

Annual Report 2011 | 2012



**Cooperative Governance
Traditional Affairs**

Mr. M.R. Baloyi, MP

Minister for Cooperative Governance and
Traditional Affairs

We are pleased to submit the Annual Report for the Department of Cooperative Governance and the Department of Traditional Affairs (**CoGTA**) for the financial year 1 April 2011 to 31 March 2012.

The contents of the report are consistent with the disclosure principle contained in the guide for the preparation of Annual Reports issued by National Treasury. This report seeks to portray **CoGTA's** activities during the financial year under review and based on sound underlying departmental information and management systems.

In presenting this report we acknowledge progress made by two departments under the Ministry of Cooperative Governance and Traditional Affairs during the 2011/12 financial year as well as the challenges and opportunities that lie ahead.



Mr KTM Sigidi
Director-General (Acting)
DCoG
31 August 2012



Professor MC Nwaila
Director-General
DTA
31 August 2012

CONTENTS

CHAPTER 1:

1	GENERAL INFORMATION	4
1.1	Vision, Mission and Values	5
1.2	Organisational Structure	5
1.3	Legislative Mandate	6
1.4	Entities reporting to the Minister	6
1.5	Foreword by the Minister	7
1.6	Deputy Minister's Statement	9
1.7	Accounting Officer's Overview	
	1.7.1 Department of Cooperative Governance	11
	1.7.2 Department of Traditional Affairs	14
2.	INFORMATION ON PREDETERMINED OBJECTIVES	16
2.1	Overall Performance	17
2.1.1	Voted funds	17
2.1.2	Aim of vote	17
2.1.3	Strategic Outcomes Oriented Goals	17
2.1.4	Overview of the service delivery environment for 2011/12	17
2.1.5	Overview of the organisational environment for 2011/12	20
2.1.6	Key policy developments and legislative changes	20
2.1.7	Departmental revenue, expenditure, and other specific topics	22
2.1.8	Departmental revenue	23
2.1.9	Transfer payments	24
2.1.10	Public Entities	24
2.1.11	Conditional grants and earmarked funds	26
2.1.12	Capital investment, maintenance and asset management plan	27
2.2.	Programme Performance	29
2.2.1	Programme 1: Administration	29
2.2.2	Programme 2: Policy, Research and Knowledge Management	37
2.2.3	Programme 3: Governance and Intergovernmental relations	41
2.2.4	Programme 4: Disaster Management Centre	49
2.2.5	Programme 5: Provincial and Municipal Government Support	56
2.2.6	Programme 6: Infrastructure and Economic Development	63
2.2.7	Programme 7: Traditional Affairs	72
3.	ANNUAL FINANCIAL STATEMENTS	105
3.1	Report of the Audit Committee	106
3.2	Report of the Accounting Officer	108
3.3	Report of the Auditor-General	120
3.4	Appropriation Statement	126
3.5	Notes to the Appropriation Statement	145
3.6	Statement of the Financial Performance	148
4.	HUMAN RESOURCE REPORT	252
5.	OTHER INFORMATION	254

CHAPTER 1:

GENERAL INFORMATION

Vision, Mission and Values

1.1 Vision, Mission and Values

VISION

An integrated, responsive and highly effective governance system.

- Monitoring and evaluation of cooperation amongst government stakeholders to achieve improved service delivery.

MISSION

Our mission is to facilitate cooperative governance and support all spheres of government, through:

- Development and implementation of appropriate policies and regulatory mechanisms to promote integration of government development programmes;
- Achievement of social cohesion through the creation of enabling mechanisms for communities to participate in governance; and

VALUES

We have adopted the following core set of values that will inform our conduct and approach:

- Professionalism in the conduct of all employees;
- Activist approach;
- Goal orientation;
- Partnership and Collectivism; and
- Innovation and Service Excellence.

1.2 Organisational Structure for DCoG



1.3 Legislative Mandate

Our primary mandate is to:

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

CoGTA's mandate is derived from Chapters 3, 5, 6, 7 and 9 of the Constitution of the Republic of South Africa, 1996, hereafter referred to as the Constitution.

As a national department our function is to develop national policies and legislation with regard to Local Government, and to monitor, inter alia, the implementation of the following:

- a) Intergovernmental Relations Framework Act, 2005 (Act No. 13 of 2005);
- b) Municipal Property Rates Act, 2004 (Act No.6 of 2004);

- c) Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003);
- d) Disaster Management Act, 2002 (Act No.57 of 2002);
- e) Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);
- f) Local Government: Municipal Structures Act, 1998 (Act No.117 of 1998);
- g) Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);
- h) White Paper on Local Government (1998);
- i) Organised Local Government Act, 52 of 1997;
- j) Fire Brigade Services Act, 99 of 1987;
- k) Local Government: Municipal Property Rates Act, 6 of 2004;
- l) Local Government: Cross-boundary Municipal Act, 29 of 2000.

1.4 Entities Reporting to the Minister

- 1.4.1 South African Local Government Association (SALGA)
- 1.4.2 Municipal Demarcation Board (MDB)
- 1.4.3 United Cities and Local Government of Africa (UCLGA)





Foreword by the Minister

Honourable Richard Masenyani Khuvanani Baloyi
Minister of Cooperative Governance and Traditional Affairs

“With the new leadership at local level we set out to transform the lives of ordinary people for the better.”

The year 2011 saw South Africa achieve another milestone in its mission to institutionalise democracy and democratic principles. Another successful, peaceful, free and fair local government election was held and the South African public once again made their voices heard, through their votes, as to who should represent them at local level.

For the first time 10 055 council seats which includes 4277 wards, were contested in 8 metropolitan councils, 44 districts and 226 local municipalities. The number of Councillors in the 2011 election has increased by 12.3% and 8.5% from the 2000 and 2006 elections respectively. The voter turnout of 57.54% was the highest ever since 2000.

With the new leadership at local level we set out to transform the lives of ordinary people for the better. As we navigated through 2011 we were constantly guided by President Zuma's message on the occasion of the 2011 State of the Nation Address when he said *"we have to make people's experience of local government a pleasant one, as it touches their homes and their lives directly, every day"*.

It is an honour and a privilege for us, as the **CoGTA** family, to present an annual report that is indicative of the progress we have made in the creation of a responsive, accountable, effective and efficient local government system. Despite the progress we made, we still have to address weaknesses we identified in the state's lack of capacity to intervene decisively in infrastructural issues.

Programmes were put in place to address these challenges and also to improve infrastructure project implementation and build management capacity, these include:

- A new Cities Support Programme, initially in eight metropolitan authorities, focused on improved spatial planning, public transport systems and management of infrastructure utilities;
- Technical assistance to municipalities is also provided through the neighbourhood development programme, which supports over 220 projects aimed at catalysing business investment in township partnership projects; and

- The infrastructure skills development grant supported 150 graduate interns in engineering and spatial planning.

Also during the reporting period we have taken great strides towards the establishment of the Municipal Infrastructure Support Agency (MISA). Through this vehicle, we will be able to accelerate service delivery through a number of programmes, namely:

- Municipal infrastructure assessment and diagnosis of the challenges to find solutions that are viable and sustainable;
- Provision of municipal infrastructure capacity support;
- Municipal infrastructure implementation support; and
- Sector capacity development including internship for unemployed graduates within municipalities.

During the year under review, the implementation of Local Government Turn Around Strategy (LGTAS) and Outcome 9 was streamlined into the Local Government Agenda by focussing on selected priority areas, namely:

- Promoting sound financial management;
- Enhancing good governance;
- Intensifying the fight against corruption;
- Accelerating service delivery;
- Facilitating sustainable Infrastructure Development; and
- Deepening the transformation of the traditional affairs sector.

The adoption of these key priority areas is informed by firstly, our acknowledgement of the fact that much progress has been made, especially in the year under review, and secondly by our tacit and explicit realisation that if we are to make local government work, and work for the people, if we are to restore confidence on the local government system then we have to focus our energies on these priorities.

The past financial year, 2011/12, was a challenging but exciting year as we continued to navigate and chart our course through ravines, sandbanks and

rocky areas but 2012/13 promises to be an even challenging year but we are equal to the task.

As we prepare to embark on this journey I would also like to thank all within **CoGTA** family who tirelessly toil and shoulder the responsibility of making local government responsive, efficient, caring and integrated.

Local Government is Everybody's Business. Be Part of It!



Honourable MR Baloyi

Minister for Cooperative Governance and Traditional Affairs





Message by the Deputy Minister

Mr. Y. Carrim

Deputy Minister for Cooperative Governance and Traditional Affairs

“The success of the elections provides the basis for municipalities to accelerate service delivery and development.”

CoGTA went through a challenging year with uncertainties around its political leadership, but the appointment of Minister M R Baloyi in October last year has provided the basis for stability and a more focussed approach in the year to come.

The successful May local government 2011 elections gave a huge boost to **CoGTA**. It was not just that the 57,6% poll was the highest ever; it is the smooth transition from the term of the previous councils to the current ones that was commendable. The success of the elections provides the basis for municipalities to accelerate service delivery and development. Municipalities, with the support of provincial and national government, need to build on that potential, which includes responding adroitly to service delivery protests.

The capacity of municipalities to perform better in this term will be strengthened with the increasing implementation of the amendments to The Municipal Systems Act that were passed by Parliament in the year under review. Among the key issues these amendments dealt with is the professionalisation of the administration of municipalities, and the more the municipalities implement these legal and policy provisions, the better off they will be. Municipalities are not always implementing the requirements of the amendments, and are urged to do so. As **CoGTA** we need to work with our counterpart provincial departments in monitoring and supporting municipalities to properly implement the amendments to The Municipal System Act.

In the current financial year, the regulations deriving from the amendments to the Act will be processed, giving the municipalities a better legal foundation to implement the amendments.

Towards the end of the year under review, and since, there has been a spate of service delivery and broader community protests targeted at municipalities. **CoGTA** has worked with the provinces on assisting municipalities to respond appropriately to these protests. This work needs to be enhanced in the current financial year.

The year under review also saw a further restructuring and re-alignment of **CoGTA**, taking into account its new and expanded mandate since 2009. The Department of Traditional Affairs was consolidated further in the year under review, and was far more active than in the previous financial year. A

key mandate of this department is to ensure that traditional leaders, working cooperatively with councillors and traditional communities, play a more effective role in service delivery and development.

Various policy and legislative projects were processed in the year under review and will be taken into the public domain in the current and next financial year to be finalised before the end of this five-year term of government.

CoGTA certainly made progress during the year under review. But clearly more needs to be done and we are committed to doing this.



Mr. Y Carrim

Deputy Minister for Cooperative Governance and Traditional Affairs



Overview by Accounting Officer: DCoG

Mr KTM Sigidi

Director General (Acting): Department of Cooperative Governance

“The promulgation of the Municipal Systems Amendment Act 7 of 2011 into law was a milestone that sought to assist municipalities to professionalize municipal administration.”

In his budget speech the Minister summed up the year 2011-12 and the journey traversed “*a journey to a brighter destination, yet routed through rugged terrains, rocky inclines and sometimes slippery descents with coordination trap-doors*”.

We account on what we did and achieve amidst the challenges that seemed insurmountable, but have managed to hold on until the end. When we account on our achievement we are mindful that our main functions relate to policy development while the major part is coordination of other spheres to support the local sphere. The task is made more difficult in that all problems that arise in this sphere, **CoGTA** is called upon to intervene. Be it service delivery protests, debt owed to municipalities by national government or debt owed by municipalities to other state entities, governance issues, infrastructure delivery and failures, the list is endless we must and have to provide solutions.

This annual report is an honest account of what we have managed to achieve and what we failed to achieve. While it is easy to articulate achievements and failures, our focus should be how we plan to deal with challenges relating to the causal factors that made it impossible for us to achieve what we failed to achieve. These factors were internal and external, internal in the way in which we were organized to deal with the mandate and externally in what the Minister termed the coordination trap doors.

The highlights of the year under review has been the successful local government elections that ushered in 278 from 283 municipalities and an increased number of wards from 3895 to 4277- which meant more participation at the local level. This new configuration of municipalities meant that municipalities must adopt new five year budgets and plans and the new councils had to be trained to hit the ground running- where SALGA proved handy through the Councillor Induction programme.

The promulgation of the Municipal Systems Amendment Act 7 of 2011 into law was a milestone that sought to assist municipalities to professionalize municipal administration. The establishment of wards started in earnest with 92% of ward committees established and 77% trained. Funding was secured from the national fiscus to fund ward committee operations in grades 1 to 3 municipalities.

We supported 223 (80%) of the 278 municipalities to establish Municipal Public accounts committees (MPACs), a feat that was not anticipated as we had hoped that by the end of the financial year we would have established only 10%. This meant that municipalities are serious about improving their financial oversight and governance in that this was done by using the guide that was also developed and adopted by MinMEC.



We have also responded to government's call for creating jobs by managing the Community Work Programme (CWP) above expectations.

There has been low light as well, in that the spending of the Municipal Infrastructure Grant declined from the previous financial year. We were also unable to confidently confirm on data at our disposal that communities have access to basic services when our monitoring capabilities have been weak. Reasons for some of these failures may be advanced, but as said earlier we would want those to act as motivation for us to go forward.

We call upon our clients to navigate through this report and at the end join us in the implementation of

the new plan and assist us to remove the coordination obstacles that we have encountered-so that all of us can proudly say "*Local government is everybody's business*" and therefore let us all soil our hands for the betterment of our lives.



Mr KTM Sigidi

Director General (Acting): Department of Cooperative Governance





Overview by Accounting Officer: DTA

Professor MC Nwaila
Director-General for Department of Traditional Affairs

“Government, with the people of South Africa are in this together and your success depends significantly on the effective participation of us all.”

Since its establishment in 2009, the Department of Traditional Affairs (DTA) has made significant progress. The Department also noted that its strategic direction should be informed by the primary beneficiaries and partners in the area of traditional affairs. A number of avenues that would make it possible to deliver on the DTA mandate were considered.

The assessment of the state of governance within the institution of traditional leadership was considered the most appropriate model that the Department would use to conduct a diagnosis of the traditional affairs environment. The assessment was conducted in all provinces where there are legally recognised traditional leaders. The findings of the assessment of the state of governance informed the following high level strategic thrusts:

- A Partnership strategy which is being developed and will enable a focussed attention on traditional affairs, promoting cooperation, social cohesion and coordination within the three spheres of government;
- Review of the policy and legislation, with a view to accelerate development and service delivery;
- Development of Capacity Building Implementation Plan to empower the institution and traditional leaders;
- Focus on broader cultural communities, traditional healers and religious sectors as part of nation building and social cohesion; and
- Development of norms, standards and protocols for the traditional leadership institution.

These strategic thrusts have been incorporated in the 2012 to 2014 Strategic Plan and the Annual Performance Plan respectively.

In terms of the policy and legislation review process, the Department has completed a series of consultative engagements with key stakeholders on the development of the National Traditional Affairs Bill (NTAB). These consultations were pertinent towards the development and finalization of the NTAB. The Department has completed the consultations which included 29 Khoi-San communities throughout the country during August and September 2011.

The DTA continues to support and maintain a good relationship with its entities. Significant progress ranging from facilitating the appointment of five Commissioners for the Commission on Traditional Leadership Disputes and Claims (CTLDC), and strengthening administrative capacity of the NHTL respectively has been made.

The CTLDC has conducted public hearings on traditional leadership disputes and claims in the following provinces: Mpumalanga, Limpopo, Eastern Cape and Free State. Furthermore, the commission through the Department's support established provincial traditional leadership disputes and claims committees in the following provinces: Mpumalanga, Eastern Cape, KwaZulu-Natal, North West and Limpopo.

To date, the Commission has processed 139 claims as follows:

- 41 disputes and claims of Kingships;
- 76 Senior Traditional Leadership disputes and claims; and
- 22 Headmanship / headwomenship disputes and claims

The Department also continues to provide support to the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities (CRLRC) which is tasked with the responsibility of promoting and protecting cultural, religious and linguistic communities.

We appreciate and thank the Minister for the support and guidance during the year under review.



Professor MC Nwaila

Director-General: Department of Traditional Affairs

CHAPTER 2:

CoGTA Information on Predetermined Objectives

2.1 Overall Performance for CoGTA

2.1.1 Voted Funds

Description	Main Appropriation	Adjusted Appropriation	Actual Amount Spent	Under Expenditure
	R'000	R'000	R'000	R'000
Final appropriation by Vote Statutory Appropriation	47,933,580	48,204,662	46,221,564	1,983,098
Responsible Minister	Minister for Cooperative Governance and Traditional Affairs			
Administering Department	Department of Cooperative Governance and Traditional Affairs			
Accounting Officer	Director's-Generals			

2.1.2 Aim of vote

The aim of the Ministry of Cooperative Governance and Traditional Affairs is to improve cooperative governance across the three (3) spheres of government, in partnership with traditional leadership, thereby ensuring that provinces and municipalities carry out their delivery and development functions effectively.

2.1.3 Strategic Outcome Orientated Goals

In 2009 Government introduced the outcomes approach and set 12 outcomes which culminated into the signing of performance agreement between the President and Ministers responsible for the 12 outcomes. The Minister for Cooperative Governance and Traditional Affairs is responsible for the Delivery Agreement on Outcome 9: A responsive, accountable, effective and efficient local government system.

To achieve the vision of an integrated, responsive and highly effective governance system, the DCoG has identified the following nine (9) strategic goals:

- i. *Strategic Goal 1:* To implement a differentiated approach to municipal financing, planning and support;
- ii. *Strategic Goal 2:* To improve Access to Basic Services;
- iii. *Strategic Goal 3:* To implement the Community Work Programme;
- iv. *Strategic Goal 4:* To deliver actions supportive of the human settlement outcomes;

- v. *Strategic Goal 5:* To deepen democracy through a refined Ward Committee model;
- vi. *Strategic Goal 6:* To improve administrative and financial capability;
- vii. *Strategic Goal 7:* To implement a Single Window of Coordination;
- viii. *Strategic Goal 8:* To improve cooperative governance across the three spheres; and
- ix. *Strategic Goal 9:* To strengthen the capacity and capability of the department to deliver on its mandate.

These strategic goals are defined for the period 2011-14 given the strategic focus on delivering the outputs of the Delivery Agreement on Outcome 9. These strategic goals are therefore directly in line with the outputs of the Delivery Agreement and replace the strategic priorities set in the strategic plan 2009-14 which are: 1) Contribute to building the Developmental State in National, Provincial and Local Government that is efficient, effective and responsive; 2) Strengthen Accountability and Clean Government; 3) Accelerating Service Delivery and supporting the vulnerable; 4) Fostering Development Partnership, Social Cohesion and community mobilization and 5) Strengthen the capacity and capability of the department to deliver on its mandate.

2.1.4 Overview of the service delivery environment for 2011/12

During 2011 the third democratic local government elections were successfully held. For the first time 10 055 council seats which include 4277 wards, were

contested in eight (8) councils, 44 districts and 226 local municipalities. The number of Councillors have increased by 12.3%.

The mid-term review undertaken by government indicated steady progress in various areas of service delivery including human settlements, energy, water provision, rural development and others. To promote economic growth and enhance further access to services, the government announced in 2012 the implementation of major infrastructure projects across South Africa.

To address identified weaknesses in the state's infrastructure capacity, government put several measures in place to improve infrastructure project implementation and build management capacity, including:

- i. A new Cities Support Programme, initially in eight metropolitan authorities, focused on improved spatial planning, public transport systems and management of infrastructure utilities;
- ii. Technical assistance to municipalities is also provided through the neighbourhood development programme, which supports over 220 projects aimed at catalysing business investment in township partnership projects; and
- iii. The infrastructure skills development grant supported 150 graduate interns in engineering and spatial planning in 2011/12.

During the year under review, the implementation of LGTAS and Outcome 9 was streamlined into the Local Government Agenda by focussing on selected priority areas, namely:

- i. Promoting sound financial management;
- ii. Enhancing good governance;
- iii. Intensifying the fight against corruption;
- iv. Accelerating service delivery;
- v. Facilitating sustainable Infrastructure Development; and
- vi. Deepening the transformation of the traditional affairs sector.

