GAUTENG PROVINCE
CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

ANNUAL REPORT
2020/21

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CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

COGTA
Annual Report 2020/21

PR231/2021
ISBN: 978-0-621-49652-9

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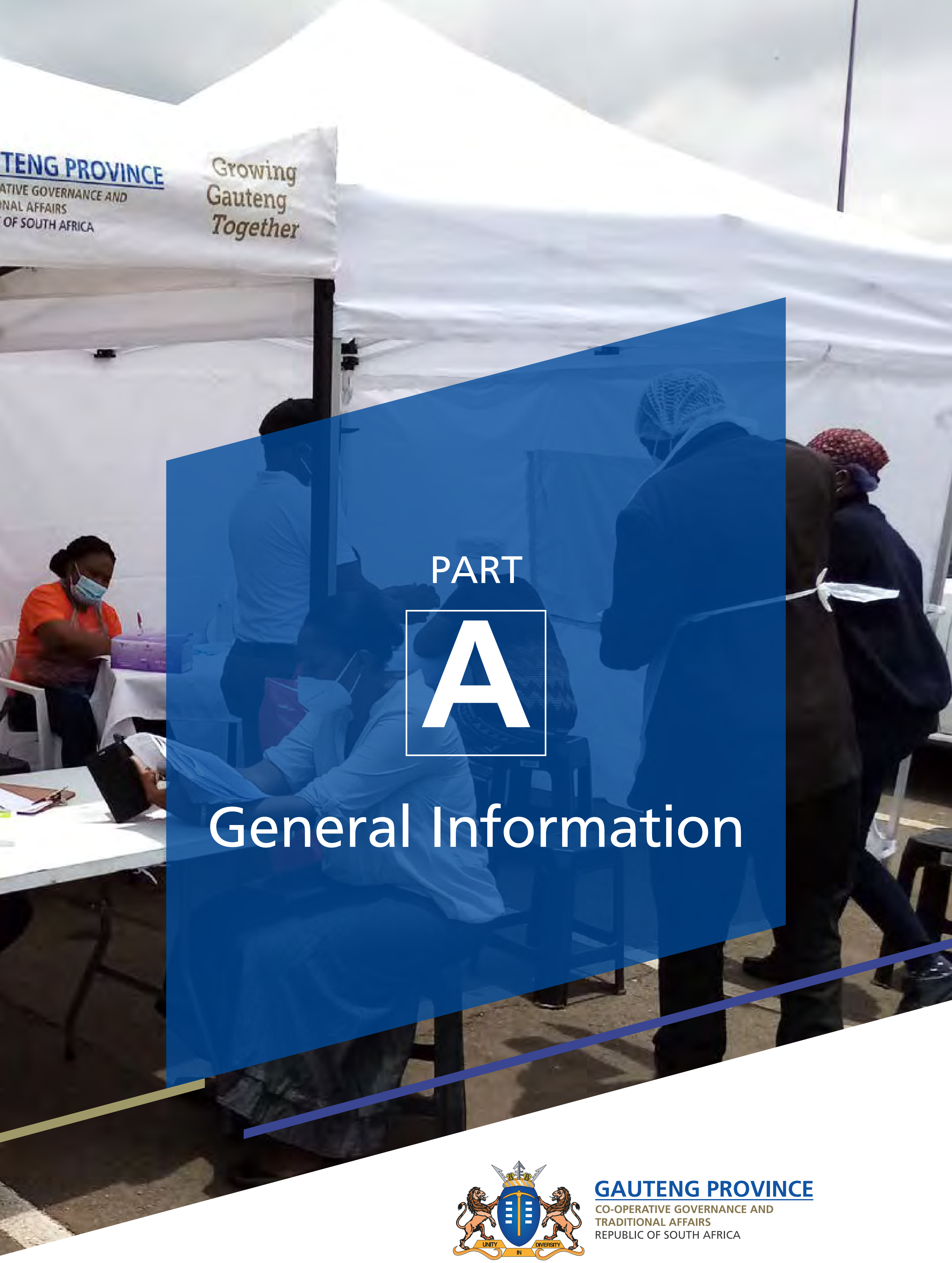
GAUTENG PROVINCE
CO-OPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA
Growing
Gauteng
Together



PART A

General Information

GAUTENG PROVINCE
CO-OPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

ABCD	Asset Based Community Development
AFCS	Automatic Fare Collection System
AGM	Annual General Meeting
AGSA	Auditor General of South Africa
AIDS	Acquired Immune Deficiency Syndrome
AOPO	Audit of Performance Objectives
APP	Annual Performance Plan
B.Iuris	Baccalaureus Iuris
B2B	Back to Basics
BBBEE	Broad-Based Black Economic Empowerment
BCom	Bachelor of Commerce
BRT	Bus Rapid Transit
BSC	Bid Specification Committee
BTech	Bachelor of Technology
C19	COVID-19
CAPEX	Capital Expenditure
CBM	Community Based Monitoring
CDW	Community Development Workers
CDWP	Community Development Workers Programme
CEF	Capital Expenditure Framework
CFO	Chief Financial Officer
CoGTA	Cooperative Governance and Traditional Affairs
COVID-19	Coronavirus disease of 2019
DBSA	Development Bank of Southern Africa
DCoG	Department of Cooperative Governance and Traditional Affairs
DDG	Deputy Director General
DDM	District Development Model
DID	Department of Infrastructure Development
Dip	Diploma
DM	District Municipality
DoRA	Division of Revenue Act
DPSA	Department of Public Service and Administration
Dr	Doctor
EHWP	Employee Health and Wellness Programme
e-PMDS	Electronic Performance Management and Development System
EPWP	Expanded Public Works Programme
ERWAT	Ekurhuleni Water Care Company
ESS	Employee Self Service
EXCO	Executive Committee
GBV	Gender-based violence
GCR	Gauteng City Region
GEMS	Government Employees Medical Scheme
GGT	Growing Gauteng Together
GHG	Greenhouse Gases
GIFA	Gauteng Infrastructure Financing Agency
GPG	Gauteng Provincial Government
GRAP	Generally Recognised Accounting Practices
GSDF	Gauteng Spatial Development Framework
HCM	Human Capital Management
HCT	HIV Counselling and Testing
HIV	Human Immuno-deficiency Virus
HOA	Homeowners Allowance
HR	Human Resources
ICT	Information and Communications Technology
IDP	Integrated Development Plan
IEC	Independent Electoral Commission
IGR	Intergovernmental Relations
IT	Information Technology
IUDF	Integrated Urban Development Framework
LED	Local Economic Development
LLB	Legum Baccalaureus
LM	Local Municipality
LPU	Large Power Users
MBA	Master of Business Administration
MEC	Member of Executive Council
MIG	Municipal Infrastructure Grant
MISA	Municipal Infrastructure Support Agent
MM	Metropolitan Municipality
MM	Municipal Manager
MPAC	Municipal Public Accounts Committee
Mr	Mister
MSA	Municipal Systems Act
MTech	Master of Technology
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
N/A	Not Applicable
NB	Nota Bene
NDMC	National Disaster Management Centre
NDP	National Development Plan
NYDA	National Youth Development Agency
OHS	Occupational Health and Safety
OoP	Office of the Premier
OPCA	Operation Clean Audit
PCC	President's Coordinating Council
PDMC	Provincial Disaster Management Centre
PFMA	Public Finance Management Act
POE	Portfolio of Evidence
POPIA	Protection of Personal Information Act
PPE	Personal Protective Equipment
PSCBC	Public Service Co-Ordinating Bargaining Council
SACR	Sports, Arts, Culture and Recreation
SALGA	South African Local Government Association
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
SDGs	Sustainable Development Goals
SDM	Service Delivery Model
SHERQ	Safety, Health, Environment, Risk and Quality
SITA	State Information Technology Agency
SMS	Senior Management Service
SPLUMA	Spatial Planning and Land Use Management Act
TB	Tuberculosis
ToR	Terms of Reference
UIF&W	Unauthorised, Irregular, Fruitless and Wasteful
UNFCCC	United Nations Framework Convention on Climate Change
VBS	Venda Building Society
VD	Voting District
WBWR	Ward Based War Room
WRDM	West Rand District Municipality

3. FOREWORD BY THE MEC

Lebogang Maile
Member of the Executive Council

During the period under review, the Department instituted a Committee of Inquiry led by Adjunct Professor, Trevor Fowler, to assess the state of local government in Gauteng. The Inquiry took place parallel to a number of other investigations in response to allegations of maladministration, corruption and improper conduct by some municipal council members. The general thesis that binds the outcome of these inquiries is that much of our troubles are a consequence of lack of leadership.

The reports of both the Committee of Inquiry and outcomes of several investigations are now in the public domain. By way of summarising the key findings of the report, the following should be given serious attention:

- Visionary leadership is vital for the direction of the municipality, including an intimate understanding of the environment within which the leadership must conduct its work.
- Good governance entails the ability of the municipality to define a long-term development strategy, adhere to legislative frameworks, and create a stable policy environment.
- Institutional capacity must necessarily concern itself with systems that support service delivery objectives, such as monitoring and evaluation and the efficiency of staff.

We have since undertaken several initiatives as part of intervening in local government, enjoined by the policies and legislation governing our work. Some of our major interventions included:

- Placing the Tshwane Municipal Council under administration following what was clearly becoming a failure in governance and the non-execution of certain executive functions. Given the nature of the issues, the matter is before the courts for adjudication. Whilst the High Court has taken a view different from that of the Executive Council, judgment remains reserved on the matter at the Constitutional Court.
- Interventions in Emfuleni Local Municipality have resulted in the Executive Council taking over certain functions, especially as it relates to key areas of emergency service delivery. We were able to achieve a restoration of the minimum standards in service delivery by intervening through the Provincial Disaster Management Centre. Our focus is on functional fire engines, properly trained emergency personnel and an extensive awareness campaign on fire hazards within our communities. Given that challenges in the Municipality have been long in the making, there will be a need for a more concerted effort towards institutional overhaul.

These examples illustrate the importance of absolute clarity on matters relating to interventions in municipalities, especially by national and provincial spheres. The overall approach is to ensure that we improve service delivery whilst avoiding endless exercises of intervention. The District Development Model provides us with a perfect opportunity to re-engineer the entire system of governance, especially the task of synchronised service delivery.

The strain on the fiscus, coupled with the challenges of skills deficiency, call for more action with respect to municipal capacity. The maintenance of critical infrastructure remains a major concern. Water and sewer systems in districts like Sedibeng and West Rand have a potential to negatively affect the economic health of the City Region.

"It is not the strongest of species that survives, not the most intelligent that survives, it is the one that is the most adaptable to change" **(Charles Darwin)**

Local government remains one of the most effective institutions for driving meaningful change. It is in this sphere that the people exercise the most direct choice about who must lead them. Later in the year we will hold local government elections. These are significant because they will be held under ground-breaking amendments to the Electoral Act. Reform of the electoral dispensation remains a key issue in improving the system's capacity to deliver and not reform for the sake of reform.

Our various reviews, including the work of Regional Support Teams, will provide an important body of knowledge that will guide the reform process. The Annual Report provides an assessment of work completed to date, as part of our drive to Grow Gauteng Together (GGT2030).

Mr Lebogang Maile
MEC of the Department of Urban Planning and Cooperative Governance and Traditional Affairs

4. FOREWORD ANNUAL REPORT – HOD

MS Itumeleng Mokate
Acting Accounting Officer

This report is a tribute to and in honour and recognition of my predecessor, the late Bongani Gxilishe (30/09/1965-16/7/2021)

Bongani Gxilishe, in his position as the Head of Department (HOD) at the Gauteng Department of CoGTA, displayed utmost dedication and passion in serving the people of Gauteng. This remarkable leader and renowned community builder ensured the development within local government through the various programs he led and implemented. Significantly, at the time of his passing, HOD Gxilishe led implementation of the mobile Covid-19 vaccination drive in municipalities. This program is ensuring that a large number of the Gauteng population from disadvantaged communities are transported to the vaccination centres to receive their injections.

Mr Gxilishe sadly did not get to witness the fruition of his efforts and dedication in service of the people of this province. We owe it to his memory to build on the steadfast foundations he laid and to take his work forward in ways that would do him proud.

May the soul of HOD Gxilishe rest in eternal peace, he shall forever be remembered and honoured for his inspiration and great works.

Gauteng COCTA has a clear set outcomes that are geared towards supporting the electoral mandate of government. The goal of this plan is to foster urban planning, cooperative governance, improve the performance of local government and the institution of traditional leadership in the Gauteng province.

As we reflect on the performance of the Department during the reporting period 2018/2019 financial year, it is prudent that we also keep in mind the dynamic nature that determines the scope of our operations. This period was marked by an array of challenges, but also some significant achievements as reflected in this report. Valuable lessons were learned, and efforts were intensified.

During this period, municipalities have generally reported that they had high vacancies in the areas of water, electricity, and waste management. An example in case is the City of Joburg that reported to have recorded 50% and 18% vacancies on refuse removal and water services respectively. Emfuleni LM reported 50%, 40% and 34% and Midvaal LM 4%, 19% and 22% vacancies on water, electricity and refuse removal areas respectively. This has affected service delivery in that it delayed the turnaround times to respond to emergencies that relates to burst water-pipelines and repairs of infrastructure.

During the latter part of this financial year, the outbreak of a global pandemic would see the face of Service delivery change in ways that no one could have predicted.The COVID-19 pandemic and the lockdown appear to have had more of an impact on the day-to-day provision of this basic services. Employees were forced to work from home and due to many infections amongst staff, there were unforeseen delays in delivery and completion of certain tasks.

Like previous years, municipalities also battled with high water and electricity losses. This resulted in very high costing of substantial amount of money for the municipalities. The highest losses in monetary terms were recorded in the metropolitan municipalities, the local municipalities within Sedibeng district and the Westrand district's local municipalities respectively. These municipalities have collectively recorded a loss of R8.7 billion, R889.6 million and R463 million respectively. The highest financial losses in this area are the City of Joburg and Emfuleni LM, each recording a loss of R4.2 billion and R750million respectively.

To address the identified challenges faced by the municipalities, several strategic interventions were put in place. One such intervention was evident when the Gauteng Departments of Treasury and Co-operative Governance and Traditional Affairs (COGTA), through engagements with SALGA, Municipalities, Eskom and Randwater has developed a committee to assist municipalities in drafting realistic payment plans to Eskom and Randwater taking into consideration cash flow constrains in the municipalities.

Significant achievements have also been made in fulfilling our mandate in service of the Traditional Leadership and Communities within our province. The Department hosted an awareness campaign in collaboration with Social Development and Gauteng Monitoring Team to educate the learners about cultural practice of initiation as a rite of passage and transformation from childhood to adulthood. In addition, the Department hosted an awareness campaign to educate the community and the initiationSchool principals about the process of registering the initiation and requirements needed to establish initiation school.

As a department, we are committed to support all efforts and initiatives to fight the scourge of Domestic and Gender-based violence in all our communities. The Department in partnership with Liquor Board, and other organizations hosted a session for AMandebele ka Sokhulumi and ba Lebelo to educate male participants on issues of GBV, Patriarchy, and Substance Abuse.

The scope of Service delivery in all its facets, is evolving and changing on a rapid pace. Through our integrated efforts, co-operation and an adapting attitude, we will continue to make meaningful strides in service of and towards a better Gauteng Province.

MS Itumeleng Mokate
Acting Accounting Officer
Date: 19/8/2021

4.1. Overview of the Financial Results of the Department

Table 1.1: Departmental Receipts

Departmental Receipts	2019/2020			2020/2021		
	Estimate	Actual Amount Collected	(Over)/ Under Collection	Estimate	Actual Amount Collected	(Over)/ Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts						
Casino taxes	-	-	-	-	-	-
Horse racing taxes	-	-	-	-	-	-
Liquor licences	-	-	-	-	-	-
Motor vehicle licences	-	-	-	-	-	-
Sale of goods and services other than capital assets	234	251	(17)	184	215	(31)
Transfers received	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-
Interest, dividends and rent on land	72	115	(43)	64	78	(14)
Sale of capital assets						
Financial transactions in assets and liabilities	288	42	246	79	119	(40)
Total	**594**	**408**	**186**	**327**	**412**	**(85)**

The Department is not a major revenue-generating institution due to the nature of its services. Nevertheless, the Department collected more revenue during the reporting period as compared to the prior year. Areas where revenue increased include debt collection, where R40 000 more than anticipated was collected, the sale of goods due to an increase in third party transactions, and revenue from interest owing to payments collected from one debtor.

Table 1.2: Programme Expenditure

Programme Name	2019/2020			2020/2021		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	143 956	127 934	16 022	176 982	149 364	27 618
Local Governance	236 228	232 077	4 151	266 192	256 499	9 693
Development and Planning	164 202	120 978	43 224	152 017	141 275	10 742
Traditional Institutional Management	17 896	14 792	3 104	16 781	13 285	3 496
Total	**562 282**	**495 781**	**66 501**	**611 972**	**560 423**	**51 549**

The Department was allocated **R611 972 000** in the previous financial year, much of which was an equitable share allocation. Of this total budget **R560 423 000** (92%) was spent, **R51 549 000** will be surrendered to the province, and the Department requested that **R18 044 772** be rolled-over to the next financial year. The Department did not request any virement or incur any unauthorised, fruitless or wasteful expenditure during the reporting period.

The Administration Programme was allocated the largest budget during the financial year, at **R176 982 000**, of which **R149 364 000** (84%) was spent. Under-expenditure in the amount of R27 618 000 is attributed largely to the COVID-19 pandemic which caused delays in the procurement of tools of trade for officials, the postponement of civic education awareness campaign projects, a decrease in venue rentals, catering, travel and consumable purchases, and a decision not to pay bonuses, outstanding progression increases or similar benefits to senior managers, as well as a delay in filling vacant positions.

The Local Governance Support Programme was allocated **R266 192 000**, of which **R256 499 000** (96%) was spent. Under-expenditure in the amount of R9 693 000 is due mainly to slow progress filling vacant positions in the Community Development Workers Programme (CDWP) due to lockdown restrictions imposed on the advertisement of posts, and delays in transferring payments to the Office of the Premier (OOP) to fund investigations into municipal contracts.

The Development and Planning Programme was allocated **R152 017 000** during the reporting period, of which of **R141 275 000** (93%) was spent. Under-expenditure in this Programme is attributed, in part, to the COVID-19 pandemic which delayed the procurement process for CAPEX disaster-related projects, reduced payments for administration, venue rental, operating payments, travel, and training, delayed the filling of vacant posts, and led to a decision not to pay bonuses, outstanding progression increases, or similar benefits to senior managers. The Programme also experienced payment delays for the planning phases of a new Integrated Provincial Disaster Management Centre (IPDMC), due to issues with verification and invoice submission. Finally, there were challenges procuring service providers to review the Gauteng Spatial Development Framework (GSDF) and conduct the State of Energy Outlook.

The Traditional Institutional Management Programme was allocated **R16 781 000**, the smallest budget of any programme under review. The Programme spent **R13 285 000** (79%) of their budget with **R3 496 000** in under-expenditure. As with other Programmes, much of the underspending was due to COVID-19, which led to delays filling some vacant posts, and a decision not to pay bonuses, outstanding progression increases or similar benefits to senior managers, as well as the postponement of several planned training sessions. Additionally, some of the funding allocated for Traditional Councils could not be transferred owing to outstanding financial reports from the respective councils.

4.2. Strategic Focus over the Short to Medium Term Period

The Department has set out a number of Strategic Focus areas, with progress achieved in each area over the reporting period. These focus areas are:

- Integrated Development Planning;
- Financial Viability;
- Capacity Development;
- Public Participation;
- Development Planning; and the
- District Development Model

4.3. Integrated Development Planning

The Department aims to improve integrated planning and intergovernmental relations across the three spheres of government by repositioning and institutionalising the IDP as an effective inter-governmental planning tool. The Department will achieve this by assisting municipalities in the planning process, providing them with continuous support in the consideration of issues raised through the MEC commenting processes, and ensuring that approved plans and projects are linked to the budget as part of the SDBIP.

4.4. Financial Viability

One area identified by the Department as posing a challenge in municipalities is inadequate capacity to handle revenue. This has resulted in ineffective revenue strategies and low revenue collection. For several years the Department has provided municipalities with financial support to update and maintain asset registers that are Generally Recognised Accounting Practice (GRAP) compliant. This has resulted in positive outcomes in the audit of property, plants and equipment.

The Department has also identified the need to support municipalities in reducing Unauthorised, Irregular, Fruitless and Wasteful (UIF&W) expenditure. The overall status of audit outcomes for Gauteng municipalities is positive as there are no adverse, disclaimer or qualified audit outcomes. However, it is of concern that UIF&W expenditure has grown incrementally. The Department will therefore focus on mechanisms to prevent and detect incidence of non-compliance in order to put in place controls to reduce and eliminate UIF&W expenditure. Two municipalities will be provided with capacity to implement simplified revenue plans (Lesedi LM and Merafong City LM) as a mechanism for effective financial control. Emfuleni Local Municipality will also be provided with additional capacity to reduce UIF&W expenditure.

The Department established the Operation Clean Audit Provincial Coordinating Committee (OPCA PCC) to coordinate, monitor and support municipalities to achieve clean audit outcomes. The Committee will continue its work over the next financial year as there is still value to be added. For instance, municipalities experienced an increase in the number of audit findings in the areas of governance and compliance with MFMA and SCM regulations, highlighting the need for greater Departmental support in this area. In addition, the Debt Management Committee will continue to assist municipalities through the OPCA PCC. Two OPCA PCCs will be convened to provide advisory support to municipalities on the implementation of the audit response plan. While three local municipalities (Lesedi, Emfuleni and Merafong City) will be supported through the deployment of revenue experts to develop an Integrated Revenue Enhancement and Debtors Management Strategy.

During the 2013/14 financial year the Provincial COGTA commissioned a study into the current state of municipalities in Gauteng. The intent was to obtain an independent in-depth assessment of municipal viability. The Department now plans to conduct these assessments on a yearly basis, in order to keep abreast of municipal viability and to identify potential issues. An assessment is planned for the 2020/21 financial year, supported by quarterly engagements between the Department and municipalities to discuss progress and identify challenges.

Municipalities financial viability is also threatened by the incomplete collection of electricity tariffs. Seventy-five per cent of electricity in local municipalities is consumed by business and, of that, 64-65 per cent is consumed by Large Power Users (LPU). Recent reports have shown that a large portion of that revenue is lost through theft, in many cases because municipalities do not have complete and correct LPU data. It is therefore necessary to support municipalities to ensure that this is corrected, and that appropriate revenue is collected for all power consumed. In 2021/22 municipalities will be supported with capacity to undertake audits and data enrichment for large power and water users.

4.4. Capacity Development

The Department plans to enhance capacity across all municipal categories to meet their development, financial, governance and service delivery needs through the deployment of critical scarce skills and capabilities. As noted by the Auditor General's (AG's) 2015/2016 report, councillors are inadequately capacitated, and as a result they are unable to perform their functions appropriately; are unable to integrate and utilise information provided by municipalities; are unable to read and understand audit reports and circulars; and do not understand their role or know how to enforce it. The Department has planned one capacity building intervention on accountability and ethical conduct for councillors and officials in eleven Gauteng municipalities.

A systematic approach to quality assurance must also be adopted to ensure a seamless and well-integrated method of addressing financial stability challenges. This applies to the design of a cost-effective organisational structure that is fully aligned with the requirements of the National Department of Cooperative Governance and Traditional Affairs, Organisational Design Norms and Standards for Local Government, norms for each service delivery department, business process inventories, and the Category B Prototype Organisational Structure. For example, Emfuleni LM will be supported by the Organisational Structure and Institutional Review in the 2020/21 financial year.

4.5. Public Participation

Legislative oversight is a function of effective citizen engagement. The Department will implement a process of Asset Based Community Development (ABCD) to facilitate collaboration between communities and government across service areas; to harness the capacity and knowledge of community groups; and to further engage Ward Committees and citizens in monitoring how services are delivered and experienced, identifying gaps, and strengthening executive accountability. This will take place, for example, through facilitated focus group sessions with citizens related to different service areas and the IDP. There is currently one ABCD capacity initiative that will be mainstreamed in municipalities.

4.6. Development Planning

Urbanisation in Gauteng started with the grouping and shaping of towns around gold mines, resulting in fragmented land use and scattered urban development. This created a sprawling racially, economically, and functionally separated settlement pattern that is environmentally wasteful, stretching from Pretoria in the north, via the early Johannesburg, to Vereeniging in the south. Apartheid planning added to this spatially fragmented urban form by segregating non-whites in areas removed from socio-economic opportunities, creating poverty enclaves. This pattern continues to have a notable impact on service delivery.

Following the first democratic elections in 1994, the State embarked on a massive drive to address the legacy of colonial and apartheid socio-economic and spatial engineering. While major inroads have been made, notably in providing services and opening access for all to economic, educational, and housing opportunities, the economic and spatial distortions of the past remain unresolved. At the same time, the State's low-income housing programme further entrenched the existing apartheid spatial separation, while the lack of spatial planning and land-use regulation allowed the private development of new economic enclaves for the wealthy on the urban periphery.

Given the current fiscal constraints and increasing need for spatial transformation, the Gauteng Spatial Development Framework (GSDF) 2030 proposes that resource allocation and implementation will require better alignment of all planning and budgeting processes. Stemming from this, the Gauteng Planning Division (GPD) in collaboration with Gauteng Provincial Treasury (GPT) has embarked on the process of assessing provincial sector plans in line with the GSDF 2030. The intent is to better plan budgeting synergy across all spheres of government and to align projects/ initiatives with provincial priorities. To this effect, eleven municipalities will be supported to develop IDPs that are spatially referenced.

4.6. District Development Model

Renewal and rebuilding of a capable developmental state constitutes one of the fundamental priorities of the 6th Administration. In line with this priority, the Presidency (working in partnership with the National Department of Cooperative Governance) has introduced a new District (and Metro) Development Model (DDM) that is intended to bring about coherence, improve basic service delivery and support development in general. The DDM will utilise the existing legal framework and implementation machinery to provide a framework for coordinating and aligning development priorities and objectives between the three spheres of government. The ultimate outcome is a Single Plan, which will include the following key aspects:

- Demographic and district profiling;
- Economic positioning;
- Spatial restructuring;
- Efficient governance and management;
- Infrastructure engineering; and
- Integrated service provisioning.

The Department is working with the Office of the Premier in Gauteng to deliver on this new planning agenda. The Intergovernmental Strategy for the province will also be finalised in the next financial year and this will go a long way towards reducing fragmented planning between the three spheres of government.

The Department plans to audit and review municipal by-laws geared towards the promotion of Local Economic Development (LED) and the alignment of municipal LED strategies with the national strategy. The work on LED will be formalised in the next financial year.

During the reporting period the Department did not enter into any public-private partnerships, nor does it plan to in the near future. There were also no discontinued activities or new activities proposed during the reporting period and the Department does not plan to discontinue or propose new activities in the near future. Finally, there were no favourable or unfavourable events that occurred after the reporting date.

With respect to procurement and financial accountability, there were no unsolicited bids during the reporting period and all bids were awarded based on open tender or request for proposals. It was also found that the Department and its staff did not receive any donations, gifts, or designated amounts from a non-related party during the reporting period. While National Treasury granted no deviations or exemptions from reporting requirements set out in the Public Finance Management Act (PFMA) or Treasury Regulations (TR).

MS Itumeleng Mokate
Acting Accounting Officer
Date: 19/8/2021

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

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

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

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

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

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

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

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

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

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

Yours faithfully

MS Itumeleng Mokate
Acting Accounting Officer
Date: 19/8/2021

6. STRATEGIC OVERVIEW

6.1. Vision

Sustainable, Smart, Inclusive Cities and Communities in the Gauteng City Region.

6.2. Mission

To drive an effective system of cooperative governance to build sustainable municipalities, inclusive communities and the institution of Traditional Leadership in the Gauteng City Region.

6.3. Values

Table 1.3: Department Values

Value	Description
Respect	We treat employees, customers, partners and suppliers with mutual respect and sensitivity, recognizing the importance of diversity. We respect all individuals and value their contributions.
Integrity	We employ the highest ethical standards, demonstrating honesty and fairness in every action and service we provide.
Caring	We ensure that we empathize with citizens, treating them with consideration and respect. We foster effective communication of services, products, information and problems, which may hamper or delay the efficient delivery of services to promised standards. Our practice aligns with Batho Pele principles.
Accountability	We accept our individual and team obligations, and we meet our commitments to service delivery. We will account for our performance in all of our decisions and actions.
Innovation	We enable municipalities to introduce modern and innovative procedures and systems for the delivery of services. We are creative in our thought and in the execution of our duties. We seek innovative ways to solve problems and enhance effectiveness and efficiency within the context of the law.

7. LEGISLATIVE AND OTHER MANDATES

7.1. The Constitutional Mandate

The Department derives its mandate from the Constitution of the Republic of South Africa, 1996, (Act No. 108 of 1996) and other related national and provincial legislation. The following sections are extracts from the Constitution, which have a direct bearing on the province and municipalities in terms of delivering on their respective constitutional mandates.

