**	65 981	181 240
Dwellings	510	**-**	-	26	484
Non-residential buildings	57 553	**-**	22 572	19 221	60 904
Other fixed structures	30 249	**-**	136 337	46 734	119 852
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	**88 312**	-	158 909	**65 981**	**181 240**

32.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

Cash	Non-cash	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total

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	R'000	R'000	R'000	R'000	R'000
BUILDING AND OTHER FIXED STRUCTURES	158 909	-	-	-	158 909
Dwellings	-	-	-	-	-
Non-residential buildings	22 572	-	-	-	22 572
Other fixed structures	136 337	-	-	-	136 337
	158 909	**-**	**-**	**-**	**158 909**

Movement for 2021/22

32.2 DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2022

	Sold for cash	Non-cash disposal	Total Disposals	Cash received
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES		65 981	**65 981**	**-**
Dwellings		**26**	26	-
Non-residential buildings		**19 221**	19 221	-
Other fixed structures		**46 734**	46 734	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS		65 981	**65,981**	**-**

Movement for 2020/21

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

	Opening	Prior period	Additions	Disposals	Cash received
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**80 446**	19 277	**-**	**11 411**	**88 312**
Dwellings	510	**-**	-	-	510
Non-residential buildings	38 276	**19 277**	-	-	57 553
Other fixed structures	41 660	**-**	-	11 411	30 249
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	**80 446**	19 277	**-**	**11 411**	**88 312**

32.3.1 Prior period error

	Note	2020/21
	30	R'000
Nature of prior period error		**19 277**
Relating to prior years 2021/22 *[affecting the opening balance]*		19 277
Total		**19 277**

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32.4 Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2022

	Note	Opening balance 1 April 2020	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		115 479	79 528	179 802	15 205
TOTAL		**115 479**	**79 528**	**179 802**	**15 205**

Age analysis on ongoing projects	**Number of projects**		**2020/21**
	Planned, Construction not started	**Planned Construction started**	**Total R'000**
1 to 3 year(s)	-	3	2,203
Longer than 5 years	-	3	13,001
Total	**-**	**6**	**15,204**

32.5 Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2021

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	Note	Opening balance 1 April 2020	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
Buildings and other fixed structures		97 167	(27 799)	99 383	53 272	115 479
TOTAL		**97 167**	**(27 799)**	**99 383**	**53 272**	**115 479**

Age analysis on ongoing projects

	Number of projects		2019/20
	Planned, Construction not started	Planned, Construction started	Total R'000
	5	-	5
	5	-	5
	4	-	4
Longer than 5 years	5	-	5
Total	19	-	19

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Assets to be transferred in terms of S42 of the PFMA – 2020/21

	Number of assets	Value of assets R'000
BUILDINGS AND OTHER FIXED STRUCTURES	**257**	**181 239**
Dwellings	3	483
Non-residential buildings	35	60 903
Other fixed structures	**219**	119 853
TOTAL	**257**	**181 239**

33 Principal Agent Arrangements

33.1 Department acting as the principal

	Fee paid	
	2021/2	2020/21
Independent Development Trust	-	459
Total	**-**	**459**

34. Change in Accounting Estimate

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	Value derived using the original estimate	Value derived using the amended estimate	R-value impact of change in estimate
Decrease due to change in inputs	1 575 218	631 083	(944 135)

During the financial year, the department engaged National Minister of Cogta in order to develop a motivation to Treasury for the payment of the izinduna back-pay which had been included in disclosure note of the AFS from 2016/2017 to 2020/2021 financial year at an amount of R1,5 billion. The basis for the assumptions used in determination of the provision were number of Izigodi,all Izigodi were filled for the full period in question and allowance per Proclamation (adjusted for the annual inflationary increase).