Service delivery protests are rapidly becoming a fixed element of the South African socio-political landscape, and it is unlikely that popular protest and social unrest will cease. The perceived failure at the level of local government is amongst the motivating factor behind the protests that are being carried out under the rubric of service delivery, and disgruntled residents are likely to continue to take to the streets until their demands for a "better services" are met. The quiet period experienced in April and May 2011 (during local government elections) suggests that there can be a mitigation of protest activity due to increased consultation with communities.

MUNICIPAL INFRASTRUCTURE SUPPORT AGENCY (MISA)

The Minister of Cooperative Governance and Traditional Affairs, Mr Richard Baloyi, announced a new Municipal Infrastructure Support Agency (MISA) to support service delivery and enhance capacity in municipalities to be established under the Ministry in terms of Chapter 6 of the Public Service Act. Through MISA, the Department will be able to accelerate service delivery through a number of programmes, namely:

- i. Municipal infrastructure assessment and diagnosis of the challenges to find solutions that are viable and sustainable;
- ii. Provision of municipal infrastructure capacity support;
- iii. Municipal infrastructure implementation support; and
- iv. Sector capacity development including internship for unemployed graduates within municipalities.

MISA establishment process

The Basic groundwork for the establishment of MISA has been completed. MISA will act as dedicated vehicle for managing or coordinating the provision of technical support or technical capacity building for Local Government in order to accelerate and improve municipal infrastructure provision. The Interdepartmental Assessment Committee (IAC) with

the Minister of Public Service and Administrative and the Finance Minister endorsed the establishment of MISA as a government component within **CoGTA**.

These approvals paved way for the process of proclaiming MISA as a ring-fenced government component reporting to the Minister of **CoGTA**. It is anticipated that MISA will be proclaimed by the President before the end of May 2012. During 2011/12 MISA worked in collaboration with the Development Bank of Southern Africa (DBSA) to continue with the provision of support to municipalities for improved infrastructure provision.

Management of the transition to MISA

In light of the decision of Cabinet to assign the overall responsibility for technical capacity support for local government, together with the corresponding budget for 2011/12 to **CoGTA**, it became obligatory for MISA to manage the deployment of technical experts in local government as part of Siyenza Manje Programme. To give effect to this responsibility the department entered into a Memorandum of Agreement (MOA) with DBSA for the purpose of cooperation in the management of the continuous deployment of technical experts who remained employed by DBSA on contracts that expired on 31 March 2012. As at the end of February 2012 there were 93 technical experts (engineers and planning experts) deployed in 90 municipalities throughout the country to support municipal infrastructure delivery.

Implementation of MISA support programmes

i. Integrated Support Programme for Most Vulnerable Local Municipalities

During 2011/12 MISA initiated an Integrated Support Programme targeted at supporting 52 most vulnerable municipalities selected in consultation with provinces. The objective of this programme is to support municipalities towards enhancing their institutional capacity for better performance of the municipality in its entirety. The subsequent number of municipalities included in this programme is 67 local municipalities. These municipalities were taken through an assessment aimed at establishing a sound basis for supporting them. Outcomes of these assessments informed the Integrated Support Plans for each municipality to be implemented during 2012/13 financial year. In line with the respective support plans a range of government agencies and resources will be mobilized to ensure all components of the municipality requiring support are fully attended to.

ii. Water and Sanitation Support Programme

Another key support programme initiated by MISA during the financial year is the Water and Sanitation Support Programme aimed at enhancing the capability of 23 District Municipalities and six Local Municipalities that are Water Services Authority (WSA). Its main objective is to enable these WSAs



to extend water supply services to the majority of households within their areas that still remain without access. A total of 21 Districts included in this list were identified by the 2011 July Cabinet Lekgotla as requiring priority focus due to their extremely low levels of households access to the four key services (water, sanitation, electricity and waste removal) as measured by the Universal Households Access to Basic Services (UHABS) Index published in 2007. These District Municipalities and their Local Municipalities are predominantly rural and most of them are within the boundaries of former homelands. Their unsatisfactory performance in relation to this index could thus be partly attributed to inadequate investment in infrastructure for basic services provision prior to 1994.

Appropriate support is being provided to the 29 municipalities targeted by this programme with the specific focus on the relevant service sector requiring special attention and the nature of support for each municipality. The targeted areas and nature of support have been determined during the comprehensive review of these municipalities conducted during 2011/12 financial year. MISA is providing support to these municipalities in collaboration with all relevant sector departments and provinces.

2.1.5 Overview of the organisational environment for 2011-12

In a change of political leadership initiated by President Zuma in October 2011, Minister Mr Baloyi was appointed as the Minister for Cooperative Governance and Traditional Affairs.

During November 2011 the Ministry embarked on an alignment process to re-examine the mandate of the Ministry and determine how best the two departments of Cooperative Governance and Traditional Affairs can organise their organisational structures and resources to support the Ministry to fulfil its mandate. The Alignment process ultimately seeks to ensure that **CoGTA** is strategically positioned to execute its mandate in relation to provinces and all 278 municipalities in the country.

The exercise is aimed at aligning the current organisational structure and is in a process of being finalized. The new organisational structure will be effected during the next MTEF process to be undertaken by National Treasury in August 2012.

2.1.6 Key policy developments and legislative changes

In 2011/12 a discussion document towards a review of the White Paper on Local Government identified three (3) main policy approaches for further development in order to ensure that the vision for developmental local government is reinforced:

2.1.6.1 The **developmental approach** aimed at deepening democracy, effecting development and building institutional capacity and integrity.

In this regard the Department will further refine the drive towards the professionalisation of Local Government through the development of regulations setting uniform standards for municipal staff in the 2012/13 financial year.

2.1.6.2 The **cooperative approach** that underlines the need for an effective system of government at all three spheres, as well as better cooperation between the spheres.

Assessments have shown that the system of cooperative governance needs strengthening, especially in a period where government also needs to considerably improve the pace and quality of service delivery in the face of huge capacity, coordination and resource constraints. Government's approach of an outcomes-based administration to reach 2014 targets and beyond, requires a more efficient, effective and developmentally-oriented intergovernmental system.

A policy paper for cooperative governance with recommendations for improving the governance of powers and functions, and the policy, regulatory and supervisory environment between the three spheres of government will be finalized during the 2012/13 financial year.

2.1.6.3 The **differentiated approach** requires even more flexibility as foreseen in the 1998 White Paper. To ensure efficient municipal institutions, the roles and responsibilities given to each type of municipality should be revisited, but also the way in which the state respond to their needs should be better differentiated. A discussion document was developed during 2011/12 providing a macro framework for differentiation. In this document it was indicated that two different contexts, namely the socio-geographic context and the performance context, drive the need for differentiation. Past programmes in the local government sector have suffered from conflating these two (2) primary bases for differentiation in the delivery of institutional support interventions.

It is important going forward, that these two (2) bases for differentiation be kept separate in selecting responses that will address the context. This means that there will be:

- a) Support responses, incentives and recognition to address performance (which is within a municipality's control); and
- b) A different set of responses, including assignment of functions, development of alternative service delivery modalities and redistributive resource allocation to address the socio-geographic context of a municipality (which is often outside of the municipality's control and takes longer for changes to realize).

The Department will finalise a barometer to support decision making with regard to support interventions responding to performance during the 2012/13 financial year.

With regard to responses related to the functional assignment framework, including role differentiation between types of municipalities the Department has formed a partnership with National Treasury. The Local Government Fiscal and Functional Framework (LGFFF) is a long-term undertaking towards the development of a holistic Framework for the management of the various pillars supporting the effective delivery of the powers and functions of government.

2.1.6.4 The Municipal Systems Amendment Act 7 of 2011

The Municipal Systems Amendment Act was assented to by the President on the 5 July 2011 (the Act). The Act outlines government's resolve to professionalise local public administration to ensure fair, efficient, effective and transparent municipal administration.

The Act empowers the Minister to regulate a wide range of human resource matters affecting all staff members of a municipality. The development of the Regulations contemplated above is to build a committed workforce with the necessary intellectual capacity, competencies and experience to help deepen democracy and accountability and improve service delivery. The Regulations intend to realise the spirit of the Municipal Systems Act in actioning the following:

- Establish norms and standard for local government human resource management systems and procedures;
- Create a local public administration governed by the values and principles of public administration as enshrined in Chapter 10 of the Constitution of the Republic of South Africa, 1996;
- Create an enabling environment to increase staff mobility within local government by standardising human resource management systems and practices;
- Improve the capacity of municipalities to perform their functions and improve service delivery by ensuring that municipalities recruit and retain suitable qualified persons, especially persons with scarce skills;
- Ensure predictability and maximise administrative and operational efficiency across municipalities; and
- Establish a coherent human resource governance regime that ensures adequate checks and balances.

Going forward, the Department has committed to phase-in the development of the regulations cited above as follows:

- 2012/13: Regulations governing the appointment and conditions of service of municipal managers and managers directly accountable to municipal managers.
- 2013/14: Institution wide regulations applicable to staff below senior managers.

The development of the regulations marks a paradigm in building a committed workforce with the necessary intellectual capacity, competencies and experience to help deepen democracy and accountability and improve service delivery. The Regulations will provide a contextual framework for skills development programmes for senior managers and will hopefully go a long way in addressing the many challenges pertaining to professionalisation of local public administration.

2.1.6.5 The Municipal Property Rates Amendment Act

The Municipal Property Rates Act no 6 of 2004 which amongst other matters, regulates the power of a municipality to impose rates on property, and provides for the implementation of a transparent and fair system of exemptions, rebates and reductions through their rating policies was reviewed and to that

end the Municipal Property Rates Amendment Bill was approved by the Cabinet and published for public comments in June 2011. The Bill which amongst other matters, seeks to exclude certain public service infrastructure from rating in the national interest in recognition of their developmental role, provide for regulatory clarity and certainty and strengthen the property categorisation framework is expected to be introduced to Parliament in the third quarter of this financial year.

2.1.6.6 Draft Legislation for Support, Monitoring and Interventions

The proposed Bill for Support, Monitoring and Interventions was finalised during 2011/2012 and is due to be presented to Cabinet and Gazetted for public consultations during 2012/2013.

The purpose of the Bill is to create subordinate legislation to sections 100 and 139 of the Constitution respectively, in order to provide for improved procedural and regulatory mechanisms when invoking either of these sections.

The section of the Bill that seeks to provide for a framework for strengthened support mechanisms is drafted in terms of section 154 of the Constitution, which places the obligation on national and provincial government to support local government to carry out its functions.

2.1.7 Departmental revenue, expenditure, and other specific topics

Departmental Revenue

Description	2007/08 R'000	2008/09 R'000	2009/10 R'000	2010/11 R'000	2011/12 R'000
- Sales of goods and services other than capital assets	125	150	146	149	160
- Interest, dividends and rent on land	3	2	5	3	2
- Sales of capital assets	337	-	105	-	151
- Transactions in financial assets and liabilities	266	668	253	89	779
Total Revenue Collected	731	820	509	241	1092
Year on year growth/decrease		12%	-38%	230%	-35%

2.1.8 Departmental Expenditure

Current Payments

During the period under review the total departmental expenditure was R46, 221 billion which is 95% of the total adjusted budget of R48, 204 billion.

The Department underspent on Compensation of Employees by R11,6 million and this is attributed mainly to slow recruitment processes. The vacant positions within the MISA and CWP programmes were only filled late in the financial year.

Furthermore, key strategic projects such as the establishments of SANACO were deferred to 2012/13 financial year. This resulted in the Department under spending by R20,6 million on Goods and Services.

Transfers and subsidies

During the period under review the total expenditure on transfers and subsidies was R45,5 billion, which is 95,6% of the total adjusted budget of R47 billion.

- a) The Local Government Equitable Share allocation which is earmarked for municipalities amounting to R1,2 billion was withheld by National Treasury, due to the fact that Municipalities were not spending on their Conditional Grants allocations.
- b) The Disaster relief fund amounting to R727 million was unspent due to assessment processes that took longer than anticipated.
- c) An amount of R262 million earmarked for non-returning councillors was unspent due to incomplete information received from the Municipalities and the process of obtaining tax directives from SARS was also a contributory factor.

Payments for capital assets

The expenditure on capital assets was R8.3 million, which is R46% of the adjusted budget of R18 million.

The under spending is attributed to late appointment of implementing agents for CWP resulting in the

Department under spending on Payment of Capital Assets with an amount of R11,4 million.

2011/12 Implementation of the budget and measures adopted to improve expenditure

Compensation of employees

The Department has been allocated an amount of R255 million for Compensation of Employees for 2012/13 financial year to cater for 511 posts.

Goods and Services

An amount of R 1 631,306 million was allocated for goods and services of which R 1,422 877 million is earmarked for CWP, R 188,525 million for MISA, R13,802 million for National House of Traditional Leadership and R 6,1million for Commission on Traditional Leadership Disputes and Claims. The amount of 202 157million will be focused on the following:

- I. Improving integrated development planning across the three spheres of government;
- II. Accelerating universal access to affordable basic services, significantly reducing infrastructure backlogs, supporting provinces and local government to achieve clean audits, and supporting municipalities to reduce municipal debt;
- III. Building capacity within local government to construct, develop and maintain infrastructure to able the delivery of basic services in a sustainable manner; and
- IV. Department will consolidate all national legislation pertaining to the institution of traditional leadership into a single bill.

Payments for Capital Assets

The department was allocated R19,7 million of which R5, 8million is earmarked for Community Work Programme. The remaining of budget will be spent on upgrading of ICT equipment (R 5,7 million)

and the replacement of old GG vehicles at the cost of (R1,2 million) and the rest on office furniture and computer software.

2.1.9 Transfer payments

The department is responsible for managing and transferring the MIG, MSIG and Equitable Share to municipalities and in this regards support will be provided to municipalities on the implementation of MIG and MSIG projects by accelerating access to basic services.

2.1.10 Public Entities: Highlights for 2011/12

2.1.10.1 South African Local Government Association (SALGA)

The South African Local Government Association was founded in December 1996 and is mandated by the Constitution to assist in the comprehensive transformation of local government. The Organised Local Government Act (1998) recognises the association as representative of organised local government, and allows organised local government to designate up to ten (10) part-time representatives to the National Council of Provinces in Parliament and to nominate two representatives to the Financial and Fiscal Commission, which advises government on budget issues. The association participates in intergovernmental structures at a provincial and district level, and is therefore able to influence national and provincial legislation and gauge its impact on local government.

SALGA National Conference 2011

The South African Local Government Association held its fourth Conference from the 29 August to 01 September 2011 under the theme “*Building Municipal and Social Cohesion for Quality and Sustainable Services: 2011 and Beyond*”. All 278 South African municipalities were convened to reflect on progress within SALGA and the sector as a whole over the past five years, elect new leadership and determine the strategic agenda for the next term of five years. The

conference, is an elective conference of SALGA's highest decision-making structure convened after each Local Government general elections.

Councillor Induction Programme (CIP)

After the local government elections that took place in 18 May 2011, SALGA in partnership with DBSA and Department of Cooperative Governance, inducted a total of 8 642 Councillors across all nine provinces to ensure that the newly elected leadership were well capacitated throughout their term to enable them to play their representative, governance, management, and oversight roles effectively in municipalities.

CIP took place during the period 27 June to 22 July 2011. The induction conducted is broken down in the table below per province:

INTERVENTION	CIP
Eastern Cape	1170
Free State	761
Gauteng	1265
KwaZulu Natal	1670
Limpopo	1318
Mpumalanga	827
North West	615
Northern Cape	431
Western Cape	585
TOTAL	8 642

Councillor Support

A position paper on pension fund and medical aid arrangements was developed to create a common understanding of institutional arrangements for pension fund and medical aid regimes. SALGA influenced the final upper limit notice that was promulgated in 2011/12.

Hands-on support to municipalities

SALGA Governance Hands-on Support Strategy was approved and is being implemented in municipalities across the nine provinces. Hands-on support was provided to in excess of 90 (ninety) municipalities.

2.1.10.2 South African Cities Network (SACN)

The SA Cities Network (SACN) is an established of South African cities and partners that encourages the exchange of information, experience and best practices on urban development and city management. It is an initiative of the Minister for Cooperative Governance and Traditional Affairs **CoGTA** and nine city municipalities, in partnership with the South African Local Government Association (SALGA). The SACN is mandated to promote good governance and management of its member cities using the knowledge of large city government experiences within the global and national economic development contexts; and to promote partnerships between or among the spheres of government in the interests of enhancing good city governance in South Africa.

Launch of the third (3rd) edition of the State of Cities Report (SoCR)

The SACN launched its third edition of the SoCR 2011. The report was received by numerous references to its content by policy makers and the media. The SoCR 2011 provided a useful platform for debate on various issues including service delivery at municipal level.

SACN workshop on the Financing of City Government Services in Southern Africa

The workshop was held in Lilongwe, Malawi, looking at a better and more innovative ways for the city governments in the region to finance their infrastructure needs. The work involved shadow credit assessments of more than 10 SADC municipalities, updating the financial status of the SACN's nine members in South Africa and a comprehensive financial capacity building exercise in one municipality.

Spatial Planning and Land Use Management workshop

The SACN convened this workshop to assist SACN and its members to react to the current national

legislative process on land-use management reform (the Spatial Planning and Land Use Management Bill, or SPLUMB); and to initiate a process of preparing municipalities and provinces for the proposed provincial legislation on SPLUMB.

The SACN's official reaction to SPLUMB emerged from the workshop and was delivered to the Department of Rural Development and Land Affairs on 6 June 2011.

2.1.10.3 Municipal Demarcation Board (MDB)

In terms of section 155(3)(b) of the Constitution, the Municipal Demarcation Board is an independent authority responsible for determining municipal boundaries. The board's independence is also protected by section 3 of the Local Government Municipal Demarcation Act (1998) and various judgments by the Constitutional Court. In addition to determining and re-determining municipal boundaries, the Board is also mandated to declare district management areas, delimit wards for local elections, and assess the capacity of municipalities to perform their functions.

Re-determination of Municipal Boundaries

In 2011/12 financial year, the Municipal Demarcation Board commenced with re-determination of municipal boundaries across the country through consultation process at Districts and Metropolitan municipalities. The Municipal Demarcation Board has analysed and mapped 558 cases which are still under consideration. A further 453 cases of boundary re-determination requests have been received, this amounts to a total number of 1011 requests on boundary changes which were analysed and mapped out.

Redesigning Capacity Assessment Model of Municipalities

In the year under review, the Board launched the revised capacity assessment web based tool aimed at enhancing the collection of data from municipalities to empower the MBD to assess powers and functions of municipalities. The MBD played a strategic role in

the preparation for and during the Local Government Election of 2011 through delimitation of wards at municipalities across the country.

2.1.10.4 United Cities and Local Government of Africa (UCLGA)

The United Cities and Local Governments of Africa (UCLGA) was founded in 2005 as the apex association giving a single voice to local governments on the continent and representing them on various fora. UCLGA was registered in the Republic of South Africa as a Non-Governmental Organization in March 2006. A dispute arose between the West Africa and Southern Africa regions which resulted in a split of the organisation into two structures bearing the same trade name, "UCLGA". The UCLG, which is the umbrella organisation of UCLGA supports the Western African structure. A decision was taken that the funds allocated to UCLGA must be surrendered to National Treasury and future allocation will be cancelled.

2.1.11 Conditional grants and earmarked funds

1. MUNICIPAL INFRASTRUCTURE GRANT

The 2011/12 financial year marked the eighth year of implementation of the Municipal Infrastructure Grant (MIG) programme. The MIG programme is aimed at providing infrastructure for South Africans to access the basic level of service by the year 2014.

The graph that follows on page 28 show trends of expenditure from the 2004/05 financial year to the end of the 2011/12 financial year.