Section 139(1)
The Provincial Executive may intervene if a municipality fails to fulfil an executive obligation.

Section 152 (1)
- Provide democratic and accountable government for local communities;
- Ensure the provision of services to communities in a sustainable manner;
- Promote social and economic development;
- Promote a safe and healthy environment; and
- Encourage the involvement of communities and community organisations in the matters of local government.

Section 152 (2)
- A municipality must strive, within its financial and administrative capacity, to achieve the objects as set out in subsection (1). It requires municipalities to provide a democratic and accountable local government. Councillors must be elected through a democratic process and must report back to their constituencies on decisions taken by the council.

Section 154 (1)
Support and strengthen the capacity of municipalities to:
- Manage their own affairs;
- Exercise their powers; and
- Perform their functions.

Section 154 (2)
- Draft provincial legislation that affects the status, institutions, powers or functions of local government for approval by the Provincial Legislature; and
- Publish it for public comment before it is introduced in Parliament or at Provincial Legislature in a manner that allows organised local government, municipalities and other interested persons an opportunity to make representation with regard to the draft legislation.

Section 155 (6)
Provincial Legislature must:
- Determine the different types of municipalities to be established in the province;
- Monitor, support and promote the development of local government and see to the effective performance by municipalities of their functions as per Schedules 4 and 5; and
- Regulate the exercising by municipalities of their executive authority (Section 156 (1)).

Section 164
Any matter concerning local government not dealt with in the Constitution may be prescribed by national legislation, or by provincial legislation within the framework of national legislation.

Chapter 12
Recognition of the institution of traditional leadership.

7.2. Legislative and Policy Mandates

In turn, the above constitutional provisions inform the following pieces of legislation:

Municipal Structures Act (No. 117 of 1998): Provides for the establishment of municipalities in accordance with the requirements relating to categories and types of municipalities and provides guidelines for the establishment and functions of ward committees.

Municipal Systems Act (No. 32 of 2000) – Amended Systems Act (July 2011): Provides for the core principles, mechanisms and processes that are necessary to enable municipalities to move progressively towards the social and economic upliftment of local communities and ensure universal access to essential services that are affordable to all.

Municipal Finance Management Act (No. 56 of 2003): Provides for the secure, sound and sustainable management of the fiscal and financial affairs of municipalities and municipal entities by establishing norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the fiscal and financial affairs of municipalities and municipal entities.

Municipal Property Rates Act (No. 6 of 2004): Regulates the power of a municipality to impose rates on property and to exclude certain properties from rating in the national interest and makes provision for municipalities to implement a transparent and fair system of exemptions, reductions and rebates through their rating policies.

Rationalisation of Local Government Affairs Act (No. 10 of 1998): Provides for the rationalisation of the legislative and administrative framework for the local sphere of government.

Gauteng Type of Municipalities Act (No. 3 of 2000): Determines the types or categories of municipalities that can be established in the province.

Rationalisation of Local Government Affairs Act (No. 10 of 1998): Provides for the rationalisation of the legislative and administrative framework for the local sphere of government.

Gauteng Privileges and Immunities of Councillors Act (No. 1 of 2002): Defines the privileges and immunities of councillors in Gauteng municipalities.

Disaster Management Act (No. 57 of 2002): Provides for an integrated and coordinated disaster management policy that focuses on preventing or reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, and rapid and effective responses to disaster and post-disaster recovery.

Gauteng Land Administration Act (No. 11 of 1996): Provides for the acquisition and disposal of land owned by the Gauteng Provincial Government.

Development Facilitation Act (No. 67 of 1995): Facilitates and speeds up the implementation of the Reconstruction and Development Programme and associated projects.

Public Finance Management Act (No. 01 of 1999 as amended): Enables public sector managers to manage and improve accountability in terms of eliminating waste and corruption in the use of public funds.

Division of Revenue Act (No. 2 of 2013 as amended): Provides for equitable division of revenue anticipated to be raised nationally among the national, provincial, and local spheres of government for each financial year and the responsibilities of the three spheres pursuant to such division.

Promotion of Administrative Justice Act (No. 03 of 2000): Gives effect to the constitutional right to just administrative action for any member of the public whose rights have been adversely affected and to ensure efficient, effective and legitimate administration within all spheres of government.

Preferential Procurement Policy Framework Act (No. 05 of 2000): Gives effect to Section 217 (3) and provides a framework for the implementation of the procurement policy contemplated in Section 217 (2) of the Constitution.

Promotion of Access to Information Act (No. 02 of 2000): Gives effect to the constitutional right of access to any information held by the State and any information held by a private person that is required for the exercise or protection of any other right.

Protection of Personal Information Act (POPIA): POPIA took effect on July 1, 2020 with a grace period of 12 months, with enforcement beginning July 1, 2021. The Act aims to protect personal information, falling into the broader Constitutional right to privacy. POPIA seeks to regulate every step of the processing of personal information from how personal information must be handled when it is collected until the time it is destroyed.

Intergovernmental Relations Framework Act (No. 13 of 2005): Establishes a framework for national, provincial and local government to promote and facilitate intergovernmental relations and to provide a mechanism and procedure to facilitate the settlement of intergovernmental disputes.

Municipal Demarcation Act (No. 27 of 1998): Established the Municipal Demarcation Board, which is an independent authority responsible for determining municipal boundaries and determining wards within municipalities.

Municipal Electoral Act (No. 27 of 2002): Establishes the Independent Electoral Commission (IEC) and regulates local elections.

Gauteng City Improvement District Act (No. 12 of 1997): Provides procedures for the formation and independent management of city improvement districts to fund the provision of services in addition to those which a municipality ordinarily provides in order to facilitate investment in the city improvement district.

Fire Brigade Services Act (No. 99 of 1987): Provides for the establishment, maintenance, employment, coordination and standardization of fire brigade services and matters connected therewith.

Traditional Leadership and Governance Framework Act (No. 41 of 2003): Provides for the recognition of traditional communities as well as the establishment and recognition of traditional councils and the establishment of the Commission on Traditional Leadership Disputes and Claims.

National House of Traditional Leadership Act (No. 22 of 2009): Paves the way for the establishment of the National House of Traditional Leaders.

Gauteng Traditional Leadership and Governance Act (No. 4 of 2010): Provides for the establishment and recognition of traditional communities in the province.

Gauteng Local Government Laws Amendment Act (No. 1 of 2006): Amends certain laws of the Gauteng Province pertaining to local government so as to eliminate references to defunct institutions and inconsistencies with other legislation and repeal certain laws that are contrary to the Constitution of the Republic of South Africa 1996 or that no longer serve any useful purpose.

Local Government Amendment Laws Act (No. 19 of 2008): Reviews the term of office of ward committees to be equivalent to the term of council. It also provides the legislative base for the funding model for ward committees.

Removal of Graves and Dead Bodies Ordinance (No. 7 of 1925): Provides procedures for exhumations and re-interment.

Skills Development Act (No. 97 of 1998): Provides an institutional framework to devise and implement national, sector and workplace strategies to develop and improve the skills of the South African workforce.

Employment Equity Act (No. 55 of 1998): Serves as a mechanism to redress the effects of unfair discrimination and to assist in the transformation of workplaces, to reflect a diverse and broadly representative workforce.

Local Government: Cross-Boundary Municipal Act (Act No. 29 of 2000): Gives effect to section 155(16A) of the Constitution by authorizing the provincial executive affected to establish cross-boundary municipalities.

Organised Local Government Act (Act No. 52 of 1997): Provides for the recognition of national and provincial organisations representing different categories of municipalities.

Spatial Planning and Land Use Management Act (Act No. 16 of 2013): Makes provision for inclusive developmental, equitable, and efficient spatial planning at different spheres of government.

1.1 Updates to Institutional Policies and Strategies

The Department is guided by policy mandates at the global, national and provincial levels, each with a direct bearing on the public interest. These programmes and plans comprehensively capture our vision and guide our activities over the long-term.

Medium Term Strategic Framework (MTSF)
The Medium-Term Strategic Framework (MTSF) is governments primary planning framework. It is aligned to the electoral cycle and geared towards achieving the priorities set out in NDP 2030. The MTSF embodies governments commitments, sets out targeted actions and outcomes, and brings coherence and continuity to the planning system. The current MTSF informs the outcome statements, strategies and plans of Gauteng COGTA.

Sustainable Development Goals
The United Nations Sustainable Development Goals (SDGs) offer a global agenda aimed at ending poverty, protecting the planet and ensuring that humanity enjoys peace and prosperity. The SDGs are founded on the principle that eradicating poverty, in all its forms, is an indispensable requirement for sustainable development. Specifically, Goal 11 of SDGs speaks to "making cities and human settlements safe, resilient and sustainable", and aligns with the COGTA mandate.

National Development Plan, Vision 2030

The National Development Plan (NDP) sets out a vision for South Africa by the year 2030. The Plan comprises a programme through which the country can realize its broad socio-economic ambitions and agenda. Central to the achievement of NDP objectives is coherence and collaboration across all sectors, national, provincial, and local governments.

The NDP is comprehensive, but is underscored by three main priorities, which constitute the basis of the Plan:

- **Chapter 3** - 'Economy and Employment', sets out a framework for achieving full employment, decent work and sustainable livelihoods.
- **Chapter 13** - 'Building a Capable State', sets out a vision of the transformative and developmental role of the state.
- **Chapter 14** - 'Promoting Accountability and Fighting Corruption', sets out a vision for a corruption free society.

NDP Implementation Plan
The NDP Implementation Plan translates the nations socio-economic strategy into a living document, renewed in 5-year intervals. The Implementation Plan is institutionalised through Strategic and Annual Performance Plans, Integrated Development Plans and Budget Implementation Plans. The main principles underpinning the Implementation Plan are:

- Alignment to the vision and priorities of the NDP;
- Alignment to international and regional development priorities;
- Alignment to the National Spatial Development Framework;
- Alignment to the Ruling Party's election manifesto;
- Inclusive participation of government and non-government stakeholders;
- Utilisation of evidence-based planning tools which assist in achieving development results;
- Integration of cross-cutting sector policies and plans; and
- Standardization of planning concepts.

The main objective of the five-year Implementation Plan is to advance and guide short and long-term planning in line with the NDP priorities. In response to this, Gauteng COGTA's strategic approach is aligned with, articulates and supports the NDP Implementation Plan.

Gauteng Inter-Governmental Relations (IGR) Strategy
The Constitution enjoins the three spheres of government to undertake the following in promoting co-operative governance:
- Fostering friendly relations;
- Assisting and supporting one another;
- Informing, supporting, and consulting one another on matters of common interest;
- Co-ordinating actions and legislation with one another;
- Adhering to agreed procedures; and
- Avoiding legal proceeding against one another.

Back-to-Basics Approach (B2B) - Phase 2
The B2B programme is founded on the understanding that local government is the locus of citizen interaction with government. The programme has been updated to reflect eight pillars, namely: putting people first, delivering basic services and infrastructure, good governance and accountability, sound financial management, building institutional and administrative capabilities, spatial planning and Integrated Development Plans (IDP), local economic development and building resilience for climate change.

The B2B programme includes high level action areas for implementation by provincial departments and municipalities. The B2B approach and methodology are underpinned by the following:

- Mobilising multi-departmental teams across all spheres of government and society to tackle municipalities at risk of dysfunction;
- Improving performance and building effective and resilient local government;
- Strengthening community engagement and feedback through the Ntihrisano Service Delivery Outreach Programme; and
- Undertaking an integrated, comprehensive, differentiated and hands-on approach to support municipalities.

Importantly, the B2B programme resonates with the National Development Plan (NDP) which states that "meeting our transformation agenda requires functional municipalities and capable machinery at a local level". It also aligns to the Integrated Urban Development Framework, which provides building blocks for the B2B priority of transforming the local space economy and "densifying and integrating communities to improve sustainability".

Integrated Urban Development Framework (IUDF)
The IUDF seeks to address urban spatial patterns through the creation of compact, co-ordinated cities. In the main, it is geared towards transforming urban spaces, focusing on infrastructure development, and unleashing the potential of cities.

Gauteng Spatial Development Framework (GSDF) - 2030
The GSDF shares the same objectives and is aligned to the IUDF and other related policy frameworks as guided by the Spatial Planning and Land Use Management Act (Act 16 of 2013). It also draws on the principles of the National Development Plan, which provide for the following:
- Spatial justice;
- Spatial sustainability;
- Spatial resilience;
- Spatial quality; and
- Spatial efficiency.

Against this background, the GSDF's main objective is to align, co-ordinate and harmonize public infrastructure investment in line with the imperatives of spatial development logic. The rationale for spatial development is to create inclusive provincial economic growth, township redevelopment and spatial transformation.

Integrated Development Planning
The Integrated Development Plan (IDP) is a key lever in developmental local government. The main objectives of the IDP are to promote economic development and address spatial and transport planning, infrastructure development and regulation, in alignment with the LED programme. Municipalities are required to prepare annual and five-year IDPs that outline development targets, projects, programmes and their related outcomes.

Local Economic Development (LED)
The main thrust of local economic development is to create competitive, sustainable, and inclusive local economies. According to Sections 152 and 153(a) of the South African Constitution, local government must "promote social and economic empowerment" and should "structure and manage its administration, and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of community". In this regard, the National LED Framework enjoins local government to undertake the following:
- Improve good governance;
- Improve service delivery;
- Improve public and market confidence in municipalities;
- Improve spatial development; and
- Enhance the comparative advantages and competitiveness of Districts and Metros.

Municipalities are required to create an environment that is conducive to local economic development through the provision of infrastructure and quality services. Municipal LED strategies are drafted, in consultation with local stakeholders, and renewed every five years.

Asset Based Community Development (ABCD) Model
The Asset Based Community Development Model (ABCD) builds on the constitutional imperative for participatory democracy. It is a model that empowers communities to explore their potential, and forms a basis for how communities engage with government and stakeholders. The underlying logic of the model is the understanding that communities can own and drive development by identifying and mobilizing hidden, ignored and often taken for granted assets. This includes community members, community groups, associations, clubs (social assets) and the public assets available to make development happen. Gauteng COGTA supports municipalities in implementing the ABCD model.

National Energy Efficiency Strategy
The National Energy Efficiency Strategy is a guiding document developed by the government to support implementation of energy-efficient measures in South Africa.

Addis Ababa Agreement
The Addis Ababa Agreement primarily provides and informs the implementation of the New Urban Agenda. The main focus is on infrastructure, technology, and the development of micro, small and medium enterprises.

Paris Agreement
The Paris Agreement guides international efforts towards reducing Greenhouse Gas (GHG) emissions and the associated transition towards low carbon development. Article 4.19 of the Paris Agreement encourages its signatories to formulate and communicate a strategy for long-term, low GHG emission development to the United Nations Framework Convention on Climate Change (UNFCC) by 2020.

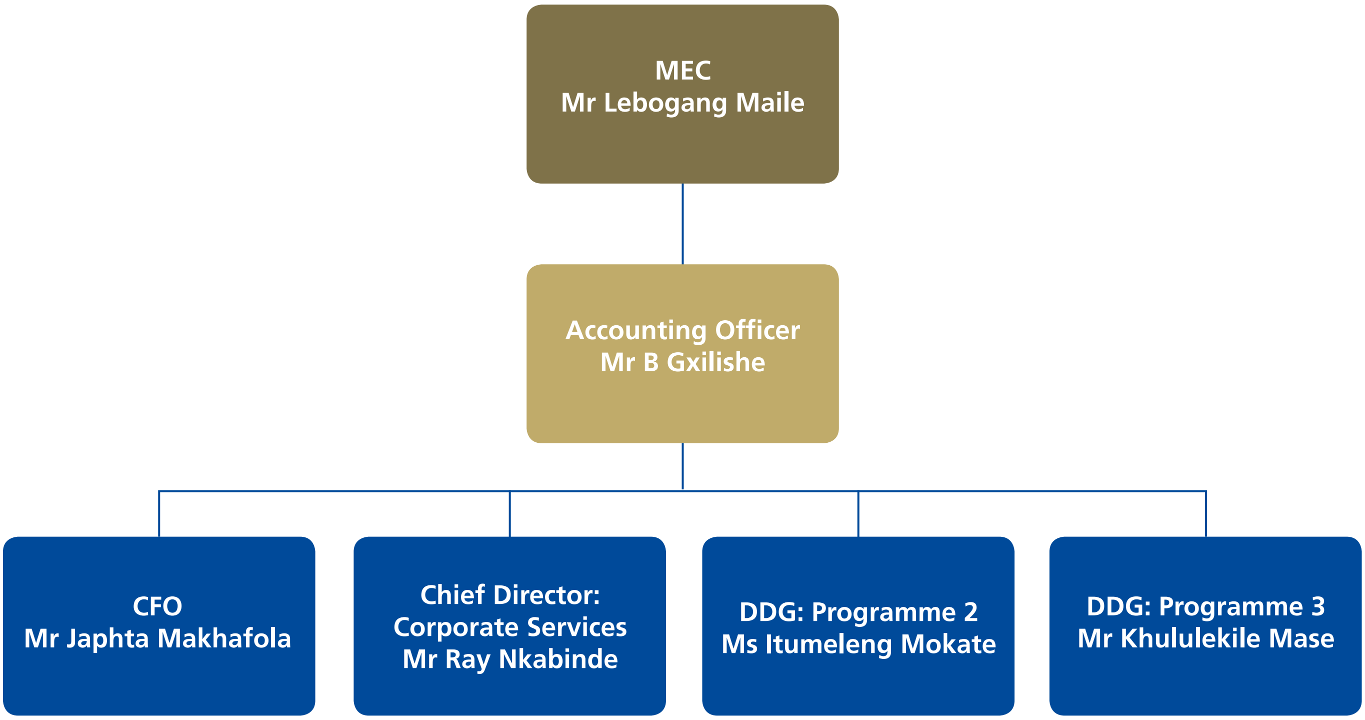
African Union 2063 Agenda
The African Union 2063 Agenda envisages an integrated, prosperous and peaceful Africa achieved through inclusive growth and sustainable development.

Sendai Framework for Disaster Risk Reduction 2015-2030
The Sendai Framework – successor to the Hyogo Framework of Action (2005 – 2015) - is a non-binding voluntary framework whose main focus is on the reduction of disaster risk. Its emphasis is on understanding different dimensions of exposure, vulnerability, hazards, strengthening of disaster risk governance, and accountability for disaster governance.

Disaster Management Framework
The Disaster Management Framework is informed by the National Disaster Risk Reduction Strategy and makes provision for national, provincial and local government strategies. The target is to build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters. The Framework is informed by the Sustainable Development Goals (SDGs) and is aligned to the same 2030 timeframe.

8. ORGANISATIONAL STRUCTURE

Figure1.1: Organisational Structure



9. ENTITIES REPORTING TO THE MINISTER/MEC

There are no entities reporting to the MEC.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PART

B

PERFORMANCE INFORMATION

GAUTENG PROVINCE
CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor General of South Africa (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 auditor's report.

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

Refer to page 96 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The functional responsibility of the Community Development Workers Programme (CDWP) is to promote good governance and develop sustainable communities. The CDWP focuses on strengthening the ability of communities to access government services, build structures and skills so they are better able to improve their standard of living, and support greater participation in the economy. The following is a report on the work and achievements of the CDWP for the 2020/21 financial year.

The CDWP has a total compliment of 379 staff members, including 352 CDWs deployed across the province, 24 managers and 4 support staff. Current vacancies include; 4 Administrative Officers; 4 Assistant Directors and 2 Deputy Directors.

Currently, there are 21 CDWP Supervisors in the Programme. Each Supervisor is responsible for an average number of 15 CDWs. CDWs report to their supervisors, but also share information with ward councillors and ward committees. In turn, supervisors share information with their municipal counter parts and report to Regional Manager based at CoGTA. The work of Regional managers is supervised and managed by the Director of the Programme who reports to the Chief Director – Community Development, Public Participation and Stakeholder Liaison.

All Regional Managers and some supervisors are based at CoGTA Head Office while other supervisors are located at Thusong Service Centres or in municipal offices. There is currently no formal agreement between CDW Supervisors and the municipalities that have provided office space. It is recommended that such an agreement be put in place in order to formalise this arrangement and enhance the monitoring of CDWs by their supervisors.

2.2 Service Delivery Improvement Plan

The Department has completed a Service Delivery Improvement Plan. The tables below highlights key aspects of the Plan and the achievements to date.

Table 2.1: Main Services and Standards

Main Services	Beneficiaries	Current/ Actual Standard of Service	Desired Standard of Service	Actual Achievement
To provide advocacy and facilitation on community engagement, public participation, and government services.	Traditional Councils, Ward Committees, Civil Society Organisations, Sector Departments, Communities and Municipalities.	City of Ekurhuleni, City of Johannesburg and the City of Tshwane were trained on the ABCD methodology (five-day training course with 49 learning partners).	Deliver training to the Mogale City, Sedibeng, and West Rand District Municipalities (ABCD and CBM).	One ABCD capacity initiative was mainstreamed in four municipalities.

Table 2.2: Batho Pele Arrangements with Beneficiaries

Current/ Actual Arrangements	Desired Arrangements	Actual Achievements
Two quarterly engagements with traditional councils on current challenges and possible resolutions or action plans.	Three quarterly engagements with traditional councils on current challenges and possible resolutions or action plans.	IDP presentations were made by the City of Tshwane to both traditional councils. The City of Tshwane plan has endorsed to include one (1) member of the traditional council on the Ward Committee. The Department often invites different government departments to the traditional council's AGMs, using them as a platform to educate other departments about the traditional communities and their councils in the Gauteng province.
Door to door campaigns in 80% of wards covered.	Door to door campaigns in 100% of wards covered.	CDWs dealt with a total of 8,258 cases during this reporting period in all municipalities.

Table 2.3: Service Delivery Information Tool

Current/ Actual Information Tools	Desired Information Tools	Actual Achievements
Department brochures with contact details and services offered.	Updated Department brochures with contact details and services offered.	The Department brochure was updated and circulated to households and members of the community during information sessions. The Department rolled out COVID-19 awareness campaigns using brochures containing the Department's information.
		Community education and social awareness programmes shared information on the importance of: • Wearing masks • Social distancing • Hand sanitising • Living a positive COVID-19 lifestyle

Table 2.4: Complaint's Mechanism

Current/ Actual Complaints Mechanism	Desired Complaints Mechanism	Actual Achievements
Department brochures with contact details for households.	Department brochures with contact details for households.	The updated Department brochure contains departmental information, including the relevant officials to be contacted should a need arise.

2.3 Organisational Environment

The organisational environment within which the Department operates is influenced by both internal and external factors. The Department continues to operate without permanent accommodation as a result of the 2018 fire at the Bank of Lisbon Building. The COVID-19 pandemic has also negatively impacted the Department's performance and the execution of programmes and projects, particularly where coordination and collaboration with stakeholders and clients is required. The pandemic, which necessitated a nation-wide lockdown in March 2020 and from which the country is yet to emerge, also impacted Department staff both personally and at the organisational level. Several staff members contracted the virus and regrettably a few died as a result of the disease.

While the pandemic posed a multitude of challenges, efforts to address these issues also availed the Department with a number of opportunities. For instance, the crisis necessitated the creation of the provincial disaster management structure within the Local Government Work Stream. This structure, which was designed specifically to respond to the pandemic, positioned CoGTA to strengthen its coordination role both horizontally and vertically. The structure also allowed CoGTA to showcase and provide meaningful support to municipalities on issues related to COVID-19 and beyond.

The Department also adopted a new service delivery approach, known as the 'regional development approach'. This approach is meant to ensure that CoGTA services are articulated, packaged and delivered in integrated fashion. It also leaves the Department well positioned to implement the District Development Model, as adopted by government.

2.4. Key Policy Developments and Legislative Changes

There were no legislative changes in the year under review.

3. ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The Department is on track to achieve its planned impact of "Resilient and Sustainable Communities Through Service Delivery", despite the unexpected challenges brought on by the COVID-19 pandemic. The need for new tactics has resulted in better ways of working, including virtual meetings, the flexibility for people to work from home, and the associated productivity gains in some areas. It is thus anticipated that the Department will be able to achieve all its planned outcomes.

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme 1: ADMINISTRATION

Purpose of the Programme

The Administration Programme focuses on strengthening the administrative capacity and capability of the Department, to ensure that the Department is able to deliver on its policy and legislative mandate. The programme encompasses all activities with respect to Human Resources and Finance.

The sustained performance on the Back to Basics (B2B) pillar will serve as an indicator as to whether municipalities are functional and ethical, which will further demonstrate whether there is effective service delivery. Municipal effectiveness will be assessed via a stakeholder survey, with municipalities scoring 80% or more deemed to be functional and sustainable.

Sub-Programmes

- Corporate Services
- Finance Management

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

- Outcome 1: Improve municipal performance in line with B2B pillars.

Key Achievements

To align the Department's Organisational Structure to the 2020-2025 Organisational Strategy the following achievements have been concluded to date:

- A consulted Service Delivery Model (SDM) with all programmes and functions as per the departmental structure;
- A proposed/ macro-organisational structure which aligns to the departmental strategy and SDM;
- A proposed microstructure with programme functions aligned to the departmental strategy and SDM;
- Consultation with both the Office of the Premier (OoP) and the Department of Public Service and Administration (DPSA) on SDM and the proposed organisational structure of the Department;
- Developed AS-IS Business Process Maps for all Chief Directorates, Directorates and Sub-Directorates;
- Currently conducting the Work Study Investigation with all the Chief Directorates, Directorates and Sub Directorates; and
- Procured and currently utilising the Orgplus software for developing and maintaining the organisational structure.

Table 2.5: Administration Programmes Outputs, Outcomes and Indicators (A)

PROGRAMME: Administration									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from planned target to Actual Achievement 2020/2021	Reasons for deviations	Reasons for revisions to the Outputs / Output indicators / Annual Targets
No amendments									

Table 2.6: Administration Programme, Outputs, Outcomes and Indicators (B)

PROGRAMME: Administration								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from Planned Target to Actual Achievement 2020/2021	Reasons for Deviations
Improved municipal performance in line with the B2B pillars	100% of the organisational structure implemented in line with the revised strategy.	Percentage of the organisational structure implemented in line with the revised strategy.	New indicator.	New indicator.	Approved organisational structure.	The organisational structure was not approved.	0% of the organisational structure was approved.	The consultation on the service delivery model took longer than anticipated.
	100% of invoices paid in 15 days.	Percentage of invoices paid in 15 days.	100% of invoices paid within thirty days as prescribed by Public Finance.	100% of invoices paid in 15 days.	100% of invoices paid in 15 days.	97% of invoices settled in 15 days.	3% of invoices not settled in 15 days.	Payment runs delayed by SITA as a result of system downtime.

Strategy to Overcome Areas of Under Performance

- The design of the Microstructure will be concluded, including Job Evaluations then benchmarking of all posts and consultation with the DPSA for concurrence on the Department's Microstructure.
- The monitoring of system downtimes at SITA and the Gauteng Provincial Treasury, and the use of manual systems during those times.

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

The Department has aligned its Annual Performance Plan (APP) with the Grow Gauteng Together (GGT) 2030 Strategy, so the outputs listed above reflect progress in terms of the implementation of the long-term plan of the province.

Reporting on the Institutional Response to the COVID-19 Pandemic

The Department undertook various interventions in response to the COVID-19 pandemic, with the aim of continuing service delivery despite lockdown constraints, reducing the risk of transmission among employees and stakeholders, and fulfilling the Departments mandate with respect to strengthening cooperative governance in a time of crisis. Within the 'Administration Programme', the Departments COVID-19 response included the procurement of Personal Protective Equipment (PPE) for Department staff and stakeholders (as required).

TTable 2.7: Progress on Institutional Response to the COVID-19 Pandemic (Administration Programme)

Budget Programme	Intervention	Geographic Location	No. of Beneficiaries	Disaggregation of Beneficiaries	Total Budget Allocation per Intervention (R'000)	Budget Spent per Intervention	Contribution to the Outputs in the APP	Immediate Outcomes
Programme 1	PPE for the Department	Johannesburg	N/A	N/A	R 2 972 209	N/A	N/A	Safe staff and community

Linking Performance with Budgets

The Administration Programme was allocated a total budget of **R176 982 000**, of which an amount of **R149 364 000** was spent. This represents **84%** of the total budget allocated. The remaining **16%**, or **R27 618 000**, could not be spent primarily because of:

- Delays in the procurement of tools of trade for officials due to the lockdown, resulting in **R13 255 000** in underspending;
- Delays in the procurement of civic education awareness campaign projects, where the service providers were appointed in the last quarter of the financial year, resulting in **R12 272 000** in underspending;
- The Department did not pay bonuses, outstanding progression increases or similar benefits to senior managers, while several positions remained vacant, resulting in **R2 062 000** in underspending; and
- Minor savings from a decrease in venue rentals, catering, operating payments, traveling, and purchase of consumables supplies, resulted in a total savings of **R29 000.**

Table 2.8: Administration Programme Expenditure

Administration	2019/2020			2020/2021		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the MEC	4 387	3 698	689	5 329	5 264	65
Corporate Services	139 569	124 236	15 333	171 653	144 100	27 553
Total	**143 956**	**127 934**	**16 022**	**176 982**	**149 364**	**27 618**

4.2 Programme 2: LOCAL GOVERNANCE SUPPORT

Purpose of the Programme

The Local Governance Programme seeks to strengthen the developmental state by enhancing participatory governance and institutional stability as well as building the capacity and capability of local government to achieve its constitutional mandate. The budget allocated under this programme is utilised to support and monitor local government performance to ensure that municipalities become viable and sustainable to carry out their constitutional mandate.