During the engagement with the minister, data was for the first time, provided in extensive detail including the names of the affected izinduna, period of service and their izigodi. As a result in determining the provision for the current financial year, the basis for the assumptions used has changed from the prior years, as explained above, to the new basis of names of the affected izinduna, period of service and allowance per Proclamation (adjusted for the annual inflationary increase).The amount for the provision disclosed in the current financial statement is R631m and it represents a reduction of R944, 28m from the prior year. While the discussions are underway with National Cogta and National Treasury, further verifications and authentication of Izinduna is being done by all parties involved.

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35 Prior period errors **2020/21**

35.1. Correction of prior period errors

	Amount before error correction	Prior period error	Restarted amount
	R'000	R'000	R'000
Expenditure (e.g. Compensation of employees, goods and services)	69 035	19 277	**88 312**
Immovable tangible capital assets that were not yet transfer	143 278	(27 799)	**115 479**
Capital Work in Progress assets that were complete at year end inventory	4 143	(3 704)	439
Net effect	**216 456**	**(12 226)**	**204 230**

Liabilities (e.g. Payables current, Voted funds to be surrendered, commitments, provisions, etc.)

Capped leave incorrectly recorded as performance awards	25 016	(25 016)	-

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Contingent liabilities	4 443	3 253	7 696
Net effect	**29 459**	**(21 763)**	**7 696**

Other (e.g. Irregular expenditure, Fruitless and wasteful expenditure , etc)

Correction of Irregular Expenditure opening balance	243 927	(6 886)	**237 041**
Rounding of fruitless and wasteful expenditure opening balance	3 501	(6)	**3 495**
Covid 19 Expenditure	4 183	96	4 279
Net effect	**251 611**	**(6 796)**	**244 815**

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30 STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF PROVINCE/GRANT	GRANT ALLOCATION					SPENT				2018/19	
	Division of Revenue Act	Roll Overs	A Adjust-ments	Other Adjust-ments	Total Available	Amount received by depart-ment	Amount spent by depart-ment	Under / (Overspending)	% of available funds spent by depart-ment	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
EPWP Intergrated Grant for Provinces	1 994	-	-	-	1 994	1 994	1 994	-	100%	2 777	2 777
	1 994	-	-	-	1 994	1 994	1 994	-	-	2 777	2 777

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34 STATEMENT OF CONDITIONAL GRANTS PAID TO THE PROVINCES

NAME OF PROVINCE / GRANT	GRANT ALLOCATION				TRANSFER			SPENT				2020/21
	Division of Revenue Act	Roll Overs	Adjust-ments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Depart-ment	Amount received by department	Amount spent by department	Unspent funds	% of available funds spent by depart-ment	Division of Revenue Act
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000
Summary by province												
Kwazulu-Natal	570	-	-	570	570	-	-	484	-	-		-
TOTAL	570	-	-	570	570	-	-	484	-	-		-
Summary by grant	**570**			**570**	**570**		**-**	**484**	**-**			**-**

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570	-	-	570	570	-	-	484	-	-	-

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41 **STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER		
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
eThekwini	-	-	-	-	-	-	-
Umdoni	-	-	-	-	-	-	-
Umzumbe	-	-	-	-	-	-	-
uMuziwabantu	-	-	-	-	-	-	-
Hibiscus Coast	-	-	-	-	-	-	-
Ray Nkonyeni	14,000	-	14,000	14,000	14,000	-	-
Ugu DM	25,700	-	25,700	25,700	25,700	-	-

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uMshwathi	7,500	-	7,500	7,500	7,500	-	-
Mpofana	-	-	-	-		-	-
Impendle	-	-	-	-		-	-
Msunduzi	15,000	-	15,000	15,000	15,000	-	-
Mkhambathini	14,420	-	14,420	14,420	14,420	-	-
Richmond	-	-	-	-		-	-
uMngungundlovu DM	18,000	-	18,000	18,000	18,000	-	-
Okhahlamba	-	-	-	-		-	-
Endumeni	1,600	-	1,600	1,600	1,600	-	-
Uthukela	-	-	-	-		-	-
Msinga	-	-	-	-		-	-
Umvoti	-	-	-	-		-	-
Umzinyathi DM	7,500	-	7,500	7,500	7,500	-	-
Newcastle	8,700	-	8,700	8,700	8,700	-	-