It is worth noting that MIG expenditure has decreased by R509,322 000

Figure 2 indicates lower expenditure for the Free State, Gauteng, KwaZulu-Natal, Limpopo, Northern Cape and Western Cape Provinces compared to the 2010/11 financial year. Unlike the trend observed in 2010/11, KwaZulu-Natal recorded a decrease of R 259 million in expenditure by the end of March 2012

compared to the same period in the previous financial year, followed by Limpopo at R121 million. By the end of March 2012, the Eastern Cape, Mpumalanga and North West provinces all reflected higher expenditure, than the same period of the previous financial year. North West is the only province where the total expenditure improved by over R150 million from the previous financial year.

In the 2011/12 financial year the MIG allocation to municipalities amounted to R11.4 billion. By the end of March 2012, the DCoG had transferred R11.4 billion representing 100% of the allocation.

Expenditure reported by municipalities as at the end of March 2012 amounted to R6.1 billion or 53% of the allocation. Municipalities had a balance of R5.4 billion in their bank accounts that was not spent as at the end of March 2012. To improve spending on MIG programme implementation, the national and provincial governments are supporting municipalities through workshops and support intervention meetings.

247 municipalities received the MIG allocation in the 2011/12 financial year. 4 municipalities or 2 percent spent 100 percent by the end of March 2012. There was one municipality that reported zero expenditure. 107 municipalities reported expenditure of less than 50 percent during the same period.

Municipal Systems Improvement Grant

In the 2011/12 financial year the Municipal Systems Improvement Grant allocation to municipalities amounted to R220.2 million. By the end of March 2012, DCoG had transferred R220.2 million representing 100% of the allocation. As at the end of March 2012, the Municipal Systems Improvement Grant was transferred to all receiving municipalities as per the DoRA allocations. The Municipal Systems Improvement Grant was primarily utilized by municipalities for the following output areas:

- Improving their viability and management through targeted support interventions;

- Strengthening administrative systems enabling effective implementation of the ward participation system;
- Implementing by-laws, policies and systems that support local government legislation; and
- Establishing information systems that support effective service delivery.

- Assets purchased – R 9,675,859.00
- Disposals through scrapping R4,696,829.74
- Losses due to theft - R63,334.44

The following measures are taken to ensure that the asset register is up to date:

All the municipalities that received the Municipal Systems Improvement Grant submitted activity plans in line with the grant framework in order to focus their expenditure accordingly.

- Quarterly assets accounts/verifications are conducted and discrepancies are investigated;
- Assets sheets for all assets users are signed by users to confirm the existence
- Asset sheets are available in all locations that are having assets; and
- Movement of assets between different location are recorded.

MIG TRANSFERS, EXPENDITURE OF TRANSFERRED AMOUNT AND AMOUNT NOT YET TRANSFERRED AS AT MARCH 2011

DCoG transferred 100 percent of the funds allocated to municipalities as per the gazetted allocation.

The current state department assets in terms of percentage:

2.1.12 Capital investment, maintenance and asset management plan

- Good - 83%
- Fair - 16%
- Bad - 1%

2.1.12.1 Asset Management

The department is utilising and also in control of approximately 14 000 movable assets with a monetary value of R65, 026,000. The following movements were effected during the period under view:

Table 1: Expenditure of the 2011/12 allocation as at 31 March 2012

Province	Allocated (R'000)	Transferred to date (R'000)	Transfers as % allocation	Expenditure to date (R'000)	Expenditure as % allocation	Expenditure as % transferred	Balance Unspent (R'000)
Eastern Cape	2 405 727	2 405 726	100%	1 561 692	64.9%	64.9%	844 034
Free State	841 111	841 110	100%	516 688	61.4%	61.4%	324 422
Gauteng	399 532	399 531	100%	214 810	53.8%	53.8%	184 721
KwaZulu Natal	2 598 937	2 598 935	100%	1 178 293	45.3%	45.3%	1 420 642
Limpopo	2 030 304	2 030 302	100%	923 017	45.5%	45.5%	1 107 285
Mpumalanga	1 177 082	1 177 079	100%	618 838	52.6%	52.6%	558 241
Northern Cape	424 909	424 903	100%	169 277	39.8%	39.8%	55 626
North West	1 190 545	1 190 545	100%	656 107	55.1%	55.1%	534 438
Western Cape	375 358	375 358	100%	226 630	60.4%	60.4%	148 728
TOTAL	11 443 505	11 443 489	100%	6 065 352	53.0%	53.0%	5 378 137

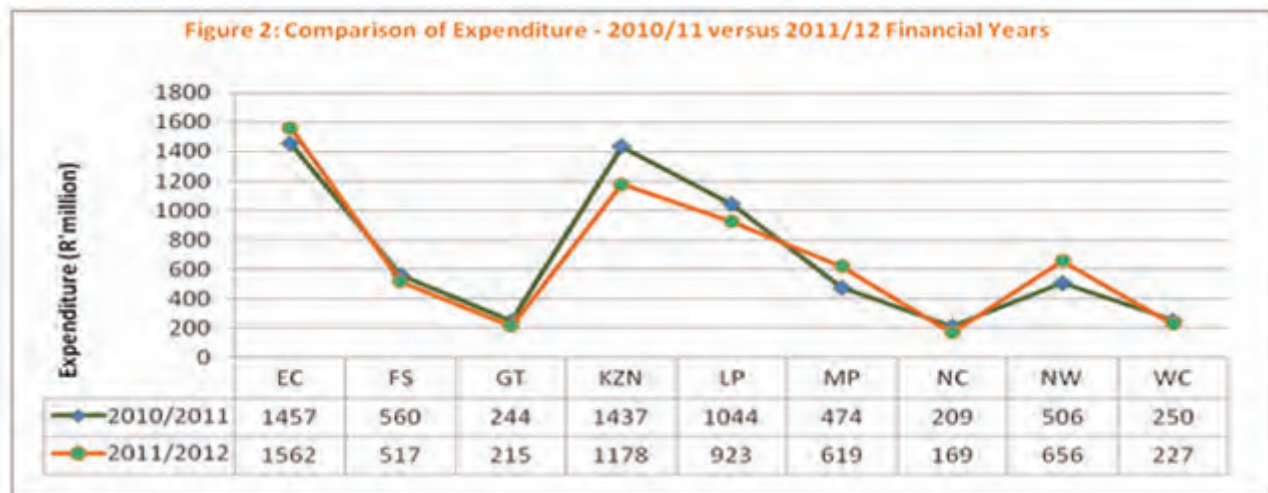
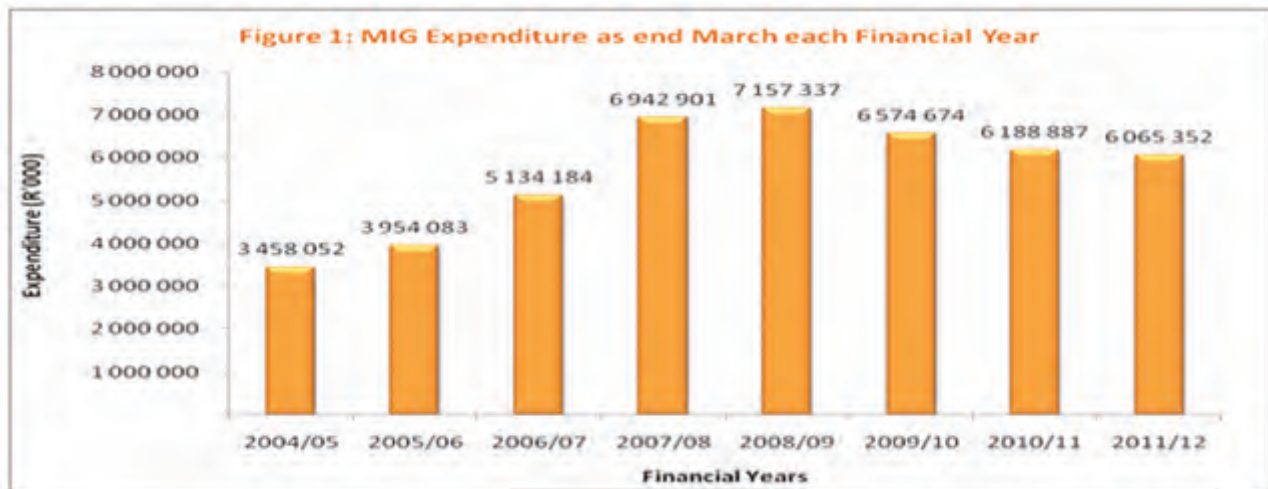


Table 2: Financial Performance of Municipalities during the 2010/11 financial year

Province	Municipalities spending 0 percent (0%)		Municipalities spending less than 50 percent (50%)		Municipalities spending between 50 and 79 percent (50% & 79%)		Municipalities spending 80 - 99 percent (80%-99%)		Municipalities spending 100 percent (100%)		Total Receiving	
	11/12	10/11	11/12	10/11	11/12	10/11	11/12	10/11	11/12	10/11	11/12	10/11
EC	-		2	5	20	25	15	12	7	-	44	42
FS	-		1	3	14	13	3	3	2	-	20	19
GP	1		2	3	3	3	3	1	1	-	10	7
KZN	-		12	39	29	17	16	3	3	1	60	60
LMP	-		7		11		6		5		29	
MPU	-		6		5		7		1		19	
NC	-	1	15		9		5		3		32	
NW	-		10		10		2		-		22	
WC	-		4		9		4		11		28	
Total	1		59		110		61		33		264	
% share to total receiving	0%		22%		42%		23%		13%		100%	

Programme 1: Administration

2.2 Programme Performance

2.2.1 Programme 1: Administration

2.2.1.1 Purpose

To provide for the management, leadership and administration of the department.

2.2.1.2 Objectives and measures

The programme seeks to achieve the following objectives:

- i) Management of internal financial, administration and human resource systems;
- ii) Improve the **DCOG** Strategic Management and Governance process in order to enhance organisational capacity and capability by 31 March 2012;
- iii) Provide a comprehensive legal services support to the Department and key stakeholders in order to maintain and improve on Compliance and Due Diligence by March 2012; and
- iv) To provide media management and capacitate municipalities in communication strategies.



2.2.1.3 Service delivery objectives and indicators

The programme is divided into five Sub-Programmes:

- **Corporate and Financial Management Services**

Human Capital Management

The human Capital Management sub-programme is mainly responsible for overall workforce planning and management to ensure that the Departments of Cooperative Governance and Traditional Affairs cultivate a diverse, competent and well managed staff compliment capable and committed to deliver high quality services. Key to this responsibility is to ensure the following:

- Recruit the right quality and quantity of staff;
- Ensure optimum utilisation of staff;
- Develops a multi-skilled, representative and flexible workforce; etc.

For the period under review, the development of a Human Capital Management Strategy for **CoGTA** could not be completed in time due to a number of factors such as restructuring, leadership changes, capacity challenges etc. However, upon further analysis on the challenges relating to the completion of the plan it was found that the Human Resource Plans that all government departments are required to develop actually overlaps with the development of the strategy. Hence it was strategically agreed to

prioritise the development of the HR Plan as it is a legislated responsibility of the Department.

Financial Management

The Financial management services sub programme is responsible for overall financial management, asset management and supply chain management of the department. The main purpose is to provide financial management support to programme managers to effectively and efficiently utilise the allocated resources for delivery on the Departments' mandates. Sub programme is also responsible to ensure that the department leads by example in the Minister's Clean Audit programme.

The focus of the year under review has been on setting up systems for an environment that is conducive to achieving a clean audit hence the objectives of the improvement in key internal controls, unqualified audit, improved asset management systems and legislative compliance.

These objectives have been successfully realised in that there is notable reduction in the negative issues raised on the AG's quarterly key controls assessment; the key policies being the asset management and supply chain management were reviewed, procedures for implementation which include checklists were developed and training provided to users. The post audit action plan was successfully implemented and the Division of Revenue Act requirements were observed throughout the financial year.



- **Communications and Marketing**

The objective of the Communication and Marketing sub programme is to provide strategic communication, stakeholder management and marketing support to the department's mandate and increase its public and awareness. The sub programme strategically profiles the **CoGTA** brand and the department's core programmes with the goal of contributing to the restoration of public confidence and trust in government. In the year under review, a total of 95 municipalities and 164 communicators have benefited from the training programme in five provinces. The target of 15 media engagements was achieved and exceeded, with a total of 45 media engagements taking place in the 2011/2012 financial year.

- **Office of the Chief Operating Officer**

Corporate Planning, Governance and Monitoring and Evaluation

The Corporate Planning, Governance, Monitoring and Evaluation sub programme is responsible for the strategic planning of the department, project management within the department as well as monitoring and evaluation both internal in the department and external in provinces and municipalities. During the year under review the Corporate Planning and Governance coordinated the strategic review and planning process for the development of the 2012/13 Annual Performance Plan. Both the Department of Cooperative Governance and the Department of Traditional Affairs participated in the planning process. The 2012/13 Annual Performance Plan was tabled in Parliament on 7th March 2012.

The department started to entrench the project management culture and this was promoted within programmes mainly to improve on implementation of project. All the Annual Performance Plan targets for 2011/12 were converted into projects and every project had to follow the project life-cycle. Project scopes and costed project plans were developed for all APP projects. The implementation of the projects was monitored through monthly reports and quarterly organization performance report.

The sub programme also ensured that core indicators for Local Government find expression in provincial Annual Performance Plan 2012/13. 4 District Municipalities under the Free State Province were supported with the development of section 46 reports. The department has successfully monitored and reported progress against the Programme of Action on outcome 9 on a quarterly basis, as well as coordinating the Technical Implementation Forum meetings.

Flagship programme

The Flagship Project Office provided dedicated project management support through inter alia monthly Flagship monitoring meetings to ensure implementation of the following Ministerial flagship projects of the department: Clean Cities and Towns, Operation Clean Audit, Revenue Management, Business Adopt-a-Municipality and the Cooperatives Programme.

- **Internal Audit and Risk Management**

During the 2011/2012 financial year Internal Audit developed its three (3) year rolling Audit Plan and the Annual Project Plan which was adopted and approved by the Audit Committee. The sub programme has conducted internal audits and has offered recommendations for improvement. Risk Assessments were conducted by **CoGTA** and were consolidated into the Departmental Risk Register which is used as the foundation for identifying and responding to the business risks of **CoGTA**. Internal Audit continues to oversee the implementation of the requirements of the Fraud Prevention Policy and Strategy. Fraud awareness is a priority and reinforces **CoGTA's** stance against fraud and corruption.

- **Legislative Review, Drafting and Support Services**

During the 2011/2012 financial year, the sub programme developed a Monitoring Toolkit which provides a perspective of projects associated with contracts and legal consequences thereof. Promotion of Administrative Justice Act, 2000 (PAJA) workshops were held with municipalities. The report

as required by section 32 of the Promotion of Access to Information Act was submitted to the South African Human Rights Commission (SAHRC). The Legislative Programme for 2012 was submitted to the Office of the Leader of Government Business in January 2012. The sub programme also submitted briefing notes on important court judgments delivered by the Constitutional Court and the Supreme Court of Appeals dealing with matters that impact on local government. Some of the judgments deal with the role of municipalities during the eviction of illegal occupants and the collection of property

rates when ratepayers' associations refused to pay due to service delivery disputes. The Department was further advised on the implications of the State Liability Amendment Act, 2011 (SLAA) (Act No. 14 of 2011) which provides for the procedure to be followed by government to satisfy court orders sounding in money and failure thereof would result to attachment of state assets. The sub programme finalised a number of litigation cases in favour of the department/government. One of the cases involved the review and setting aside of the findings of the Nhlapho Commission on recognition of Kingships.

2.2.1.4 Service delivery achievements

The table below provides actual progress against planned targets per sub-programme as well as reasons for variance on targets that were Partially Achieved and not achieved.

Strategic Objective	Indicators	Baseline	Actual Performance against Targets		Reason for Variance
			Target	Actual	
Sub-programme: Human Resource Capital					
Management of Internal financial, administration, and human resource systems	HCM Strategy developed and implemented.	Desktop research report	Develop and Implement the HCM Strategy	Not Achieved Draft HCM strategy developed but not finalised for implementation	The finalisation of the draft strategy was impeded on by the organisational changes. The development of a comprehensive Human Resource Plan will replace the project going forward. The HR Plan is in line with the current Public Service policy framework
Sub-programme: Corporate and Financial Management Services					
Management of Internal financial, administration, and human resource systems	Reduction of negative issues on key controls	New Project	Reduction of negative issues on key controls assessment reports	Achieved There is overall improvement in the quarterly dashboard report for leadership; financial performance management and governance	

Strategic Objective	Indicators	Baseline	Actual Performance against Targets		Reason for Variance
			Target	Actual	
Sub-programme: Corporate and Financial Management Services					
Management of Internal financial, administration, and human resource systems	Reduction of asset management related audit queries	New Project	Develop and implement the asset management strategy and guidelines	Achieved The review of the asset management policy replaced the strategy was approved and implemented and the asset management guidelines were approved and implemented with the policy	
Management of Internal financial, administration, and human resource systems	Accommodation strategy developed and implemented	New Project	Develop and implement the Accommodation Strategy	Achieved Accommodation strategy was developed, approved and implemented	
Management of Internal financial, administration, and human resource systems	SCM services standards implemented	New Project	Develop and implement service standards for SCM	Achieved The service standards were developed, approved and implemented	
Management of Internal financial, administration, and human resource systems	Unqualified report with no matters (clean audit)	Unqualified report with no matters for 2009/10	Reduce 2010/2011 Irregular expenditure as per AFS	Achieved Of the R419 million irregular reported R174 was condoned and balance is waiting for National Treasury approval	
Management of Internal financial, administration, and human resource systems	Transfers in accordance with conditions (DoRA)	Full compliance with DORA	Full compliance with DORA	Achieved All transfer payments were made in full compliance with DORA	

Strategic Objective	Indicators	Baseline	Actual Performance against Targets		Reason for Variance
			Target	Actual	
Sub-programme: Communication					
To provide media management and capacitate municipalities in communication strategies	Number of media engagements	12	15	Achieved 45 Media engagements were initiated	
To provide media management and capacitate municipalities in communication strategies	Number of municipalities capacitated on communication strategy	New Project	94	Achieved 95 municipalities were capacitated in communication strategy	
Sub-programme: Corporate Planning and Governance					
To improve strategic Management and governance processes	Developed strategic and Annual Performance Plans	Strategic Plan 2009 - 2014	Approved plans	Achieved APP 2012/13 approved and submitted to Parliament	
To ensure integrated planning and reporting	Number of quarterly reports produced	Annual Performance Plan 2011 - 2012	4	Achieved All quarterly organisational performance reviews for the financial year 2011/12 were conducted	
Sub-programme: Internal Audit and Risk Management					
To improve strategic Management and governance processes	Number of branches implementing the internal Audit Plan	2011/ 12 Internal Audit Plan	7	Achieved Nine out of eleven audits were executed and reports issued. Additional Four ad hoc audits were conducted and reports issued	

Strategic Objective	Indicators	Baseline	Actual Performance against Targets		Reason for Variance
			Target	Actual	
Sub-programme: Internal Audit and Risk Management					
To improve strategic Management and governance processes	Number of branches implementing the risk management strategy	DCoC Risk Register 2011	7	Achieved All branches implemented the approved risk management strategy	
To improve strategic Management and governance processes	Number of branches implementing Anti-corruption strategy	-	7	Achieved Facilitated fraud risk assessments and compiled a fraud risk register. The Anti Corruption documents were approved and the necessary reporting and monitoring structures were resuscitated	
Sub Programme: International Relations					
To improve strategic Management and governance processes	Facilitate the implementation of MoU IBSA	1	3	Not Achieved	The sub programme took too long to conceptualise support initiatives
To improve strategic Management and governance processes	Facilitate the implementation of MoU with Brazil	1	3	Not Achieved	The sub programme took too long to conceptualise support initiatives

2.2.1.5 Programme 1: Sub programme budget and actual expenditure

The expenditure and variance versus the final appropriation is provided below:

Sub-programme	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000
Ministry	26,938	26,879	59
Management	14,088	12,318	1,770
Chief Operating Officer	34,921	34,921	-
Corporate Services	50,728	50,177	551
Financial Services	20,673	20,667	6
Communication & Liaison	12,138	12,138	-
Legislation Review & Drafting	10,246	10,246	0
Internal Audit & Risk Management	9,611	9,611	-
Office Accommodation	29,124	29,124	-
Total	207,916	205,529	2,387

Economic Classification	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000
Current payments	195,009	195,008	1
Compensation of employees	98,988	98,988	-
Goods and services	96,491	95,942	549
Interest and rent on land	81	81	-
Transfers & subsidies	7,328	7,243	85
Provinces & municipalities	99	14	85
Households	7,229	7,229	0
Payment for capital assets	4,386	2,636	1,750
Machinery & equipment	4,386	2,636	1,750
Payment for financial assets	1,193	1,193	-
Total	208,467	206,083	2,384

Programme 2: Policy Research and Knowledge Management

2.2.2 Programme 2: Policy Research and Knowledge Management

2.2.2.1 Purpose

To provide specialised support services to the department in the areas of research and knowledge management; policy formulation; and information, communication and business technologies.