The sustained performance on the Back to Basics (B2B) pillar will serve as an indicator as to whether municipalities are functional and ethical, which will further demonstrate whether there is effective service delivery. Municipal effectiveness will be assessed via a stakeholder survey, with municipalities scoring 80% or more deemed to be functional and sustainable.

Sub-Programmes

- Municipal Administration
- Municipal Finance
- Public Participation
- Capacity Development
- Municipal Performance Monitoring, Reporting and Evaluation

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

- Outcome 1: Improved municipal performance in line with the B2B pillars.

Key Achievements

Community Development Workers Programme

The CDWP participates in and supports municipalities' efforts to maintain functional ward-based war rooms. The Ward-Based War Room (WBWR) is a mechanism used by the Department for community engagement. The aims and objectives of the WBWR are as follows:

- Build ward capacity to contain the spread of COVID-19;
- Promote collaboration for provision and monitoring of service delivery at ward level;
- Consolidate service plans at the point of delivery in line with the six pillars;
- Disrupt the pattern of community infections;
- Create awareness and educate communities;
- Intensify screening, tracking and tracing, and supporting those with COVID-19;
- Conduct testing in line with established protocols;
- Monitor the enforcement and compliance of lockdown regulations; and
- Coordinate the targeted delivery of social and economic relief programmes.

The CDWP Supervisors and Regional Managers participated in the Hub and District operational levels and assisted with the development of Ward Based Compliance Monitoring Outreach programmes.

COVID-19 Compliance Programme

The COVID-19 compliance monitoring outreach programmes focused on the following:

- Screening and Testing;
- Business Compliance Monitoring;
- Frontline Service Delivery Monitoring; and
- Social Awareness and Community Education on COVID-19.

Service delivery monitoring focused on:

- Hygiene protocol;
- Access to water;
- Waste management; and
- Identification of hotspot areas in the ward.

Finalising the Organisational Structure

The proposed Organisational Structure was presented to Exco on 23 November 2020. The two outstanding clusters (Office of the MM and Infrastructure Planning Development) were scheduled to be completed by 27 November 2020. Emfuleni LM sent a letter to CoGTA requesting Personal Protective Equipment (PPE) to undertake the Employee Validation exercise. The project was scheduled to be completed by 14 January 2021; however, it was delayed due to complications arising from the COVID-19 pandemic. A request has been made to extend the project scope and budget.

Municipal Financial Support

The Department provided municipalities with financial support with the aim of improving revenue collection and enhancing municipal sustainability. Examples of financial support delivered during the reporting period included:

- The Department supported the Lesedi and Emfuleni LMs in their efforts to align their revenue frameworks and strategies with the IDPs; and review their Credit Control policies, Customer Care policies, Property Rates policies, Tariff policies, Free Basic Service/ Indigent policies, and the Debt Recoverable and Write Off policies in preparation for budget processes.
- The Department supported revenue collection and reduced collection costs within the Emfuleni LM by providing the Municipality with 2 433 identity numbers with a total value of R 2 398 581, and 5 239 company registration numbers with a total value of R 137 878 365.
- The Department supported revenue collection and reduced collection costs in the Merafong City LM by providing the municipality with 2 220 identity numbers with a total value of R 88 715 243, and 2 725 company registration numbers with a total value of R 611 724 615.
- Two OPCA PCCs were convened to provide advisory support to municipalities on the implementation of the audit response plan. Improvement was noted in the Ekurhuleni Metro, with the Municipality receiving a clean audit outcome, while the West Rand District, Mogale City LM and Lesedi LM improved in relation to the audit of pre-determined objectives and the issuing of annual financial statements that are free of material misstatements. Conversely, a regression was noted in the Rand West City and Emfuleni Local Municipalities from an unqualified to a qualified audit opinion.

Table 2.9: Local Governance Support Programme Outputs, Outcomes and Indicators (A)

Programme: LOCAL GOVERNANCE SUPPORT									
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	**Actual Achievement 2020/2021**	**Deviation from Planned Target to Actual Achievement 2020/2021**	**Reasons for Deviations**	**Reasons for Revisions to the Outputs / Output Indicators / Annual Targets**
Improved municipal performance in line with the B2B pillars.	15 research reports produced on key local policy issues.	Number of research reports produced on key local policy issues.	New indicator.	New indicator.	2 research reports produced on key local policy issues.	No target planned.	None.	None.	The reports were to be informed by focus groups, which could not take place owing to COVID-19 regulations.
	100% of cases resolved through municipalities, sector departments and Office of the Premier.	Percentage of cases resolved through municipalities, sector departments and Office of the Premier.	New indicator.	New indicator.	30% of cases resolved through municipalities, sector departments and Office of the Premier.	5% of cases resolved through municipalities, sector departments and Office of the Premier.	0% of cases resolved through municipalities, sector departments and Office of the Premier.	Door to door visits were not conducted due to COVID-19.	CDWs' activities suspended due to COVID-19.
	Municipalities provided with capacity to implement the simplified revenue plans.	Number of municipalities provided with capacity to implement the simplified revenue plans.	2 municipalities supported with additional capacity to implement the developed simplified revenue plans (Emfuleni and Rand West City).	2 municipalities supported with capacity to implement the simplified revenue plans (Emfuleni and Rand West City).	2 municipalities supported with capacity to implement the simplified revenue plans (Lesedi and Merafong City).	Merafong LM supported with capacity to implement simplified revenue plans.	None.	1st quarter target was not achieved.	The Department was not allowed to advertise tenders in the 1st quarter due to COVID-19 restrictions and the project needed to be implemented for a full year.
	Municipalities provided with capacity to implement the simplified Revenue Enhancement Plans.	Number of municipalities supported with the deployment of revenue experts to develop an Integrated Revenue Enhancement Plan.	2 municipalities (Emfuleni and Rand West City) supported to improve revenue management through an assessment of the Revenue Value Chains.	2 municipalities supported with additional capacity to implement simplified Revenue Enhancement Plans (Emfuleni and Rand West City).	2 municipalities supported with capacity to implement the Simplified Revenue Enhancement Plans (Emfuleni and Rand West City).	No target planned.	None.	None.	Provincial departments were not allowed to advertise tenders in the 1st quarter due to COVID-19 restrictions so this project would not have been completed in the time available.

Programme: LOCAL GOVERNANCE SUPPORT									
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from Planned Target to Actual Achievement 2020/2021	Reasons for Deviations	Reasons for Revisions to the Outputs / Output Indicators / Annual Targets
	5 local municipalities provided with capacity to undertake data enrichment of large power and water users.	Number of municipalities provided with capacity to undertake data enrichment of large power and water users.	2 municipalities supported with additional capacity to implement Simplified Revenue Plans (Emfuleni and Rand West City).	Data cleansing of top 500 businesses billing data under the implementation of the Simplified Revenue Plans.	1 municipality provided with capacity to undertake data enrichment of large power and water users (Lesedi LM).	No target planned.	None.	None.	Provincial departments were not allowed to advertise tenders in the 1st quarter due to COVID-19 restrictions so this project would not have been completed in the time available.
	Municipalities provided with additional capacity to reduce Unauthorised, Irregular, Fruitless and Wasteful expenditure.	Number of municipalities provided with additional capacity to reduce Unauthorised, Irregular, Fruitless and Wasteful expenditure.	New indicator.	New indicator.	1 municipality provided with additional capacity to reduce Unauthorised, Irregular, Fruitless and Wasteful expenditure (Rand West and Mogale City LMs).	No target planned	None	None	Provincial departments were not allowed to advertise tenders in the 1st quarter due to COVID-19 restrictions so this project would not have been completed in the time available.

Table 2.10: Local Governance Support Programme Outputs, Outcomes and Indicators

Programme: LOCAL GOVERNANCE SUPPORT								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	**Actual Achievement 2020/2021**	**Deviation from Planned Target to Actual Achievement 2020/2021**	**Reasons for Deviations**
Improved municipal performance in line with the B2B pillars.	Research studies produced on key local policy issues.	Number of research studies.	11 municipalities assessed and supported on the functionality of Council Committees.	11 municipalities assessed and supported on the functionality of Council Committees.	3 research studies produced on key local government policy issues.	2 research studies on key local government policy issues completed.	1 research study on key local government policy issues was not completed.	The National DCoG is currently finalising the National Indigent Framework and Guidelines, which is to be implemented nationally in November 2021/ January 2022.
	Municipalities supported with Ward Based War Rooms.	Number of municipalities supported with Ward Based War Rooms.	9 municipalities supported to maintain functional ward committees.	8 municipalities were supported to maintain functional ward committees.	9 municipalities supported with initiatives to maintain functional Ward Based War Rooms.	9 municipalities supported with initiatives to maintain functional Ward Based War Rooms.	None.	None.
	Ward Based War Room (WBWR) Civic Awareness Campaigns on the fight against COVID-19 implemented in provincial regions.	Number of Ward Based War Room (WBWR) Civic Awareness Campaigns on the fight against COVID-19 implemented in provincial regions.	New indicator.	New indicator.	30 WBWR Civic Awareness Campaigns supported on the fight against COVID-19 implemented in provincial regions.	51 WBWR Civic Awareness Campaigns supported on the fight against COVID-19 implemented in provincial regions.	21 additional WBWR Civic Awareness Campaigns supported on the fight against COVID-19 implemented in provincial regions.	The Department has embarked on additional campaigns to support the initiatives of the province to create awareness in the fight against COVID-19.
	Voter education stakeholder engagement campaigns implemented in provincial regions.	Number of voter education stakeholder engagement campaigns implemented in provincial regions.	New indicator.	New indicator.	30 voter education stakeholder campaigns held.	14 voter education stakeholder campaigns implemented in provincial regions.	16 voter education stakeholder campaigns implemented in provincial regions.	Election structures are not ready in the regions, and some departments as well as at provincial level. Stakeholder engagement sessions require face to face interaction, and this was prohibited at certain levels of COVID-19 restrictions.

Programme: LOCAL GOVERNANCE SUPPORT								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from Planned Target to Actual Achievement 2020/2021	Reasons for Deviations
	ABCD capacity initiatives implemented by municipalities.	Number of ABCD capacity initiatives implemented in municipalities.	New indicator.	30 municipal and CoGTA officials trained on ABCD and CBM.	1 ABCD capacity initiative implemented in municipalities.	1 ABCD capacity initiative implemented in Emfuleni. ABCD Collaboration Workshop held with CDWs in pilot wards.	None.	None.
	Municipalities supported with public participation initiatives.	Number of municipalities supported with public participation initiatives.	9 Municipalities supported with public participation initiatives.	8 municipalities supported to maintain functional ward committees.	9 Municipalities supported with public participation initiatives.	3 municipalities supported with public participation initiatives.	6 municipalities not supported with public participation initiatives.	Slow progress due to COVID-19 restrictions. Lesedi was affected by political changes in the Office of the Speaker.
	Local municipalities supported with the deployment of revenue experts to develop an Integrated Revenue Enhancement and Debtors Management Strategy.	Number of municipalities supported with the deployment of revenue experts to develop an Integrated Revenue Enhancement and Debtors Management strategy.	New indicator.	New indicator.	2 local municipalities supported with revenue experts to develop an Integrated Revenue Enhancement and Debtors Management Strategy (Emfuleni and Merafong City LMs).	3 municipalities supported with the deployment of revenue experts to develop an Integrated Revenue Enhancement and Debtors Management Strategy (Lesedi, Emfuleni and Merafong City LMs).	None.	None.

Programme: LOCAL GOVERNANCE SUPPORT								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from Planned Target to Actual Achievement 2020/2021	Reasons for Deviations
	OPCA PCCs convened to provide advisory support to municipalities on the implementation of the audit response plan.	Number of OPCA PCCs convened to provide advisory support to municipalities on the implementation of the audit response plan.	2 OPCA PCCs convened to provide advisory support to municipalities on the implementation of the audit response plan.	2 OPCA PCCs convened to provide advisory support to municipalities on the implementation of the audit response plan.	2 OPCA PCCs convened to provide advisory support to municipalities on the implementation of the audit response plan.	2 OPCA PCCs convened to provide advisory support to municipalities on the implementation of the audit response plan.	None.	None.
	Capacity building interventions supported in municipalities.	Number of capacity building interventions supported in municipalities.	5 capacity building interventions supported in targeted Municipalities.	Four capacity building interventions (SCM, Finance, Contract Management and Project Management) in action learning provided in 6 targeted municipalities.	1 capacity building intervention (Accountability and Ethical Conduct) for Councillors and Officials in 11 Gauteng municipalities.	1 capacity building intervention supported (Accountability and Ethical Conduct) for Councillors and Officials in 11 Gauteng municipalities.	None.	None.
	Municipalities supported with Legal Services.	Number of municipalities supported with Legal Services (Labour Relations Law and Related Litigation).	New indicator.	1 municipality (Emfuleni LM) supported with Legal Services (Corporate, Commercial Law and Related Litigation and Labour Relations Law and Related Litigation).	1 municipality (Emfuleni LM) supported with Legal services (Labour Relations Law and Related Litigation).	1 municipality (Emfuleni LM) supported with Legal Services (Labour Relations Law and Related Litigation).	None.	None.

Programme: LOCAL GOVERNANCE SUPPORT								
Outcome	Output	Output Indicator	Audited Actual Performance 2018/2019	Audited Actual Performance 2019/2020	Planned Annual Target 2020/2021	Actual Achievement 2020/2021	Deviation from Planned Target to Actual Achievement 2020/2021	Reasons for Deviations
	Municipalities supported with the Organisational Structure and Institutional Review.	Number of municipalities supported with the Organisational Structure and Institutional Review.	New indicator.	1 municipality (Emfuleni LM) supported with the Organisational Structure and Institutional Review.	1 municipality (Emfuleni LM) supported with the Organisational Structure and Institutional Review.	1 municipality (Emfuleni LM) supported with the Organisational Structure and Institutional Review.	None.	None.
	Experts placed in regional teams to support municipalities to address service delivery challenges.	Number of experts placed in regional teams to support municipalities to address service delivery challenges.	New indicator.	New indicator.	4 experts placed in regional teams to support municipalities to address service delivery challenges (Organisational Development and Design Experts, 1 Local Government Labour Expert and 1 Local Government Legal Expert).	4 experts placed in regional teams to support municipalities to address service delivery challenges (2 Organisational Development and Design Experts, 1 Local Government Labour Expert and 1 Local Government Legal Expert).	None.	None.
	Municipal performance reports against the key performance areas of Local Government.	Number of municipal quarterly performance reports against the key performance areas of Local Government.	4 quarterly municipal performance reports against the key performance areas of Local Government.	4 quarterly municipal performance reports against the key performance areas of Local Government.	4 quarterly municipal performance reports against the key performance areas of Local Government.	4 quarterly municipal performance reports against the key performance areas of Local Government.	None.	None.

Programme: LOCAL GOVERNANCE SUPPORT								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	**Actual Achievement 2020/2021**	**Deviation from Planned Target to Actual Achievement 2020/2021**	**Reasons for Deviations**
	Annual municipal performance reports compiled as per section 47 of the Municipal Systems Act.	Number of annual municipal performance reports compiled as per Section 47 of the Municipal Systems Act.	1 annual municipal performance report compiled for 2018/19 as per Section 47 of the Municipal Systems Act (MSA).	1 annual municipal performance report compiled for 2019/20 as per Section 47 of the Municipal Systems Act (MSA).	1 annual municipal performance report compiled for 2020/21 as per Section 47 of the Municipal Systems Act (MSA).	1 Annual municipal performance report compiled.	None.	None.
	Municipal end of term report complied (2016 –2021 municipal end of term).	Number of end of term reports on municipal performance compiled.	New indicator.	New indicator.	1 municipal end of term review report compiled (2016 – 2021 municipal end of term report).	1 Municipal end of term review report compiled (2016 – 2021 municipal end of term report).	None.	None.
	Compliance reports in terms of the Municipal Finance Management Act, Municipal Property Rates Amendment Act, Municipal Systems Act and Remuneration of Public Office Bearers Act.	Number of compliance reports in terms of the Municipal Finance Management Act, Municipal Property Rates Amendment Act, Municipal Systems Act and Remuneration of Public Office Bearers Act.	4 compliance reports in terms of the Municipal Finance Management Act, Municipal Property Rates Amendment Act, Municipal Systems Act and Remuneration of Public Office Bearers Act.	4 compliance reports in terms of Municipal Finance Management Act, Municipal Property Rates Amendment Act, Municipal Systems Act and Remuneration of Public Office Bearers Act.	4 compliance reports in terms of the Municipal Finance Management Act, Municipal Property Rates Amendment Act, Municipal Systems Act and Remuneration of Public Office Bearers Act.	4 compliance reports in terms of Municipal Finance Management Act, Municipal Property Rates Amendment Act, Municipal Systems Act and Remuneration of Public Office Bearers Act.	None.	None.
	Number of reports on the issues raised by the Auditor General in audit reports in terms of section 131 of the MFMA.	Number of reports on the issues raised by the Auditor General in audit reports in terms of section 131 of the MFMA.	1 report on the issues raised by the Auditor General in audit reports in terms of section 131 of the MFMA.	1 report on the issues raised by the Auditor General in audit reports in terms of section 131 of the MFMA.	1 report on the issues raised by the Auditor General in audit reports in terms of section 131 of the MFMA.	1 report on the issues raised by the Auditor General in audit reports in terms of section 131 of the MFMA.	None.	None.

Strategy to Overcome Areas of Under Performance

- The Policy and Research Unit is part of the National Indigent Framework process and is working with the National Department of CoGTA to finalise the framework.
- Campaigns that were not implemented in the previous year will be incorporated into the campaigns for the current financial year.
- A Service Level Agreement will be processed and finalised as soon as negotiations are concluded to enable the service provider to commence work on the Gauteng Spatial Development Framework. The submission of the inception report is being fast tracked.

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

The Department has aligned its Annual Performance Plan (APP) with the Grow Gauteng Together (GGT) 2030 Strategy, so the outputs listed above reflect progress in terms of the implementation of the long-term plan of the province.

Reporting on the Institutional Response to the COVID-19 Pandemic

The Department undertook various interventions in response to the COVID-19 pandemic, with the aim of continuing service delivery despite lockdown constraints, reducing the risk of transmission among employees and stakeholders, and fulfilling the Departments mandate with respect to strengthening cooperative governance in a time of crisis. With respect to 'Local Governance Support', these interventions include hosting of Ward Based War Room (WBWR) Civic Awareness Campaigns.

Table 2.11: Progress on Institutional Response to the COVID-19 Pandemic (Local Governance Programme)

Budget Programme	Intervention	Geographic Location	No. of Beneficiaries	Disaggregation of Beneficiaries	Total Budget Allocation per Intervention (R'000)	Budget Spent per Intervention	Contribution to the Outputs in the APP	Immediate Outcomes
Programme 2	Civic Awareness Campaigns	All municipalities	N/A	N/A	R5 789 000	N/A	COVID-19 Awareness Campaigns	Safer communities

Linking Performance with Budgets

The Local Governance Programme was allocated **R266 192 000**, of which **R256 499 000 (96%)** was spent. Under-expenditure in the amount of **R9 693 000 (4%)** is attributed mainly to:

- Slow progress filling vacant positions in the Community Development Workers Programme (CDWP) due to lockdown restrictions imposed on the advertisement of posts resulting in **R6 214 000** in compensation under-expenditure; and
- Delays in transferring payments to Office of the Premier (OoP) to fund investigations into municipal contracts, which contributed to **R3 479 000** in underspending on goods and services.

Table 2.12: Local Governance Programme Expenditure

Local Governance	2019/2020			2020/2021		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Municipal Administration	15 463	15 161	302	13 885	11 666	2 219
Municipal Finance	11 158	11 154	4	14 710	12 955	1 755
Public Participation	174 951	172 051	2 900	192 351	188 135	4 216
Capacity Development	18 371	18 367	4	28 742	27 784	958
Municipal Performance Monitoring, Reporting and Evaluation	16 285	15 344	941	16 504	15 959	545
Total	**236 228**	**232 077**	**4 151**	**266 192**	**256 499**	**9 693**

4.3 Programme 3: Development and Planning

Spatial integration is important in a transforming province like Gauteng. Cities and communities need to be integrated and sustainable; the UN Sustainable Development Goals need to be localised across the Gauteng City Region; and Integrated Development Planning (IDP) processes need to align with the Gauteng Spatial Development Framework. With respect to Development and Planning, the outcome indicator (number of spatially integrated cities and transformed communities in the Gauteng Province) is critical to achieving these aspects of spatial integration.

The assumption is that once there is integrated development planning, this process would provide oversight and support for the provision of affordable and reliable basic services. This would also allow for the promotion of integrated, inclusive and sustainable local economic development through strategic partnerships. In order for there to be sustainable cities and communities, there must also be a focus on Disaster Management and combating the impact of climate change across the Gauteng province.

Sub-Programmes

- Integrated Development Planning
- Land Use Management
- Integrated Development Planning Coordination
- Infrastructure Planning
- Energy Office
- Disaster Management
- Fire and Rescue Services

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Outcome 2: Spatially Integrated Cities and Transformed Communities in the Gauteng Province.

Key Achievements

IDP Credibility

IDPs are essential building blocks in spatial planning and land use development. They form, with the Spatial Development Framework (SDF) of a municipality, the core of planning for development of the municipal space, be it for housing, infrastructure or economic development. If the IDPs are not well prepared and aligned to legislation, they cannot achieve municipal objectives. The review of the IDPs for the three metros and two districts that comprise Gauteng have indicated that none of the IDPs are "credible" in the sense that they do not comply with all of the requirements set for an IDP. This does not mean that they cannot be utilised, but that some of the elements presented in the IDPs are flawed. For example, the majority of IDPs make use of 2016 statistics, statistics that are outdated and present a false picture of the situation in any given municipality. Likewise, the lists of IDP projects are often not researched, are not aligned to the SDF, are not budgeted for, and have no implementation time lines. It was found that more often than not the IDP projects and those of the Service Delivery and Budget Implementation Plan (SDBIP) are not aligned and the SDBIPS are in some cases not populated with any figures, be they monetary or in terms of deliverables. In the same vein it was found that the sector development plans were mostly outdated.

Table 2.13: Development and Planning Programme Outputs, Outcomes and Indicators (A)

Programme: DEVELOPMENT AND PLANNING									
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	**Actual Achievement 2020/2021**	**Deviation from Planned Target to Actual Achievement 2020/2021**	**Reasons for Deviations**	**Reasons for Revisions to the Outputs / Output Indicators / Annual Targets**
Spatially Integrated Cities and Transformed Communities in the Gauteng Province	State of Energy Outlook studies completed.	Number of State of Energy Outlook studies completed.	No target planned.	No target planned.	1 State of Energy Outlook study.	No target planned.	None.	None.	The Executive advised the team to expand the scope of this project but the budget allocated was not sufficient and the team needed time to do research on the new requirements.
	Large power users and commercial customers meters replaced in Merafong LM.	Number of large power users and commercial customers meters replaced in Merafong LM.	New indicator.	New indicator.	Audit and replacement of 353 large power users meters and commercial customers in Merafong LM.	No target planned.	None.	None.	Provincial departments were not allowed to advertise tenders in the 1st quarter due to COVID-19 restrictions so this project would not have been completed in the time available.
	Large power users billed in Emfuleni LM.	Number of large power users billed in Emfuleni LM.	614 large power users billed.	600 large power users billed.	786 large power users billed.	196 large power users billed.	The project was moved to the next financial year.	0 large power users billed.	Provincial departments were not allowed to advertise tenders in the 1st quarter due to COVID-19 restrictions so this project would not have been completed in the time available.

Table 2.14 Development and Planning Programme Outputs, Outcomes and Indicators (B)

Programme: DEVELOPMENT AND PLANNING								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	**Actual Achievement 2020/2021**	**Deviation from Planned Target to Actual Achievement 2020/2021**	**Reasons for Deviations**
Spatially Integrated Cities and Transformed Communities in the Gauteng Province	Gauteng Spatial Development Framework reviewed.	Gauteng Spatial Development Framework reviewed.	New indicator.	New indicator.	1st Draft Gauteng Spatial Development Framework reviewed.	Target not achieved. A service provider has been appointed. The submission of the inception report is being fast tracked.	0 Draft Gauteng Spatial Development Framework reviewed.	The tender was re-advertised due to non-responsive bids which led to delays in the procurement process.
	Business cases assessed for level of compliance to statutory Town Planning legislation from six departments with capital projects cases.	Number of business cases assessed for level of compliance to statutory Town Planning legislation from six departments with capital projects cases.	New indicator.	New indicator.	6 business cases assessed for level of compliance to statutory Town Planning legislation from six departments with capital projects cases.	6 business cases were assessed for level of compliance to statutory Town Planning legislation from six departments with capital projects.	None.	None.
	11 metropolitan, district and local municipal capital projects in SDBIPs spatially referenced.	Number of metropolitan, district and local municipal capital projects in SDBIPs spatially referenced.	New indicator.	New indicator.	6 local municipal capital projects in SDBIPs spatially referenced.	6 local municipal capital projects in SDBIPs were spatially referenced.	None.	None.
	Land Use Audits conducted in 2 district municipalities towards enabling SPLUMA-compliance.	Number of Land Use Audits conducted for local municipalities within the Sedibeng and West Rand Districts.	New indicator	New indicator	1 Land Use Audit conducted for local municipalities within the Sedibeng District.	1 Land Use Audit conducted for the Sedibeng District Municipality was finalised.	None.	None.

Programme: DEVELOPMENT AND PLANNING								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	**Actual Achievement 2020/2021**	**Deviation from Planned Target to Actual Achievement 2020/2021**	**Reasons for Deviations**
	100% of IDP assessment recommendations implemented by municipalities.	Percentage of Integrated Development Plan (IDP) assessments recommendations implemented by municipalities.	New indicator.	New indicator.	80% of IDP assessment recommendations implemented by municipalities.	The assessment of the recommendations was not done.	0% of IDP assessment recommendations implemented by municipalities.	The recommendations to municipalities were not submitted on time due to municipal engagements not being convened due to COVID-19 restrictions.
	5 district Development Models (DDM) launched.	Number District Development Models (DDMs) launched (incorporated in DDM "One Plans").	New Indicator.	5 district Profile Analysis finalised.	Three Pilot District Development Models (DDM) launched.	Target not achieved.	0 pilot District Development Models (DDM) launched.	COVID-19 lockdown disruptions and restrictive regulations led to the planned work being cancelled.
	5 municipalities supported with the development of a Capital Expenditure Framework (CEF).	Number of municipalities supported with the development of a CEF.	New Indicator.	0 municipalities supported with the development of a CEF.	Merafong LM supported with the development of a CEF.	Merafong LM supported with the development of a CEF.	None.	None.
	9 municipalities supported to implement infrastructure service delivery programmes (Outcome 9, Sub-outcome 1, B2B Pillar 5). MIG and other grants.	Number of municipalities supported to implement infrastructure service delivery programmes (Outcome 9, Sub-outcome 1, B2B Pillar 5). MIG and other grants.	6 local municipalities monitored on the implementation of infrastructure service delivery programmes (Outcome 9, Sub-outcome 1, B2B Pillar 5).	6 local municipalities monitored on the implementation of infrastructure service delivery programmes (Outcome 9, Sub-outcome 1, B2B Pillar 5).	6 local and 3 metro municipalities supported to implement infrastructure service delivery programmes (Outcome 9, Sub-outcome 1, B2B Pillar 5). MIG and other grants.	6 local and 3 metro municipalities supported to implement infrastructure service delivery programmes.	None.	None.