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Amajuba DM	5,100	-	5,100	5,100	5,100	-	-
eDumbe	-	-	-	-		-	-
Abaqulusi	-	-	-	-		-	-
Nongoma	-	-	-	-		-	-
Zululand DM	-	-	-	-		-	-
Mtubatuba	-	-	-	-		-	-
Umkhanyakude	11,500	-	11,500	11,500	11,500	-	-
Nkandla	-	-	-	-		-	-
King Cetshwayo	-	-	-	-		-	-
Mandeni	-	-	-	-		-	-
KwaDukuza	-	-	-	-		-	-
Maphumulo		-		-		-	-
Ilembe DM	25,000	-	25,000	25,000	25,000	-	-
Greater Kokstad	-	-	-	-		-	-

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Ubuhlebezwe	-	-	-	-		-	-
Harry Gwala District Municipality	34,000	-	34,000	34,000	34,000	-	-
Dr Nkosazana Dlamini Zuma	-	-	-	-		-	-
	188,020	-	188,020	188,020	188,020	-	-

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STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION				EXPENDITURE		2020/21	
	Adjusted appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds transferred	Final Appropriation	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
KZN AGRI BUSINESS - ADA	-	-	13,000	13,000	13,000	100.0%	-	-
TOTAL	**-**	**-**	**13,000**	**13,000**	**13,000**	100.0%	**-**	**-**

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ANNEXURE 1D

STATEMENT OF TRANSFERS /SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES

STATEMENT OF TRANSFERES /SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES	TRANSFER ALLOCATION				EXPENDITURE		2020/21	
	ADJUSTED APPROPRIATION ACT	ROLL OVERS	ADJUSTMENTS	TOTAL AVAILABLE	ACTUAL TRANSFER	% OF AVAILABLE FUNDS TRANSFERRED	APPROPRIATION ACT	ACTUAL TRANSFER
	R'000	**R'000**	**R'000**	**R'000**	**R'000**		**R'000**	**R'000**
Public corporations								
Transfers								
Mhlathuze Water	-	-	-	-	-			
Total	-	-	-	-	-			

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ANNEXURE 1F

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

	TRANSFER ALLOCATION				EXPENDITURE		2020/21	
	Adjusted Appro-priation Act	Roll overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds transferred	Final Appropriation	Actual Transfer
NON-PROFIT INSTITUTIONS	R'000	R'000	R'000	R'000	R'000	%	R'000	
Transfers								
Traditional Councils	200	-	19,620	19 820	19 820	100.0%	200	26 082
TOTAL	200	-	19,620	19,820	19 820	100.0%	200	26 082

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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	Appro-priation Act	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers								
Employee Social Benefits	7,867	-	-	7,867	7,867	100%	10,277	-
Bursaries (Non Employees)	2,000	-	-	2,000	2,000	100%	1,980	-
Claims against the State	-	-	-	-	57		-	-
Total	9,867	-	-	9,867	9,924		12,257	-

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ANNEXURE 1J

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE

NATURE OF GIFT, DONATION OR SPONSORSHIP **(Group major categories but list material items including name of organisation**	**2020/21**	**2019/20**
	R'000	**R'000**
Made in kind		
Tembe Traditional Council	-	-
South African Local Government Association	-	-
TOTAL	-	-

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ANNEXURE 3B

STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2021

Nature of Liability	Opening Balance 1 April 2020 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelled/reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2021 R'000
Claims against the department					
Collision: KZN 45836 and ND 659-885: EN Ngcobo	3	-	3	-	
Collision: KZN 46000 and NUZ 1755 V50(15/16)	32	-	32	-	
Collision: KZN 45822 and ND 610-817 V52(15/15)	19	-	19	-	
Collision: KZN 45956 and ND 307-738 V1(15/16)	17	-	17	-	
Collision: KZN45959 and ND 237453 V18 (17/18)	17	-	17	-	
Collision: KZN 45918 and NK 4514 V8 (13/14)	82	-	82	-	
Collision: KZN 45930 and BTM681B and TAYLIN-ZN	210	-	210	-	