2.2.2.2 Objectives and measures

The programme seeks to achieve the following objectives:

- i) Improve the department's ICT capability by upgrading information and business technologies by March 2012;
- ii) Support the department with research and policy analysis on an ongoing basis, and make recommendations for policy development and change by March 2012;
- iii) Improve knowledge and information management in the local government sector by planning, developing and implementing a knowledge and information management strategy and system by March 2012; and
- iv) Strengthen and mainstream monitoring, reporting and evaluation for provincial and local government by providing a framework by March 2012.

2.2.2.3 Service delivery objectives and indicators

The programme is divided into three Sub-Programmes:

1. Information, Communication and Business Technologies (ICBT)

The Strategic objective for the sub programme is to provide specialized ICBT support to the Department of Cooperative Governance and traditional Affairs through the following projects:

- The development and implementation of an Information Technology Communication and Marketing Plan to ensure continuous communication with staff members regarding ICT related issues;
- Initiating the development of a Master Systems Plan (MSP) for the Department in accordance with ICT best practices as stipulated in the Control Objectives for Business Information and related Technology (COBIT). The development of the Master Systems Plan complies with requirements as specified by the Auditor-General of South Africa (AG); and
- Undertaking an information security vulnerability assessment.

Operational project executed included the upgrading of the service room and the implementation of a network monitoring centre at the Departmental Head Office at 87 Hamilton Street as well as the upgrading and modernizing of IT infrastructure in the Cape Town Office.

2. Policy and Research Methods

After developing a business case for the review and a framework, a discussion document on review of 1998 Local Government White Paper was developed and submitted to the MinMec. This discussion document resulted in further topics, namely the Local Government Model, Differentiation, Municipal Viability and the Ideal municipality, identified for further research. An assessment of the impact of the 1998 Local Government White paper was done through an evaluation of the macro organisation of the state. The findings pointed towards a review of district municipalities and a regulatory impact assessment of legislation and regulations on local government to inform of the implementation of a differentiated approach to municipal planning, financing and support.

3. Knowledge and Information Management

The **CoGTA** Knowledge Management (KM) Strategy was developed in 2011 in order to strategically

examine the **CoGTA's** KM practices and to provide a strategic KM framework aligned to the corporate strategy. Moving forward, the KM strategy also provides an integrated plan to institutionalizing KM within the **CoGTA**.

In preparing for the strategy a number of supporting KM initiatives, tools and products were developed and implemented such as - An examination of **CoGTA's** knowledge management environment (Information & Records management and, the KM assessments) backed by consultations on the role of KIM and capturing of user needs (Knowledge Cafe, meetings with members of the previous KM technical working group).

Critical lessons drawn from **CoGTA's** previous KM efforts were gathered and incorporated into the strategy and several KM initiatives geared towards using KM to improve organisational processes and performance were also initiated. (Development of the central repository, file plan, Promotion of Access to Information Act (PAIA) manual, revitalization of the library, review of five key business processes, knowledge harvesting, integration of Knowledge Information Management (KIM) in HR processes, policies and procedures).



2.2.2.4 Service delivery achievements

The table below provides actual progress against planned targets per sub-programme as well as reasons for variance on targets that were partially achieved and not achieved.

Strategic Objective	Indicators	Baseline	Actual Performance against Targets		Reason for Variance
			Target	Actual	
Sub-programme: Legislative Review and Drafting					
To develop a revised white paper on Local Government	% of identified legislation impeding on service delivery analysed and reviewed	Report on all government legislation that impede service delivery 2010	50%	Achieved An analysis of identified legislation has been completed and forwarded to sector departments, SALGA, Controlesa and the NHTL for verification.	
Sub-programme: Information, Communication and Business Technologies					
To create a knowledge base for decision making	Number of municipalities assessed on the state of ICT	New Project	Assess the state of ICT's in municipalities	Not Achieved Develop TOR for the assessment of municipalities	ICBT was resourced to focus on internal departmental work only. Therefore there was no enough resources to support this project
Sub-programme: Policy and Research Methods					
To develop a revised white paper on Local Government	% of Provinces supported to implement the revised Local Government Paper	Process plan for review	Discussion document on review of 1998 Local Government White Paper	Achieved A discussion document on the review was developed and submitted to MinMec	
Sub-programme: Knowledge and Information Management					
To create a knowledge base for decision making	Knowledge management strategy developed and implemented	New Project	Knowledge management strategy developed	Achieved Knowledge management strategy developed	

Strategic Objective	Indicators	Baseline	Actual Performance against Targets		Reason for Variance
			Target	Actual	
Sub Programme: Monitoring and Evaluation					
To improve performance monitoring and evaluation	Number of municipalities supported to streamline reporting requirements	New project	150	Not Achieved The department collaborated with DPME to finalise the reporting system. The system will be rolled out in the financial year 2012/13	Delays with finalisation of the reporting system

2.2.2.4 Programme 2: Sub programme budget and actual expenditure

The expenditure and variance versus the final appropriation is provided below:

Sub-programme	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000
Management: Research & Policy	2,780	2,780	
Policy Methods & Research	6,716	6,609	107
Knowledge & Information Management	7,841	7,780	61
Information, Communication & Business Technologies	22,984	20,766	2,218
Total	40,321	37,935	2,386

Economic Classification	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000
Current payments	33,689	33,521	168
Compensation of employees	20,191	20,191	-
Goods and services	13,498	13,330	168
Payment for capital assets	6,632	4,414	2,218
Machinery & equipment	4,872	4,414	458
Software & other intangible assets	1,760		1,760
Total	40,321	37,935	2,386

Programme 3: Governance and Intergovernmental Relations

2.2.3 Programme 3: Governance and Intergovernmental Relations

2.2.3.1 Purpose

Improve vertical and horizontal coordination and alignment between the three spheres of government; promote public participation in governance through regulatory mechanisms; and provide oversight, intervention and support programmes to provinces, municipalities and associated institutions.

2.2.3.2 Objectives and measures

The programme seeks to achieve the following objectives:

- i. Strengthen coordination through developing and implementing an effective system of intergovernmental relations by developing the Green Paper on Cooperative Governance by March 2012;
- ii. Strengthen intergovernmental fiscal relations by coordinating and transferring all grant allocations as per Division of Revenue requirements by March 2012;
- iii. Promote an environment of good governance and public participation through supporting provinces in strengthening their governance and coordination capability by finalising the legislative

- framework on ward committees and community participation by March 2012; and
- iv. Finalising the funding model for ward committees by March 2012.

2.2.3.3 Service delivery objectives and indicators

This Programme is divided into four (4) sub-programmes:

1. Intergovernmental Fiscal Relations

The Municipal Property Rates Amendment Bill was approved by the Cabinet and published for public comments in June 2011. There was tremendous interest shown in the Bill by members of the public and other stakeholders. The Bill sought to amend the Municipal Property Rates Act to, amongst other matters, exclude certain public service infrastructure from rating in the national interest in recognition of their developmental role, extend the period of validity for valuation rolls from 4 years to 5 years, provide for regulatory clarity and certainty, strengthen the property categorisation framework and to refine certain provisions of the Act to address various implementation challenges, and interpretation and legal ambiguities. While the intention was to address the public submissions and finalise the Bill and introduce it to Parliament in the 2011/12 financial year, the consideration of public submissions,

substantive and fundamental nature of some of these public comments, and the review of matters related thereto took longer than expected and this could not be achieved.

The first phase risk assessment to support improved quality of spending on Municipal Infrastructure Grant (MIG) was completed during the 2011/12 financial year. The review of the local government equitable share could not be undertaken during 2011/12 financial year due to lack of relevant data. Subject to the availability of relevant data, it is anticipated that the review will be undertaken from the 2012/13 financial year onwards.

With respect to measures aimed at improving municipal audit outcomes, Department of Cooperative Governance and the National Treasury jointly issued guidelines for the establishment of Municipal Public Accounts Committees (MPACs) on 17 August 2011. The Guideline takes into account the valuable input by SALGA, Association of Public Accounts Committees (APAC), provinces, municipalities and the Local Government MinMEC of 12 August 2011. As of 31 March 2012, the number of MPACs increased from the pre-2011 local government elections total of 103 out of 283 municipalities to 223 from the current 278 municipalities). This represents a positive movement from 36% to 80% for the national financial years 2010/11 to 2011/12 respectively.

2. Intergovernmental Relations and Coordination

In terms of a policy response to a number of the systemic issues identified in respect to improving cooperative governance the department developed three relevant policy approaches: the first was the Green Paper on Cooperative Governance. This policy paper suggests approaches to improve governance of the policy, regulatory and supervisory obligations of each sphere of government. A sub-project of the Green Paper policy process has been the development of a proposed National Framework for Powers and Functions. This framework seeks to address the rational for increased differentiation and the need for specialisation by provinces and municipalities within the system of assignment of powers. The third approach was the development of legislation to strengthen national and provincial government's support and intervention obligations, and closely relates to the above policies in seeking to frame more responsive and alert systemic levers to better intergovernmental support and govern municipalities.

The Local Government Fiscal and Functional Framework (LG FFF) review process is now well into its second year, with a discursive pre-summit having been held in September 2011, and preliminary discussion papers distributed to intergovernmental stakeholders. The second phase during 2012/2013



is extended modelling and preparation of recommendations to reforms to both the fiscal and functional frameworks.

3. Governance and Public Participation

With regards to the strengthening of the ward committee system, provinces and municipalities were supported in ensuring that ward committees are established in accordance with the relevant legislative framework. As at 31 March 2012, 92% (3 956) of ward committees had been established and 77% (32 860) ward committee members inducted across all provinces. To build the capacity of ward committees, the first phase of LGSETA accredited training was completed in four provinces (Mpumalanga, North West, Northern Cape and Eastern Cape).

As part of support measures to ensure functionality of ward committees, funding has been secured from the national fiscus to fund ward committee operations in grades 1 to 3 municipalities. This will also assist provinces in the finalization and adoption of Provincial frameworks: criteria for determining out of pocket expenses for ward committee members.

With regards to the development of a revised ward committee model, proposals were developed to inform the drafting of the Bill on the review of the legislative framework for ward committees and community participation.

4. Anti-corruption Inspectorate

The anti-corruption Inspectorate was established in 2010 in response to the challenges regarding allegations of corruption reported in municipalities. The Inspectorate was to focus on two broad areas aimed at reducing incidences of corruption. The first area is prevention which entails supporting municipalities to develop and implement fraud prevention plans as well as undertaking training on ethics management for both appointed and elected senior officials. Three District municipalities and their locals were supported to develop and implement the fraud prevention plans and senior officials have been trained on ethics management.

The Inspectorate inherited 251 cases that were reported and not resolved and are mainly from the Public Service Commission's hotline. Out of these cases ten (10) cases were resolved, 241 are in progress.

Out of 57 cases received from the Presidential hotline, 36 were resolved representing 63% of successes. Twenty one (21) cases are still in progress with different provincial departments. Most of the cases received from this hotline are service delivery and not corruption related.



2.2.3.4 Service delivery achievements

The table below provides actual progress against planned targets per sub-programme as well as reasons for variance on targets that were partially achieved and not achieved.

Strategic Objective	Indicators	Baseline	Actual Performance against Targets		Reason for Variance
			Target	Actual	
Sub-programme: Intergovernmental Relations Coordination					
To review Local Government policy and legislation	A Green Paper on Cooperative Governance submitted to Minister by target date	Draft policy papers on cooperative governance and research papers on the powers and functions assigned to each sphere of government	Draft Green Paper on Cooperative Governance finalised	Achieved Green Paper finalised by March 2012 and submitted to the Minister	
To review Local Government policy and legislation	Bill on Support, Monitoring and Interventions promulgated	Proposed Bill on Support, Monitoring and Interventions	Bill on Support, Monitoring and Interventions in Provincial and Local Government promulgated	Achieved Bill on Support, Monitoring and Interventions finalised	
Sub-programme: Intergovernmental Public and Community Participation					
To review and strengthen a legislative framework for ward committees and community participation	% of municipalities supported to implement the framework	Municipal Structures Act, 1998	25%	Not achieved Proposals to inform the drafting of the Bill were developed	The drafting of the Bill was postponed to 2012/13 financial year to allow for broader consultation
To provide support measures to ensure functionality of ward committees by 2014	% of municipalities supported to implement a revised National Framework on funding for ward committees	National framework: criteria for determining out of pocket expenses for ward committee members, 2009	25%	Achieved Funding has been secured from the national fiscus to fund ward committee operations in grades 1 to 3 municipalities	
	Number of Provinces supported to develop Provincial frameworks on Public Participation	National framework: criteria for determining out of pocket expenses for ward committee members, 2009	Development of Provincial Frameworks in 3 provinces	Achieved 3 provincial frameworks developed and gazetted	

Strategic Objective	Indicators	Baseline	Actual Performance against Targets		Reason for Variance
			Target	Actual	
Sub-programme: Intergovernmental Public and Community Participation					
To provide and implement a policy framework for the Community Development Workers Programme	% of municipalities supported to implement the CDWP policy framework	CDWP	Policy Framework finalised 10%	Not Achieved	Transfer of the programme from DPSA to DCoG
Sub-programme: Intergovernmental Fiscal Relations					
To improve Audit outcome of Municipalities	% of municipalities with established MPAC's.	Draft framework on establishment of MPAC's developed.	Framework on establishment of MPAC's, 10% municipalities with established MPAC's	Achieved 223 of the 278 (80%) municipalities have audit committees in place	
To improve Audit outcome of Municipalities	% of municipalities with established internal audit units.	225 municipalities have own internal audit units and 21 municipalities sharing.	Conduct an audit of established internal audit units. 11% of municipalities with established internal audit units	Achieved 220 of the 278 (79%) municipalities have internal audit units in place	
To improve Audit outcome of Municipalities	% of municipalities with established audit committees.	193 municipalities have own and 46 municipalities are sharing audit committees.	Conduct an audit of established audit committees. 16% of municipalities with established audit committees established	Achieved 253 of the 278 (91%) municipalities have audit committees in place	

Strategic Objective	Indicators	Baseline	Actual Performance against Targets		Reason for Variance
			Target	Actual	
Sub-programme: Intergovernmental Fiscal Relations					
To improve Audit outcome of Municipalities	% of municipalities with unqualified audits.	10%	60%	Not achieved According to preliminary 2010-11 municipal audit outcomes, 45% of municipalities have unqualified audit outcomes on their financial statements	A number of municipal challenges such as lack of proper records keeping, quality of financial statements, etc, are responsible for the non-achievement
To improve Audit outcome of Municipalities	Number of provinces supported to implement the clean audit programme.	New Project	9	Achieved All nine provinces have been supported in implementing the clean audit programme	
To ensure effective management of Municipal Infrastructure Grant	MIG performance audit in selected municipalities % of municipalities supported to spend appropriately on MIG	New project	10%	Partially achieved Phase 1 risk assessment completed	The effective date of the project was in June rather than April as initially anticipated
To review Local Government policy and legislation	% of municipalities supported to impliment the MPRA	Draft Municipal Property Rates Amendment Bill	10%	Not Achieved Municipal Property Rates Amendment Bill approved by Cabinet and published for public comments	Consideration of public submissions and the review of matters related thereto took longer than expected due to substantive and fundamental nature of some of these public comments and hence target could not be achieved

Strategic Objective	Indicators	Baseline	Actual Performance against Targets		Reason for Variance
			Target	Actual	
Sub-programme: Intergovernmental Fiscal Relations					
To review Local Government policy and legislation	Number of municipalities supported to impliment the LGES	Draft report with proposals on the review of the LGES	Report on the revisions to the local government equitable share formula submitted	Not Achieved	The review of the LGES could not be undertaken during 2011/12 financial year as a result of the unavailability of relevant data from Statistics South Africa
To review Local Government policy and legislation	% of municipalities supported on the framework	Draft conditional grant coordination framework	20%	Not Achieved	Discussions on the proposals on local government infrastructure grant system, options for reforms to improve performance are still ongoing between National Treasury and DCOG
Sub-programme: Intergovernmental Fiscal Relations					
To strengthen Anti-corruption capabilities of municipalities	% of municipalities supported to reduce incidences of unethical conduct	32 districts and their locals trained on ethics management	50%	Not Achieved 1 % of municipalities supported	Project put on hold due to reviewing the Unit's role in line with the extended mandate of the Department
To strengthen anti-corruption capabilities of municipalities	% of investigation conducted on reported cases of alleged fraud and corruption	Zero Baseline	100% of reported and referred cases	Partially Achieved 63% of coordinated Presidential Hotline cases finalised. 4% of coordinated and referred cases finalised	The delay of Provinces in furnishing the department with regular updates on progress of investigations

2.2.3.5 Programme 3: Sub programme budget and actual expenditure

The expenditure and variance versus the final appropriation is provided below:

Sub-programme	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000
Management: Governance	4,098	4,098	-
Intergovernmental Coordination	3,623	3,623	-
Intergovernmental Fiscal Relation	278,747	17,352	261,395
Governance And Public Participation	5,701	2,758	2,943
South African Local Government Association Fiscal Transfer	25,486	25,486	-
Municipal Demarcation Board	38,482	38,482	-
Sa City Network	5,282	5,282	-
Unit Citi & Loc Gov- Africa	4,882	434	4,448
Equitable Share	34,107,901	33,173,239	934,662
Total	34,474,202	33,270,754	1,203,448

Economic Classification	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000
Current payments	25,852	22,909	2,943
Compensation of employees	17,797	17,347	450
Goods and services	8,055	5,562	2,493
Transfers & subsidies	34,448,350	33,247,845	1,200,505
Provinces & municipalities	34,107,901	33,173,239	934,662
Departmental agencies & accounts	63,968	63,968	-
Non-profit institutions	10,164	5,716	4,448
Households	266,317	4,922	261,395
Total	34,474,202	33,270,754	1,203,448

Programme 4: National Disaster Management Centre

2.2. 4 Programme 4: National Disaster Management Centre

2.2.4.1 Purpose

Promote an integrated and coordinated system of disaster risk management with special emphasis on prevention, mitigation and preparedness by national, provincial and municipal organs of state, statutory functionaries, other role players involved in disaster risk management, and to promote fire services coordination.

2.2.4.2 Objectives and measure

The programme seeks to achieve the following objectives:

- i. Improve the proactive and responsive capability of the national disaster centre by providing guidance and policy support on the establishment and functionality of the centres by March 2012;
- ii. Strengthen and update the legislative framework for fire services by submitting amended legislation to Cabinet for approval by March 2012;
- iii. Improve access and proper coordination of disaster risk reduction by coordinating all relevant departments and other stakeholders linked to the national disaster management centres wide area network by March 2012;
- iii. Enhance and strengthen capacity and career

paths in the disaster fraternity by providing support to 15 disaster management students through the disaster risk management bursary programme by March 2012; and

- iv Ensure integrated and well coordinated disaster management planning and implementation by providing support to government, the relevant sectors and other stakeholders to submit their disaster risk management plans by March 2012.