Programme: DEVELOPMENT AND PLANNING								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	**Actual Achievement 2020/2021**	**Deviation from Planned Target to Actual Achievement 2020/2021**	**Reasons for Deviations**
	9 municipalities supported with technical skills capacity through MISA/ COGTA/ multidisciplinary team of experts in engineering and town planning.	Number of municipalities supported with technical skills capacity through MISA/ COGTA/ multidisciplinary team of experts in engineering and town planning.	New indicator.	New indicator.	2 district municipalities (Sedibeng and West Rand) supported with technical skills through MISA/COGTA/ Multidisciplinary teams in engineering and town planning.	2 district municipalities (Sedibeng and West Rand) supported with technical skills through MISA/COGTA/ Multidisciplinary teams in engineering and town planning.	None.	None.
	Indigent households with access to basic electricity services.	Number of indigent households with access to basic electricity services.	New indicator.	7 000 indigent households with access to basic electricity.	8 000 Indigent households with access to basic electricity.	8 834 indigent households with access to basic electricity services.	834 additional indigent households with access to basic electricity services.	Municipalities used their own funds to electrify additional households due to the great demand for electrification.
	Electrified informal settlements.	Number of informal settlements supported with electrification.	New indicator.	10 informal settlements partially or fully electrified.	10 Informal settlements electrified.	13 informal settlements partially or fully electrified.	3 additional informal settlements partially or fully electrified.	Municipalities used their own funds to electrify additional households due to the great demand for electrification.
	Level 1 and 2 Disaster Management Plan completed.	Level 1 and 2 Disaster Management Plan completed.	New indicator.	New indicator.	Level 1 of the plan complete.	Level 1 of the plan completed.	None.	None.
	5 municipal Disaster Management Centers supported to remain functional.	Number of Municipal Disaster Management Centres supported to remain functional.	5 municipalities supported to maintain functional Disaster Management Centres.	5 municipalities supported to maintain functional Disaster Management Centres.	5 municipal Disaster Management Centres supported to remain functional.	5 municipal Disaster Management Centres supported to remain functional.	None.	None.
	4 municipalities supported on fire brigade services.	Number of municipalities supported on fire brigade services.	2 municipalities supported on fire brigade services (West Rand and Lesedi).	2 municipalities supported on fire brigade services (West Rand and Lesedi).	1 fire and rescue bylaw drafted.	1 fire and rescue bylaw drafted.	None.	None.

Strategy to Overcome Areas of Under Performance

- The draft Gauteng Spatial Development Framework (GSDF) was not completed during the financial year, as planned. A Service Level Agreement will be processed and finalised as soon as negotiations are concluded to enable the service provider to commence work. The submission of the inception report is being fast tracked.
- The IDP process is being re-positioned for better influence of programmes and projects across all spheres to ensure implementation of recommendations and alignment to DDM principles.

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

The Department has aligned its Annual Performance Plan (APP) with the Grow Gauteng Together (GGT) 2030 Strategy, so the outputs listed above reflect progress in terms of the implementation of the long-term plan of the province.

Reporting on the Institutional Response to the COVID-19 Pandemic

The Department undertook various interventions in response to the COVID-19 pandemic, with the aim of continuing service delivery despite lockdown constraints, reducing the risk of transmission among employees and stakeholders, and fulfilling the Department's mandate with respect to strengthening cooperative governance in a time of crisis. With respect to 'Programme and Planning', these interventions include hosting of Ward Based War Room (WBWR) Civic Awareness Campaigns.

Table 2.15: Progress on Institutional Response to the COVID-19 Pandemic (Development and Planning Programme)

Budget Programme	Intervention	Geographic Location	No. of Beneficiaries	Disaggregation of Beneficiaries	Total Budget Allocation per Intervention (R'000)	Budget Spent per Intervention	Contribution to the Outputs in the APP	Immediate Outcomes
Programme 3	COVID-19 relief material	All municipalities	N/A	N/A	R15 099 791	N/A	Disaster Management	Safe communities

Linking Performance with Budgets

The Development and Planning Programme was allocated a total budget of **R152 017 000** during the reporting period, of which of **R141 275 000 (93%)** was spent. Under-expenditure in this programme was mostly due to:

- Payment delays for the planning phases of a new Integrated Provincial Disaster Management Centre (IPDMC), due to issues with verification and invoice submission, resulting in **R3 403 000** in underspending;
- The Department delayed filling some vacant posts, and did not pay bonuses, outstanding progression increases, or deliver similar benefits to senior managers, resulting in **R2 640 000** in underspending;
- The procurement process for CAPEX disaster-related projects was delayed due to the lockdown, which resulted in **R2 567 000** in underspending;
- Challenges procuring service providers to review the Gauteng Spatial Development Framework (GSDF) and conduct the State of Energy Outlook, resulted in **R1 486 000** in underspending; and
- Minor savings in administration, venue rental, operating payments, travel, and training resulted in a total savings of **R646 000.**

Table 2.16: Development and Planning Programme Expenditure

Development and Planning	2019/2020			2020/2021		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Land Use Management	-	-	-	8 872	8 143	729
IDP Coordination	11 085	8 915	2 170	18 219	15 694	2 525
Disaster Management	110 437	92 450	17 987	104 547	98 051	6 496
Municipal Infrastructure	42 680	19 613	23 067	20 379	19 387	992
Total	**164 202**	**120 978**	**43 224**	**152 017**	**141 275**	**10 742**

4.4 Programme 4: Governance

There must be a focus on the nature and quality of intergovernmental and stakeholder relations across spheres and sectors. The assumption is that if these structures and instruments are functional then matters of public interest and concern will be dealt with and that these engagements will lead towards attainment of the impact statement.

Sub-Programmes

- Back 2 Basics
- Intergovernmental Relations
- Municipal Governance

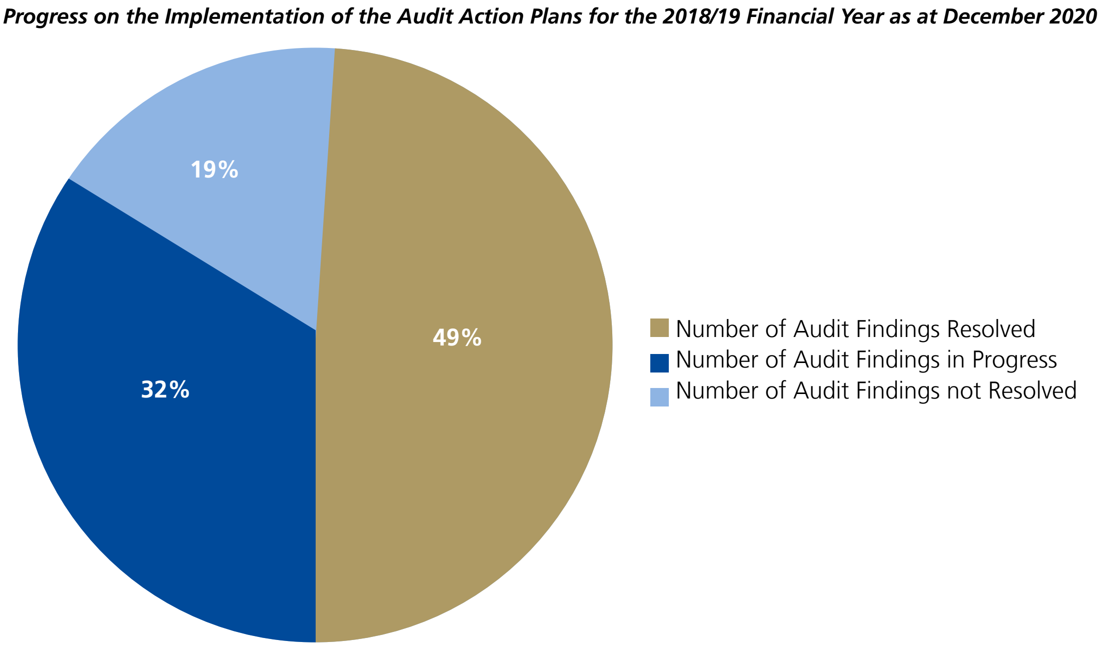
Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Outcome 4: Effective Systems of Cooperative Governance

Table 2.17: Audit Outcomes for the 2019/20 Financial Year Compared to Previous Years

Audit Outcomes for the 2019/20 Financial Year compared with 2018/19 &2017/18			
Municipality	**Audit opinion 2017/18**	**Audit opinion 2018/19**	**Audit opinion 2019/20**
City of Jahannesburg MM	Unqualified	Unqualified	Unqualified
Ekurhuleni MM	Unqualified	Unqualified	Clean
City of Tshwane MM	Unqualified	Unqualified	Not yet issued
West Rand DM	Unqualified	Unqualified	Unqualified
Rand West City LM	Unqualified	Unqualified	Qualified
Merafong City LM	Unqualified	Unqualified	Unqualified
Mogale City LM	Unqualified	Unqualified	Unqualified
Sedibeng DM	Unqualified	Unqualified	Unqualified
Emfuleni LM	Unqualified	Qualified	Not yet issued
Midvaal LM	Clean	Clean	Clean
Lesedi LM	Unqualified	Unqualified	Unqualified

Figure 2.1: Progress on the Implementation of Audit Action Plans



Assessment of individual municipal audit outcomes for the 2019/20 financial year

- The Ekurhuleni Metro has improved its audit outcome considerably, moving from an unqualified to a clean audit. Additional improvement is recorded in the Lesedi LM, Mogale LM and West Rand DM in relation to the quality of financial statements as well as AOPO findings, which moves the three municipalities closer to a clean audit outcome. The weaknesses in all municipalities relate to non-compliance with laws and regulations.
- Non-compliance with laws and regulations (with non-compliance with SCM regulations particularly pronounced) continue to repeat each year, and in some municipalities the issues are growing at an alarming rate. Of particular concern is the high increase in irregular expenditure.
- The Auditor General has noted that municipalities are slowly investigating past and current UIF&W expenditure, however, they are not demonstrating timely and effective consequence management where necessary.
- The Auditor General continues to raise recurring findings. Many of these findings are issues that municipalities were not able to respond adequately to, which led to material amendments to the financials.
- Lastly and of grave concern is the inability of many municipalities to report accurately on service delivery (AOPO). This is a finding that results in increased mistrust of communities towards government.

Consequence Management

- To improve audit outcomes, the accounting officer should ensure that appropriate consequence management is implemented for transgressions with legislation and repeat findings in order to prevent the municipality from stagnation/regression in audit outcomes.
- Municipalities need to improve on the consequence management processes. The Department notes that the majority of investigations to determine whether an official should be held liable are taking significantly longer than expected. The delays in finalisation of investigations prolongs the process of implementing consequence management steps such as disciplinary action, recoveries and/or condoning of the irregular expenditure incurred.

Table 2.18: Governance Programme Outputs, Outcomes and Indicators (A)

Programme: GOVERNANCE									
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	**Actual Achievement 2020/2021**	**Deviation from Planned Target to Actual Achievement 2020/2021**	**Reasons for deviations**	**Reasons for revisions to the Outputs / Output Indicators / Annual Targets**
Effective Systems of Cooperative Governance	Municipal-ities that integrate SDGs in their IDPs.	Number of municipal-ities that integrate SDGs in their IDPs.	New indicator.	New indicator.	Two munic-ipalities that integrated SDGs in their IDPs.	No target planned.	None.	None.	The Department is in the process of reviewing the IDP process, so the indicator was moved to the next financial year.

Table 2.19: Governance Programme Outputs, Outcomes and Indicators (B)

Programme: GOVERNANCE								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	**Actual Achievement 2020/2021**	**Deviation from planned target to Actual Achievement 2020/2021**	**Reasons for Deviations**
Effective Systems of Cooperative Governance	Municipalities that are functional in terms of B2B indicators.	Number of municipalities that are functional in terms of B2B indicators.	4 reports on the implementation of B2B support plans by municipalities.	4 reports on the implementation of B2B support plans by municipalities.	4 municipalities that are functional in terms of B2B indicators.	4 municipalities are functional in terms of B2B indicators.	None.	None.
	Community concerns referred to CoGTA resolved.	Percentage of community concerns referred to CoGTA resolved.	New indicator.	New indicator.	40% of community concerns referred to CoGTA resolved.	42% of community concerns referred to CoGTA resolved.	2% of additional community concerns referred to CoGTA resolved.	The Local Government workstream has been instrumental in the resolution of concerns.
	Nthirisano commitments that have CoGTA implications implemented.	Percentage of Nthirisano commitments that have CoGTA implications implemented.	New indicator.	New indicator.	40% of Nthirisano commitments that have CoGTA implications implemented.	33.33% of Ntirhisano commitments implemented.	66.66% of Ntirhisano commitments were not implemented.	The commitments are medium and long-term in nature.
	Statutory IGR Structures' functional in accordance with the IGR Framework.	Number of Statutory IGR Structures' functional in accordance with the IGR Framework.	New indicator.	4 Functional Cooperative Governance and IGR structures.	1 statutory IGR Structure functional in accordance with the IGR Framework.	1 statutory IGR Structure functional in accordance with the IGR Framework.	None.	None.
	Implementation of decisions taken at the IGR forums.	Percentage implementation of decisions taken at the IGR forums.	New indicator.	New indicator.	30% implementation of decisions taken at the IGR forums.	80% of decisions taken at the IGR forums implemented.	50% of additional decisions taken at the IGR forums implemented.	The Local Government workstream has been instrumental in the resolution of concerns.
	Municipalities monitored on the extent to which anti-corruption measures are implemented.	Number of municipalities monitored on the extent to which anti-corruption measures are implemented.	11 municipalities monitored on the extent to which anti-corruption measures are implemented.	11 municipalities monitored on the extent to which anti-corruption measures are implemented.	11 municipalities monitored on the extent to which anti-corruption measures are implemented.	11 municipalities monitored on the extent to which anti-corruption measures are implemented.	None.	None.
	Number of municipalities supported on ethics and integrity management.	9 municipalities supported on ethics and integrity management.	9 municipalities capacitated on ethics and integrity management.	9 municipalities capacitated on ethics and integrity management.	11 municipalities supported on ethics and integrity management.	11 municipalities supported on ethics and integrity management.	None.	None.

Strategy to Overcome Areas of Under Performance

The response to commitments made with respect to under performance are part of the Section 139 intervention and are undertaken by the Regional Support Team, and as such they will continue to be implemented.

Performance in Relation to Standardised Outputs and Output Indicators

The Department has aligned its Annual Performance Plan (APP) with the Grow Gauteng Together (GGT) 2030 Strategy, so the outputs listed above reflect progress in terms of the implementation of the long-term plan of the province.

Reporting on the Institutional Response to the COVID-19 Pandemic

The Department undertook various interventions in response to the COVID-19 pandemic, with the aim of continuing service delivery despite lockdown constraints, reducing the risk of transmission among employees and stakeholders, and fulfilling the Departments mandate with respect to strengthening cooperative governance in a time of crisis. There were, however, no specific COVID-19 interventions related to the 'Governance' Programme.

Table 2.20: Progress on Institutional Response to the COVID-19 Pandemic (Governance Programme)

Budget Programme	Intervention	Geographic Location	No. of Beneficiaries	Disaggregation of Beneficiaries	Total Budget Allocation per Intervention (R'000)	Budget Spent per Intervention	Contribution to the Outputs in the APP	Immediate Outcomes
Programme 4	None							

4.5 Programme 5: Traditional Institutional Management

The Traditional Leadership Programme seeks to secure trust and prosperity across the Gauteng Province by supporting the two recognised institutions of traditional leadership. Support is provided to the institution of traditional leadership in the implementation of policies, norms and standards, systems and regulatory frameworks. It is assumed that these efforts will assist in preserving cultural heritage, promoting social cohesion, and building sustainable livelihoods.

Sub-Programmes

- Traditional Leadership

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

Outcome 4: Strengthened institution of traditional leadership

Key Achievements

The Department hosted one Annual General Meeting with the AmaNdebele Sokhulumi Traditional Community in Sokhulumi village, in accordance with COVID-19 protocols. In the same traditional community, the Department hosted a community awareness programme focussing on fire and rescue, gender-based violence, HIV/AIDS, disaster management and COVID-19. These same sessions were to be held with the AmaNdebele ba Lebelo Traditional Community in December 2020 but were deferred to February 2021. In respect of succession claims and disputes, the Department received one follow up on the claim from the Selotolotsa Royal House, which was processed in December 2020.

Table 2.21: Traditional Institutional Management Programme Outputs, Outcomes and Indicators (A)

Programme: TRADITIONAL INSITUTIONAL MANAGEMENT									
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	**Actual Achievement 2020/2021**	**Deviation from Planned Target to Actual Achievement 2020/2021**	**Reasons for Deviations**	**Reasons for Revisions to the Outputs/ Output Indicators/ Annual Targets**
Strengthen the institution of Traditional Leadership	10 initiation schools complying with the National Initiation Schools Guidelines.	Number of initiation schools complying with the National Initiation Schools Guidelines.	New indicator.	New Indicator.	No target planned.	None.	None.	None.	Initiation schools were closed due to lockdown restrictions.
	2 traditional leaders or representatives attending municipal sittings.	Number of traditional leaders or representatives attending municipal sittings.	New indicator.	New indicator.	2 traditional leaders or representatives attending municipal sittings.	2 traditional leaders or representatives were not supported.	2 traditional leaders or representatives did not attend municipal sittings.	There were no council sittings due to the COVID- 19 pandemic.	Due to the uncertainty regarding council sittings the indicator was revised.
	2 traditional authorities supported to participate in the IDP process.	Number of traditional authorities supported to participate in the IDP process.	New indicator.	New indicator.	No target planned.	None.	None.	None.	Due to the uncertainty regarding participation due to the pandemic the indicator was revised.

Table 2.22: Traditional Institutional Management Programme Outputs, Outcomes and Indicators

Programme: TRADITIONAL INSTITUTIONAL MANAGEMENT								
Outcome	**Output**	**Output Indicator**	**Audited Actual Performance 2018/2019**	**Audited Actual Performance 2019/2020**	**Planned Annual Target 2020/2021**	**Actual Achievement 2020/2021**	**Deviation from Planned Target to Actual Achievement 2020/2021**	**Reasons for Deviations**
Strengthen the institution of Traditional Leadership	Number of traditional councils supported to perform their functions.	2 traditional councils complying with legislative prescripts.	2 traditional councils supported to perform their functions in terms of Section 4 of the Traditional Leadership and Governance Framework Act of 2003.	2 traditional councils complying with legislative prescripts.	2 traditional councils complying with legislative prescripts.	2 traditional councils complying with legislative prescripts.	None.	None.
	Percentage of succession claims/disputes processed.	100% of succession claims/disputes processed.	100% of succession claims/ disputes received and processed.	100% of succession claims/ disputes received and processed.	100% of succession claims/disputes processed.	100% of succession claims/disputes processed.	None.	None.

Strategy to Overcome Areas of Under Performance

There was no under-performance with the Traditional Leadership Programme during the reporting period.

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

The Department has aligned its Annual Performance Plan (APP) with the Grow Gauteng Together (GGT) 2030 Strategy, so the outputs listed above reflect progress in terms of the implementation of the long-term plan of the province.

Reporting on the Institutional Response to the COVID-19 Pandemic

The Department undertook various interventions in response to the COVID-19 pandemic, with the aim of continuing service delivery despite lockdown constraints, reducing the risk of transmission among employees and stakeholders, and fulfilling the Department's mandate with regards to strengthening cooperative governance in a time of crisis. With respect to 'Traditional Leadership', these interventions included a community awareness programme held with the AmaNdebele Sokhulumi Traditional Council which addressed the COVID-19 pandemic, among other things. The Department also allocated some of the PPE that was procured for internal use, but not required due to staff working from home, to the Traditional Councils due to the immediate need.

Table 2.23: Progress on Institutional Response to the COVID-19 Pandemic (Traditional Leadership Programme)

Budget Programme	Intervention	Geographic Location	No. of Beneficiaries	Disaggregation of Beneficiaries	Total Budget Allocation per Intervention (R'000)	Budget Spent per Intervention	Contribution to the Outputs in the APP	Immediate Outcomes
No procurement was done								

Linking Performance with Budgets

The Traditional Leadership Programme was allocated the smallest budget of any programme during the period under-review. The allocated budget amounted to **R16 781 000**, of which **R13 285 000** (79%) was spent. The remaining 21%, or **R3 496 000**, could not be spent primary because:

- The Department delayed filling some vacant posts, and did not pay bonuses, outstanding progression increases or similar benefits to senior managers, resulting in **R1 484 000** in underspending;
- Some of the funding allocated for Traditional Councils could not be transferred owing to outstanding financial reports from the respective councils, resulting in **R702 000** in underspending; and
- Some planned training sessions and events could not be held due to lockdown restrictions, resulting in **R1 310 000** in total savings.

Table 2.24: Traditional Leadership Programme Expenditure

Traditional Institutional Management	2019/2020			2020/2021		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
Traditional Institution Admin	6 181	5 159	1 022	7 970	5 902	2 068
Traditional Resource Admin	8 991	7 973	1 018	6 880	6 042	838
Rural Development Facilitation	370	313	57	500	320	180
Traditional Land Admin	2 354	1 347	1 007	1 431	1 021	410
Total	**17 896**	**14 792**	**3 104**	**16 781**	**13 285**	**3 496**

5. TRANSFER PAYMENTS

5.1 Transfer Payments to Public Entities

The Department has no Public Entities.

5.2 Transfer Payments to All Organisations other than Public Entities

The table below reflects the transfer payments made for the period 1 April 2020 to 31 March 2021. Note that the municipalities still have the fourth quarter of their financial year in which to spend the funds. The municipal fourth quarter ends on 30 June 2021.

Table 2.25: Transfer Payments to Municipalities for the period 1 April 2020 to 31 March 2021

Name of Transferee	Type of Organisation	Purpose for which the funds were used	Did the Dept. comply with S. 38 (1) (j) of the PFMA	Amount Transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
West Rand District Municipality	Municipality	Functional Fire and Rescue Services	Yes	20 000	20 000	-
Midvaal Local Municipality	Municipality	Functional Fire and Rescue Services	Yes	2 700	2 137	-
Emfuleni Local Municipality	Municipality	Functional Fire and Rescue Services	Yes	1 600	-	-
Merafong City Local Municipality	Municipality	Expanded Public Works Programme (EPWP)	Yes	500	500	-
Lesedi Local Municipality	Municipality	Expanded Public Works Programme (EPWP)	Yes	500	460	-
Mogale City Local Municipality	Municipality	Expanded Public Works Programme (EPWP)	Yes	1 000	806	-
Mogale City Local Municipality	Municipality		Yes	4 000	-	-

6. CONDITIONAL GRANTS

6.1 Conditional Grants and Earmarked Funds Paid

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

Table 2.26: Conditional Grants Paid (EPWP) for the period 1 April 2020 to 31 March 2021

Municipality to whom the grant has been transferred	Three municipalities (Lesedi, Mogale City and Merafong Local Municipalities)
Purpose of the grant	Expanded Public Works Programme
Expected outputs of the grant	Job creation opportunities in communities
Actual outputs achieved	Job opportunities created
Amount per amended DORA	R 2 000 000
Amount transferred (R'000)	R 2 000 000
Reasons if amount as per DORA not transferred	N/A
Amount spent by the municipality (R'000)	R 1 766 000
Reasons for the funds unspent by the entity	The municipalities still have the fourth quarter of their financial year in which to spend the funds. The municipal fourth quarter ends on 30 June 2021.
Monitoring mechanism by the transferring department	N/A

6.2 Conditional Grants and Earmarked Funds Received

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

Table 2.27: Conditional Grants Received (EPWP) for the period 1 April 2020 to 31 March 2021

Department who transferred the grant	National Department of Public Works
Purpose of the grant	Expanded Public Works Programme
Expected outputs of the grant	Job creation alleviation programme
Actual outputs achieved	Yes
Amount per amended DORA	R2 000 000
Amount received (R'000)	R2 000 000
Reasons if amount as per DORA was not received	N/A
Amount spent by the Department (R'000)	R2 000 000
Reasons for the funds unspent by the entity	N/A
Reasons for deviations on performance	N/A
Measures taken to improve performance	N/A
Monitoring mechanism by the receiving department	N/A

7. DONOR FUNDS

7.1 Donor Funds Received

The Department did not receive any donor funds.

8. CAPITAL INVESTMENT

8.1 Capital Investment, Maintenance and Asset Management Plan

The Department does not have a capital investment, maintenance, and asset management plan.


GAUTENG PROVINCE
Growing Gauteng Together
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PART C

GOVERNANCE

GAUTENG PROVINCE
CO-OPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

1. INTRODUCTION

The Department is committed to effectively and efficiently implement risk management processes and procedures as well as to maintain high standards of good governance. As prescribed by the Public Finance Management Act (PFMA), the Department adheres to the Gauteng Provincial Government Risk Management Framework in carrying out all governance responsibilities.

2. RISK MANAGEMENT

The Department has an approved Risk Management Policy, Strategy, and Implementation plan in place to guide the implementation, management and monitoring of risks and action plans at all levels.

Strategic and operational risk assessments are undertaken at least annually in an attempt to satisfactorily identify new and emerging risks. Risk reports or registers for each of the above-mentioned categories are in place and are monitored for progress in implementing action plans designed to mitigate these risks.

Progress in the management of all risks is reported on a quarterly basis to the Risk Management Committee (RMC), which is chaired by an Independent Chairperson, and the Provincial Audit Committee. The Risk Management Committee was fully functional throughout the financial year 2020/21 and advised Executive Management whenever necessary on the management of existing risks, and the identification and assessment of emerging risks, including progress on the action plan implementation.

As part of Departmental strategic risk assessment, the following risks were identified for the 2020/21 financial year:

- Inability to effectively support municipalities;
- Fragmented planning across the province;
- Business disruption;
- Non-compliance to OHS;
- Lack of early warning system on Municipal Performance based on strategic intelligence capability;
- Inadequate records management;
- Inability of the province to effectively respond to disasters; and
- Failure or inability to address fraud and corruption.

3. FRAUD AND CORRUPTION

The Department conducted a Fraud Risk assessment for the period under review. The Fraud Prevention Plan was implemented, including actions to address recommendations made during the risk assessment. Internal fraud cases are identified, reported and presented to the Head of Department. Awareness campaigns and training of selected officials on ethics, fraud and corruption were conducted.

Allegations of fraud and corruption can be made through the National Anti-Corruption Hotline, while allegations reported internally are referred to the Gauteng Provincial Forensic Audit Unit for investigation, and thereafter, reported to the Head of Department.

4. MINIMISING CONFLICT OF INTEREST

Senior Management, Middle Management, Finance and Supply Chain Management officials are required to disclose their financial interest on an annual basis. Furthermore, an audit is done on a quarterly basis by the Gauteng Audit Services to identify any areas of potential conflict of interest. Recommendations from the internal audit report are implemented. The Department conducted awareness campaigns on remunerative work outside public services to eliminate the potential conflict of interest.

5. CODE OF CONDUCT

The Department is implementing the Public Service Code of Conduct as applicable in the entire Public Service. The Code forms part of CoGTA's internal induction programme. Every employee receives a copy of the Code of Conduct, and accordingly accepts and binds his or herself to the Code. CoGTA follows the process as outlined in the Disciplinary Code and Procedures as per Resolution 1 of 2003 in cases of any breach of the Code of Conduct.

6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

There were no health, safety and environmental issues during the reporting period.

7. PORTFOLIO COMMITTEES

The following table sets out all Resolutions taken by Portfolio Committees during the reporting period as well as the progress to date.

Table 3.1: Resolutions taken by the Portfolio Committee and Progress to Date

Ref Nr	Date Received	Due Date	Details/ Title of Resolution	Progress to Date/Current Status
	18 June 2020		The Department should provide the Portfolio Committee with the factors that contribute to under expenditure reported under Development and Planning, Administration and Traditional Institutional Development.	The major contributors to under expenditure across all three programs were: • Funds that could not be transferred to Emfuleni LM because of the condition of the funds. • Unfinished projects pertaining to disaster management projects. • Delays in procurement and probity audits. • Starting the procurement process late in the financial year. • Lack of office accommodation.
	18 June 2020		The Department should provide the Portfolio Committee with measures that will be put in place to avert underspending by the end of the 2019/2020 financial year.	In the current year, despite the effect of lockdown, all tenders will be advertised at once. Funds that remain unspent and uncommitted towards the end of the second quarter will be redirected to high spending priority projects before the end of the second quarter.
	18 June 2020		The Department should provide the Portfolio Committee with the following: • The municipal projects or programmes that were initially budgeted under the R26 million allocation. • Municipal projects that have been initiated based on the R6 million transfer. • Name the municipalities that were targeted for these transfers. • Why the planned R26 allocation was not transferred during the quarter under review.	• Of the R26 million earmarked to be transferred, the first R20 million was meant to support Emfuleni Local Municipality with management of identified sewer pumps. • The R6 million transfer was meant to support the Lesedi Local Municipality with maintenance/ purchase of fire and rescue vehicles and equipment. • At the end of the reporting period the Lesedi Local Municipality was undertaking procurement, implying that implementation is still underway. • Of the R26 million earmarked, R6 million was transferred, while R20 million was not transferred as planned. The funds in question came with a condition that they be transferred directly to the Emfuleni LM. The Department decided to use the service of ERWAT, an entity of the Ekurhuleni Metropolitan Municipality, to transfer the funds. However, for various technical reasoning the Metro could not accept the funds.
	18 June 2020		The Department should provide the Portfolio Committee with reasons why the target of supporting Merafong Municipality with developing a Capital Expenditure Framework (CEF) was not achieved and has since been deferred to the first quarter of the 2020/2021 financial year.	Delays were experienced in the finalisation of ToRs and the sitting of the BSC, which led to the project being moved to the 2020/2021 financial year.
	18 June 2020		The Department should provide the Portfolio Committee with the financial breakdown of the expenditure on Municipal Infrastructure Grants.	The expenditure breakdown is provided in this report under the section - Annual Financial Statements.
	18 June 2020		The Department should provide the Portfolio Committee with a list of projects that have been funded through MIGs for the six (6) municipalities identified.	Project costs were reported to the Portfolio Committee.
	18 June 2020		The Department should provide the Portfolio Committee with the cost of funding the project of electrifying 9 477 households and 23 informal settlements spent by municipalities.	Project costs were reported to the Portfolio Committee.