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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Thebethe Cebekhulu Attorney v KZN COGTA	1 676	-		-	1,676
Pholisani Capital (Pty) Ltd	2 251	-		-	2,251
Collision KZN46017 and HX62H7-GP	57	-			
Collision KZN 46143 and ND565283	79	-		-	79
Rentokil Initial (Pty) Ltd v MEC CoGTA	27	-		-	27
Excellerate Services(Pty) Ltd v MEC CoGTA	139	-	-	-	139
Procument performance institute (Pty)	1,381	-	-	-	1,381
IZ Ngcobo V MEC CoGTA and Another	1,706				1,706
TOTAL	7 696	**-**	**437**	**-**	**7 259**

Contingent liabilities were identified by the department with claims brought against the department

No new claims were lodged against the department in the 2021/2022 financial year. There are four new cases relating to previous financial years that have been included onto the contingent liability register and have been disclosed as a prior period error. Currently we have seven cases on the contingent register. As at 31 March 2022 the contingent liability register is closed at R7 258 346,42.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
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DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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ANNEXURE 4

CLAIMS RECOVERABLE

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Department of Public Works	-	23	-	-	-	23
Department of Agriculture	-	39			-	39
National COGTA	-				-	-
					-	-
	-	62	-	-	-	62
OTHER GOVERNMENT ENTITIES						
Traditional Levies and Trust Account	1,090	1,583	-	1,415	1,090	2,998

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

Umhlathuze Water	-	-	-	546	-	546
	1,090	1,583	-	1,961	1,090	3,544
Total	**1,090**	**1,645**	**-**	**1,961**	**1.090**	**3,606**

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
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ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

ANNEXURE 5

INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/06/2022	31/03/2021	31/06/2022	31/03/2021	31/06/2022	31/03/2021
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Department of Transport	130	203	-	-	130	203
Department of Public Works	12,525	6,378	2,836	1,107	15,361	7,485
Department of health	1,245	1,177	-	-	1,245	1,177
Department of Human Settlements	-	-	213	1,560	213	1,560
Department of Justice	-	94	-	-	-	94
Subtotal	13,900	7,852	3,049	2,667	16,949	10,519

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 11

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2022

Total Departments	12,256	7,852	3,049	2,667	15,035	10,519

KWAZULU-NATAL: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

Vote 11

Annexures to the Annual Financial Statements

for the period ended 31 March 2021

ANNEXURE 6

INVENTORIES

	Note	2020/21		2019/20	
		Quantity	R'000	Quantity	R'000
Inventories					
Opening balance		439	439	842	842
Add/(Less): Adjustments to prior year balances		-	-		
Add: Additions/Purchases - Cash		14,233	14,233	3,974	3,974
Add: Additions - Non-cash		671			
(Less): Disposals					
(Less): Issues				(673)	(673)
Add/(Less): Received current, not paid (Paid current year,		(11,929)	(11,929)	(3,704)	(3,704)

received prior year)				
Add/(Less): Adjustments				
Closing balance	**3,404**	**3,404**	**439**	**439**

Include discussion where deemed relevant

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Annexures to the Annual Financial Statements

for the period ended 31 March 2022

ANNEXURE 7

Movement in Capital Work-in-Progress

MOVEMENT IN CAPITAL WORK-IN-PROGRESS FOR THE PERIOD 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
BUILDINGS AND OTHER FIXED STRUCTURES	115,479	79,528	(179,802)	15,205
Dwellings	-	-	-	-
Non-residential buildings	115,479	79,528	(179,802)	15,205
TOTAL	**115,479**	**79,528**	**(179,802)**	**15,205**

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	97,167	(27,799)	99,383	(53,272)	115,479
Dwellings					
Non-residential buildings	97,167	(27,799)	99,383	(53,272)	115,479
TOTAL	**97,167**	**(27,799)**	**99,383**	**(53,272)**	**115,479**

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