2.2.4.3 Service delivery objectives and indicators

1. Legislation policy and compliance management

Thirty (30) disaster management centres across the spheres of government are currently functioning at an acceptable level and has served as a baseline for further support to other centres. Continued support is provided to enhance the functioning of the centres. To give effect to the intent of the Disaster Management Act, No. 57 of 2002 is to have fully functional disaster management centres to meet the needs of the communities. It is important that a standardised approach is followed when the functionality of disaster management centres are determined.

On the ground, support was provided during thunderstorm incidents in September and the veld fires in August 2011. The NDMC also became a permanent member on the Emergency Planning,

Steering and Oversight Committee that relates to emergency preparedness and response for the South Africa Nuclear Energy Corporation (NECSA) situated at Pelindaba. The NDMC actively participated in the provincial disaster management advisory forums and various disaster risk reduction initiatives, campaigns and capacity building programmes.

2. Intergovernmental structures

The NDMC is responsible for establishing effective institutional arrangements for the development and approval of integrated disaster risk management policy. During the report period a process to establish the Intergovernmental Committee on Disaster Management (ICDM) in terms of section 4 of the Disaster Management Act, 57 of 2002 was embarked upon.

A process has been undertaken to appoint Cabinet members, MEC's and members of SALGA to the ICDM. It is expected that the President will appoint the members to the ICDM during 2012/2013.

3. The National Disaster Management Advisory Forum (NDMAF)

The NDMAF is a technical forum, established on 26 January 2007, in which national, provincial and local government and other disaster management role players consult one another and co-ordinate their

actions on matters relating to disaster management. The forum had four (4) successful quarterly meetings during 2011/12.

The NDMAF established several sector specific Technical Task Teams (TTT's) chaired by the respective sector departments representatives for areas of work that need to be undertaken on different types of hazards e.g. Energy related hazards, Response disasters, Fires, and other work that needs to be done.

The NDMAF also serves as a National Focal Point for Disaster Risk Reduction (DRR) in South Africa for purposes of the Hyogo Framework of Action to serve as a platform for discussing cross cutting issues of DRR and management. Technical Task Teams are also functional.

4. Review of the Disaster Management Act, (Act 57 of 2002)

On the basis of comments by practitioners and stakeholders in the field of disaster management, as well as research that has been undertaken by the South African Local Government Association (SALGA), the African Centre for Disaster Studies (ACDS) amongst others, highlighted some areas which were identified either as gaps in the Act or as issues which are impeding or hampering the effective implementation of the Act. In addition, an analysis



by a National Interdepartmental Legislative Review Committee (ILRC) on legislation having an impact on service delivery, also highlighted the Disaster Management Act as an example of legislation requiring review.

The NDMC commenced with an extensive process to review the Disaster Management Act, 54 of 2002, stakeholders were requested to provide their opinion to determine the specific areas and clauses in the Act that need to be reviewed and/ or amended as a result 458 comments were received. The process to analyse the inputs and preparing a discussion paper is well underway. It is expected that the Draft Amendment Bill will be available for discussion by the end of the 2012/2013 financial year and be submitted to the legislative programme of government during the first quarter of 2013/2014.

5. Fire Services

During the financial year 2011/2012, the Department held consultative workshops with fire services stakeholders across the country to discuss and finalise the scope of the proposed legislation that will replace the existing FBSA. This scoping has now been finalised and will form the basis for the development

of the discussion document on the proposed Fire Services Legislation in 2012/2013. The consultative workshops were also utilised for the discussion of the National Fire Services Framework that will set out the medium term Key Performance Indicators and Objectives which are aimed at guiding and directing the planning and provision of fire services. The Department also developed a Framework for Urban Search and Rescue (USAR) during this financial year which is in line with the Guidelines of the International Search and Rescue Advisory Group (INSARAG).

During the reporting period, Honourable Safety and Security Minister N.E. Mthethwa (MP) in his capacity as Acting Minister of Cooperative Governance and Traditional Affairs reconstituted the Fire Brigade Board (FBB) which is established in terms of section 2 of the FBSA. The reconstitution of the FBB will enable government to provide oversight and strategic leadership in dealing with fire services challenges across the country.

6. Planning, intervention and support

The NDMC has a responsibility to support all sectors, levels and disciplines to ensure the mainstreaming of disaster risk planning within their programmes



and projects. In line with the provisions of the Disaster Management Act of 2005, the NDMC has a responsibility to ensure planning for and integration of the core disaster risk reduction principles of prevention and mitigation into on-going programmes and initiatives of sectors levels and disciplines. Alongside the process of establishing the Disaster Management Centres, the NDMC has facilitated the process of developing and implementing disaster risk management plans by all relevant sectors, levels and disciplines. A total of thirteen (13) plans have been developed, submitted and being implemented by various sectors, levels and disciplines in line with the principles and practices of disaster risk management. The plans cover pre-disaster (risk reduction) and post-disaster (disaster management) dimensions of disaster risk management. Monitoring of implementation and review of plans will be carried out continually to ensure their relevance and effectiveness.

The sub programme has managed disaster and disaster threatening incidents experienced throughout the country. The national state of disaster which affected 8 provinces and 33 district municipalities following flooding and storm incidents experienced between December 2010 and March 2011 was the biggest single disaster to have occurred since the promulgation of the Act in 2002. Other incidents that occurred during the course of the 2011/12 financial year were responded to and they affected provinces such as Mpumalanga, Western Cape, KwaZulu-Natal,

Free State, Gauteng and Limpopo. The NDMC is in the process of developing a fast-tracking mechanism to make sure that funding reaches disaster-stricken areas as soon as possible.

7. National Disaster Risk Management Education and Training Framework

The framework will ensure that disaster risk management education and training needs are addressed in a uniform manner and in accordance with NETaRNRA and the National Disaster Risk Indicative Profile (NDRIP). The framework will provide for mechanisms for standards, accreditation and registration of disaster risk management qualification, training programmes and training and education providers. It will also facilitate the establishment of an accreditation and registration system to ensure that all education and training initiatives undertaken by specialists agencies, trainers, training institutions, NGOs, and the private and public sector comply with the minimum standards established for disaster risk management education and training.

8. The roll-out of DRM advocacy and public awareness programmes

NDMC officials during Public Awareness Outreach

Awareness programmes were conducted nationally under the guidance and support from the NDMC. In particular, the NDMC partnered with the City of Cape



Town and the Western Cape PDMC to roll-out the ISDR campaign and commemorate the International Day for Disaster Reduction (13 October 2011). Other provinces that were supported on the roll-out of awareness campaigns includes: Free State, Limpopo, North West and Gauteng.

9. DRM bursary and studentship project and the publication of the Jámhá journal for disaster (risk) studies

A contract with the University of the Free State was entered in November 2011 on the administration of the bursary and studentship project. The project is aimed at providing support to students wishing to pursue studies in disaster management at Masters level over a period of two years. The value of the contract with the UFS is R4.3 million and will run until 2013/14 financial year. A Memorandum of Understanding (MoU) was entered into with North West University for the publication of Jámhá journal for disaster risk studies. The process of publishing the journal is on course and the journal publication volumes are accessible in hard copies and electronically from the African Centre for Disaster Studies (www.acds.co.za) and the National Disaster Management Centre (www.ndmc.gov.za). The project total amount is R643 700.00.

10. Intelligence and Information Management and Systems

The Early Warnings Directorate was tasked with developing a Macro Indicative Risk Profile related to Fire and Flood Hazards. The risk profile is generated using spatial modelling tools provided by



the Geographic Information Systems (GIS). A wide array of data was collected from various sources that are related to the description of the Hazard, Vulnerability (indicating exposure and sensitivity) of areas, communities and resources and Capacity.

The project is currently in an advanced state of completion in terms of the GIS data analysis, modelling and desktop exercise outputs. Prior to finalisation, the draft findings will be presented to a panel of disaster risk specialists for input before the first seasonal risk forecast related to fires for South Africa is generated. The 2012/13 financial year will also introduce the development of a Macro Indicative Risk Profile related to the identification of flood risks using similar methodologies.

2.2.4.4 Service delivery achievements

The table below provides actual progress against planned targets per sub-programme as well as reasons for variance on targets that were not achieved.

Strategic Objective	Indicators	Baseline	Actual Performance against Targets		Reason for Variance
			Target	Actual	
Sub-programme: National Disaster Management Centre					
To improve the system of disaster risk management	Number of stakeholders with aligned disaster management plans	5	10	Achieved 13	
To improve the system of disaster risk management	Number of provinces, metros and districts with disaster management centres supported	30	40 (30 + 10)	Achieved 10	
To improve the system of disaster risk management	The National Indicative Risk and Vulnerability Modern adopted by the Technical Advisory Committee	None	Approved Model focusing on Flood Risk	Not Achieved NIRP for fires partly developed	In the approved organisational structure for NDMC there was only 1 resource (human) allocated to the project. This was insufficient to complete the project

2.2.4.5 Programme 4: Sub programme budget and actual expenditure

The expenditure and variance versus the final appropriation is provided below:

Sub-programme	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000
Management: Head Of Disaster	8,645	8,620	25
Legislation, Policy & Compliance Management	6,594	6,473	121
Planning Coordination And Support	14,770	12,768	2,002
Intelligence & Information Systems Management	7,823	5,514	2,309
Disaster Relief Transfers	775,000	47,283	727,717
Total	812,832	80,658	732,174

Economic Classification	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000
Current payments	35,388	32,885	2,503
Compensation of employees	17,088	15,958	1,130
Goods and services	18,300	16,927	1,373
Transfers & subsidies	775,000	47,283	727,717
Provinces & municipalities	775,000	47,283	727,717
Payment for capital assets	2,444	490	1,954
Machinery & equipment	2,444	490	1,954
Total	812,832	80,658	732,174



Programme 5: Provincial and Municipal Government Support

2.2.5 Programme 5: Provincial and Municipal Government Support

2.2.5.1 Purpose

To provide support, oversight programmes and evidence based regulatory mechanisms for provincial, municipal government and associated institutions, and to facilitate effective development and service delivery.

2.2.5.2 Objectives and measures

The programme seeks to achieve the following objectives:

- i. Support improved service delivery through strengthening the capacity of municipalities to implement the municipal turnaround strategy and their integrated development plans by developing differentiated and simplified guidelines for crafting and implementing municipal integrated development plans by March 2012;
- ii. Give effect to the Municipal Systems Amendment Bill by developing regulations dealing with human resource systems and processes, including the principal Municipal Systems Act (2000), by March 2012; and
- iii. Give effect to the single window of coordination for local government capacity building through ensuring the operational efficiency of the national

capacity building coordinating committee and the sound implementation of the integrated capacity building plan for local government by March 2012.

2.2.5.3 Service delivery objectives and indicators

This Programme is divided into three (3) sub-programmes;

1. Development Planning

The Development Planning sub-programme continued to support the implementation of Output 1 of Outcome 9 of the Delivery Agreement.



During the 2011/12 financial year the sub-programme finalised the development of a Simplified IDP Framework for smaller municipalities. As part of the rollout of the Simplified IDP Framework 9 provincial engagements were organised to introduce the framework to municipalities identified to participate in the pilot process. In order to ensure that all IDPs are drafted in accordance with development planning outcomes 9 provincial IDP's assessment sessions were organised to improve the quality of IDPs.

Secondly, the sub-programme conducted an audit on Geographic Information Systems (GIS) capacity in 70 municipalities spread across six (6) provinces. The identified municipalities will be provided with GIS capacity during the 2012/13 financial year. Thirdly, the sub-programme facilitated the hosting of the local governments and cities convention which adopted the *"Durban Climate Change Adaptation Charter for Local Governments as part of COP 17"*. However, the sub-programme was unable to achieve projects supportive of human settlements outcome due to misalignment of plans between the two departments.

2. Local Government Support and Intervention

The sub-programme continued to analyse and review policies and legislation on local government as part of implementation of Output 6 of Outcome 9. During this financial year the following were achieved: Municipal Systems Amendment Act, 2011 (Act 7 of 2011) was assented; and policy framework

on the Determination of Remuneration of Councillors was developed. The sub-programme facilitated 6 provincial workshops to capacitate provinces and municipalities in the implementation of the Municipal Systems Amendment Act. It is anticipated that the Regulations of the amended Act for Senior Managers will be published and gazetted into law in 2012/13 financial year.

The sub-programme also reviewed the National Capacity Building Framework 2012/16 (NCBF) in line with Outcome 9 and LGTAS. Consequently, the National Municipal Capacity Coordination and Monitoring Committee (NMCCMC) and provincial capacity building forums were established. As part of the implementation of the NCBF the sub-programme continued to maintain the Gap Skill System in order to sustain the skills audit process. Lastly, the sub-programme facilitated the payment of a once-off gratuity to non-returning councillors and developed partnership agreements to formalise relations and strengthen cooperation with SALGA, SACN and MDB.

3. Provincial Government, Support and Intervention

In a quest to strengthen the relationship between the department and provinces 9 provincial engagements were held to forge better working relations and agree on areas of support to both the provinces and municipalities.

2.2.5.4 Service delivery achievements

The table below provides actual progress against planned targets per sub-programme as well as reasons for variance on targets that were not achieved.

Strategic Objective	Indicators	Baseline	Actual Performance against Targets		Reason for Variance
			Target	Actual	
Sub-programme: Development Planning					
To facilitate the development of credible and simplified IDP's informed by the unique nature of municipalities	Number of identified smaller municipalities fully implementing the revised IDP framework	None	80	Not Achieved The Simplified IDP framework for smaller municipalities has been developed 9 provincial workshops were conducted	The framework will be implemented during 2012/13
To facilitate the development of credible and simplified IDP's informed by the unique nature of municipalities	Number of municipalities with integrated development plans drafted in accordance with development planning outcomes	278	278	Achieved 9 provincial IDP assessments sessions were conducted	
To facilitate the development of credible and simplified IDP's informed by the unique nature of municipalities	Number of identified smaller municipalities fully implementing the simplified revenue plans	None	50	Not Achieved	Dialogue between the National Treasury and DCoG indicated this project was not conceptualized properly
To facilitate the development of credible and simplified IDP's informed by the unique nature of municipalities	Number of municipalities monitoring transfers and revised Grants Operation Manual	None	278	Not Achieved	Dialogue between the National Treasury and DCoG indicated this project was not conceptualized properly
To ensure availability of the Policy framework for differentiation	Number of municipalities aligned to the Model	Municipal Segmentation Model	84	Not Achieved	Policy framework for differentiation is not yet finalised

Strategic Objective	Indicators	Baseline	Actual Performance against Targets		Reason for Variance
			Target	Actual	
Sub-programme: Development Planning					
To finalise land ownership audit	% of municipalities supported on land ownership audit	New project	10%	Not Achieved Engagements with the Housing Development Agency were conducted to facilitate the release of ownership of land	The DHS is the lead Department and is still in process of identifying the land with other custodian Departments
To facilitate the implementation of densification policy framework	Densification policy framework developed	New project	1 Densification policy framework	Not Achieved Engagements were held with DHS in preparation for making inputs on the densification policy framework	DHS is the lead Department and has not finalised the densification policy framework.
To finalise land ownership audit	Number of municipalities with audited land ownership reports	New project	70	Not Achieved Engagements with the Housing Development Agency were conducted to facilitate the release of ownership of land	The DHS is the lead Department and is still in process of identifying the land with other custodian Departments
To facilitate the implementation of densification policy framework	Number of municipalities implementing the joint action plan	New project	15	Not Achieved Engagements were held to identify areas of support during the implementation of teh NUSP	DHS is the lead Department for the NUSP
Sub-programme: Local Government Support and Intervention					
To review and amend Local Government policy and legislation to improve human resource management and administrative practices	Number of identified legislation reviewed	Report on legislation that impede service delivery 2010	Municipal Systems Amendment Bill focusing on Senior Managers	Achieved Municipal Systems Amendment Act was assented into law on the 5th July 2011	

Strategic Objective	Indicators	Baseline	Actual Performance against Targets		Reason for Variance
			Target	Actual	
Sub-programme: Local Government Support and Intervention					
To review and amend Local Government policy and legislation to improve human resource management and administrative practices	Number of identified policies reviewed	Report on DCoG specific policies	5	Achieved The following policies were reviewed: <ul style="list-style-type: none"> • Notice on the Determination of Remuneration of Councillors • Notice on the policy framework for the Determination of Full Time Councillors • Recruitment and Retention Strategy • Competency Framework for Senior Managers • Municipal grading framework and remuneration framework for Senior Managers 	
To review and amend Local Government policy and legislation to improve human resource management and administrative practices	Number of municipalities implementing reviewed MIG formula	MIG formula	278	Not Achieved Project not implemented	Dialogue between the National Treasury and DCoG indicated this project was not conceptualized properly
To implement initiatives to improve financial management and expenditure	% of debt owed to municipalities reduced	10%	25%	Not Achieved Project not implemented	Dialogue between the National Treasury and DCoG indicated this project was not conceptualized properly

Strategic Objective	Indicators	Baseline	Actual Performance against Targets		Reason for Variance
			Target	Actual	
Sub-programme: Local Government Support and Intervention					
To implement initiatives to improve financial management and expenditure	Reduced percentage of municipalities overspending on OPEX	7%	6%	Not Achieved Project not implemented	Dialogue between the National Treasury and DCoG indicated this project was not conceptualized properly
To implement initiatives to improve financial management and expenditure	Reduced percentage of municipalities under spending on CAPEX	55%	47%	Not Achieved Project not implemented	Dialogue between the National Treasury and DCoG indicated this project was not conceptualized properly
To implement initiatives to improve financial management and expenditure	Reduced percentage of municipalities spending less than 5% on repairs and maintenance	85%	70%	Not Achieved Project not implemented	Dialogue between the National Treasury and DCoG indicated this project was not conceptualized properly
To implement initiatives to improve financial management and expenditure	Number of municipalities with all critical posts filled	none	70	Achieved Supported 195 municipalities in seven provinces to fill critical posts Monitored 278 municipalities to fill critical posts	Provinces assisted to coordinate municipalities in one central venue per province
To implement a new approach to coordination of support and capacity buildings initiatives	Number of provinces capacitated	9 provinces capacitated to support municipalities with the implementation of individual PMS	9	Achieved Workshops were held per province to roll out the MSAA implementation of Municipal Performance Regulations	

Strategic Objective	Indicators	Baseline	Actual Performance against Targets		Reason for Variance
			Target	Actual	
Sub-programme: Local Government Support and Intervention					
To implement a new approach to coordination of support and capacity buildings initiatives	Number of identified provinces implementing the capacity building framework	Draft Coordination Model developed	3 Provinces	<p>Achieved</p> <p>National Capacity Building Framework was reviewed to incorporate LGTAS and Outcome 9</p> <p>9 provinces were capacitated on the implementation of NCBF</p> <p>National Municipal Capacity Coordination and Monitoring Committee (NMCCMC) was established</p>	

2.2.5.5 Programme 5: Sub programme budget and actual expenditure

The expenditure and variance versus the final appropriation is provided below:

Sub-programme	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000
Mng: Prov & Local Gov Supp	9,682	9,682	-
Prov Govt Supp & Intervention	6,755	6,755	-
Loc Govt Supp&Intervention	7,321	7,321	-
Development Planning	8,469	8,443	26
Municipal Sys Improv Grant	220,210	220,210	-
Total	252,437	252,411	26

Economic Classification	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000
Current payments	32,193	32,193	-
Compensation of employees	22,912	22,912	-
Goods and services	9,281	9,281	-
Transfers & subsidies	220,210	220,210	-
Provinces & municipalities	220,210	220,210	-
Payment for capital assets	34	8	26
Machinery & equipment	34	8	26
Total	252,437	252,411	26

Programme 6: Infrastructure and Economic Development

2.2.6. Programme 6: Infrastructure and Economic Development

2.2.6.1 Purpose

To support and exercise oversight over provincial and local government programmes and systems to promote economic and infrastructure development within the context of national priorities.