Ref Nr	Date Received	Due Date	Details/ Title of Resolution	Progress to Date/Current Status
	18 June 2020		The Department should provide the Portfolio Committee with reasons for not supporting Sedibeng DM through the National Disaster Management Centre (NDMC) in the 4th Quarter of 2019/2020.	1. Annually, in line with legislative requirements, the PDMC must monitor and assess disaster management capacity in the province. Sedibeng District Municipality and West Rand District Municipality are assessed during the 4th quarter of the COGTA APP. 2. The PDMC received a request from the NDMC's Policy Development and Regulatory Frameworks Unit stating that they are proposing that the compliance assessment for District be conducted in conjunction with the NDMC. 3. The NDMC's proposed date was 1st November 2019 at 10h00, and the Sedibeng DM agreed and welcomed the request from NDMC. 4. The PDMC achieved their 4th quarter target even though the assessment was conducted during the 3rd quarter and a functionality report was compiled accordingly.
	18 June 2020		The Department should ensure that the 2020/2021 budget is reprioritized to accommodate the challenges related to COVID-19, noting that the 2021 local government election is fast approaching. The Department should inform the Portfolio Committee whether the four Civic Awareness Programmes planned by the Department for the year under review includes the voter education since it was identified as a challenge during the 2016 local government elections.	The Department will be conducting engagement sessions with the IEC in all regions across the province wherein identified stakeholders are educated and engaged on processes which relate to the election generally, and the 2021 local government elections in particular. To kick start the voter education programme, the IEC will be provided with a platform to engage identified stakeholders on IEC processes, particularly in terms of their state of readiness, the implications of the current court rulings on the planned preparatory phases of the 2021 local government elections, and the project timelines towards election day. The Department plans to roll out this campaign through multiple sessions with stakeholders' organisations (in line with COVID-19 regulations) at City Halls or other venues. The sessions will have an audience of 50 representatives in the areas identified in each of the five regions of the province.
	18 June 2020		The Department and IEC should ensure that proper planning and strategy is in place to educate and ensure the safety of the voters as per the regulations, in case elections are held during the COVID-19 pandemic.	The voter management plan on election day will be consistent with COVID-19 regulations: • Voting Districts (VD) will be segmented in terms of blocks (number of streets), then demarcated to 50-100 households, with voters in those households encouraged to visit stations during certain hours. • Notices of time slots of each VD will be circulated beforehand, utilising community stakeholders and CDW's. • Loud hailing will be conducted to remind voters throughout the day, noting that the plan does not withstand those who show up at any time. • A limited number of voters will be allowed within the voting station yard with queue marshals to control entry, conduct screening and sanitise voters at the gate.

Ref Nr	Date Received	Due Date	Details/ Title of Resolution	Progress to Date/Current Status
	18 June 2020		The Department should inform the Portfolio Committee whether 100% support will be provided to municipalities as a Public Participation (PP) initiative, as per the milestone.	The Department will continue offering Public Participation (PP) support to all nine (9) municipalities in alignment with COVID-19 regulations. In support of the Ward Based Approach, the main form of support will focus on the following: • Advisory support in terms of municipalities adjusting to COVID-19 in their engagements with Ward Committees and Communities in general. • Using ICT as an enabler for PP, such as exploring the widespread use of WhatsApp as a platform for continued engagement with Ward Committees. This will focus on current practices and how improvements can be made. Lessons will then be shared with all municipalities. • Explore, test and implement continued awareness and knowledge building on the application of the Asset Based Community Development (ABCD) approach within a COVID-19 environment.
	18 June 2020		The Department should put proper systems in place to assist the Emfuleni and Rand West Municipalities improve revenue collection, which is hindered by poor ICT systems and non-payment of sector departments.	The two municipalities have ICT systems for billing; however, the data in the ICT system is not always accurate and complete. The Department has supported the municipalities with data cleaning to ensure billing data is accurate and complete.
	18 June 2020		The Department should provide the Portfolio Committee with reasons why Programme 3 experienced a budget decrease from R186 935 000 in the previous financial year to R145 564 000 in the current financial year.	The programme in question was allocated once-off funding for the NDMC and for intervention into the sewer problems at Emfuleni Local Municipality. These allocations were not made in the current financial year resulting in a decrease in total allocation to the programme.
	18 June 2020		Provide the Portfolio Committee with interventions that will be put in place to ensure the smooth running of water infrastructure and the restoration of dilapidated municipal infrastructure in Emfuleni, Merafong, Mogale, and Rand-West City Municipalities in terms of Section 154 (1) of the Constitution.	The Department continuously undertakes the following: • Monthly 'Three Spheres' meetings held to assess progress. • Additional one on one meetings, once or twice a month to improve performance. • Site visits, project progress meetings and project reprioritisation plans are compiled and continuously evaluated.
	18 June 2020		The Department should provide the Portfolio Committee with plans that will be put in place to retain water, ensure that climate change will not cause Gauteng droughts and floods, and mitigate against a "day zero" scenario.	The Department has compiled a GCR Water Security Plan with the municipalities on 15 July 2020 and will go into implementation once approved by EXCO.
	18 June 2020		The Department should ensure that municipalities set a strict target of reducing water losses by 15%.	The Department is facilitating interventions jointly with municipalities in quantifying, costing, and implementing water programmes. Rand Water, GIFA and DBSA are providing support in undertaking assessments and partial programme funding.

Ref Nr	Date Received	Due Date	Details/ Title of Resolution	Progress to Date/Current Status
	18 June 2020		The Department should investigate and report to the Portfolio Committee quarterly on the effectiveness of measures put in place to reduce the percentage of water losses experienced in Ekurhuleni (40%); Johannesburg (40%); Tshwane (30%); Emfuleni (50%); Lesedi (30%); Merafong (50%); Midvaal (40%); Mogale (40%); and, Rand West (30%) is curbed.	A quarterly report will be tabled with progress updates on the performance of the municipalities in this regard.
	23 June 2020		CoGTA, DID, OoP and SACR should develop and submit strategies regarding how they will improve revenue collection.	Whereas the Department will do everything in its power to increase its revenue, this must be done in accordance with the law. This means that the Department cannot collect revenue from any new sources.
	23 June 2020		CoGTA should provide a detailed report indicating why the implementation of the Emfuleni Municipality Disaster Management Projects were delayed and how they will prevent the recurrence of the same in future.	Disaster Management did not have the said target in our 4th quarter performance and planned no Disaster Management projects for the Emfuleni Local Municipality during the 2020/21 financial year. Fire and Rescue Services did, however set out targets to support West Rand and Lesedi.
	23 June 2020		The Department should inform the Committee on how it supports the implementation of GCR through infrastructure development and job creation (for instance the Tshepo 1 Million Programme which focuses on opportunities for young people).	Currently the Department has not planned interventions related to the Tshepo 1 Million Programme. It should be noted that the Department is in the process of restructuring its organogram and is considering a new Directorate called Local Economic Development which will deal with all job creation initiatives headed by the Department, including the Tshepo 1 Million Programme. The Department, in collaboration with the National Local Government Youth Development Forum, has hosted initiatives on Youth Development during and post COVID-19. The Forum is also in engagement with the private sector to lobby resources.
	23 June 2020		The Department should provide the Portfolio Committee with the following information: A progress report on the additional R65 million allocated to support service delivery in distressed municipalities.	As a result of the COVID-19 lockdown all Departments were prohibited from advertising tenders. However, since the relaxation of lockdown rules all tenders were advertised and it is expected that they will be concluded on or before the last day of September 2020, from which date implementation will begin.
	23 June 2020		The Department should provide the Portfolio Committee with a progress report on the amount of R22 million, set aside over the MTEF to support municipalities in developing the necessary capacity in integrity and ethics management.	The Department did not set aside R22 million over the MTEF to support municipalities on ethics and integrity management. The Gauteng Municipal Integrity Project commenced in 2015 and concluded in 2019. It was funded through the Siemens Foundation and project managed by the Ethics Institute.

8. SCOPA RESOLUTIONS

There were no SCOPA Resolutions taken during the reporting period.

Table 3.2: SCOPA Resolutions taken by the Department

Resolution No.	Subject	Details	Response by the Department	Resolved
No SCOPA resolutions				

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

The Department received a clean audit opinion.

10. INTERNAL CONTROL UNIT

During the current reporting period, the Governance unit was involved in the following activities:
- Monitoring the implementation of controls in resolving the internal and external audit findings;
- Assessing the drivers of key controls and monitoring progress in the implementation of controls; and
- Assisting the Department in the development of Standard Operating Procedures.

11. INTERNAL AUDIT AND AUDIT COMMITTEES

Internal Audit Objectives
- Gauteng Audit Services (GAS) provides internal audit services to all Gauteng Provincial Government Departments. The objective of GAS is to promote sound corporate governance in the province through ensuring effective internal control environment

Key Activities of Internal Audit
- Risk based Internal Audit plans were developed by GAS and approved by the Audit Committee which exercises oversight on the activities of GAS. The internal audit activities were as follow:

Risk and Compliance Audits
Performance Audits
Information Technology Audits.

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

Table 3.3: Audit Committee Members

#	**1. Summary of Internal Audit Activities 2020/2021** **2. Number of reports = 9** **Significant Findings = 45** **3. 1&2 Opinion Ratings = 60%** **3&4 Opinion Ratings = 40%**	**Total Findings**	**High risk Findings**	**Q1**	**Q2**	**Q3**	**Q4**
	RISK AND COMPLIANCE AUDIT						
	Risk Based Audits						
1	Occupational Health and Safety	5	3				
2	Integrated Planning	12	12				
3	Transfer Payment and Grants	9	9				
4	Follow-up on AG Finding	3	3				
	PERFORMANCE AUDIT						
5	Performance audit on effectiveness of disaster management support (in response to the covid 19 pandemic)	3	3				
6	Performance Information audit /Performance of the department against predetermined objectives	0	0			Cancelled	

LEGEND AND DEFINITIONS

RATING	RATING DEFINITION
	Adequate/effective Controls evaluated relating to the design of the process are adequate, and the controls in place were assessed to be functioning effectively to provide reasonable assurance that risks are being managed and objectives should be met.
	Adequate but ineffective A few specific control weaknesses were noted regarding the functioning of controls. Controls evaluated are adequately designed but functioning ineffectively.
3–♦	**Partially adequate/effective** A few specific control weaknesses were noted regarding the design of the process. The adequate controls evaluated are functioning effectively.
	Inadequate/ineffective Controls evaluated are not adequate or effective to provide reasonable assurance that risks are being managed and objectives should be met.
Not rated	Consulting/Advisory audit only
Not rated	Cancelled/Deferred/Replaced Audit only

- Specify summary of audit work done
- Key activities and objectives of the audit committee;
- Attendance of audit committee meetings by audit committee members (Tabular form);

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

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Collen Weapond	➢ BCom Honours Information Technology ➢ Mtech Forensic Investigations ➢ LLB ➢ BTech Policing ➢ B.Iuris ➢ Diploma in Business Management ➢ Diploma in Compliance Management ➢ Diploma in Education	External	-	08 November 2017	Current	05
Sidwell Mofokeng	➢ MBA ➢ Dip. Public Sector Finance ➢ Certificate in Project Management ➢ Certificate in Housing Program Management Development ➢ Management Development Programme	External	-	01 September 2016	Current	05
Pumla Mzizi	➢ Honours Bachelor of Commerce ➢ Honours Bachelor of Accounting Science ➢ Bachelor of Business Science ➢ Certificate in the Theory of Accountancy	External	-	01 September 2018	Current	05

12. AUDIT COMMITTEE REPORT

GAUTENG PROVINCIAL GOVERNMENT (GPG)

Report of the Audit Committee – Cluster 05

Gauteng Department of Cooperative Governance and Traditional Affairs

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

Audit Committee and Attendance

The Audit Committee consists of the external Members listed hereunder and is required to meet a minimum of at least two times per annum as per the provisions of the Public Finance Management Act, 1999 (Act Number 1 of 1999) (PFMA). In terms of the approved Terms of Reference (GPG Audit Committee Charter), five (5) meetings were held during the current financial year i.e. three meetings to consider the Quarterly Performance Reporting (financial and non-financial) and two meetings to review and discuss the Annual Financial Statements and the Auditor-General of South Africa (AGSA) Audit and Management Reports.

Non-Executive Members

Name of Member	Number of Meetings Attended
Adv. Collen Weapond (Chairperson)	05
Mr. Sidwell Mofokeng	05
Ms. Pumla Mzizi	03

Executive Members

In terms of the GPG Audit Committee Charter, officials listed hereunder are obliged to attend meetings of the Audit Committee:

Compulsory Attendees	Number of Meetings Attended
Ms. Itumeleng Mokale (Acting Accounting Officer)	01
Mr. Bongani Gxilishe (Former Accounting Officer)	04
Mr. Japhter Makhafola (Chief Financial Officer)	05
Ms. Mamafolo Namanyane (Chief Risk Officer)	05
Mr. Kweyama Velile (Chief Audit Executive)	05

The Audit Committee noted that the Acting/ Accounting Officer attended five (05) scheduled Audit Committee meetings. Therefore, the Audit Committee is satisfied that the Department adhered to the provisions of the GPG Audit Committee Charter in relation to ensuring that there is proper representation for the Accounting Officer.

The Members of the Audit Committee met with the Senior Management of the Department and Internal Audit, collectively to address risks and challenges facing the Department. A number of in-committee meetings were held to address internal control weaknesses and deviations within the Department.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from section 38(1)(a) of the PFMA and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this Charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control and ICT Governance

Audit Committee noted the improvement on the overall status of controls compared to the prior year. The Audit Committee remains concerned about the following:

- Regression of assurance level by management as a result of repeat finding on compensation to employees' as well as the late submission of performance contracts.
- The department's level of support and interventions to municipalities purposed at ensuring compliance with legislation and the reporting performance data.
- The department's support municipalities placed under administration was not always adequate or achieving the desired outcomes.

The Audit Committee also reviewed the progress with respect to the IT Governance in line with the ICT Framework which confirms that the Department maintains adequate IT Governance controls. Some progress was made by the Department to implement and monitor its Disaster Recovery Plan and Business Continuity.

Internal Audit

The Audit Committee is satisfied that the Internal Audit Plan represents a clear alignment with the key risks, has adequate information systems coverage, and a good balance across the different categories of audits, i.e. risk-based, mandatory, performance, computer and follow-up audits. The Audit Committee is satisfied that the internal auditors consulted with Management, the Auditor General and the Audit Committee on its Internal Audit Plan.

The Audit Committee has noted considerable improvement in the communication between the Executive Management, the AGSA and the Internal Audit Function, which has strengthened the Corporate Governance initiatives within the Department.

The Audit Committee will continue to monitor the capacity and the resources allocated to the Internal Audit function.

Risk Management

Progress on the departmental risk management was reported to the Audit Committee on a quarterly basis. The Audit Committee notes the effort made by the Department to improve its risk management processes, although some areas still require improvement. Management should take full responsibility for the entire Enterprise Risk Management Process and continue to support the Chief Risk Officer to enhance the performance of the Department. The Department should improve its culture of risk management in order to obtain a clean administration.

Forensic Investigations

Investigations into alleged financial irregularities, financial misconduct and fraud were performed during the year under review. The Audit Committee will monitor the implementation of recommendations as contained in the Forensic Investigation reports.

The quality of quarterly reports submitted in terms of the PFMA and the Division of Revenue Act

The Audit Committee notes the content and quality of financial and non-financial quarterly reports prepared and submitted by the Accounting Officer of the Department during the year under review and emphasise that the Department must improve the quality of its financial and non-financial reports in order to avoid a regression.

Evaluation of Annual Financial Statements

The Audit Committee has:

- Reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report, with the AGSA and the Accounting Officer;
- Reviewed the Audit Report of the AGSA;
- Reviewed the AGSA's Management Report and Management's response thereto;
- Reviewed the Department's compliance with legal and regulatory provisions; and
- Reviewed significant adjustments resulting from the audit.

The Audit Committee concurs with and accepts the AGSA's conclusions on the Annual Financial Statements and is of the opinion that the audited Annual Financial Statements be accepted and read together with the report of the AGSA.

The Department must once again be commended for having no material misstatements.

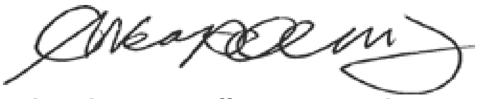
One-on-One Meeting with the Accounting Officer

The Audit Committee has met with the Accounting Officer for the Department to address unresolved issues.

One-on-One Meetings with the Executive Authority

The The Audit Committee met with Executive Authority for the Department to apprise the MEC on the performance of the Department. The Committee believes that the frequency of these interactions would be more beneficial to the Executive Authority.

Auditor-General of South Africa



Adv Johannes Collen Weapond
Chairperson
On behalf of Cluster 05 Audit Committee

13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table was completed in accordance with the compliance to the B-BBEE requirements of the B-BBEE Act of 2013 and as determined by the Department of Trade and Industry.

Table 3.4: Compliance with B-BBEE Legislation

Has the Department applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following		
Criteria	**Response**	**Discussion**
Determining qualification criteria for the issuing of licences, concessions, or other authorisations in respect of economic activity in terms of any law?	N/A	
Developing and implementing a preferential procurement policy?	Yes	The preferential preference policy has been incorporated into the SCM policy for the Department for implementation.
Determining qualification criteria for the sale of state-owned enterprises?	N/A	
Developing criteria for entering into partnerships with the private sector?	N/A	
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	N/A	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PART

D

HUMAN RESOURCE MANAGEMENT

GAUTENG PROVINCE
CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

1. INTRODUCTION

The information contained in Part D of the Annual Report relates to Human Resource Management and is prescribed by the Minister for the Public Service and Administration for all departments in the public service.

2. THE STATUS OF HUMAN RESOURCES IN THE DEPARTMENT

The year under review was significantly impacted by the COVID-19 pandemic, the various lockdown levels imposed as a result, and the rapid transition to remote work, which necessitated a new approach to how outputs are delivered, managed and reported. This transition and the need for adaptability was enabled by the Department, which provided the necessary tools including laptops and cellular phones. The ability of Department staff and managers to successfully execute work during the pandemic was also supported by the institutionalisation of Regional Work Streams, which strengthen service delivery and support for municipalities.

2.1 Human Resource Priorities

Table 4.1: Human Resources Planning Priorities and Impact

HR Planning Priorities	Impact
Organisational Structure Review	The developed organisational structure designed to deliver on the mandate of the Department.
Training and development – workplace skills plans	Training and development initiatives focused on developing the Department's core competencies. The implementation of the identified training programmes served to fulfil and ascertain progress / improvement on performance.
Employment Equity Plan	Compliance to the Employment Equity Act
Conducive and safe working environment	The Department remains without an office building, the impact of which will be felt more acutely once staff return to office work.
Repositioning of Human Capital Management as a solution orientated business partner	Meaningful contribution to the holistic development of the human capital of the Department.

2.2 Workforce Planning and Strategies

The Department's workforce planning strategy seeks to attract, retain and develop its workforce, inform the culture as the Department evolves, and engage officials at all levels in ensuring that our workforce is educated, trained and forward looking.

2.3 Performance Management

The Employee Self Service, Electronic Performance Management and Development System (EPDMS) was adopted during the 2019/20 financial year and continued to be implemented during this reporting period. The implementation of the EPDMS has served to increase the line managers and employees' independence and control in management of their performance. This in turn has freed Human Resources to focus on playing an advisory role, provision of ongoing training and support.

The repositioning of management's role and their ownership of employee performance appraisal, with support and facilitation from Human Resources, has led to an increase in the participation and compliance rate among all staff. At the Senior Management level, the Department reported 100% compliance with the system.

2.4 Employee Wellness

The Department maintained its commitment to employee health and wellness, adapting the programme to rapidly address the COVID-19 crisis and its impact on Department staff. Employee wellness programmes and activities undertaken over the reporting period included:

- Actively promoting the Zinakekele Employee Health and Wellness Programme, which is available to employees year-round 24-hours a day and was proactive in coordinating the Department's COVID-19 interventions;
- Appointing an Occupational Nurse to help drive, manage and co-ordinate COVID-19 interventions and manage the basic / primary health care needs of employees; and
- Paying increased attention to matters pertaining to Occupational Health and Safety as informed by COVID-19 social distancing measures, including informing officials about compliance measures and continuously expanding access to services offered by the Programme.

2.5. Vacancies and Recruitment

The Department faced a number of Human Resource challenges during the reporting period as a result of the COVID-19 pandemic. There was an increase in the number of resignations, in some cases attributed to the pressures associated with the pandemic, and regrettably a number of staff passed away as a result of COVID-19 related complications.

The Department was also significantly impacted in its ability to timeously fill vacant posts during lockdown levels five (5), four (4) and three (3) and due to the restrictions imposed by the Department of Public Service and Administration, pertaining to recruitment during the lockdown period. To fill vacant positions, the Department introduced a fully electronic recruitment process using platforms such as MS Office – Teams. In-spite of the conditions imposed by COVID-19, the overall vacancy rate in the Department remained in the single digits, throughout the reporting year.

2.6. Training and Development

The COVID-19 pandemic led to the cancellation or postponement of many training interventions offered by service providers, while training that did occur was transitioned to electronic / distance learning. The lockdown also slowed the response rate by service providers to requests for quotations to provide training.

The Department was, however, able to continue investing in its employees by providing bursaries for staff to pursue studies in various fields, not limited to the priority areas of the Department.

3. HUMAN RESOURCES OVERSIGHT STATISTICS

3.1 Personnel Related Expenditure

The following tables summarise 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; and
- Amount spent on salaries, overtime, homeowner's allowances and medical aid.

Table 4.2: Personnel Expenditure by Programme for the period 1 April 2020 to 31 March 2021

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	149 364	88 845	520	12 334	59%	609
Local Governance	256 499	189 433	-	22 991	74%	442
Development and Planning	141 275	50 861	-	15 722	36%	678
Traditional Institution Management	13 285	10 532	-	2 074	79%	1 170
Total	**560 423**	**339 671**	**520**	**53 121**	**61%**	**515**

Table 4.3: Personnel Costs by Salary Band for the period 1 April 2020 to 31 March 2021

Salary Band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (levels 1-2)	1 227	0%	6	205
Skilled (levels 3-5)	9 852	3%	33	299
Highly skilled production (levels 6-8)	175 714	52%	464	379
Highly skilled supervision (levels 9-12)	102 812	30%	122	843
Senior and top management (levels 13-16)	50 066	15%	34	1 473
Total	**339 671**	**100%**	**659**	**515**

Table 4.4: Salaries, Overtime, Homeowners Allowance and Medical Aid by Programme for the period 1 April 2020 and 31 March 2021

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	56 895	64%	143	0%	2 466	3%	3 409	4%
Local Governance	131 485	69%	487	0%	6 750	4%	12 797	7%
Development and Planning	34 654	68%	321	1%	1 043	2%	1 763	3%
Traditional Institution Management	6 350	60%	3	0%	104	1%	276	3%
Total	**229 384**	**68%**	**954**	**0%**	**10 363**	**3%**	**18 245**	**5%**

Table 4.5: Salaries, Overtime, Homeowners Allowance and Medical Aid by Salary Band for the period 1 April 2020 and 31 March 2021

Salary Band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (levels 1-2)	751	61%	10	1%	104	8%	201	16%
Skilled (levels 3-5)	5 649	57%	62	1%	464	5%	619	6%
Highly skilled production (levels 6-8)	120 705	69%	626	0%	7 213	4%	14 487	8%
Highly skilled supervision (levels 9-12)	71 262	69%	256	0%	1 712	2%	2 658	3%
Senior management (level 13-16)	31 017	62%	-	0%	870	2%	280	1%
Total	**229 384**	**68%**	**954**	**0%**	**10 363**	**3%**	**18 245**	**5%**

3.2 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, and critical occupation.

Table 4.6: Employment and Vacancies by Programme as on 31 March 2021

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Programme 1	167	146	12.6%	0
Programme 2	460	429	6.7%	0
Programme 3	85	75	10.9%	0

Table 4.7: Employment and Vacancies by Salary Band as on 31 March 2021

Salary Band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (levels 1-2)	7	6	14.3%	0
Skilled (levels 3-5)	41	33	19.5%	0
Highly skilled production (levels 6-8)	492	464	5.7%	0
Highly skilled supervision (levels 9-12)	144	122	14.3%	0
Senior management (levels 13-16)	41	34	17.1%	0
Total	**725**	**659**	**14.2%**	**0**

Table 4.8: Employment and vacancies by Critical Occupations as on 31 March 2021

Critical Occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Directorate: Integrated Development Planning	9	6	33.3%	0
Directorate: Land-Use Management	1	1	0%	0
Directorate: Legal Services	1	1	0%	0
Directorate: Municipal Infrastructure	14	12	14.3%	0
Total	**25**	**20**	**11,9%**	**0**

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 (SMS) 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 4.9: SMS Post Information as on 31 March 2021

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	0	0%
Salary Level 16	1	1	100%	0	0%
Salary Level 15	2	2	100%	0	0%
Salary Level 14	9	9	89%	0	0%
Salary Level 13	28	23	82%	5	18%
Total	**41**	**36**	**85%**	**6**	**15%**

Table 4.10: Employment and Vacancies by Salary Band as on 30 September 2020

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100%	0	0%
Salary Level 16	1	1	100%	0	0%
Salary Level 15	2	2	100%	0	0%
Salary Level 14	9	8	89%	1	11%
Salary Level 13	28	21	75%	7	25%
Total	**41**	**33**	**80%**	**8**	**20%**

Table 4.11: Advertising and Filling of SMS posts for the period 1 April 2020 and 31 March 2021

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

Table 4.12: Reasons for not having complied with the Filling of Funded Vacant SMS Positions for the period 1 April 2020 and 31 March 2021

Reasons for vacancies not advertised within six months
Restrictions occurring as a result of the COVID-19 lockdown
Impact of different lockdown levels on the ability to recruit

Reasons for vacancies not filled within twelve months
Restrictions put in place as a result of COVID-19.
Further restrictions put in place by the HRP.
Restrictions on non-critical posts as a result of the Employment Practices Circular: 19 of 2020.
Requirement that Departments apply to the DPSA for permission to advertise posts and the delays in approval.

Table 4.13: Disciplinary Steps Taken for not having complied with the Prescribed Timeframes for Filling Vacant SMS Positions for the period 1 April 2020 and 31 March 2021

Reasons for vacancies not advertised within six months
No disciplinary steps have been taken as the reasons for the non-advertising of the vacancies was due to external factors.

Reasons for vacancies not filled within six months
Restrictions put in place as a result of COVID-19.
Further restrictions put in place by the HRP.
Restrictions on non-critical posts as a result of the Employment Practices Circular: 19 of 2020.
Requirement that Departments apply to the DPSA for permission to advertise posts and the delays in approval.