2.2.4.2 Objectives and measures

The programme seeks to achieve the following objectives:

- i. Promote community development in the most marginalised communities by creating and maintaining public infrastructure through the community work programme to provide 63 630 new work opportunities by March 2012;
- ii. Improve municipal infrastructure investment and access to basic services through supporting the development and implementation of the comprehensive infrastructure plans of 30 municipalities by entering into agreement with targeted municipalities by March 2012 on their delivery targets and the range of support they require;
- iii. Provide informed and efficient service delivery to indigent households through strengthening the

capacity of all 9 provinces to support municipalities in assessing and implementing indigent policies and managing credible indigent registers by developing a standard free basic service national indigent register by March 2012; and

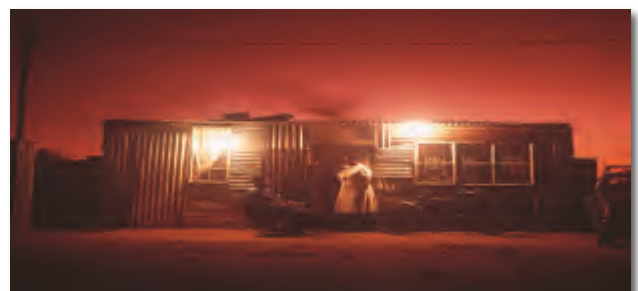
- iv. Provide support to 70 municipalities to spend their municipal infrastructure grants by compiling credible cash flows and preparing a payment schedule based on municipal infrastructure grant registered projects by March 2012.

2.2.4.3 Service delivery objectives

This Programme is divided into three (3) sub-programmes:

1. Infrastructure Development

The role of **CoGTA** is to provide support to sectors, to promote the coordination of infrastructure projects and ensure that the implementation of the Municipal Infrastructure Grant improves access to basic services by the poor, social upliftment and catalyses



economic development in the country.

The target for access to electricity was 87% and to date, the sector department has reported 85% access. Overall, for the target of 10 substations for this financial year, two have been completed and eight substations are at an advanced stage and are nearing completion by October 2012. The late start of projects has been due to the unforeseen delays in the acquisition of materials and land. Even though the projects are three months behind schedule, they will definitely improve access to electrification manifold and will allow for a better quality of life of citizens with access to at least basic electricity, economic development, job creation, and beneficiation of raw materials in South Africa. The target of 365km of MV lines have been far surpassed, with the construction of 503km of MV lines been built by March 2012. This is excellent and shows that service delivery in the electricity sector has been greatly improved in this financial year.

For access to basic water services, the target was 96% access and the sector department has reported 95% access. The target for access to basic sanitation services was 88% and 84% progress was recorded.

The target for the MIG was 1.6 million households reached with water, 929 070 households supplied with sanitation, 1.3 million kilometres of roads built and 616 186 households supplied with street lighting. As at April 2012, 1,866 million households have access to water that were previously not supplied with water since the inception of MIG in 2004, 1,270 million households now have access to basic

sanitation, 2,4 million kilometres of roads have been built or upgraded and 564 457 households now have access to street lighting, whom were previously living in unsafe and unlit conditions.

2. Local Economic Development

Local Economic Development is a critical component of the constitutional and legislative mandate of local government. The year 2011 was pronounced as the year of job creation by the President. LED Unit focused on intensifying the local government contribution to job creation. This was done under the thematic banner of state-led strategic partnerships, and private sector driven job creation initiatives at the local level. The main programmes were the Business-Adopt-a-Municipality Programme; the Cooperatives Development Programme and the Business Development Forums / Advisory Councils. The Department also strengthened its partnership with the Regional Government of Tuscany, under Support Programme to decentralisation and Local Development Policies in South Africa - A Network of Tuscan and South African Local Governments" (NETSAFRICA). The national framework for LED, which gives a strong conceptual framework to stimulate local economic development in South Africa, and puts forward a strategic approach in order to improve LED was reviewed. This review process will be concluded in 2012/13.

During the year under review, the Department facilitated support to 655 cooperatives with registration and training assistance; and supported



three municipalities with various LED oriented projects under NETSAFRICA; and cultivated strategic partnerships to support four Business Development Forums.

Clean Cities and Towns

In the Delivery Agreement, the Clean Cities and Towns Programme has been linked to support the sub-output dealing with increased access to basic refuse removal for purposes of reporting on the Government's Programme of Action on Outcome 9. The target of implementing the Clean Cities and Towns Programme in 8 cities / towns for 2011/12 was achieved. To date the programme has been rolled out in 15 sites in 10 municipalities 11 action plans for the implementation of the Clean Cities and Towns Programme have been developed. The table below provides the 10 municipalities and 15 sites achieved through the Programme:



Business Adopt a Municipality (BAaM)

The project is aimed at mobilising and encouraging private sector companies and State Owned Entities (SOEs) to provide support to municipalities in a number of areas. This is done by linking up private sector companies and SOEs with vulnerable municipalities in order for the companies and SOEs to provide support measures and interventions that will assist in unlocking and turning-around the potential of the municipalities. The Department plays a central role in linking up the companies and the municipalities. During the year 2011/12, the Department secured the commitment of Rand Water to support Emfuleni Local Municipality in Gauteng Province, and also secured the commitment of Mercedes Benz to support Buffalo City Metro in Eastern Cape Province.



Province	Municipality	Sites
Eastern Cape	1.Mbashe Local Municipality	Elliotdale
	2.Inguza Hill District Municipality	Flagstaff
		Lusikisiki
	3.King Sabata Dalinjebo Municipality	uMtata
Gauteng	4.City of Joburg	Alexander
		Ivory Park
Mpumalanga	5.Nkomazi Local Municipality	Malelane
		Komatipoort
Maputo	6.Maputo Provincial Municipality	Maputo
KwaZulu Natal	7.Msunduzi Local Municipality	Embali
		Jike Joe
		Edendale Mall
	8.Abaculusi Local Municipality	Vryheid
	9.Ethekwini Municipality	Ethekwini
Western Cape	10.Witzenberg Local Municipality	Ceres

3. Community Work Programme

Community Work Programme

The CWP is a key initiative to mobilize communities in order to provide regular and predictable work opportunities at the local level. The purpose of the CWP is to provide an employment safety net for those without access to opportunities in order to lift them out of poverty. The programme aims to supplement existing livelihood strategies by providing a basic level of income security.

During 2011/ 2012 financial year, CWP has created 105 218 work opportunities across 9 provinces, in 63 municipalities and 529 wards. 69% of the participants during this period were women and 54% were young people.

CWP is operating in all 9 provinces, with 14 sites in urban (27 977 participants), 2 urban/rural (2 237 participants), 1 urban/informal (1 179 participants) and 57 sites in rural areas (73 825 participants). The breakdown of the number of sites per province and the performance indicators are detailed in the tables below.

Table: Key Performance Indicators by Province

CWP Targets and Performance per Province	All	Eastern Cape	Eastern Cape	Western Cape	Northern Cape	North West	Free State	Free State	Limpopo	Mpumalanga
Number of CWP sites to be implemented	74	12	19	3	4	5	7	11	6	6
Number of CWP sites implemented	74	12	19	3	4	5	7	11	6	6
Performance	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Number of participants targeted	99 120	14 000	19 320	2 300	2 600	4 100	7 300	9 400	4 500	5 400
Number of participants worked	105 218	22 980	26 537	5 156	4 986	7 500	10 888	13 326	5 280	6 364
Performance	122%	164%	137%	224%	192%	183%	148%	142%	117%	189%
Number of person days of work	5 900 941	1 337 760	1 928 909	229 632	253 584	409 344	748 300	938 496	449 200	538 136
Number of person days of work created	6 688 313	1 330 843	1 251 364	215 828	223 666	326 923	764 417	986 151	413 163	500 222
Performance	113%	99%	101%	94%	88%	77%	94%	97%	90%	93%
Number of 100 day opportunities	58 008	13 976	19 288	2 226	2 596	4 083	7 486	9 385	4 481	5 391
Number of 100 day opportunities created	66 983	13 305	19 519	2 188	2 238	3 960	7 944	9 052	4 132	5 032
Performance	115%	99%	101%	94%	86%	97%	94%	97%	90%	93%
Number of Ultra equivalent jobs (230 days)	30 004	6 077	8 367	938	1 129	1 780	3 256	4 060	1 933	2 344
Number of Ultra created (230 days)	29 123	6 004	8 486	938	973	1 822	3 063	3 940	1 822	2 175
Performance	97%	99%	101%	94%	86%	97%	94%	97%	90%	93%

Strategic Objective	Indicators	Baseline	Actual Performance against Targets		Reason for Variance
			Target	Actual	
Sub-programme: Local Economic Development					
To create jobs through a system supportive of private sector sustainable employment at local level in all district municipalities	Number of Advisory Councils established	0	10 fully functional Advisory Councils established	Partially Achieved 6	Limited financial resources to support functional advisory councils
To create jobs through a system supportive of private sector sustainable employment at local level in all district municipalities	Number of CBVs supported	0	10	Not achieved 4	Limited financial resources to support CBVs

Strategic Objective	Indicators	Baseline	Actual Performance against Targets		Reason for Variance
			Target	Actual	
Sub-programme: Local Economic Development					
To create jobs through a system supportive of private sector sustainable employment at local level in all district municipalities	Number of emerging enterprise, emerging farmer and co-operatives forums established	0	10	Not achieved 0	Forum incorporated as a sub-structure of Advisory Councils instead of an independent stand-alone structure
To create jobs through a system supportive of private sector sustainable employment at local level in all district municipalities	Municipal land use forums established	0	10	Not achieved 0	Functions of the forum incorporated into the functions of the Advisory Councils
To create jobs through a system supportive of private sector sustainable employment at local level in all district municipalities	Number of local private/public procurement managers' forums	0	10	Not achieved 0	Functions of the forum incorporated into the functions of the Advisory Councils
Sub-programme: Infrastructure Development					
To increase access to basic electricity, refuse removal, water and sanitation	Number of substations built and upgraded	10	20	Not achieved 2	Delay in acquisition of material and land were the main constraints. 6 projects are at an advanced stage and should be completed by June 2012 and 2 will be completed in October 2012
To increase access to basic electricity, refuse removal, water and sanitation	MV lines built	375 km MV lines built	365 km MV lines	Achieved 503 km	

Strategic Objective	Indicators	Baseline	Actual Performance against Targets		Reason for Variance
			Target	Actual	
Sub-programme: Infrastructure Development					
To increase access to basic electricity, refuse removal, water and sanitation	% households with access to electricity supply	85%	87%	Not Achieved 85%	Municipal projects are delayed due late start of appointments of contractors and consultants, improvement in % will only show in July 2012
To increase access to basic electricity, refuse removal, water and sanitation	% of households with access to basic water services	93%	96%	Partially Achieved 94.7%	These figures are estimates as the DWA has not completed its annual update as yet
To increase access to basic electricity, refuse removal, water and sanitation	% of households with access to basic level of sanitation	81%	88%	Partially Achieved 84%	These figures are estimates as the DWA has not completed its annual update as yet
To increase access to basic electricity, refuse removal, water and sanitation	Total number of households reached with basic services funded by the municipal infrastructure grant: • Water • Sanitation • Roads • Community lighting	1.4 million 808 070 1.1 million 540 186	1.6 million 929 070 1.3 million 616 186	Achieved 1,866 million 1,270 million 2,4 million kms 564 457	Only community lighting under performed. However figures need to be verified as part of the improved monitoring and reporting processes proposed
To increase access to basic electricity, refuse removal, water and sanitation	Number of municipalities implementing the plans	0	50	Not Achieved	The project was never implemented by Environmental Affairs as the lead department
To increase access to basic electricity, refuse removal, water and sanitation	% households with access to basic refuse removal services	62%	66%	Achieved 72%	Final study confirming the figure is not yet ready and will be released by DEA in September 2012

Strategic Objective	Indicators	Baseline	Actual Performance against Targets		Reason for Variance
			Target	Actual	
Sub-programme: Infrastructure Development					
To increase access to basic electricity, refuse removal, water and sanitation	Number of cities and towns implementing the Programme	2	8	Achieved 10 Municipalities	
To establish mechanisms to improve services	Number of municipalities which have signed MoUs (BAaM)	0	10	Not achieved 2	Consultative process between municipalities, the DCOG and businesses took longer than expected as a result more MoUs will be signed during 2012/13
Sub-programme: Community Work Programme					
To ensure the rollout of the Community Work Programme in municipalities	Number of municipalities implementing CWP in at least 2 wards	45	63	Achieved CWP implemented in 63 Municipalities	
To ensure the rollout of the Community Work Programme in municipalities	Total number of work opportunities created through the community work programme per year	57 368	63 170	Achieved 105 218 work opportunities were created	
To ensure the rollout of the Community Work Programme in municipalities	30% of CWP job opportunities created through functional cooperatives at a ward level	Ward based cooperatives concept document, July 2010	10%	Not Achieved	Project discontinued after CWP was delinked from the cooperatives project
To ensure the rollout of the Community Work Programme in municipalities	Number of jobs created through supported cooperatives	Ward based cooperatives concept document, July 2010	6 317	Not Achieved	Project discontinued after CWP was delinked from the cooperatives project

Strategic Objective	Indicators	Baseline	Actual Performance against Targets		Reason for Variance
			Target	Actual	
Sub-programme: Community Work Programme					
To ensure the rollout of the Community Work Programme in municipalities	Ward based cooperatives in identified wards throughout the country	Ward based cooperatives concept document, July 2010	630 wards	Achieved 655	The figure of 655 relates to the number of cooperatives established and they are not necessarily ward-based as the establishment depends on the opportunities within municipalities
To facilitate the implementation of the densification policy framework	Functional human settlement committees established in identified district municipalities	Human settlement established in at least 1 metro	Human settlement committees established for 7 metros and 6 district municipalities	Not Achieved 0	Lack of communication response from Municipalities
To facilitate the implementation of the densification policy framework	Number of metros and large towns with increased densities	Interdepartmental task team on sustainable human settlement and access to basic services established	Densification policy framework	Not Achieved	Discussions are ongoing with the DHS which is the lead Department
To facilitate the implementation of the densification policy framework	Number of municipalities implementing SDF guidelines	SDF guidelines finalised	4 metros implement SDF guidelines	Not Achieved	Discussions are ongoing with the DHS which is the lead Department

2.2.6.5 Programme 6: Sub programme budget and actual expenditure

The expenditure and variance versus the final appropriation is provided below:

Sub-programme	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000
Management Infrastructure	21,253	8,986	12,267
Local Economic Develop Plan	5,297	4,876	421
Infrastructure Development	11,527	11,527	-
Municipal Infrastructure Grant	11,443,505	1,443,490	15
Community Work Program	653,499	623,524	29,975
Special Purpose Vehicle	192,745	192,745	-
Total	12,327,826	12,285,148	42,678

Economic Classification	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000
Current payments	305,609	279,028	26,581
Compensation of employees	33,272	23,224	10,048
Goods and services	271,769	255,804	15,965
Transfers & subsidies	12,017,168	12,006,074	11,094
Provinces & municipalities	11,443,505	11,443,490	15
Foreign governments & international organisations	208	208	-
Public corporations & private enterprises	179,678	179,678	
Households	393,777	382,698	11,079
Payment for capital assets	5,617	46	5,571
Machinery & equipment	5,617	46	5,571
Total	12,327,826	12,285,148	42,678

DEPARTMENT OF TRADITIONAL AFFAIRS

Programme 7

1.1. Vision, Mission and Values

Vision

An effective and efficient institution of traditional affairs that enhances sustainable development and service delivery.

- Establishment of capacity development, systems and partnership models;
- Undertaking periodic research and development on traditional affairs matters; and
- Monitoring and evaluation of performance of DTA and its entities.

Mission

To coordinate traditional affairs activities across government through:

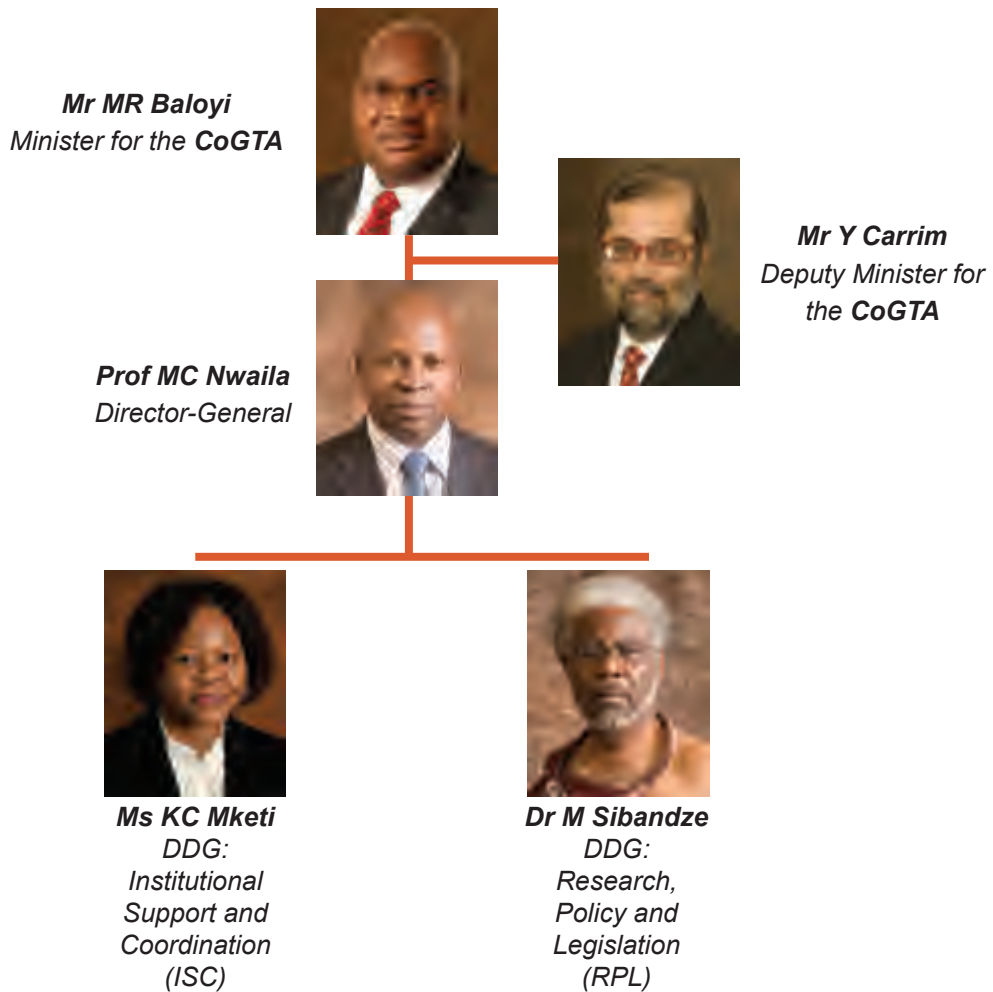
- Development of appropriate policies, systems and regulatory framework governing traditional affairs; enhance-ment of organisational efficiency and effectiveness;

Values

Guided by Principles of Batho Pele we adhere to the following values:

- Honesty;
- Integrity;
- Respect;
- Collegiality;
- Commitment to service;
- Activist Approach; and
- Professionalism.

1.2 ORGANISATIONAL STRUCTURE FOR DTA



1.3 Legislative Mandates

The DTA administers two pieces of legislation namely the Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2003)(hereinafter referred to as the Framework Act) and the National House of Traditional Leaders Act, 2009 (Act No. 22 of 2009)(hereinafter referred to as the National House Act).

The Framework Act provides for the recognition of traditional communities, the establishment and recognition of traditional councils, leadership positions within the institution of traditional leadership, the recognition of traditional leaders and the removal from office of traditional leaders. It also provides for houses of traditional leaders, the functions and roles of traditional leaders, dispute resolution and the establishment of the Commission on Traditional Leadership Disputes and Claims.

The National House Act provides for the establishment of the National House of Traditional Leaders and determines the powers, duties and responsibilities of the House. It furthermore provides for support to the House, the relationship between the House and the provincial houses, and the accountability of the House.

The said pieces of legislation are in the process of being consolidated into what is currently referred to as the National Traditional Affairs Bill (NTAB).

The purpose of consolidating the two pieces of legislation is:

- to ensure an integrated approach in dealing with all matters relating to traditional affairs;
- to enhance the uniform manner in which matters relating to traditional affairs are dealt with across

the country; and

- to address legal uncertainties and gaps that have been identified in the two pieces of legislation.

The following are key objectives of the new legislation:

- to transform the traditional and Khoi-San institutions in line with constitutional imperatives such as the Bill of Rights;
- to restore the integrity and legitimacy of the institutions of traditional and Khoi-San leadership in line with customary law and practices; and
- to protect and promote the institutions of traditional and Khoi-San leadership.

1.3.2 Policy Mandates

The White Paper on Traditional Leadership and Governance, 2003, sets out a national framework and norms and standards that define the role and place of the institution of traditional leadership within South Africa's system of democratic governance. It seeks to support and transform the institution in accordance with constitutional imperatives and to restore the integrity and legitimacy of the institution in line with the African indigenous law and customs subject to the Constitution. These are the principles on which the Framework Act is based.

1.4. Strategic Objectives of the Department

The Department of Traditional Affairs has the following six strategic objectives for the year under review:

- *Strategic objective 1:* To ensure the functionality of the Department of Traditional Affairs by establishing its capacity and capability to deliver on its mandate.
- *Strategic objective 2:* To enhance alignment and standardization in the regulatory, institutional, and support framework for traditional affairs across provinces and municipalities.
- *Strategic objective 3:* To ensure that traditional communities are empowered by reviewing and developing the national support programme for traditional communities and governance structures.
- *Strategic objective 4:* To promote and integrate the role and place of traditional affairs and the institution of traditional leadership, in the South African governance system by establishing synergetic relations with other governance structure across the three spheres of government.
- *Strategic objective 5:* To support DTA entities by ensuring that they play a central role towards development and service delivery.
- *Strategic objective 6:* To enhance knowledge management within traditional affairs.



2.1. Summary of Programmes

The Department of Traditional Affairs has three programmes namely: Administration, Research, Policy and Legislation and Institutional Support and Coordination. Administration programme provides administrative support to the two line function programmes and entities.

2.1.1: Administration

Purpose: Provide administrative support to the Department and ensure the establishment and implementation of internal processes, systems, policies and procedures that will optimally support the efficient and effective performance of the Department.

2.1.2: Research Policy and Legislation; and

Purpose: Conduct research into the various aspects of traditional affairs, including the institution of traditional leadership to ensure that proper policies, legislation and frameworks are developed and implemented to govern the coordination of the issues pertaining to traditional affairs and the functioning of traditional leadership.

2.1.3: Institutional Support and Coordination

Purpose: Provide comprehensive support to, and co-ordination of, all activities related to traditional affairs and to promote the role and place of the institution of traditional leadership in the South African governance system.

2.2.1 Key Strategic Objectives Achievements

In accordance with its legislative mandate and as stated earlier in 1.3, the Department of Traditional Affairs has six strategic objectives which guided its performance in the year under review. The achievements for each strategic objective are as follows:

Strategic objective one:

To ensure the functionality of the Department of Traditional Affairs by establishing its capacity and capability to deliver on its mandate

The Department has made significant progress to improve its capacity to ensure that it meets its strategic and structural requirements. Most of the posts in the approved structure, especially at senior management level for the two line function programmes have been filled. Seventy six (76) funded positions have been filled out of the original staff establishment of 127.

As a newly established Department, in its establishment phase, the Department has prioritised setting up systems to improve its effective and efficient functioning. These systems include planning and reporting, risk management, internal control, organisational performance monitoring and evaluation, budget management, and PMDS systems. Furthermore, the Department established management structures to monitor performance and to ensure accountability.

The Department has also made strides in the communication and marketing and branding of the DTA. The Department now has a fully functional website.

Strategic objective two:

To enhance alignment and standardization in the regulatory, institutional, and support framework for traditional affairs across provinces and municipalities

The Department made significant progress in the consolidation of the National House of Traditional Leaders Act, No. 10 of 1997 (NHTLA) and the Traditional Leadership and Governance Framework Act No. 41 of 2003 (TLGFA) into the National Traditional Affairs Bill (NTAB). This will go a long way towards transforming the institution of traditional leadership and communities as well as the recognition and affirmation of the Khoi-San leadership structures and communities.

Strategic objective three:

To ensure that traditional communities are empowered by reviewing and developing the national support programme for traditional communities and governance structures

The Department has developed and implemented the capacity building strategy. The implementation includes establishment of the National and Provincial Capacity Building Forums. Furthermore, the Department has trained members of the National House of Traditional Leaders (NHTL) and members of the Eastern Cape Provincial House on the customary or indigenous law.

Strategic objective four:

To promote and integrate the role and place of traditional affairs and the institution of traditional leadership, in the South African governance system by establishing synergetic relations with other governance structures across the three spheres of government

In the year under review, the Department developed the partnership model. The model makes provision for traditional leadership structures to form partnerships with the three spheres of government, business as well as civil society. Informed by the partnership model, the Department developed a draft partnership strategy.

As part of this strategic objective, the Department undertook and completed the assessment of the state of governance of traditional leadership structures. The outcome of this process is a National Consolidated Assessment report and eight provincial reports on the state of governance of the institution of traditional leadership.

Strategic objective five:

To support DTA entities by ensuring that they play a central role towards development and service delivery

The Department has supported the NHTL in the opening of the house. It further assisted CTLDC to establish provincial TLDC committees for the finalisation of traditional leadership disputes and claims. In addition, the Department provided planning and reporting capacity to the entities as well as financial resources to ensure that they achieve their mandate.

Strategic objective six:

To enhance knowledge management within traditional affairs

An information management system has been developed and data on traditional communities, traditional councils in South Africa, and members of the national and provincial houses have been captured in the system. The system will go a long way in assisting government and other agencies with information on traditional leadership and communities for developmental purposes.

2.2.2 Overview of the service delivery environment for 2011/12

The following section provides the context within which the Department operated in implementing 2011/12 annual Performance Plan. The section outlines challenges, successes, and other factors that had an impact on achieving the key outputs and overall performance of the Department during the period under review.

Service Delivery Challenges

“*Traditional Affairs*” is a concurrent function and DTA is therefore reliant on the cooperation of other spheres of government and agencies for implementation, which at times creates delays due to consultations. Furthermore, the Department is not a service point but, a policy and legislative oriented department. It’s core functions are development of policies and legislation, norms and standards, and monitoring and coordination of the implementation of the policies and legislation in the three spheres of government within the context of cooperative governance.

The Department is operating in an environment characterized by a significantly diverse group of stakeholders. These groups have, amongst others, different expectations of the Department.

The traditional affairs sector is competing against many other service delivery sectors for government resources, consequently resources channelled to this sector are inadequate to service all the stakeholders needs.

Due to the limited financial and human resources, policy development processes are often compromised. One of the challenges that the Department faced was that, instead of conducting extensive consultations which extend up to a local level, the Department resorted to mainly provincial and national level consultations as far as the NTAB and the Policy on Male initiation are concerned. It is the Provinces that cascade consultations to municipalities and localities.

2011/12 Successes on Key Outputs of Department

Despite these challenges, the Department has made significant progress in achieving the following key outputs planned for 2011/12 financial year.

National Traditional Affairs Bill

The Department finalised the consolidation of the National House of Traditional Leaders Act, No. 10 of 1997 (NHTLA) and the Traditional Leadership and Governance Framework Act No. 41 of 2003 (TLGFA) into the National Traditional Affairs Bill (NTAB). The Department further finalised the consultation process with various stakeholders on the NTAB, which includes amongst others, the National House of Traditional Leaders (NHTL), Khoi-San communities, CONTRALESA, 29 National Government Departments and all Provincial governments.

Comments on the NTAB were analysed and a comprehensive consultation report was developed. The Department has completed amendments of the National Traditional Affairs Bill based on the inputs received from all the stakeholders.

Furthermore, the draft Bill has been submitted to the State law advisers for pre-certification and first draft Regulatory Impact Assessment has been developed.

Assessment of State of Governance within the area of Traditional Affairs

The assessment of the state of governance within the institution of traditional leadership was one of the Department's flagship projects for the year under review. The Department completed the assessment

of the state of governance of the institution of traditional leadership in August 2011.

The assessment was followed by extensive consultations with Provinces which resulted in the development of the National Consolidated Assessment report. Subsequent to the Consolidated National Assessment report, the Department supported provinces to develop province specific reports and identify high level priorities. In addition, the National report was presented to the National House of Traditional Leaders and CoGTA MinMecs. The identified high level priorities from the assessment informed the Traditional Affairs 2011- 2014 Strategic Plan and the 2012-2013 Annual Performance Plan.

Emanating from the assessment, the Department identified the following 6 high level strategic thrusts that will contribute to the transformation, promoting accountability and enhancing the functionality of the institution.

- Functionality of traditional leadership structures and IGR arrangements;
- Capacity building for traditional leadership structures;
- Systems for effective functioning of the institution of traditional leadership;
- Establishing partnerships for the development of the institution of traditional leadership and communities;
- Accountability of structures within the institution of traditional leadership; and
- Legislative review, alignment and policy development;
- Promoting the linguistic, religious and traditional affairs and interest of all communities.

The strategic thrusts as indicated above, informed the Strategic Plan of the Department and were converted into deliverables for the 2012/2013 Annual Performance Plan.

Development of a partnership model and strategy

One of the challenges revealed by the assessment process, in terms of the elements of good governance

within the institution of traditional leadership, was uncoordinated and non-formalised partnerships between traditional structures and other organs of state and development agencies. To address this challenge, the Department undertook the process of developing a partnership model and strategy.

Promoting partnerships between traditional leadership and municipalities is a legislative mandate. The disadvantage of this provision is its narrowness as it restricts the promotion of partnerships only between the traditional councils and municipal councils. In pursuit to address the shortcoming, the Department made a submission to amend section 5 of Traditional Leadership and Governance Framework Act that deals with partnerships to be widened to include all the traditional structures, three spheres of government, businesses and the civil society. These proposed amendments have been incorporated in the National Traditional Affairs Bill.

Furthermore, in the year under review, the Department developed the partnership model. The model makes provision for traditional leadership structures to form partnerships with the three spheres of government, business as well as civil society.

Informed by the partnership model and the assessment project that revealed a number of successful partnership projects between traditional leaders and government, business and state owned enterprises in some provinces, the Department developed a draft partnership strategy. The process of drafting the partnership strategy revealed that it was a more complex exercise and that there was a need to conduct further research nationally and continentally. To bolster the process, it was necessary to benchmark and learn from other countries as well as within South Africa with regard to cooperative governance and best partnership practices between traditional leaders and other agencies. The Department therefore undertook research on best partnership practices nationally and a comparative study on Traditional Leadership in other African countries.

The national research focused on South African best practices of existing partnership projects between traditional leaders and a number of agencies

ranging from government departments, state-owned enterprises to businesses. The focus of the research was on successes and best practice in relation to:

- partnerships between traditional leadership and government;
- partnerships initiatives by traditional leaders and the Provincial Houses of traditional leaders (PHTLs); and
- collaboration and cooperation between traditional leaders and communities.

The first phase of the research resulted in the production of a Corporate Video capturing partnership projects between traditional leaders and municipalities in the Eastern Cape as one of the best practices of cooperation and collaboration between government and traditional leadership. Furthermore, such research will be undertaken in other provinces in the forth coming financial year.

In addition, as part of the development of the partnership strategy, the Department also undertook a comparative study on Traditional Leadership in other African countries aimed at obtaining valuable lessons from existing best practices outside the borders of South Africa. The study focused on the role other governments play within the institution of traditional leadership and how the traditional institution itself contributes to the development of communities. The study included a desk top research on four African countries, i.e. Ghana, Uganda, Namibia and Botswana. After the desktop research, the department undertook a study tour to Ghana because its development has reached levels in which the traditional leadership institution is synchronically part of the democratic governance system.

The Ghana Study Tour provided valuable lessons and insights on traditional leadership and its role in governance. The study tour also revealed many areas which the South African government and DTA in particular, can use to enrich the process of transforming traditional leadership to ensure that it plays a central role in the development of traditional communities. Some of the pertinent issues from which lessons can be drawn relate to the following:

- *Autonomy of traditional structures and leaders from government:* the extent to which autonomy is related to the capacity of tradition structures and leadership,
- *Research:* the Houses of Chiefs are engaged on extensive research on traditional leadership and have covered a lot of ground,
- *Education:* traditional leaders put a lot of emphases on education,
- *Partnerships:* traditional leaders are at the forefront of partnership projects for their communities,
- Inclusion of traditional leadership in statutory bodies: traditional leadership is represented in various commissions of the state including the highly influential presidential Council of State which advises the President of the country on all state matters.
- *Dispute resolution:* disputes within the institution of traditional leaders are handled solely by traditional structures. The High Court is only used as the last resort for appeal. Even at that level it deals mainly with procedural matters.

These lessons would be used as reference as the department discharges its role of transforming the institution of traditional leadership and ensuring good governance.

Emanating from the above research and study tour, the Department developed a draft partnership strategy. The strategy was consulted with two academic institutions, the Human Science Research Council and the University of Pretoria and the National Treasury. The strategy will be finalised and implemented in 2012/13.

Furthermore, in the year under review the Department established a partnership with the Justice College of the Department of Justice and Constitutional Development to capacitate members of the NHTL and Eastern Cape PHTL on Indigenous Law.

Policy on Male Initiation

A draft policy on Male Initiation was developed and consulted with the following key stakeholders: National and Provincial Government Departments, Houses of traditional leaders, Commission for the

Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities (CRLRC), Human Rights Commission (HRC) and others.

Guidelines on Kingships Protocols and Benefits

The Department finalised research on protocol relating to the ten of the eleven recognised kingships in South Africa. Out of this process generic Guidelines on Kingships Protocols and Benefits were developed. The purpose of the guidelines is to foster an understanding for the South African public, including government, when interacting with the institution of traditional leadership.

Capacity Building Strategy

The Department developed and implemented a Capacity Building Strategy and implementation plan. As part of implementing the strategy the Department coordinated the training of 44 members of the NHTL and Eastern Cape provincial house on indigenous law by the Justice College.

Entities Management and Support

The highlights of this reporting period include the support of the Department to the Commission on Traditional Leadership Disputes and Claims (CTLDC) where a total of 139 claims and disputes were considered and processed. In addition, the CTLDC convened a plenary session in Durban to present the rules and orders for holding public hearings to the committees for inputs and refinement. Furthermore, the Department supported CTLDC to establish all five provincial committees for Mpumalanga, Limpopo, North-West, Kwa-Zulu Natal and Eastern Cape as per the provision of the law.

National House of Traditional Leaders

As required by the National House of Traditional Leaders Act, 2009, the NHTL planned and facilitated the official opening of the House. The House was officially opened by the President of the Republic of South Africa, His Excellency Mr J.G Zuma on 3 June 2011. The President was afforded an opportunity to address traditional leadership institutions, after

addressing the annual joint sitting of Parliament in the State of the Nation Address. The President outlined priorities for the traditional leadership institution in its endeavour to complement and support government to improve and promote service delivery and rural development; and to create a better life for all. This address was also used as a platform to cement cooperative governance between traditional leadership and government at all levels.

DTA engagements with stakeholders and Kings of South Africa

The Ministry convened engagement sessions with Kings, Provincial Houses, National House, National Khoi-San Council, Afrikaans Cultural Groups and CONTRALESA as part of its engagement with stakeholders within the traditional affairs sector. The engagements were focused on outlining DTA programmes and to build relations with its key stakeholders.

The engagements were also used for consultation on the National Traditional Affairs Bill, report on the assessment of the state of governance of traditional leadership structures, composition of the Kings Council and establishment of the Kings Forum. This initiative has opened doors for structured engagements between the Ministry and these key stakeholders as well as promoting nation building and social cohesion involving the interfaith sector.

DTA achievements and contribution to outcome 9

DTA as one of the Departments within the **CoGTA** portfolio has supported achievement of outcome 9 through the development of a capacity building implementation plan to ensure effective participation of the institution of traditional leadership in local government Integrated Development Planning (IDP) processes for the development of traditional communities. This strategy is also aimed at capacitating the institution to establish partnerships with businesses, and other agencies to develop traditional communities.

2.1.4 Overview of organisational environment for 2011/12

As a newly established department, the performance of the Department was hampered by several challenges. There is misalignment between the strategy and the organisational structure of the Department. The organisational structure does not take into consideration the broader mandate of traditional affairs, which resulted in a mismatch between human and financial resource capacity of the department and the strategic plan capacity requirements. The misalignment impedes the achievement of some of the deliverables for the financial year. Furthermore, the Department does not have its own Corporate Services and is dependent on DCoG for these services; this poses a challenge for the newly established Department to function optimally.

The Department of Traditional Affairs has improved its capacity by prioritising filling of vacant SMS position for the two line functions programmes. Given budgetary constraints, posts in the Corporate Services of the department were not prioritised and therefore were not filled. Of the 76 funded posts, seven are of the Chairpersons and Deputy Chairs of the NHTL and CTLDC, and three Commissioners of the CTLDC which are additional to the post establishment and are funded through the DTA personnel budget. This situation has posed a challenge in as far as DTA being able to fill some of its critical positions. The Department has not yet obtained its budget vote and it is working towards ensuring that the departmental (own) budget vote is allocated.

To address the above challenges, the Department is undergoing a process of reviewing the current organisational structure to align it with the departmental mandate and policy direction of the **CoGTA** portfolio. In addition, the Department has prioritised the filling of Corporate Service positions in the remaining years of the MTSF (2013/2014).

2.1.5 Key Policy Development and Legislative Changes for 2011/12

The Traditional Courts Bill which is led by the Department of Justice and Constitutional Developments once enacted may have a bearing on the work of the Department of Traditional Affairs for the

MTSF period since DTA is a custodian of customary law and matters at national level and it has an interest in the finalisation of the Bill. DTA will have to design programmes and projects to complement the work of the Department of Justice and Constitutional Development when the Bill is enacted.



Programme 7(A): Administration

3.1 PROGRAMME PERFORMANCE

3.1.1: Administration

Purpose

Provide administrative support to the Department and ensure the establishment of systems and procedures to optimally support the efficient and effective performance of the Department.

Strategic objective

To ensure the functionality of the Department of Traditional Affairs by establishing its capacity and capability to deliver on its mandate.

Measurable objective

Ensure the functionality of the Department of Traditional Affairs by establishing its corporate capacity and capability by recruiting suitably skilled staff and training them by December 2011.

Strategy

Institutionalise leadership, management and administrative processes and systems to ensure that the Department performs effectively and efficiently.

Service delivery objectives and indicators

This programme has managed to achieve the following under the sub-programme “*Office of the Director General*”:

The programme developed the first DTA 2011-2014 Strategic Plan and the 2011/12 Annual Performance Plan which were tabled in Parliament. The two plans served as mechanisms to monitor organisational performance for the year under review.

The Department has established a website and on-line newsletter as a platform for both internal and external stakeholders to build effective communication and learning networks.

Furthermore, the programme has facilitated engagements with key stakeholders to inform them about the Departmental programmes and to solicit inputs for the development of the National Traditional Affairs Bill.

This programme further developed DTA Planning and Reporting Guidelines to streamline planning, performance monitoring and reporting within the Department, risk management, resource (financial and human) management as well as internal control and operational systems. Furthermore, the programme drafted a concept document on change management strategy. The strategy was aimed at

managing change management within the newly established Department.