3.4 Job Evaluation

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

Table 4.14: Job Evaluation by Salary Band for the period 1 April 2020 and 31 March 2021

Salary Band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts Downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (levels 1-2)	7	0	0	0	0	0	0
Skilled (levels 3-5)	41	0	0	0	0	0	0
Highly skilled production (levels 6-8)	492	0	0	0	0	0	0
Highly skilled supervision (levels 9-12)	144	0	0	0	0	0	0
Senior Management Service Band A	28	0	0	0	0	0	0
Senior Management Service Band B	9	0	0	0	0	0	0
Senior Management Service Band C	2	0	0	0	0	0	0
Senior Management Service Band D	2	0	0	0	0	0	0
Total	**725**	**0**	**0**	**0**	**0**	**0**	**0**

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 4.15: Information on Employees with a Disability Outstanding for the period 1 April 2020 and 31 March 2021

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

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

Table 4.16: Employees with Salary Levels Higher than those Determined by Job Evaluation by Occupation for the period 1 April 2020 and 31 March 2021

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
None	None	None	None	None
Total number of employees whose salaries exceeded the level determined by job evaluation				0%
Percentage of total employed				0%

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

Table 4.17 Profile of Employees who have Salary Levels Higher than those Determined by Job Evaluation

Gender	African	Asian	Coloured	White	Total
Female	26	1	3	4	34
Male	18	0	1	0	19
Total	**44**	**1**	**4**	**4**	**53**

Employees with a disability	2	0	0	0	2

Total number of employees whose salaries exceeded the level determined 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 4.18: Annual Turnover Rates by Salary Band for the period 1 April 2020 to 31 March 2021

Salary Band	Number of employees at beginning of period-1 April 2020	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled (levels 1-2)	7	0	0	0
Skilled (levels 3-5)	33	2	4	11.1%
Highly skilled production (levels 6-8)	455	12	10	2.2%
Highly skilled supervision (levels 9-12)	132	13	1	4.2%
Senior Management Service Band A	20	3	0	0
Senior Management Service Band B	9	1	1	10.0%
Senior Management Service Band C	3	1	1	25.0%
Senior Management Service Band D	1	0	0	0
Contracts	15	23	12	31.6%
Total	**675**	**55**	**35**	**4.7%**

Table 4.19: Annual Turnover Rates by Critical Occupation for the period 1 April 2020 to 31 March 2021

Critical Occupation	Number of employees at beginning of period-April 2020	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Senior Management Service Band B	2	1	1	33.3%
Highly skilled supervision (levels 9-12)	129	13	1	0.7%
Total	**131**	**14**	**2**	**1.4%**

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

Table 4.20: Reasons why Staff left the Department for the period 1 April 2020 and 31 March 2021

Termination Type	% of Total Resignations	Number
Death	1%	7
Resignation	1%	7
Expiry of contract	1.9%	12
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0.2%	1
Retirement	0.8%	5
Transfer to other Public Service Departments	0.5%	3
Other	0	0
Total	**5.2%**	**35**
Total number of employees who left as a % of total employment	**4.7%**	**6.15**

Table 4.21: Promotions by Critical Occupation for the period 1 April 2020 and 31 March 2021

Occupation	Employees 1 April 2020	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Admin Related	80	1	1.3%	21.5%	26.9%
Human Resource & Organisational Development	27	1	3.7%	11.0%	40.7%
Total	**107**	**2**	**1.9%**	**32.5%**	**33.8%**

Table 4.22: Promotions by Salary Band for the period 1 April 2020 and 31 March 2021

Salary Band	Employees 1 April 2020	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (levels 1-2)	7	0	0	0	0
Skilled (levels 3-5)	33	0	0	0	0
Highly skilled production (levels 6-8)	455	2	3.6%	0	0
Highly skilled supervision (levels 9-12)	132	1	0.8%	0	0
Senior Management (levels 13-16)	33	0	0	0	0
Total	**660**	**3**	**0.5%**	**0**	**0**

3.6 Employment Equity

Table 4.23: Total Number of Employees per Occupational Category as on 31 March 2021

Occupational Category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	20	2	2	0	12	1	0	0	37
Professionals	174	2	1	3	210	5	0	5	400
Technicians and associate professionals	42	0	0	1	52	5	4	3	107
Clerks	20	0	0	1	56	9	0	1	87
Service and sales workers	6	0	0	0	0	0	0	0	5
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	4	0	0	0	0	0	0	1	5
Plant and machine operators and assemblers	8	0	0	1	8	0	0	0	17
Elementary occupations	1	0	0	0	0	0	0	0	1
Total	**275**	**4**	**3**	**6**	**338**	**20**	**4**	**9**	**659**
Employees with disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 4.24: Total Number of Employees per Occupational Band on 31 March 2021

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	3	0	0	0	1	0	0	0	4
Senior Management	17	2	2	0	11	1	0	0	33
Professionally qualified and experienced specialists and mid-management	62	0	1	3	47	4	2	5	124
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	171	2	0	3	267	14	2	4	463
Semi-skilled and discretionary decision making	19	0	0	0	8	1	0	0	28
Unskilled and defined decision making	3	0	0	0	4	0	0	0	7
Total	**275**	**4**	**3**	**6**	**338**	**20**	**5**	**9**	**659**

Table 4.25: Recruitment for the period 1 April 2020 to 31 March 2021

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1								1
Senior Management	5	0	1	0	2	0	0	0	8
Professionally qualified and experienced specialists and mid-management	4	0	0	2	2	1	0	2	11
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	0	0	1	4	2	1	0	10
Semi-skilled and discretionary decision making	1	0	0	0	1	0	0	0	2
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	**13**	**0**	**1**	**3**	**9**	**3**	**1**	**2**	**32**
Employees with disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 4.26: Promotions for the period 1 April 2020 to 31 March 2021

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

Table 4.27: Terminations for the period 1 April 2020 to 31 March 2021

Occupational Band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0	0	0	0	0	0	0	1
Senior Management	4	0	0	1	1	0	0	0	6
Professionally qualified and experienced specialists and mid-management	1	0	0	1	6	0	0	0	8
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	4	0	0	0	7	1	0	0	12
Semi-skilled and discretionary decision making	3	0	0	0	2	0	0	0	5
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	**13**	**0**	**0**	**2**	**16**	**1**	**0**	**0**	**32**
Employees with disabilities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 4.28: Disciplinary Action for the period 1 April 2020 to 31 March 2021

Disciplinary Action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Absenteeism	1	0	0	0	0	0	0	0	1
Failure to carry out lawful instructions	1	0	0	0	0	0	0	0	1

Tale 4.29: Skills Development for the period 1 April 2020 to 31 March 2021

Occupational Category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	1	0	0	0	5	0	0	0	5
Professionals	4	0	0	0	2	1	1		8
Technicians and associate professionals	6	0	0	0	9	1	0	1	17
Clerks	3	0	0	0	17	3	0		23
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	3	0	0	0	0	0	0	0	0
Total	**18**	**0**	**0**	**0**	**40**	**5**	**1**	**1**	**65**
Employees with disabilities	**0**	**0**	**0**	**0**	**2**	**0**	**0**	**0**	**2**

3.7 Signing of Performance Agreements by SMS Members

All members of the Senior Management Service (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 Table 4.30: 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	1	1	1	100%
Salary Level 15	3	3	3	100%
Salary Level 14	8	8	8	100%
Salary Level 13	22	22	22	100%
Total	**34**	**34**	**34**	**100%**

Table 4.31: Reasons for Not Concluding Performance Agreements for all SMS Members as on 31 March 2021

Reasons
None – All performance agreements were concluded within the prescribed timeframe.

Table 4.32: Disciplinary Steps Taken Against SMS Members for Not Concluding Performance Agreements as on 31 March 2021

Reasons
None – All performance agreements were concluded within the prescribed timeframe.

3.8 Performance Rewards

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

Table 4.33: Performance Rewards by Race and Gender for the period 1 April 2020 to 31 March 2021

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	**477**	**593**	**80%**	**R8 277 931**	**R17 354**
Male	201	269	75%	R3 413 162	R16 980
Female	276	324	85%	R4 864 768	R17 625
Asian	**2**	**4**	**50%**	**R47 414**	**R23 707**
Male	0	1	0%	R0	R0
Female	2	3	67%	R47 414	R23 707
Coloured	**16**	**22**	**73%**	**R297 865**	**R18 616**
Male	1	4	25%	R16 194	R16 194
Female	15	18	83%	R281 671	R18 778
White	**8**	**11**	**73%**	**R32 354**	**R4 044**
Male	2	5	40%	R32 354	R16 177
Female	6	6	100%	R133 765	R22 294
Total	**503**	**626**	**76%**	**R8 655 566**	**R17 207**

Table 4.34: Performance Rewards by Salary Band for Personnel below SMS for the period 1 April 2020 to 31 March 2021

Salary Band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower skilled (levels 1-2)	0	7	0%	R0	R0	0%
Skilled (levels 3-5)	8	30	27%	R76 723	R9 590	0.02%
Highly skilled production (levels 6-8)	204	453	45%	R3 463 755	R16 979	1.0%
Highly skilled supervision (levels 9-12)	55	133	41%	R2 080 695	R37 830	0.6%
Total	**267**	**623**	**43%**	**R5 621 173**	**R21 053**	**2%**

Table 4.35: Performance Rewards by Critical Occupation for the period 1 April 2020 to 31 March 2021

Critical Occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Engineering	8	14	57%	R255 654	R31 956
Senior Management	0	36	0%	R0	R0
Legal Officer	0	2	0%	R0	R0
Total	**8**	**52**	**15%**	**R255 654**	**R31 956**

Table 4.36: Performance Related Rewards (cash bonus), by Salary Band for SMS for the period 1 April 2020 to 31 March 2021

Salary Band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	0	1	0%	0	0	0%
Band B	0	3	0%	0	0	0%
Band C	0	9	0%	0	0	0%
Band D	0	23	0%	0	0	0%
Total	**0**	**36**	**0%**	**0**	**0**	**0%**

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 4.37: Foreign Workers by Salary Band for the period 1 April 2020 and 31 March 2021

Salary Band	01 April 2020		31 March 2021		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (levels 9-12)	3	2.3%	2	1.5%	1	1.5%
Contract (levels 9-12)	0	0	0	0	0	0
Contract (levels 13-16)	0	0	0	0	0	0
Total	**3**	**2.3%**	**2**	**1.5%**	**1**	**1.5%**

Table 4.38: Foreign Workers by Major Occupation for the period 1 April 2020 and 31 March 2021

Major Occupation	01 April 2020		31 March 2021		Change	
	Number	% of total	Number	% of total	Number	% Change
Other Occupations	1	33.3%	1	33.3%	1	0,00%
Professionals and Managers	2	66.7%	2	66.7%	2	0,00%
Total	**3**	**100%**	**3**	**100%**	**3**	**0,00%**

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.

Table 4.39: Sick Leave for the period 1 January 2020 to 31 December 2020

Salary Band	Total days	% Days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee
Lower skilled (levels 1-2)	0	0	0	0	0
Skilled (levels 3-5)	0	0	0	0	0
Highly skilled production (levels 6-8)	0	0	0	0	0
Highly skilled supervision (levels 9-12)	0	0	0	0	0
Senior management (levels 13-16)	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**

Table 4.40: Disability Leave (temporary and permanent) for the period 1 January 2020 to 31 December 2020

Salary Band	Total days	% Days with medical certification	Number of employees using disability leave	% of total employees using disability leave	Average days per employee
Lower skilled (levels 1-2)	0	0	0	0	0
Skilled (levels 3-5)	0	0	0	0	0
Highly skilled production (levels 6-8)	0	0	0	0	0
Highly skilled supervision (levels 9-12)	0	0	0	0	0
Senior management (levels 13-16)	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**

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

Table 4.41: Annual Leave for the period 1 January 2020 to 31 December 2020

Salary Band	Total days taken	Number of employees using annual leave	Average per employee
Lower skilled (levels 1-2)	103	7	14.7
Skilled (levels 3-5)	446	33	13.5
Highly skilled production (levels 6-8)	7 291	385	18.9
Highly skilled supervision (levels 9-12)	2 277	126	18.0
Senior management (levels 13-16)	584	37	18.8
Total	**10 701**	**588**	**18.1**

Table 4.42: Capped Leave for the period 1 January 2020 to 31 December 2020

Salary Band	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 December 2020
Lower skilled (levels 1-2)	0	0	0	0.00
Skilled (levels 3-5)	0	0	0	099
Highly skilled production (levels 6-8)	0	0	0	27
Highly skilled supervision (levels 9-12)	0	0	0	024
Senior management (levels 13-16)	1	1	1	54
Total	**1**	**1**	**1**	**38**

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

Table 4.43: Leave Payouts for the period 1 April 2020 and 31 March 2021

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2020/21 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2020/21	268 139.5	3	89.4
Current leave payout on termination of service for 2020/21	9 746 922.3	14	696.2
Total	**10 015 061.9**	**17**	

3.11 HIV/AIDS and Health Promotion Programmes

Table 4.44 Steps Taken to Reduce the Risk of Occupational Exposure to HIV

Categories of employees identified to be at high risk of contracting HIV & related diseases	Key steps taken to reduce the risk
Community Development Worker's due to the nature of their work in the field.	Wellness Days inclusive of HIV Counselling and Testing (HCT) are coordinated by the Employee Health and Wellness Programme (EHWP). Counselling and support services are provided by the EHWP and Zinakekele Employee Health and Wellness Programme. Other interventions are provided as per the Directorates' need.

Table 4.45: Details of Health Promotion and HIV/AIDS Programmes for the period 1 April 2020 and 31 March 2021

Question	Yes	No	Details, if yes
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?	x		Yes, Director: Human Capital Management, Mr Odwa Chabula
Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of employees?	x		The Zinakekele Employee Health and Wellness Programme consists of 5 employees, with a budget of R1 500 000.
Has the Department introduced an Employee Assistance or Health Promotion Programme?	x		The EHWP is guided by four Wellness Pillars and provides the following services: 1) HIV/AIDS and TB Management, focusing on HIV prevention 2) Health and Productivity Management, which includes employees on long-term incapacity leave 3) Wellness Management, including counselling and health promotion 4) SHERQ, which includes Occupational Health and Safety within the workplace.
Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001?	x		The Department has the following committees in place: an Occupational Health and Safety Committee and a Wellness/Peer Educators Committee. The committees consists of the following members: Dr. E. Sithole (16.2), Mr. O. Chabula (16.2), Ms. C Steenkamp (EHWP), Mr. V. Tonga (EHWP), Ms. P Tibini (EHWP), Ms. M Molewa (OHS Officer), Ms. I. Mchalla (Policy & Research), Ms. J Johannes (Finance), Mr. C. Nkuna (HCM), Ms. P. Vilakazi (Municipal Finance), Ms. A. Rautenbach (Facilities), Ms. L. Kesten (Facilities), Mr. D. Mahlangu (Facilities), Ms. C. Tlala (Disaster Management), Ms. B. Lisa (Disaster Management), Ms. M. Mashaba (Facilities), Ms. A. Sehoole (Risk Management), Ms. N. Monama (Municipal Finance Support), Ms. I. Sehunoe (IT), Mr. S. Ngcobo (Risk Management), Mr. N. Tshobeka (Facilities), Mr. P. Komane (Cooperative Governance), Mr. T. Maimela (Knowledge & Info. Management), Mr. A. Ndaba (HCM), Mr. P.Ndaba (Facilities), Mr. D. Lentswane (HCM), Ms. D. Kirsten (HCM), Ms I. Maluleke (HCM), Ms. S. Witbooi (CDWP), Ms. L. Maluleke (Infrastructure Support), Ms. T. Lande (CDWP), Mr. L. Khauoe (CDWP), Mr. L. Tsoku (CDWP).
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?	x		The Department has an HIV&AIDS Management Policy and is guided by National legislation and internal policies e.g. Basic Conditions of Employment Act and the Internal Recruitment Policy.
Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination?	x		The Department is guided by the above-mentioned policies to prevent discrimination. The EHWP programme promotes a healthy lifestyle for all employees, including those who are living with HIV. Employees who have tested positive during a Wellness Day event are provided with counselling, pre-test and post-test. Employees` are then referred by the nurse to a clinic or doctor for treatment and care.
Does the Department encourage its employees to undergo Voluntary Counselling and Testing?	x		HIV Counselling and Testing is available to all staff on a quarterly basis. Employees are encouraged to know their status for better management of HIV&AIDS and TB.
Has the Department developed measures/ indicators to monitor and evaluate the impact of its health promotion programme?	x		The Department makes use of health and utilisation reports from the respective service providers (e.g. GEMS and the Zinakekele Employee Health and Wellness Programme), quarterly reports complied by the Wellness Unit, and attendance registers from Wellness Days and seminars.
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?	x		Yes, Director: Human Capital Management, Mr Odwa Chabula.

3.12 Labour Relations

Table 4.46: Collective Agreements for the period 1 April 2020 and 31 March 2021

Subject Matter	Date
GPSSBC - Resolution 1 of 2020 - Disestablishment and establishment of National Department Chamber in compliance with the reconfiguration of government.	26 June 2020
PSCBC - Resolution 1 of 2020 - Agreement on amendment of PSCBC resolution 5 of 2001 Annual Leave.	29 June 2020

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

Table 4.47: Misconduct and Disciplinary Hearings Finalised for the period 1 April 2020 and 31 March 2021

Outcomes of Disciplinary Hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	0	0
Final written warning	1	33.3%
Suspended without pay	1	33.3%
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	1	33.3%
Total	**3**	**100%**

Table 4.48: Types of Misconduct Addressed at Disciplinary Hearings for the period 1 April 2020 and 31 March 2021

Type of Misconduct	Number	% of total
Refusal or failure to carry out lawful instructions which resulted to gross insubordination	1	100%
Total	**1**	**100%**

Table 4.49: Grievances Logged for the period 1 April 2020 and 31 March 2021

Grievances	Number	% of Total
Number of grievances resolved	2	50%
Number of grievances not resolved	2	50%
Total number of grievances lodged	**4**	**100%**

Table 4.50: Disputes Logged with Councils for the period 1 April 2020 and 31 March 2021

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

Table 4.51: Strike Actions for the period 1 April 2020 and 31 March 2021

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

Table 4.52: Precautionary Suspensions for the period 1 April 2020 and 31 March 2021

Precautionary Suspensions	Number
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 4.53: Training Needs Identified for the period 1 April 2020 and 31 March 2021

Occupational Category	Gender	Number of employees as at 1 April 2020	Training needs identified at start of the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	10	0	0	4	4
	Male	23	0	0	3	3
Professionals	Female	81	0	3	9	12
	Male	66	0	1	14	15
Technicians and associate professionals	Female	64	0	0	1	1
	Male	42	0	0	4	4
Clerks	Female	53	0	0	4	4
	Male	20	0	0	1	1
Service and sales workers	Female	154	0	0	73	73
	Male	117	0	0	62	62
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	9	0	0	1	1
	Male	21	0	0	0	0
Sub Total	**Female**	**371**	**0**	**3**	**92**	**95**
	Male	**289**	**0**	**1**	**84**	**85**
Total		**660**	**0**	**4**	**176**	**180**

Table 4.54: Training Provided for the period 1 April 2020 and 31 March 2021

Occupational category	Gender	Number of employees as at 1 April 2020	Training provided within the reporting period			
			Learnerships	Skills programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	10	0	0	4	4
	Male	23	0	0	3	3
Professionals	Female	81	0	3	9	12
	Male	66	0	1	14	15
Technicians and associate professionals	Female	64	0	0	1	1
	Male	42	0	0	4	4
Clerks	Female	53	0	0	4	4
	Male	20	0	0	1	1
Service and sales workers	Female	154	0	0	73	73
	Male	117	0	0	62	62
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	9	0	0	1	1
	Male	21	0	0	0	0
Sub Total	**Female**	**371**	**0**	**3**	**92**	**95**
	Male	**289**	**0**	**1**	**84**	**85**
Total		**660**	**0**	**4**	**176**	**180**

3.14 Injury on Duty

The following tables provide basic information with regards to injury on duty.

Table 4.55: Injury on Duty for the period 1 April 2020 and 31 March 2021

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

3.15 Utilisation of Consultants

The Department did not make use of consultants during the reporting period.

3.16 Severance Packages

The Department did not issue any employee-initiated severance packages during the reporting period.

Table 4.56: Granting of Employee-Initiated Severance Packages for the period 1 April 2020 and 31 March 2021

Salary Band	Number of applications received	Number of applications referred to the MPSA	Number of applications supported by MPSA	Number of packages approved by the 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**


Windhoek


GAUTENG PROVINCE
CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA
Growing Gauteng Together

PART

E

FINANCIAL INFORMATION

GAUTENG PROVINCE
CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

1. REPORT OF THE AUDITOR GENERAL

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Gauteng Department of Co-operative Governance and Traditional Affairs set out on pages 100 to 145, which comprise the appropriationstatement, the statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Gauteng Department of Co-operative Governance and Traditional Affairs as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with the modified cash standards (MCS) prescribed by the National Treasury, the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999)(PFMA) and the Division of Revenue Act (Act No. 1 of 2020) (Dora).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the Auditor-General's responsibilities for the audit of the financial statements section of my report.

4. I am independent of the department in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

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

Emphasis of matter

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

Material underspending of the budget

7. As disclosed in the appropriation statement, the department has materially underspent the budget by R27,6 million on programme 1: Administration, R9,7 million on programme 2: Local Governance, R10,7 million on programme 3: Development and Planning and R3,5 million on programme 4: Traditional Institutional Management.

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 146-153 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion on them.

Responsibilities of the accounting officer for the financial statements

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

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 accounting officer either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

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 approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

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 the following selected programme presented in the annual performance report of the department for the year ended 31 March 2021:

Programme	Pages in the annual performance report
Programme 3 – Development and Planning	46-49

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 Programme 3 – Development and Planning.

Other matter

19. I draw attention to the matter below.

Achievement of planned targets

20. Refer to the Annual Performance Report on pages 46-49 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a significant number of targets.

Report on the audit of compliance with legislation

Introduction and scope

21. 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.
22. 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

23. 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 in this auditor's report.

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

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

26. If, based on the work I have performed, 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.

Internal control deficiencies

27. 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.

Auditor-General

Johannesburg
31 July 2021

DITOR-GENERAL
OUTH 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 board of directors, which constitutes the accounting officer.
- Conclude on the appropriateness of the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Gauteng Department of Cooperative Governance and Traditional Affair's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a department to cease continuing 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

1. 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.
2. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

GAUTENG PROVINCE
CO-OPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

ANNUAL FINANCIAL STATEMENTS FOR CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

For the year ended
31 March 2021

Table of Content

APPROPRIATION STATEMENT

for the year ended 31 March 2021 • vote no.7

Appropriation per programme									
	2020/21							2019/20	
Voted funds and Direct charges	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	R'000
Programme									
1. Administration	176 982	-	-	176 982	149 364	27 618	84,4%	143 956	127 934
2. Local Governance	266 192	-	-	266 192	256 499	9 693	96,4%	236 228	232 077
3. Development and Planning	152 017	-	-	152 017	141 275	10 742	92,9%	164 202	120 978
4. Traditional Institutional Management	16 781	-	-	16 781	13 285	3 496	79,2%	17 896	14 792
Programme sub total	**611 972**	**-**	**-**	**611 972**	**560 423**	**51 549**	**91,6%**	**562 282**	**495 781**
Statutory Appropriation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**611 972**	**-**	**-**	**611 972**	**560 423**	**51 549**	**91,6%**	**562 282**	**495 781**
Reconciliation with Statement of Financial Performance									
Departmental receipts				412				408	
NRF Receipts				-				-	
Aid assistance				-				-	
Actual amounts per Statement of Financial Performance (Total Revenue)				**612 384**				**562 690**	
Aid assistance					-				-
Prior year unauthorised expenditure approved without funding									
Actual amounts per Statement of Financial Performance Expenditure					**560 423**				**495 781**

APPROPRIATION STATEMENT
for the year ended 31 March 2021 • vote no.7

Appropriation per economic classification									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virements	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	**565 358**	**(5 768)**	**-**	**559 590**	**523 864**	**35 726**	**93.6%**	**461 211**	**432 081**
Compensation of employees	352 071	-	-	352 071	339 671	12 400	96.5%	341 648	326 897
Salaries and wages	302 120	(58)	-	302 062	292 301	9 761	96.8%	294 815	281 934
Social contributions	49 951	58	-	50 009	47 370	2 639	94.7%	46 833	44 963
Goods and services	213 287	(5 768)	-	207 519	184 193	23 326	88.8%	119 563	105 184
Administrative fees	384	8	-	392	280	112	71.4%	276	254
Advertising	47 704	(4 738)	-	42 966	30 686	12 280	71.4%	10 255	10 164
Minor assets	400	(129)	-	271	269	2	99.3%	435	128
Audit costs: External	3 819	(1 024)	-	2 795	2 794	1	100.0%	4 118	4 054
Bursaries: Employees	1 621	96	-	1 717	1 716	1	99.9%	1 320	1 076
Catering: Departmental activities	866	(223)	-	643	503	140	78.2%	2 636	2 583
Communication	9 920	1 794	-	11 714	11 713	1	100.0%	8 563	6 601
Computer services	9 515	(4,148)	-	5 367	5 365	2	100.0%	10 872	10 522
Consultants: Business and advisory services	25 002	(3 739)	-	21 263	18 885	2 378	88.8%	5 205	2 669
Legal services	764	2 742	-	3 506	3 506	-	100.0%	1 495	467
Contractors	2 156	119	-	2 275	2 272	3	99.9%	1 871	1 866
Agency and support / outsourced services	47 980	(7 597)	-	40 383	34 236	6 147	84.8%	17 237	15 060
Fleet services	10 415	1 496	-	11 911	11 910	1	100.0%	11 856	11 846
Housing	-	-	-	-	-	-	-	-	-
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	20 151	13 809	-	33 960	33 954	6	100.0%	3 241	2 969
Consumable: Stationery, printing and office supplies	1 299	83	-	1 382	1 379	3	99.8%	1 886	1 583
Operating leases	750	(448)	-	302	301	1	99.7%	639	622
Property payments	12 436	(1 373)	-	11 063	11 061	2	100.0%	10 531	9 931
Travel and subsistence	2 609	(881)	-	1 728	1 618	110	93.6%	6 243	4 890
Training and development	6 140	(1 371)	-	4 769	3 919	850	82.2%	7 321	4 997
Operating payments	4 198	2 219	-	6 417	6 389	28	99.6%	4 069	3 867
Venues and facilities	4 899	(2 486)		2 413	1 156	1 257	47.9%	8 380	7 923
Rental and hiring	259	23		282	281	1	99.6%	1 114	1 112

APPROPRIATION STATEMENT
for the year ended 31 March 2021 • vote no.7

Appropriation per economic classification									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virements	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
Transfers and subsidies	**28 800**	**5 768**	**-**	**34 568**	**34 567**	**1**	**100.0%**	**80 779**	**60 778**
Provinces and municipalities	26 300	4 000	-	30 300	30 300	-	100.0%	78 004	58 004
Provinces	-	-	-	-	-	-	-	-	-
Municipalities	26 300	4 000	-	30 300	30 300	-	100.0%	78 004	58 004
Municipal bank accounts	26 300	4 000	-	30 300	30 300	-	100.0%	78 004	58 004
Households	2 500	1 768	-	4 268	4 267	1	100.0%	2 775	2 774
Social benefits	2 500	1 768	-	4 268	4 267	1	100.0%	2 775	2 774
Payments for capital assets	**17 814**	**-**	**-**	**17 814**	**1 992**	**15 822**	**11.2%**	**20 292**	**2 992**
Machinery and equipment	17 814	-	-	17 814	1 992	15 822	11.2%	20 292	2 992
Transport equipment	-	-	-	-	-	-	-	926	926
Other machinery and equipment	17 814	-	-	17 814	1 992	15 822	11.2%	19 366	1 966
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	**611 972**	**-**	**-**	**611 972**	**560 423**	**51 549**	**91.6%**	**562 282**	**495 781**

Statutory Appropriation per economic classification									
	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virements	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	**565 358**	**(5 768)**	**-**	**559 590**	**523 864**	**35 726**	**93.6%**	**461 211**	**432 081**
Compensation of employees	352 071	-	-	352 071	339 671	12 400	96.5%	341 648	326 897
Goods and services	213 287	(5 768)	-	207 519	184 193	23 326	88.8%	119 563	105 184
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	**28 800**	**5 768**	**-**	**34 568**	**34 567**	**1**	**100.0%**	**80 779**	**60 778**
Provinces and municipalities	26 300	4 000	-	30 300	30 300	-	100.0%	78 004	58 004
Non-profit institutions	-		-	-	-	-	-	-	-
Households	2 500	1 768	-	4 268	4 267	1	100.0%	2 775	2 774
Payments for capital assets	**17 814**	**-**	**-**	**17 814**	**1 992**	**15 822**	**11.2%**	**20 292**	**2 922**
Buildings and other fixed structures	--	-	-	-	-	-	-	-	-
Machinery and equipment	17 814	-	-	17 814	1 992	15 822	11.2%	20 292	2 922
Heritage assets	-	-	-	-	-	-	-	-	-
Specialised military assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	**611 972**	**-**	**-**	**611 972**	**560 423**	**51 549**	**91.6%**	**562 282**	**495 781**

APPROPRIATION STATEMENT
for the year ended 31 March 2021 • vote no.7

3. PROGRAMME 1: ADMINISTRATION

	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virements	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
Sub programme									
1. Office of the MEC	4 449	880	-	5 329	5 264	65	98.8%	4 387	3 698
2. Corporate Services	172 533	(880)	-	171 653	144 100	27 553	83.9%	139 569	124 236
Total for sub programmes	**176 982**	**-**	**-**	**176 982**	**149 364**	**27 618**	**84.4%**	**143 956**	**127 934**
Economic classification									
Current payments	**160 216**	**(1 768)**	**-**	**158 448**	**144 086**	**14 362**	**90.9%**	**134 957**	**123 607**
Compensation of employees	90 907	-	-	90 907	88 845	2 062	97.7%	91 989	84 540
Salaries and wages	79 729	(14)	-	79 715	78 470	1 245	98.4%	82 070	74 706
Social contributions	11 178	14	-	11 192	10 375	817	92.7%	9 919	9 834
Goods and services	69 309	(1 768)	-	67 541	55 241	12 300	81.8%	42 968	39 067
Administrative fees	15	32	-	47	46	1	97.9%	129	116
Advertising	23 004	(5 957)	-	17 047	4 775	12 272	28.0%	851	779
Minor assets	180	(124)	-	56	54	2	96.4%	253	123
Audit costs: External	3 819	(1 024)	-	2 795	2 794	1	100.0%	4 000	3 936
Bursaries: Employees	1 621	96	-	1 717	1 716	1	99.9%	1 320	1 076
Catering: Departmental activities	287	(51)	-	236	234	2	99.2%	410	392
Communication	3 018	1 163	-	4 181	4 181	-	100.0%	2 030	1 973
Computer services	4 910	(3 442)	-	1 468	1 467	1	99.9%	7 488	7 445
Consultants: Business and advisory services	2 019	1 271	-	3 290	3 289	1	100.0%	1 713	1 613
Legal services	764	2 742	-	3 506	3 506	-	100.0%	1 495	467
Contractors	1 150	212	-	1 362	1 360	2	99.9%	1 335	1 334
Agency and support / outsourced services	9 648	(602)	-	9 046	9 045	1	100.0%	808	697
Fleet services	6 912	3 073	-	9 985	9 985	-	100.0%	9 195	9 194
Consumable supplies	2 053	(182)	-	1 871	1 867	4	99.8%	904	737
Consumable: Stationery, printing and office supplies	750	444	-	1 194	1 193	1	99.9%	1 292	1 049
Operating leases	600	(298)	-	302	301	1	99.7%	639	622
Property payments	5 250	(367)	-	4 883	4 882	1	100.0%	2 390	1 793
Travel and subsistence	546	(153)	-	393	390	3	99.2%	2 161	1 617
Training and development	600	(80)	-	520	520	-	100.0%	688	457
Operating payments	1 298	1 719	-	3 017	3 015	2	99.9%	1 224	1 194
Venues and facilities	865	(240)	-	625	621	4	99.4%	2 258	2 068
Rental and hiring	-	-	-	-	-	-	-	385	385

APPROPRIATION STATEMENT
for the year ended 31 March 2021 • vote no.7

	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virements	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
Transfers and subsidies	**2 500**	**1 768**	**-**	**4 268**	**4 267**	**1**	**100.0%**	**2 775**	**2 774**
Households	2 500	1 768	-	4 268	4 267	1	100.0%	2 775	2 774
Social benefits	2 500	1 768	-	4 268	4 267	1	100.0%	2 775	2 774
Payments for capital assets	**14 266**	**-**	**-**	**14 266**	**1 011**	**13 255**	**7.1%**	**6 224**	**1 553**
Machinery and equipment	14 266	-	-	14 266	1 011	13 255	7.1%	6 224	1 553
Other machinery and equipment	14 266	-	-	14 266	1 011	13 255	7.1%	6 224	1 553
Payments for financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**176 982**	**-**	**-**	**176 982**	**149 364**	**27 618**	**84.4%**	**143 956**	**127 934**

3.1 Office of the MEC

	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virements	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	0%	R'000	R'000
Current payments	**4 449**	**880**	**-**	**5 329**	**5 264**	**65**	**98.8%**	**4 387**	**3 698**
Compensation of employees	2 219	-	-	2 219	2 157	62	97.2%	2 435	1 873
Goods and services	2 230	880	-	3 110	3 107	3	99.9%	1 952	1 825
TOTAL	**4 489**	**880**	**-**	**5 329**	**5 264**	**65**	**98.8%**	**4 387**	**3 698**

3.2 Corporate Services

	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virements	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	155 767	(2 648)	-	153 119	138 822	14 297	90.7%	130 570	119 909
Compensation of employees	88 688	-	-	88 688	86 688	2 000	97.7%	89 554	82 667
Goods and services	67 079	(2 648)	-	64 431	52 134	12 297	80.9%	41 016	37 242
Transfers and subsidies	2 500	1 768	-	4 268	4 267	1	100.0%	2 775	2 774
Households	2 500	1 768	-	4 268	4 267	1	100.0%	2 775	2 774
Payments for capital assets	14 266	-	-	14 266	1 011	13 255	7.1%	6 224	1 553
Machinery and equipment	14 266	-	-	14 266	1 011	13 255	7.1%	6 224	1 553
Payments for financial assets	-	-	-	-	-	-	-	-	-
TOTAL	**172 533**	**(880)**	**-**	**171 653**	**144 100**	**27 553**	**83.9%**	**139 569**	**124 236**

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4. PROGRAMME 2: LOCAL GOVERNANCE

	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virements	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
Sub programme									
1. Municipal Administration	14 993	(1 108)	-	13 885	11 666	2 219	84.0%	15 463	15 161
2. Municipal Finance	14 710	-	-	14 710	12 955	1 755	88.1%	11 158	11 154
3. Public Participation	191 243	(1 108)	-	192 351	188 135	4 216	97.8%	174 951	172 051
4. Capacity Development	28 742	-	-	28 742	27 784	958	96.7%	18 371	18 367
5. Municipal Performance Monitoring, Reporting and Evaluation	16 504	-	-	16 504	15 959	545	96.7%	16 285	15 344
Total for sub programmes	**266 192**	**-**	**-**	**266 192**	**256 499**	**9 693**	**96.4%**	**236 228**	**232 077**
Economic classification									
Current payments	**266 192**	**(4 000)**	**-**	**262 192**	**252 499**	**9 693**	**96.3%**	**231 228**	**227 077**
Compensation of employees	195 647		-	195 647	189 433	6 214	96.8%	194 028	194 018
Salaries and wages	164 661		-	164 661	159 733	4 928	97.0%	164 516	164 511
Social contributions	30 986		-	30 986	29 700	1 286	95.8%	29 512	29 507
Goods and services	70 545	(4 000)	-	66 545	63 066	3 479	94.8%	37 200	33 059
Administrative fees	219	(208)	-	11	-	11	-	139	130
Advertising	22 800	1 219	-	24 019	24 018	1	100.0%	6 642	6 625
Minor assets	-	-	-	-	-	-	-	35	-
Catering: Departmental activities	193	(187)	-	6	5	1	83.3%	142	119
Communication	6 852	681	-	7 533	7 532	1	100.0%	6 500	4 596
Computer services	325	(5)	-	320	320	-	100.0%	390	320
Consultants: Business and advisory services	5 837	827	-	6 664	6 160	504	92.4%	332	143
Contractors	5	(5)	-	-	-	-	-	5	1
Agency and support / outsourced services	23 515	(4 256)	-	19 259	16 831	2 428	87.4%	8 916	8 405
Consumable supplies	380	135	-	515	514	1	99.8%	531	435
Consumable: Stationery, printing and office supplies	15	127	-	142	141	1	99.3%	200	142
Travel and subsistence	1 367	(630)	-	737	725	12	98.4%	2 069	1 821
Training and development	4 009	(398)	-	3 611	3 191	420	88.4%	4 786	4 013
Operating payments	2 577	595	-	3 172	3 171	1	100.0%	2 485	2 314
Venues and facilities	2 451	(1 895)	-	556	458	98	82.4%	3 389	3 356
Rental and hiring	-	-	-	-	-	-	-	639	639

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	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virements	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
Transfers and subsidies	**-**	**4000**	**-**	**4 000**	**4 000**	**-**	**100.0%**	**5 000**	**5 000**
Provinces and municipalities	-	4000	-	4 000	4 000	-	100.0%	5 000	5 000
Provinces	-	-	-	-	-	-	-	-	-
Municipalities	-	4000	-	4 000	4 000	-	100.0%	5 000	5 000
Municipal bank accounts	-	4000	-	4 000	4 000	-	100.0%	5 000	5 000
TOTAL	**266 192**	**-**	**-**	**266 192**	**256 499**	**9 693**	**96.4%**	**236 228**	**232 077**

4.1 Municipal Administration

	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virements	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	**14 993**	**(1 108)**	**-**	**13 885**	**11 666**	**2 219**	**84.0%**	**15 463**	**15 161**
Compensation of employees	11 828		-	11 828	10 676	1 152	90.3%	11 812	11 809
Goods and services	3 165	(1 108)	-	2 057	990	1 067	48.1%	3 651	3 352
TOTAL	**14 993**	**(1 108)**	**-**	**13 885**	**11 666**	**2 219**	**84.0%**	**15 463**	**15 161**

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4.2 Municipal Finance

	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virements	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	**14 710**	**(4 000)**	**-**	**10 710**	**8 955**	**1 755**	**83.6%**	**8 158**	**8 154**
Compensation of employees	4 431	-	-	4 431	4 326	105	97.6%	4 163	4 162
Goods and services	10 279	(4 000)	-	6 279	4 629	1 650	73.7%	3 995	3 992
Transfers and subsidies	**-**	**4 000**	**-**	**4 000**	**4 000**	**-**	**100.0%**	**3 000**	**3 000**
Provinces and municipalities	-	4 000	-	4 000	4 000	-	100.0%	3 000	3 000
TOTAL	**14 710**	**-**	**-**	**14 710**	**12 955**	**1 755**	**88.1%**	**11 158**	**11 154**

4.3 Public Participation

	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virements	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	**191 243**	**1 108**	**-**	**192 351**	**188 135**	**4 216**	**97.8%**	**174 951**	**172 051**
Compensation of employees	154 612			154 612	150 403	4 209	97.3%	154 771	154 766
Goods and services	36 631	1 108	-	37 739	37 732	7	100.0%	20 180	17 285
TOTAL	**191 243**	**1 108**	**-**	**192 351**	**188 135**	**4 216**	**97.8%**	**174 951**	**172 051**

4.4 Capacity Development

	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virements	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	**28 742**	**-**	**-**	**28 742**	**27 784**	**958**	**96.7%**	**16 371**	**16 367**
Compensation of employees	9 672	-	-	9 672	9 391	281	97.1%	8 779	8 778
Goods and services	19 070	-	-	19 070	18 393	677	96.4%	7 592	7 589
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**2 000**	**2 000**
Provinces and municipalities	-	-	-	-	-	-	-	2 000	2 000
TOTAL	**28 742**	**-**	**-**	**28 742**	**27 784**	**958**	**96.7%**	**18 371**	**18 367**

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4.5 Municipal Performance Monitoring, Reporting and Evaluation

	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virements	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	**16 504**	**-**	**-**	**16 504**	**15 959**	**545**	**96.7%**	**16 285**	**15 344**
Compensation of employees	15 104	-	-	15 104	14 637	467	96.9%	14 503	14 503
Goods and services	1 400	-	-	1 400	1 322	78	94.4%	1 782	841
TOTAL	**16 504**	**-**	**-**	**16 504**	**15 959**	**545**	**96.7%**	**16 285**	**15 344**

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5. PROGRAMME 3: DEVELOPMENT PLANNING

	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virements	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. Land Use Management	8 872	-	-	8 872	8 143	729	91.8%	-	-
2 IDP Coordination	18 219	-	-	18 219	15 694	2 525	86.1%	11 085	8 915
1. Disaster Management	104 547	-	-	104 547	98 051	6 496	93.8%	110 437	92 450
2. Municipal Infrastructure	20 379	-	-	20 379	19 387	992	95.1%	42 680	19 613
Total for sub programmes	**152 017**	**-**	**-**	**152 017**	**141 275**	**10 742**	**92.9%**	**164 202**	**120 978**
Economic classification									
Current payments	**122 169**	**-**	**-**	**122 169**	**113 994**	**8 175**	**93.3%**	**77 130**	**66 605**
Compensation of employees	53 501	-	-	53 501	50 861	2 640	95.1%	42 537	38 186
Salaries and wages	46 948	(44)	-	46 904	44,633	2 271	95.2%	37 352	33 477
Social contributions	6 553	44	-	6 597	6 228	369	94.4%	5 185	4 709
Goods and services	68 668		-	68 668	63 133	5 535	91.9%	34 593	28 419
Administrative fees	150	184	-	334	234	100	70.1%	8	8
Advertising	1 900		-	1 900	1 893	7	99.6%	2 762	2 760
Minor assets	220	(5)	-	215	215	-	100.0%	147	5
Catering: Departmental activities	136	69	-	205	173	32	84.4%	1 017	1 006
Communication	50	(50)	-	-	-	-	-	33	32
Computer services	4 280	(701)	-	3 579	3 578	1	100.0%	2 994	2 757
Consultants: Business and advisory services	16 446	(5 837)	-	10 609	9 436	1 173	88.9%	3 160	913
Contractors	1 001	(88)	-	913	912	1	99.9%	531	531
Agency and support / outsourced services	13 596	(3 594)	-	10 002	6 286	3 716	62.8%	6 198	4 652
Fleet services	3 503	(1 577)	-	1 926	1 925	1	99.9%	2 661	2 652
Consumable supplies	17 718	13 856	-	31 574	31 573	1	100.0%	1 756	1 751
Consumable: Stationery, printing and office supplies	24	(24)	-	-	-	-	-	320	319
Operating leases	150	(150)	-	-	-	-	-	-	-
Property payments	7 186	(1 006)	-	6 180	6 179	1	100.0%	8 141	8 138
Travel and subsistence	359	(12)	-	347	296	51	85.3%	1 321	825
Training and development	1 126	(893)	-	233	208	25	89.3%	1 772	527
Operating payments	323	(95)	-	228	203	25	89.0%	233	233
Venues and facilities	500	(100)	-	400	-	400	-	1 519	1 291
Rental and hiring	-	23	-	23	22	1	95.7%	20	19

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	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virements	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and subsidies	**26 300**	**-**	**-**	**26 300**	**26 300**	**-**	**100.0%**	**73 004**	**53 004**
Provinces and municipalities	26 300	-	-	26 300	26 300	-	100.0%	73 004	53 004
Municipalities	26 300	-	-	26 300	26 300	-	100.0%	73 004	53 004
			-						
Payments for capital assets	**3 548**	**-**	**-**	**3 548**	**981**	**2 567**	**27.6%**	**14 068**	**1 369**
Machinery and equipment	3 548	-	-	3 548	981	2 567	27.6%	14 068	1 369
Transport equipment	-	-	-	-	-	-	-	926	926
Other machinery and equipment	3 548	-	-	3 548	981	2 567	27.6%	13 142	443
TOTAL	**152 017**	**-**	**-**	**152 017**	**141 275**	**10 742**	**92.9%**	**164 202**	**120 978**

5.1 Land Use Management

	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virements	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	**8 872**	**-**	**-**	**8 872**	**8 143**	**729**	**91.8%**	**-**	**-**
Compensation of employees	7 792	-	-	7 792	7 143	649	91.7%	-	-
Goods and services	1 080	-	-	1 080	1 000	80	92.6%	-	-
TOTAL	**8 872**	**-**	**-**	**8 872**	**8 143**	**729**	**91.8%**	**-**	**-**

5.2 IDP Coordination

	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virements	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	**18 219**	**-**	**-**	**18 219**	**15 694**	**2 525**	**86.1%**	**11 085**	**8 915**
Compensation of employees	15 473	-	-	15 473	14 557	916	94.1%	9 241	8 451
Goods and services	2 746	-	-	2 746	1 137	1 609	41.4%	1 844	464
TOTAL	**18 219**	**-**	**-**	**18 219**	**15 694**	**2 525**	**86.1%**	**11 085**	**8 915**

5.3 Disaster Management

	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virements	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	**76 699**	**-**	**-**	**76 699**	**72 770**	**3 929**	**94.9%**	**45 369**	**40 081**
Compensation of employees	14 804	-	-	14 804	14 294	510	96.6%	17 620	14 893
Goods and services	61 895	-	-	61 895	58 476	3 419	94.5%	27 749	25 188
Transfers and subsidies	**24 300**	**-**	**-**	**24 300**	**24 300**	**-**	**100.0%**	**51 000**	**51 000**
Provinces and municipalities	24 300	-	-	24 300	24 300	-	100.0%	51 000	51 000
Payments for capital assets	**3 548**	**-**	**-**	**3 548**	**981**	**2 567**	**27.6%**	**14 068**	**1 369**
Transport equipment	-	-	-	-	-	-	-	926	926
Other machinery and equipment	3 548	-	-	3 548	981	2 567	27.6%	13 142	443
TOTAL	**104 547**	**-**	**-**	**104 547**	**98 051**	**6 496**	**93.8%**	**110 437**	**92 450**

5.4 Municipal Infrastructure

	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virements	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	**18 379**	**-**	**-**	**18 379**	**17 387**	**992**	**94.6%**	**20 676**	**17 609**
Compensation of employees	15 432	-	-	15 432	14 867	565	96.3%	15 676	14 842
Goods and services	2 947	-	-	2 947	2 520	427	85.5%	5 000	2 767
Transfers and subsidies	**2 000**	**-**	**-**	**2 000**	**2 000**	**-**	**100.0%**	**22 004**	**2 004**
Provinces and municipalities	2 000	-	-	2 000	2 000	-	100.0%	22 004	2 004
TOTAL	**20 379**	**-**	**-**	**20 379**	**19 387**	**992**	**95.1%**	**42 680**	**19 613**

6. PROGRAMME 4: TRADITIONAL INSTITUTIONAL MANAGEMENT

	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virements	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of Final Appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Traditional Institution Administration	8 041	(71)	-	7 970	5 902	2 068	74.1%	6 181	5 159
2. Traditional Resource Administration	6 809	71	-	6 880	6 042	838	87.8%	8 991	7 973
3. Rural Development Facilitation	500	-	-	500	320	180	64.0%	370	313
4. Traditional Land Administration	1 431	-	-	1 431	1 021	410	71.3%	2 354	1 347
Total for sub programmes	**16 781**	**-**	**-**	**16 781**	**13 285**	**3 496**	**79.2%**	**17 896**	**14 792**
Economic classification									
Current payments	**16 781**	**-**	**-**	**16 781**	**13 285**	**3 496**	**79.2%**	**17 896**	**14 792**
Compensation of employees	12 016	-	-	12 016	10 532	1 484	87.6%	13 094	10 153
Salaries and wages	10 782	-	-	10 782	9 465	1 317	87.8%	10 877	9 240
Social contributions	1 234	-	-	1 234	1 067	167	86.5%	2 217	913
Goods and services	4 765	-	-	4 765	2 753	2 012	57.8%	4 802	4 639
Audit costs: external	-	-	-	-	-	-	-	118	118
Consultants: business And advisory services	700	-	-	700	-	700	0%	-	-
Bursaries: Employees	-	-	-	-	-	-	-	-	-
Catering: Departmental activities	250	(54)	-	196	91	105	46.4%	1 067	1 066
Agency and support / outsourced services	1 221	855	-	2 076	2 074	2	99.9%	1 315	1 306
Consumable supplies	-	-	-	-	-	-	-	50	46
Consumable: Stationery, printing and office supplies	510	(464)	-	46	45	1	97.8%	74	73
Travel and subsistence	337	(86)	-	251	207	44	82.5%	692	627
Training and development	405	-	-	405	-	405	0%	75	-
Operating payments	-	-	-	-	-	-	-	127	126
Venues and facilities	1 083	(251)	-	832	77	755	9.3%	1 214	1 208
Rental and hiring	259	-	-	259	259	-	100.0%	70	69
TOTAL	**16 781**	**-**	**-**	**16 781**	**13 285**	**3 496**	**79.2%**	**17 896**	**14 792**

6.1 Traditional Institution Administration

	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virements	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	**8 041**	**(71)**	**-**	**7 970**	**5 902**	**2 068**	**74.1%**	**6 181**	**5 159**
Compensation of employees	4 753	-	-	4 753	4 260	493	89.6%	3 033	2 115
Goods and services	3 288	(71)	-	3 217	1 642	1 575	51.0%	3 148	3 044
TOTAL	**8 041**	**(71)**	**-**	**7 970**	**5 902**	**2 068**	**74.1%**	**6 181**	**5 159**

6.2 Traditional Resource Administration

	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virements	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	**6 809**	**71**	**-**	**6 880**	**6 042**	**838**	**87.8%**	**8 991**	**7 973**
Compensation of employees	6 132	-	-	6 132	5 296	836	86.4%	8 061	7 045
Goods and services	677	71	-	748	746	2	99.7%	930	928
TOTAL	**6 809**	**71**	**-**	**6 880**	**6 042**	**838**	**87.8%**	**8 991**	**7 973**

6.3 Rural Development Facilitation

	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virements	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	**500**	**-**	**-**	**500**	**320**	**180**	**64.0%**	**370**	**313**
Compensation of employees	-	-	-	-	-	-	-	-	-
Goods and services	500	-	-	500	320	180	64.0%	370	313
TOTAL	**500**	**-**	**-**	**500**	**320**	**180**	**64.0%**	**370**	**313**

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6.4 Traditional Land Administration

	2020/21							2019/20	
	Adjusted Appropriation	Shifting of Funds	Virements	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	**1 431**	**-**	**-**	**1 431**	**1 021**	**410**	**71.3%**	**2 354**	**1 347**
Compensation of employees	1 131	-	-	1 131	976	155	86.3%	2 000	993
Goods and services	300	-	-	300	45	255	15.0%	354	354
Interest and rent on land	-	-	-	-	-	-	-	-	-
TOTAL	**1 431**	**-**	**-**	**1 431**	**1 021**	**410**	**71.3%**	**2 354**	**1 347**

NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2021 • vote no.7

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

Detail of these transactions can be viewed in the note on Transfer and Subsidies, Disclosure Notes and Annexure 1 to the Annual Financial Statements.

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

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 in the Annual Financial Statements.

7. EXPLANATIONS OF MATERIAL VARIANCES FROM AMOUNTS VOTED

7.1 Per programme

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
1: Administration	176 982	149 364	27 618	84%
2: Local Governance	266 192	256 499	9 693	96%
3: Development Planning	152 017	141 275	10 742	93%
4: Traditional Institutional Management	16 781	13 285	3 496	79%
Total	**611 972**	**560 423**	**51 549**	**92%**

7.2 Per economic classification

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments	**559 590**	**523 864**	**35 726**	**94%**
Compensation of employees	352 071	339 671	12 400	97%
Goods and services	207 519	184 193	23 326	89%
Interest and rent on land				
Transfers and subsidies	**34 568**	**34 567**	**1**	**100%**
Provinces and municipalities	30 300	30 300	-	100%
Non-profit institutions				
Households	4 268	4 267	1	100%
Payments for capital assets	**17 814**	**1 992**	**15 822**	**11%**
Machinery and equipment	17 814	1 992	15 822	11%
Total	**611 972**	**560 423**	**51 549**	**92%**

7.3 Per conditional grant

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Expanded Public Works Programme	2 000	2 000	-	100%

STATEMENT OF FINANCIAL PERFORMANCE

for the year ended 31 March 2021 • vote no.7

	Note	2020/21 R'000	2019/20 R'000
REVENUE			
Annual appropriation	*1*	611 972	562 282
Departmental revenue	*2*	412	408
TOTAL REVENUE		**612 384**	**562 690**
EXPENDITURE			
Current expenditure			
Compensation of employees	*3*	339 671	326 897
Goods and services	*4*	184 193	105 184
Total current expenditure		**523 864**	**432 081**
Transfers and subsidies			
Transfers and subsidies	*5*	34 567	60 778
Total transfers and subsidies		**34 567**	**60 778**
Expenditure for capital assets			
Tangible assets	*6*	1 992	2 922
Total expenditure for capital assets		**1 992**	**2 922**
Payments for financial assets		**-**	**-**
TOTAL EXPENDITURE		**560 423**	**495 781**
SURPLUS FOR THE YEAR		**51 961**	**66 909**
Reconciliation of Net Surplus for the year			
Voted funds		**51 549**	**66 501**
Annual appropriation		51 549	66 501
		-	-
Departmental revenue and PRF Receipts	*10*	412	408
SURPLUS FOR THE YEAR		**51 961**	**66 909**

STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2021 • vote no.7

	Note	2020/21 R'000	2019/20 R'000
ASSETS			
Current assets		**52 561**	**67 082**
Cash and cash equivalents	7	51 623	66 100
Receivables	8	938	982
TOTAL ASSETS		**52 561**	**67 082**
Current liabilities		**52 089**	**66 601**
Voted funds to be surrendered to the Revenue Fund	9	51 549	66 501
Departmental revenue and PRF Receipts to be surrendered to the Revenue Fund	10	84	26
Payables	11	456	74
Non-current liabilities			
Payables			
TOTAL LIABILITIES		**52 089**	**66 601**
NET ASSETS		**472**	**481**

	2020/21 R'000	2019/20 R'000
Represented by		
Recoverable revenue	472	481
TOTAL	**472**	**481**

STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2021 • vote no.7

	2020/21 R'000	2019/20 R'000
Recoverable revenue		
Opening balance	481	539
Transfers:	(9)	(58)
Debts recovered (included in departmental receipts)	(9)	(58)
Closing balance	**472**	**481**
TOTAL	**472**	**481**

CASH FLOW STATEMENT
for the year ended 31 March 2021 • vote no.7

	Note	2020/21 R'000	2019/20 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		**612 384**	**562 690**
Annual appropriated funds received	*1.1*	611 972	562 282
Departmental revenue received		334	293
Interest received	*2*	78	115
Net (increase)/decrease in working capital		426	39
Surrendered to Revenue Fund		(66 855)	(32 276)
Current payments		(523 864)	(432 081)
Payments for financial assets		-	-
Transfers and subsidies paid		(34 567)	(60 778)
Net cash flow available from operating activities	*12*	**(12 476)**	**37 594**
CASH FLOWS FROM INVESTING ACTIVITIES			
Distribution/dividend received		-	-
Payments for capital assets	*6*	(1 992)	(2 922)
Net cash flows from investing activities		**(1 992)**	**(2 922)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(9)	(58)
Net cash flows from financing activities		**(9)**	**(58)**
Net increase/(decrease) in cash and cash equivalents		(14 477)	34 614
Cash and cash equivalents at beginning of period		66 100	31 486
Cash and cash equivalents at end of period	*13*	**51 623**	**66 100**

ACCOUNTING POLICIES
for the year ended 31 March 2021 • vote no.7

Summary of significant accounting policies

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

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

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

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

7.3	**Accrued departmental revenue** Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: • it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • the amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy
8	**Expenditure**
8.1	**Compensation of employees**
8.1.1	**Salaries and wages** Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	**Social contributions** Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	**Other expenditure** Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.
8.3	**Accruals and payables not recognised** Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.
8.4	**Leases**
8.4.1	**Operating leases** Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements.
8.4.2	**Finance leases** Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9	**Aid assistance**
9.1	**Aid assistance received** Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value. Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.

ACCOUNTING POLICIES

for the year ended 31 March 2021 • vote no.7

9.2	**Aid assistance paid** Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.
10	**Cash and cash equivalents** Cash and cash equivalents are stated at cost in the statement of financial position. Bank overdrafts are shown separately on the face of the statement of financial position as a current liability. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.
11	**Prepayments and advances** Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost. Prepayments and advances are expensed during the trip and the return of the official on business travel.
12	**Loans and receivables** Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.
13	**Investments** Investments are recognised in the statement of financial position at cost.
14	**Financial assets**
14.1	**Financial assets (not covered elsewhere)** A financial asset is recognised initially at its cost-plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.
14.2	**Impairment of financial assets** Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.
15	**Payables** Payables recognised in the statement of financial position are recognised at cost.
16	**Capital Assets**
16.1	**Immovable capital assets** Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use. Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.

16.2	**Movable capital assets** Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition. Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment. Biological assets are subsequently carried at fair value. Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.
16.3	**Intangible assets** Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition. Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project. Where the cost of intangible assets cannot be determined reliably, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1. All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1. Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment. Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.
16.4	**Project Costs: Work-in-progress** Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid. Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register. Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.
17	**Provisions and Contingents**
17.1	**Provisions** Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.
17.2	**Contingent liabilities** Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.
17.3	**Contingent assets** Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.
17.4	**Capital commitments** Capital commitments are recorded at cost in the notes to the financial statements.

ACCOUNTING POLICIES
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18	**Unauthorised expenditure** Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either: • approved by the Provincial Legislature with funding and the related funds are received; or • approved by or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.
19	**Fruitless and wasteful expenditure** Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred. Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off. Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.
20	**Irregular expenditure** Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note. Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off. Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.
21	**Changes in accounting estimates and errors** Changes in accounting estimates are applied prospectively in accordance with MCS requirements. Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.
22	**Events after the reporting date** Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.
23	**Departures from the MCS requirements** The Annual Financial Statements have been prepared in accordance with the modified cash basis of accounting. There were no departures from the modified cash standards.
24	**Capitalisation reserve** The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.
25	**Recoverable revenue** Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

26	**Related party transactions** Related party transactions within the MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length. The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.
27	**Inventories** At the date of acquisition, inventories are recognised at cost in the statement of financial performance. Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition. Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value. The cost of inventories is assigned by using the weighted average cost basis.
28	**Public-Private Partnerships** Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies. A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.
29	**Employee benefits** The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee Benefits note.
30	**Transfers of functions** Transfers of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer. Transfers of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.
31	**Mergers** Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger. Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.

1. Annual Appropriation

1.1 Annual appropriation

			2020/21	2019/20
	Final Appropriation	Actual Funds Received	Final Appropriation	Actual Funds Received
	R'000	R'000	R'000	R'000
Administration	176 982	176 982	143 956	143 956
Local Governance	266 192	266 192	236 228	236 228
Development Planning	152 017	152 017	164 202	164 202
Traditional Institutional Management	16 781	16 781	17 896	17 896
Total	**611 972**	**611 972**	**562 282**	**562 282**

1.2 Conditional grants

	Note	2020/21	2019/20
		R'000	R'000
Total grants received	*24*	2 000	2 004
Provincial grants included in Total Grants received		**2 000**	**2 004**

Only the Expanded Public Works Programme grant was received from National Government and the same was transferred to respective municipalities for the creation of job opportunities within their communities:

- Lesedi Local Municipality R 500 000
- Merafong Local Municipality R 500 000
- Mogale City Local Municipality R 1000 000

2. Departmental revenue

	2020/21	2019/20
	R'000	R'000
Sales of goods and services other than capital assets	216	251
Interest, dividends and rent on land	78	115
Transactions in financial assets and liabilities	118	42
Departmental revenue collected	**412**	**408**

Revenue is derived from commissions for collection of funds from the payroll on behalf of third parties and interest on staff debts.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021 • vote no.7

2.1 Sales of goods and services other than capital assets

	2020/21 R'000	2019/20 R'000
	216	251
Sales of goods and services produced by the Department		
Sales by market establishment	216	251
Total	**216**	**251**

The sales of goods and services other than the capital assets include mainly commissions on collection of funds on behalf of third parties from the payroll.

2.2 Interest, dividends and rent on land

	2020/21 R'000	2019/20 R'000
Interest	78	115
Total	**78**	**115**

2.3 Transactions in financial assets and liabilities

	2020/21 R'000	2019/20 R'000
Receivables	118	42
Total	**118**	**42**

Transaction in financial assets is mainly debt recovered from owing staff members.

3. Compensation of employees

3.1 Salaries and wages

	2020/21	2019/20
	R'000	R'000
Basic salary	229 384	223 334
Performance award	5 636	9 147
Service based	282	46
Compensative/circumstantial	9 832	4 188
Periodic payments	15	
Other non-pensionable allowances	47 152	45 219
Total	**292 301**	**281 934**

Included in the performance award of R5 636 000 above is an over payment to the amount of R2.3m which shall be recognised as receivables and will be accordingly collected. Furthermore, excluded in the above amount is under payments and or no payments to the value of R796k which shall be recognised as payable and accordingly paid. In light of the above the net performance awards should have been R4 949 358.

3.2 Social contributions

	2020/21	2019/20
	R'000	R'000
Employer contributions		
Pension	29 000	28 249
Medical	18 245	16 649
Insurance	55	-
Bargaining council	70	65
Total	**47 370**	**44 963**
Total Compensation of Employees	**339 671**	**326 897**
Average number of employees	**684**	**673**

4. Goods and services

	Note	2020/21	2019/20
		R'000	R'000
Administrative fees		280	254
Advertising		30 686	10 164
Minor assets	4.1	269	128
Bursaries (employees)		1 716	1 076
Catering		503	2 583
Communication		11 713	6 601
Computer services	4.2	5 365	10 522
Consultants: Business and advisory services		18 885	2 669
Legal services		3 506	467
Contractors		2 272	1 866
Agency and support / outsourced services		34 236	15 060
Audit cost – external	4.3	2 794	4 054
Fleet services		11 910	11 846
Consumables	4.4	40 099	7 559
Operating leases		300	622
Property payments	4.5	11 062	9 931
Rental and hiring		281	1 112
Travel and subsistence	4.6	1 618	4 890
Venues and facilities		1 156	7 923
Training and development		3 919	4 997
Other operating expenditure	4.7	1 623	860
Total		**184 193**	**105 184**

The following service items increased materially due to the reason mentioned bellow:

- Advertising increased as a result of expenditure on COVID-19 awareness programmes including other civic education on various issues affecting local government.
- Communications increased by approximately R5 million due to additional data and voice services required for remote working as well as additional 3G and cell phone instruments acquired during the year to facilitate remote working.
- Consultants and business advisory increased due to the appointment of professionals to develop and compile a level one Provincial Disaster Management Framework, land audits and payment of administrators appointed for the City of Tshwane and EmfuleniLocal Municipality.
- Consumables increased as a result of humanitarian relief material purchased to aid homeless people in support of the Department of Social Development and Department of Health during the hard lockdown period and beyond.
- Other operating expenditure include media buying and material for COVID-19 awareness campaigns, and the payment for storage facilities for own assets pending securing of own building.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2021 • vote no.7

4.1 Minor assets

	2020/21	2019/20
	R'000	R'000
Tangible assets	**269**	**128**
Machinery and equipment	269	128
Total	**269**	**128**

4.2 Computer services

	2020/21	2019/20
	R'000	R'000
SITA computer services	622	3 916
External computer service providers	4 743	6 606
Total	**5 365**	**10 522**

The significant decrease in ICT expenditure was as result of slowing down of the current Disaster Management Project in preparation of the new, bigger and better Disaster Management Centre.

4.3 Audit cost – External

	2020/21	2019/20
	R'000	R'000
Regulatory audits	2 794	4 054
Total	**2 794**	**4 054**

A decrease in the cost of the regulatory audit was mainly due to a remote audit by the Auditor General and lack of overlapping planning as a result of the postponement of reporting for the 2019/20 financial year.

4.4 Consumables

	2020/21	2019/20
	R'000	R'000
Consumable supplies	33 954	2 968
Uniform and clothing	-	771
Household supplies	20 347	1 678
Building material and supplies	13 494	451
IT consumables	54	44
Other consumables	59	24
Stationery, printing and office supplies	6 145	4 591
Total	**40 099**	**7 559**

4.5 Property payments

	2020/21	2019/20
	R'000	R'000
Municipal services	1 005	846
Property management fees	129	129
Property maintenance and repairs	668	2 866
Other	9 260	6 090
Total	**11 062**	**9 931**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
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4.6 Travel and subsistence

	2020/21	2019/20
	R'000	R'000
Local	1 618	4 875
Foreign	-	15
Total	**1 618**	**4 890**

4.7 Other operating expenditure

	2020/21	2019/20
	R'000	R'000
Professional bodies, membership and subscription fees	-	191
Resettlement costs	-	203
Other	1 623	466
Total	**1 623**	**860**

Other operating expenditure includes expenditure incurred on the storage facility for departmental assets, awareness material procured for the COVID-19 pandemic, and voter education for the 2021 local elections.

5. Transfers and subsidies

		2020/21 R'000	2019/20 R'000
Provinces and municipalities	Annexure 1A	30 300	58 004
Households	Annexure 1G	4 267	2 774
Total		**34 567**	**60 778**

During the reporting period the department made the following transfers to the municipalities:

1. **R24.2 million for Functional Fire and Rescue Services**
   - West Rand District Municipality R20 000 000
   - Midvaal Local Municipality R2 700 000
   - Emfuleni Local Municipality R1 600 000
2. **R4 million for Property and Valuation Management System**
   - Mogale City Local Municipality R4 000 000
3. **R2 million for Expanded Public Works Project as follows:**
   - Merafong Local Municipality R500 000
   - Lesedi Local Municipality R500 000
   - Mogale City Local Municipality R1 000 000

6. Expenditure for capital assets

	2020/21 R'000	2019/20 R'000
Tangible assets	**1 992**	**2 922**
Machinery and equipment	1 992	2 922
Total	**1 992**	**1 992**

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

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	**1 992**	**-**	**1 992**
Machinery and equipment	1 992	-	1 992
Total	**1 992**	**-**	**1 992**

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

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	**2 922**	**-**	**2 922**
Machinery and equipment	2 922	-	2 922
Total	**2 922**	**-**	**2 922**

7. Cash and cash equivalents

	2020/21	2019/20
	R'000	R'000
Consolidated Paymaster General Account	51 623	66 100
Total	**51 623**	**66 100**

The consolidated paymaster general account reflects the balance of cash in the bank account for the department on the last day of the reporting period.

8. Receivables

		2020/21			2019/20		
	Note	Current	Non-current	Total	Current	Non-current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable							
Trade receivables							
Recoverable expenditure	8.1	1	-	1	56	-	56
Staff debt	8.2	937	-	937	926	-	926
Total		**938**	**-**	**938**	**982**	**-**	**982**

8.1 Recoverable expenditure (disallowance accounts)

	Note	2020/21	2019/20
		R'000	R'000
(Group major categories, but list material items)			
Sal recoverable	8	1	56
Total		**1**	**56**

8.2 Staff debt

	Note	2020/21	2019/20
		R'000	R'000
Debt accounts	8	937	926
Total		**937**	**926**

9. Voted funds to be surrendered to the Revenue Fund

	2020/21	2019/20
	R'000	R'000
Opening balance	66 501	31 864
As restated	66 501	31 864
Transfer from statement of financial performance (as restated)	51 549	66 501
Paid during the year	(66 501)	(31 864)
Closing balance	**51 549**	**66 501**

The funds to be surrendered to the Provincial Revenue Fund are composed as follows:	
Compensation of Employees	R 12 400 000
Goods and Services	R 23 326 000
Transfers	R1 000.00
Capital Assets	R15 822 000
Total	**R51 549 000**

10. Departmental revenue and PRF Receipts to be surrendered to the Revenue Fund

	2020/21	2019/20
	R'000	R'000
Opening balance	26	30
As restated	26	30
Transfer from Statement of Financial Performance (as restated)	412	408
Paid during the year	(354)	(412)
Closing balance	**84**	**26**

11. Payables – current

	2020/21	2019/20
	R'000	R'000
Other payables	456	74
Total	**456**	**74**

11.1 Other payables

	2020/21	2019/20
	R'000	R'000
Sal: ACB recall CA	8	9
Sal: Income Tax	411	44
Sal: Pension	37	21
Total	**456**	**74**

12. Net cash flow available from operating activities

	2020/21 R'000	2019/20 R'000
Net surplus as per Statement of Financial Performance	51 961	66 909
Add back non-cash/cash movements not deemed operating activities	(64 437)	(29 315)
Increase/decrease in receivables	44	(16)
Increase/(decrease) in payables – current	382	55
Expenditure on capital assets	1 992	2 922
Surrenders to Revenue Fund	(66 855)	(32 276)
Net cash flow generated by operating activities	**(12 476)**	**37 594**

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

	2020/21 R'000	2019/20 R'000
Consolidated Paymaster General Account	51 623	66 100
Total	**51 623**	**66 100**

14. Contingent liabilities and contingent assets

14.1 Contingent liabilities

		2020/21 R'000	2019/20 R'000
Liable to	**Nature**		
Housing loan guarantees	Employees	-	21
Intergovernmental payables	(unconfirmed Balances)	1 284	-
Total		**1 284**	**21**

The housing guarantee relates to the guarantee issued by the department for staff members to commercial banks. All guarantees have been cleared/removed. The Labour Appeal Court (LAC) Court declared the salary increases for the 2020/2021 financial year unlawful and invalid. The LAC ruling has been appealed and referred to the Constitutional Court. The ruling by the Constitutional Court will confirm if the department will be obliged to pay the salary increases in dispute. The R1 284 million above related to legal services rendered to the department through the Office of the Premier. At the end of the financial year the actual amount was estimated as disclosed however disputed by the department, we agreed that part of it will be payable by the department.

15. Capital commitments

	2020/21 R'000	2019/20 R'000
Office furniture and equipment	-	1 332
Total	**-**	**1 332**

Improvements on Modified Cash Standard as amended requires only the disclosure of capital commitments. The Department did not contract on projects relating to capital items hence no commitments for the year under review.

16. Accruals and payables not recognised

16.1 Accruals

Listed by economic classification	2020/21 R'000 30 Days	2020/21 R'000 30+ Days	2020/21 R'000 Total	2019/20 R'000 Total
Goods and services	23 545	-	23 545	9 570
Capital assets	314	-	314	409
Transfers and Subsidies	38	-	38	-
Other	55	-	55	-
Total	**23 952**	**-**	**23 952**	**9 979**

Listed by economic classification	2020/21 R'000 Total	2019/20 R'000 Total
Administration	5 896	4 558
Local Governance	9 259	960
Development Planning	8 275	3 950
Traditional Institutional Management	522	511
Total	**23 952**	**9 979**

16.2 Payables not recognised

Listed by economic classification	2020/21 R'000 30 Days	2020/21 R'000 30+ Days	2020/21 R'000 Total	2019/20 R'000 Total
Goods and services	1 911	-	1 911	750
Interest and rent on land				
Transfers and subsidies	39	-	39	-
Capital assets				
Other (Employee Benefits)	-	-	-	-
Total	**1 950**	**-**	**1 950**	**750**

Listed by programme level	2020/21 R'000	2019/20 R'000
Administration	735	242
Local Governance	1 215	470
Development Planning	-	38
Traditional Institutional Management	-	-
Total	**1 950**	**750**

Included in the above totals are the following:	2020/21 R'000	2019/20 R'000
Confirmed balances with other departments	746	264
Confirmed balances with other government entities	1 006	1 068
Total	**1 752**	**1 332**

17. Employee benefits

	2020/21	2019/20
	R'000	R'000
Leave entitlement	32 959	26 242
Service bonus	8 903	8 842
Performance awards	1 760	2 562
Capped leave	2 192	2 389
Other	174	98
Total	**45 988**	**40 133**

During the reporting period long service award liability relates to 20- and 30-years' service respectively and estimate on performance awards liability are calculated at 0.5% of departmental salary bill of R352 071 X 0.5%=R1 760. The significance variance on other is as result of having more officials (10 in number) qualified for long services benefits. Included in the leave entitlement is negative balances.

18. Lease commitments

18.1 Operating leases

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	-	-	-	4 172	4 172
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than five years	-	-	-	2 126	2 126
Total lease commitments	**-**	**-**	**-**	**6 298**	**6 298**

2019/20	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
	R'000	R'000	R'000	R'000	R'000
Not later than 1 year	-	-	-	3 907	3 907
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than five years	-	-	-	4 400	4 400
Total lease commitments	**-**	**-**	**-**	**8 307**	**8 307**

The operating leases relates to vehicles (G-Fleet) and office automation equipment.

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18.2 Finance leases

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

2019/20	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	5 623	5 623
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than five years	-	-	-	-	-
Total lease commitments	**-**	**-**	**-**	**5 623**	**5 623**

The reduced finance lease amount in 19/20 financial is attributed to the contract that came to an end in August 2020. The finance leases include mobile phones utilised by management and other qualifying officials.

19. Irregular expenditure

19.1 Reconciliation of irregular expenditure

	2020/21 R'000	2019/20 R'000
Opening balance	5 968	5 968
Prior period error		
As restated	5 968	5 968
Add: irregular expenditure-relating to prior year	-	-
Add: Irregular expenditure – relating to current year	578	-
Less: Prior year amounts condoned	(820)	-
Closing balance	**5 726**	**5 968**
Analysis of awaiting condonation per age classification		
Current year	578	-
Prior years	5 148	5 968
Total	**5 726**	**5 968**

Irregular expenditure incurred during 2014/15 financial year amounting to R109 990.95 has been condoned by Provincial Treasury during the reporting period including an amount of R611 000 and R99 000 also condoned. Included in the current year irregular expenditure is an amount of R511k relating to performance bonuses paid over and above DPSA threshold.

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

Incident	Disciplinary steps taken/ criminal proceedings	2020/21 R'000
Non-Compliance with Procurement Processes		67
Over-payments on performance bonuses for employees		511
Total		**578**

Department incurred irregular expenditure of R578k for the year under review.

19.3 Details of irregular expenditure condoned

Incident	Condoned by (relevant authority)	2020/21 R'000
Procurement processes not followed	Provincial Treasury	820
Total		**820**

20. Fruitless and wasteful expenditure

20.1 Reconciliation of fruitless and wasteful expenditure

	2020/21 R'000	2019/20 R'000
Opening balance	137	137
As restated	137	137
Fruitless and wasteful expenditure-relating to prior year	-	-
Closing balance	**137**	**137**

21. Related party transactions

Department has a related party relationship with Gauteng Department of Human Settlements, Housing Fund and Gauteng Partnership Fund due to the fact that both departments have one Political Head.

22. Key management personnel

	No. of Individuals	2020/21 R'000	2019/20 R'000
Political office bearers	1	1 978	3 294
Level 15 to 16	6	10 325	9 788
Level 14	10	12 396	12 408
Total		**24 699**	**25 490**

23. Movable tangible capital assets

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

	Opening Balance	Value Adjustment	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**36 889**	**-**	**2 051**	**2 827**	**36 113**
Transport assets	926	-	-		926
Computer equipment	22 064	-	824	1 885	21 003
Furniture and office equipment	8 713	-	823	794	8 742
Other machinery and equipment	5 186	-	404	148	5 442
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**36 889**	**-**	**2 051**	**2 827**	**36 113**

Movable Tangible Capital Assets under investigation 2020/2021

	Number	Value
		R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Computer equipment	38	757
Furniture and fittings	1	6
Office equipment	-	-
Other machinery	6	80
TOTAL	**45**	**843**

These assets under investigations include mainly laptops that could not be verified prior to the reporting period as a result of remote working by majority of the staff members.

Movable Capital Assets under investigation 2019/20

	Number	Value
		R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Computer equipment	125	2 106
Furniture and fittings	17	125
Office equipment	16	217
Other machinery and equipment	23	263
TOTAL	**181**	**2 711**

23.1 Additions

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

	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	**1 992**	**59**	**-**	**-**	**2 051**
Transport assets	-	-	-	-	-
Computer equipment	765	59	-	-	824
Furniture and office equipment	823	-	-	-	823
Other machinery and equipment	404	-	-	-	404
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	**1 992**	**59**	**-**	**-**	**2 051**

23.2 Disposals

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

	Sold for cash	Non-cash disposable	Total disposals	Cash received actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	**506**	**2 321**	**2 827**	**13**
Transport assets	-	-	-	-
Computer equipment	-	1 885	1 885	-
Furniture and office equipment	506	288	794	13
Other machinery and equipment	-	148	148	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**506**	**2 321**	**2 827**	**13**

Disposal assets are those assets that are redundant and obsolete.

23.3 Movement for 2019/20

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

	Opening Balance	Prior Period Error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	36 889	-	-	-	36 889
Transport assets	926		-	-	926
Computer equipment	22 064		-	-	22 064
Furniture and office equipment	8 713		-	-	8 713
Other machinery and equipment	5 186		-	-	5 186
SPECIALISED MILITARY ASSETS	**-**	**-**	**-**	**-**	**-**
Specialised military assets	-		-	-	-
BIOLOGICAL ASSETS	**-**	**-**	**-**	**-**	**-**
Biological assets	-		-	-	-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	**36 889**	**-**	**-**	**-**	**36 889**

23.4 Minor assets

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

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	1 620	-	3 549	-	5 169
Value adjustments						
Additions	-	-	-	269	-	269
De-Recognition	-	-	-	(444)	-	(444)
TOTAL MINOR ASSETS	**-**	**1 620**	**-**	**3 374**	**-**	**4 994**

Minor Capital Assets under investigation 2019/20

	Number	Value
		R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation		
Computer equipment	160	88
Furniture and fittings	425	133
Office equipment	165	107
Other machinery and equipment	86	117
TOTAL	**836**	**445**

As a result of de-merger, the department received major assets from the department of Human Settlement. Due to non availability of source documents, the assets in question were received at the value R1. As a result of the above, minor assets under investigation include assets like smaller desks and minor equipment.

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

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	1 620	-	3 482	-	5 102
Prior period error	-	-	-	-	-	-
Additions	-	-	-	128	-	128
Disposals	-	-	-	61	-	61
TOTAL MINOR ASSETS	**-**	**1 620**	**-**	**3 549**	**-**	**5 169**

23.5 Movable assets written off

MOVABLE ASSETS WRITTEN OFF 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
Assets written off	-	-	-	3 271	-	3 271
TOTAL MOVABLE ASSETS WRITTEN OFF	**-**	**-**	**-**	**3 271**	**-**	**3 271**

Assets written off are those assets that were lost due to fire at the Bank of Lisbon and those that were lost at the Corner House Building.

23.6 S42 movable capital assets

MAJOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2021

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
No. of Assets				3		3
Value of the assets (R'000)				59		59

24. Statement of conditional grants received

NAME OF GRANT	GRANT ALLOCATION					SPENT				2019/20	
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustments	Other Adjustments	Total Available	Amount received by Department	Amount spent by Department	Under / (Overspending)	% of available funds spent by Department	Division of Revenue Act	Amount spent by Department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Expanded Public Works Programme	2 000	-	-	-	2 000	2 000	2 000	-	100%	2 004	2 004
	2 000	**-**	**-**	**-**	**2 000**	**2 000**	**2 000**	**-**	**100%**	**2 004**	**2 004**

25. Unaudited statement of conditional grants and other transfers paid to municipalities

	2020/21							2019/20	
	GRANT ALLOCATION				TRANSFER				
NAME OF MUNICIPALITY	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Division of Revenue Act	Actual transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%		
West Rand District Municipality (PMS)	-	-	-	-	-	-	-	500	500
Merafong Local Municipality	-	-	-	-	-	-	-	750	750
Mogale Local Municipality (PMS)	-	-	-	-	-	-	-	750	750
Lesedi Local Municipality (GRAP 17)	-	-	-	-	-	-	-	1 000	1 000
Emfuleni Local Municipality (GRAP 17)	-	-	-	-	-	-	-	1 000	1 000
Rand West Local Municipality (GRA 17)	-	-	-	-	-	-	-	1 000	1 000
Merafong Local Municipality (EPWP)	500	-	-	500	500	-	-	1 000	1 000
Mogale Local Municipality (EPWP)	1 000	-	-	1 000	1 000	-	-	-	-
Lesedi Local Municipality (EPWP)	500	-	-	500	500	-	-	1 004	1 004
West Rand District Municipality (Leased fire fighting vehicles)	20 000	-	-	20 000	20 000	-	-	35 000	35 000
West Rand District Municipality (Improve disaster response)	-	-	-	-	-	-	-	10 000	10 000
Lesedi Local Municipality (Functional fire rescue)	-	-	-	-	-	-	-	6 000	6 000
Midvaal Local Municipality (Improve fire and rescue response)	2 700	-	-	2 700	2 700	-	-	-	-
Emfuleni Local Municipality (Water supply infrastructure)	1 600	-	-	1 600	1 600	-	-	-	-
Mogale City Local Municipality (Valuation management system)	4 000	-	-	4 000	4 000	-	-	-	-
TOTAL	**30 300**	**-**	**-**	**30 300**	**30 300**	**-**	**-**	**58 004**	**58 004**

It is confirmed that all the above amounts were paid into the primary bank accounts of the respective municipalities.

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26. Broad Based Black Economic Empowerment Performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

27. COVID-19 Response Expenditure

	Note	2020/21	2019/20
	Annexure H	R'000	R'000
Compensation of employees			
Goods and services		23 861	-
Transfers and subsidies			
Expenditure for capital assets			
Other			
Total		**23 861**	**-**

28. ANNEXURE 1A

UNAUDITED STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2019/20	
	DoRA and other Transfers	Roll Overs	Adjustments	Total Available	Actual Transfers	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	Unspent funds	% of available funds spent by municipality	Division of Revenue Act	Actual Transfer
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000
West Rand District Municipality (PMS)	-	-	-	-	-	-	-	-	-	-	-	500	500
Merafong Local Municpality (PMS)	-	-	-	-	-	-	-	-	-	-	-	750	750
Mogale City Local Municipality (PMS	-	-	-	-	-	-	-	-	-	-	-	750	750
Lesedi Local Municipality (GRAP 17)	-	-	-	-	-	-	-	-	-	-	-	1 000	1 000
Emfuleni Local Municipality (GRAP 17)	-	-	-	-	-	-	-	-	-	-	-	1 000	1 000
Rand West Local Municipality (GRAP 17)	-	-	-	-	-	-	-	-	-	-	-	1 000	1 000
Merafong City Local Municipality (EPWP)	500	-	-	500	500	-	-	500	500	-	100%	1 000	1 000
Lesedi Local Municipality (EPWP)	500	-	-	500	500	-	-	500	460	-	92%	1 004	1 004
Mogale City Local Municipality (EPWP)	1 000	-	-	1 000	1 000	-	-	1 000	806	-	81%	-	-
West Rand District Municipality (Leases fire engines)	20 000	-	-	20 000	20 000	-	-	20 000	20 000	-	100%	35 000	35 000
West Rand District Municipality (Improved disaster response)	-	-	-	-	-	-	-	-	-	-	-	10 000	10 000
Lesedi Local Municipality	-	-	-	-	-	-	-	-	-	-	-	6 000	6 000
Midvaal Local Municpality (Improve fire and rescue response)	2 700	-	-	2 700	2 700	-	-	2 700	2 137	-	79%	-	-
Emfuleni Local Municipality (Fire and rescue response	1 600	-	-	1 600	1 600	-	-	1 600	-	-	0%	-	-
Mogale City Municipality (Valuation management system)	4 000	-	-	4 000	4 000	-	-	4 000	-	-	0%	-	-
TOTAL	**30 300**	**-**	**-**	**30 300**	**30 300**	**-**	**-**	**30 300**	**23 903**	**-**	**79%**	**58 004**	**58 004**

It is confirmed that all the above were paid to the primary bank accounts of the respective municipalities.

ANNEXURE 1G

UNAUDITED STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2019/20
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available Funds Transferred	Final Appropriation
	R'000	R'000	R'000	R'000	R'000	%	R'000
Transfers							
Household Employee Benefits: Retirement Benefit							
Key health Med Scheme	-	-	-	-	545	-	587
National Treasury	-	-	-	-	208	-	86
Alexander Forbes Group	-	-	-	-	-	-	-
MEC	-	-	-	-	2 675	-	1 422
Household Employee Benefits: Injury on Duty	**-**	**-**	-	-	-	-	-
Clinics, drs, compensation Commissioner	-	-	-	-	4	-	196
Household Employee Benefits: Leave Gratuity	-	-	-	-	835	-	483
TOTAL	**-**	**-**	**-**	**-**	**4 267**	**-**	**2 774**

ANNEXURE 3A

UNAUDITED STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2021 – LOCAL

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2020	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced during the year	Revaluation due to foreign currency movements	Closing balance 31 March 2020	Revaluations due to inflation rate movements	Accrued guaranteed interest for year ended 31 March 2021
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
NEDBANK	Housing	-	21	-	21	-	-	-	-
	Subtotal	-	21	-	21	-	-	-	-
	Other								
	Subtotal	-	21	-	21	-	-	-	-
	TOTAL	-	21	-	21	-	-	-	-

ANNEXURE 4

UNAUDITED CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2020/21	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020	Receipt date up to six (6) working days after year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Department								
Department of Agriculture	-	20	-	-	-	20	-	-
Department of Economic Development	-	53	-	-	-	53	-	-
	-	**73**	**-**	**-**	**-**	**73**	**-**	**-**
Other Government Entities								
TOTAL	**-**	**73**	**-**	**-**	**-**	**73**	**-**	**-**

ANNEXURE 5

UNAUDITED INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2020/21	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020	31/03/2021	31/03/2020	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
Department of Justice	691	-		259	691	259	-	-
Department of Economic Development	-	264	-	-	-	264	-	-
Gauteng Office of the Premier	37	-	1 284	-	1 321	-	-	-
Department of Human Settlements	18	-	-	-	18	-	-	-
Subtotal	**746**	**264**	**1 284**	**259**	**2 030**	**523**	**-**	**-**
Non-current								
Subtotal								
TOTAL	**746**	**264**	**1 284**	**259**	**2 030**	**523**	**-**	**-**
OTHER GOVERNMENT ENTITY								
Current								
Department of transport (G-Fleet)	1 006	1 068	-	-	1 006	1 068	-	-
Subtotal	**1006**	**1 068**	**-**	**-**	**1 006**	**1 068**	**-**	**-**
Non-current								
Subtotal	**1 006**	**1 068**			**1 006**	**1 068**		
TOTAL INTERGOVERNMENT PAYABLES	**1 752**	**1 332**	**1 284**	**259**	**3 036**	**1 591**	**-**	**-**

ANNEXURE 11

COVID 19 RESPONSE EXPENDITURE

Per quarter and in total

	2020/21					2019/20
	Q1	Q2	Q3	Q4	Total	Total
Expenditure per economic classification	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of employees						
Goods and services	**-**	**16 521**	**1 509**	**5 831**	**23 861**	**-**
List all applicable SCOA level 4 items						
Advertising	-	453	508	938	1 899	-
Cns: Bus&Adv Ser: Research Advisor	-	-	-	58	58	-
Contractors	-	-	-	179	179	-
Consumable supplies	-	15 682	-	729	16 411	-
Property payments	-	386	240	722	1 348	-
Operating payments	-	-	761	3 205	3 966	-
Total	**-**	**16 521**	**1 509**	**5 831**	**23 861**	**-**

NOTES

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TITLE OF PUBLICATION:

COGTA Annual Report 2020/2021

PR231/2021
ISBN: 978-0-621-49652-9

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