The programme also established governance structures for engagement with staff, entities and stakeholders at all levels. These structures are fully functional and have detailed Terms of Reference that guide their operations. The programme has also amended the MoU between DTA and DCOG and ensured that it is implemented.

Furthermore, the programme developed the DTA 2010/11 Annual Report input which was incorporated in the **CoGTA** 2010/11 Annual Report.

It is worth noting that this sub-programme operated with inadequate capacity and was able to achieve most of its planned targets for the year under review.

Programme achievements

The table below provides actual progress against planned targets per sub-programme as well as reasons for variance on targets that were partially achieved and not achieved.

Strategic Objective	Measure/ Indicators	Baseline	Actual Performance against Targets		Reason for Variance
			Target 2011/12	Actual Achievements	
Sub-programme: Office of the Director General					
To ensure the functionality of the Department of Traditional Affairs by establishing its capacity and capability to deliver on its mandate	DTA 2011- 2014 Strategic Plan and Annual Performance Plans developed, tabled to Parliament and implemented	DTA broader mandate, Assessment of the state of governance and DTA 2010/11 Revised Business Plan	Develop, table and implement DTA 2011- 2014 Strategic and Plan Annual Performance Plan for 2011-2012	Achieved DTA 2011- 2014 Strategic Plan and Annual Performance Plan for 2011-2012 were developed and submitted to Parliament for tabling	
	DTA Planning and Reporting Guidelines developed, implemented and reviewed	New Project	Develop and implement DTA Planning and Reporting Guidelines	Achieved DTA Planning and Reporting Guidelines were developed, approved and implemented	
	Change Management Strategy developed, implemented and reviewed	New Project	Develop and implement Change Management Strategy	Not Achieved A draft concept document for Change Management Strategy has been developed	This is a shared function with DCoG in accordance with the MoU

Strategic Objective	Measure/ Indicators	Baseline	Actual Performance against Targets		Reason for Variance
			Target 2011/12	Actual Achievements	
Sub-programme: Office of the Director General					
To ensure the functionality of the Department of Traditional Affairs by establishing its capacity and capability to deliver on its mandate	Sector wide Communication structures established and plans developed	Draft Marketing and Communication Strategy	Implement and monitor DTA Marketing and Communication Strategy	Achieved The Communications and Marketing Strategy and framework were developed and implemented	
	DTA Corporate Governance systems established and implemented	New Project	Internal Audit Policy and HR Policy developed	Partially Achieved The department has developed the Internal Audit Charter and Audit Committee Charter which serve the same purpose as the Internal Audit policy	This is a shared function with DCoG in accordance with the MoU
	DTA Corporate Services established by 2014	Approved organisational structure	Capacitate Finance and Internal Audit Units	Achieved The Department has been able to capacitate the internal audit unit as per current approved organisational structure. The department appointed a senior manager for financial management	

Programme 7(B): Research, Policy and Legislation

3.2 Research, Policy and Legislation

Purpose

The programme focuses on restoring the dignity and improving the performance of the institution of traditional leadership as a catalyst to development of traditional communities and entrenching acceptable traditional practices within those traditional communities. This programme consists of two sub-programmes; Research and Information Management and Policy and Legislation Development. The programme is responsible for the following focus areas:

- i. Development, review, monitoring and implementation of policies and legislation relevant to traditional affairs;
- ii. Coordination and monitoring of the implementation and review of policies and legislation relevant to traditional affairs by national and provincial government departments;
- iii. Conducting research and development of information management system relevant to traditional affairs; and
- iv. Providing administrative support to the Commission on Traditional Leadership Disputes and Claims (CTLDC)

Strategic objectives

- To enhance alignment and standardization in the regulatory, institutional, and support framework for traditional affairs across provinces and municipalities, and
- To enhance knowledge management within traditional affairs.

Measurable objectives

- Ensure better alignment and standardization in the regulatory, institutional and support framework for traditional affairs across provinces and municipalities by March 2011; and
- Promote traditional knowledge by establishing a comprehensive, user friendly database by March 2012.

Strategies

- Consultation with various stakeholders on policy and legislative development; and
- Technical and data enhancement of traditional affairs database.

Service delivery objectives and indicators

Policy and legislation development processes are time and resource demanding. Due to the limited financial and human resources, these valuable development processes are often compromised. Therefore the Department was only able to meet minimum requirements in respect of some of the consultation processes and stakeholder engagements.

Instead of conducting extensive consultations which extend up to a local level, the Department resorted to mainly provincial and national level consultations as far as policy development is concerned. Both the Male Initiation policy and the Ukuthwala discussion document that looks into promoting what could be regarded as acceptable cultural practices have been

developed and consulted on and will be adopted and approved in the new financial year.

The Department has made significant progress with regard to the consolidation of the two pieces of legislation namely: the Traditional Leadership and Governance Framework Act, 2003 and the National House of Traditional Leaders Act, 2009 into a single piece of legislation: the National Traditional Affairs Bill (NTAB) to ensure an integrated approach in dealing with matters relating to traditional leadership and structures as well as Khoi-San.

The guidelines and formula for determining the number of members of a traditional council were developed and gazetted. The traditional councils therefore had to be reconstituted in line with the formula provided for in these guidelines.

Programme achievements

The table below provides actual progress against planned targets per programme as well as reasons for variance on targets that were partially achieved and not achieved.

Strategic Objective	Measure/ Indicators	Baseline	Actual Performance against Targets		Reason for Variance
			Target 2011/12	Actual Achievements	
Sub-programme: Research, Policy and legislation					
To enhance alignment and standardization in the regulatory, institutional, and support framework for traditional affairs across provinces and municipalities	Guidelines on Determination of the Number of Members of Traditional Councils developed, implemented and reviewed	Traditional Leadership Governance Framework Act 2009 and applicable provincial legislation	Develop Guidelines on Determination of the Number of Members of Traditional Councils	Achieved The Guidelines on the determination of number of members of the Traditional council have been developed and gazetted.	
To enhance knowledge management within traditional affairs	Information Management System approved and implemented.		Technical and data enhancement of existing system	Partially Achieved Verification and capturing of data relating to traditional communities, members of all Houses of traditional leadership has been completed. Technical amendments have been identified but system has not been upgraded yet.	Due to the delays in the procurement of IT service provider by SITA.

Strategic Objective	Measure/ Indicators	Baseline	Actual Performance against Targets		Reason for Variance
			Target 2011/12	Actual Achievements	
Sub-programme: Research, Policy and legislation					
To enhance alignment and standardization in the regulatory, institutional, and support framework for traditional affairs across provinces and municipalities	National Traditional Affairs Bill developed, consulted on and introduced to Parliament	Traditional Leadership Governance Framework Act 2009 and applicable provincial legislation	Development of the National Traditional Affairs Bill and introduction of the bill into Parliament	Partially Achieved The Bill was developed and consulted on	Due to the complexity of the project and the nature of inputs received from stakeholders, the entire process took longer than anticipated
	Number of Members of Kingship/Queen-Ship Councils Determined	Traditional Leadership Governance Framework Act 2009 and applicable provincial legislation	3 Members of Kingship/Queen-Ship Councils Determined	Partially Achieved The draft formula for determining the number of members of kingship/ queenship Councils and principal traditional councils have been developed and circulated for comments	Comments were received very late and the process of refining the formula could not be finalised on time
	National Traditional Affairs Act developed, implemented and reviewed	Traditional Leadership Governance Framework Act 2009 and applicable provincial legislation	Develop, implement National Traditional Affairs Act	Partially Achieved The draft Bill has been re-fined based on the recommendations made in respect of certain policy issues. The Bill is pending pre legal certification by the State Law Advisers. Meanwhile the Memorandum on the Objects has been finalized, and the first draft of the RIA has been prepared.	This target is a duplication with target on the development of the NTAB

Strategic Objective	Measure/ Indicators	Baseline	Actual Performance against Targets		Reason for Variance
			Target 2011/12	Actual Achievements	
Sub-programme: Research, Policy and legislation					
To enhance alignment and standardization in the regulatory, institutional, and support framework for traditional affairs across provinces and municipalities	Development of Legislation on Initiation	Ministerial policy priority enunciated on August 2009	Approve Policy on Initiation	Partially Achieved Draft consultation report was developed	Due to the complexity of the project, its related processes and the nature of inputs received from stakeholders, the entire process took longer than anticipated
		Traditional Leadership Governance Framework Act 2009 and applicable provincial legislation	Development of a draft initiation Bill and submission to legislative committee	Not Achieved	The development of the Bill is dependent on the policy
	Effective and functional Advisory Committee in all spheres	New project	Establish Committee	Not Achieved	The NTAB is not yet enacted
Sub- programme: Research and Information Management					
To enhance Knowledge Management within traditional affairs	Percentage research agenda implemented and reviewed	Traditional Leadership Governance Framework Act 2009 and applicable provincial legislation	Implement % of research Agenda	Not Achieved	The project was reprioritised for the next financial years
	Provincial profiles developed, updated and reviewed	DTA database on Traditional communities, leaders and structures	Develop Provincial Profiles	Partially Achieved Draft profiles for the following provinces Kwa-Zulu Natal, Frees State, Northern Cape, Gauteng, Limpopo and Mpumalanga were developed	Analysis of the draft six provincial profiles identified gaps for further research

Strategic Objective	Measure/ Indicators	Baseline	Actual Performance against Targets		Reason for Variance
			Target 2011/12	Actual Achievements	
Sub- programme: Research and Information Management					
To enhance Knowledge Management within traditional affairs	Information Management System designed, developed and piloted	DTA database on Traditional communities, leaders and structures	Design IMS	Partially Achieved Verification and capturing of data relating to traditional communities, members of all Houses of traditional leadership has been completed. Technical amendments have been identified but system has not been upgraded yet	
	Genealogical tool designed, developed and implemented	Traditional Leadership Governance Framework Act 2009 and applicable provincial legislation	Design Genealogical Tool	Not Achieved	The project was reprioritised during the financial year as a result of inadequate resources
	Knowledge Management strategy for traditional affairs developed, implemented and reviewed	Traditional Leadership Governance Framework Act 2009 and applicable provincial legislation	Conduct knowledge management needs analysis	Achieved Needs analysis of the DTA were provided in knowledge cafes workshops as conducted by DCOG	This is a shared function with DCoG in accordance with the MoU
		Traditional Leadership Governance Framework Act 2009 and applicable provincial legislation	Develop Knowledge Management Strategy	Achieved A CoGTA knowledge management strategy has been developed	This is a shared function with DCoG in accordance with the MoU
	Protocol guidelines developed	Framework Act and assessment reports	Protocol guidelines developed	Partially Achieved A draft protocol guidelines developed	The analysis identified gaps for further research

Programme 7(C): Institutional Support and Coordination

3.3 Institutional Support and Coordination

Purpose

Provide comprehensive support and co-ordination all activities related to traditional affairs, and to promote the role and place of the institution of traditional leadership in the South African governance system.

Strategic objectives

- i. To ensure that traditional communities are empowered by reviewing and developing the national support programme for traditional communities and their governance structures;
- ii. To promote and integrate the role and place of traditional affairs and the institution of traditional leadership, including Khoi-San Leadership, in the South African governance system by establishing synergetic relations with other governance structures across the three spheres of government; and
- iii. To support DTA entities, by ensuring that they play a central role towards development and service delivery

Measurable objectives

- i. Ensure that traditional communities and Khoi-San communities are empowered by reviewing and developing the national support programme for traditional communities and Khoi-San communities and their governance structures by March 2012.
- ii. Support well functioning traditional leadership institutions across Africa by ensuring that the institution of traditional leadership, including Khoi-San leadership, plays a central role where relevant in the SADC region and in continental forums in 2011/12.
- iii. Promote and integrate the role and place of traditional affairs and the institution of traditional leadership, including Khoi-San leadership, in the South African governance system by establishing synergetic relations with other governance structures across the three spheres of government by March 2012; and
- iv. Provide generic support to DTA entities to ensure that they play a central role towards development and service delivery.

Strategies

- Coordinate training for traditional leaders;
- Development and implementation of Capacity Building implementation plan;
- Development of partnership model and strategy;
- Development of monitoring system for DTA entities;
- Undertake an assessment to determine the capacity building needs of traditional leadership.

Service Delivery Objectives and indicators

The programme developed the Capacity Building Strategy (CBS) which was consulted with the following various stakeholders. The implementation of the CBS will be coordinated through the Capacity Building Strategy Implementation Plan (CBSIP). The CBS will also ensure a systematic and coordinated capacity building for the institution of Traditional Leaders. Furthermore, the programme has established the National Capacity Building Coordinating Committee (NCBC) to coordinate all capacity building interventions by stakeholders such as, national departments, LGSETA, SALGA and provincial departments of **CoGTA**. The programme also coordinated the establishment of three (3) Provincial Capacity Building Coordinating

Committees i.e. Eastern Cape, Mpumalanga and Free State. Furthermore, reporting a tool for Capacity Building was developed and consulted with provinces for reporting on capacity building programmes. This will assist in monitoring and evaluating the capacity building interventions. The programme further developed a Memorandum of Understanding (MoU) between DTA and Development Bank of Southern Africa (DBSA) for collaboration on institutional capacity building matters. By collaborating with DBSA, DTA will be able to leverage resources and expertise in partner organisations for an effective implementation and achievement of the strategic objectives.

A process towards the development of guidelines for Generic Provincial Traditional Affairs Organisational Structures had been finalised. This will guide the provinces in establishing organisational structures and will ensure consistency and equitable distribution of provincial resources.

Furthermore, a total of 18 members of the NHTL and 26 members of the PHTL were trained on Customary Law and the programme has been coordinated in partnership with the Justice College. This is part of capacity building that is aimed at empowering traditional leaders in discharging their responsibilities in the implementation of customary laws.



Programme achievements

The table below provides actual progress against planned targets per programme as well as reasons for variance on targets that were partially achieved and not achieved.

Strategic Objective	Measure/ Indicators	Baseline	Actual Performance against Targets		Reason for Variance
			Target 2011/12	Actual Achievements	
Sub-programme: Institutional Development and Capacity Building					
To ensure that Traditional Communities and Khoi-San Communities are empowered by reviewing and developing the National Support Programme for traditional Communities and Khoi-San Communities and their Governance Structures.	Capacity building strategy approved and implemented	Draft Capacity Building Strategy	Consultation and approval of Capacity Building Strategy	Achieved Capacity Building Strategy and Implementation Plan consulted upon and approved The programme coordinated training of traditional leaders on indigenous law for members of NHTL and Eastern Cape PHTL, whereby 18 members of the NHTL and 26 members of the PHTL were trained	
	Support Systems for houses and TC's developed at all levels	Draft Capacity Building Strategy	Coordinate the development of institutional support systems for 3 Houses of traditional leaders Develop, implement and monitor support systems for Houses and TCs at all levels	Partially Achieved A reporting tool for monitoring and reporting of Capacity Building programmes developed	Provinces took long to respond to coordination efforts

Strategic Objective	Measure/ Indicators	Baseline	Actual Performance against Targets		Reason for Variance
			Target 2011/12	Actual Achievements	
Sub-programme: Institutional Development and Capacity Building					
To ensure that Traditional Communities and Khoi-San Communities are empowered by reviewing and developing the National Support Programme for traditional Communities and Khoi-San Communities and their Governance Structures		Draft Capacity Building Strategy	15% individual capacity building implemented and monitored	Achieved Members of the NHTL and PHTL (Eastern Cape) trained on Indigenous Law. Funding proposal for skills audit sdevelopedA DBSA/ DTA MoU for collaboration on institutional support for traditional leadership institution has been finalised	
	National and Provincial capacity building forums established	Draft Capacity Building Strategy	Establish capacity building coordinating forums as follows: 4 Provincial 1 National	Partially Achieved One national structure and three provincial structures were established	Delays with the establishment of the fourth structure
Sub-programme: Partnerships & Intergovernmental Relations					
To promote and integrate the role and place of traditional affairs and the institution of traditional leadership, including Khoi-San leadership, in the South African governance system by establishing synergetic relations with other governance structures across the three spheres of government	Six (6) Provincial Assessment Reports	8 pre-engagement assessments and 6 assessment workshop reports	Adopt 6 Provincial Reports	Achieved Provincial Assessment Reports of the following provinces were adopted: Eastern Cape Free State Gauteng KwaZulu-Natal Limpopo Mpumalanga North-West and Northern Cape	Additional two provinces were added to the project in order to provide a total national picture that enables the development of the national report

Strategic Objective	Measure/ Indicators	Baseline	Actual Performance against Targets		Reason for Variance
			Target 2011/12	Actual Achievements	
Sub-programme: Partnerships & Intergovernmental Relations					
To promote and integrate the role and place of traditional affairs and the institution of traditional leadership, including Khoi-San leadership, in the South African governance system by establishing synergetic relations with other governance structures across the three spheres of government	1 National Assessment Report	8 pre-engagement assessments and 6 assessment workshop reports	Adopt 1 National Report	Achieved 1 National Assessment Report was adopted	
	Partnership Model developed	8 pre-engagement assessments and 6 assessment workshop reports	A DTA Partnership model developed	Achieved The Partnership Model developed	
	Partnership strategy approved, implemented and monitored	8 pre-engagement assessments and 6 assessment workshop reports	Approval of draft partnership strategy	Partially Achieved Draft partnership strategy developed	Due to the complex nature of the project it took longer to finalise than anticipated
	National, provincial and local structures for partnerships and institutional support established (and functional)	8 pre-engagement assessments and 6 assessment workshop reports	Establish National Structures for partnerships and institutional support	Not Achieved	Project was dependent on the finalisation of partnership strategy
	Mobilising Development Support Strategy approved and implemented	New project	Draft Mobilising Development Support Strategy approved	Not Achieved	Project was dependent on the finalisation of partnership strategy

Strategic Objective	Measure/ Indicators	Baseline	Actual Performance against Targets		Reason for Variance
			Target 2011/12	Actual Achievements	
Sub-programme: Partnerships & Intergovernmental Relations					
To provide generic support to DTA entities to ensure that they play a central role towards development and service delivery	Annual Review and Planning Reports	New project	Coordinate the development of Annual Report for the National House of Traditional Leaders	Achieved The NHTL has developed its non financial programme performance information which was incorporated into DTA draft Annual Report	
		Mandate for the establishment of the three entities	Coordinate the development of Annual Performance Plans for entities	Achieved DTA coordinated the development of entities' outputs plan which serve as entities' MTEF plans and were included in both the DTA strategic plan and APP	
	Monitoring and reporting system developed, implemented and reviewed	New project	Develop monitoring and reporting system for the entities	Achieved Entities' monitoring and reporting system was developed	
			Annual progress reports on the performance of the 3 Entities	Achieved Annual progress report on the performance of the three entities was developed and incorporated into DTA Annual Report	

Programme 7: Sub programme budget and actual expenditure

The expenditure and variance versus the final appropriation is provided below:

Sub-programme	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000
Management: Head Of Traditional Affairs	11 240	11 240	-
Policy And Legislative for Traditional Affair	14 036	14 036	-
Institutional, Support and Coordination	11 507	11 507	-
National House of Traditional Leaders	19 204	19 204	-
Commission for the Promotion & Protection of the Rights of cultural, Religious & Linguistic communities	20 378	20 378	-
Commission on Traditional Leader Disputes & Claims	10 212	10 212	-
Total	88 577	88 577	-

Economic Classification	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000
Current payments	65 516	65 516	-
Compensation of employees	36 367	36 367	-
Goods and services	29 149	29 149	-
Interest and rent on land	-	-	-
Transfers & subsidies	22 378	22 378	-
Departmental Agencies & Accounts	22 378	22 378	-
Payment for capital assets	683	683	-
Machinery & equipment	683	683	-
Payment for financial assets	-	-	-
Total	88 577	88 577	-



DTA Entities Performance

DTA Entities Performance for 2011/12 Financial Year

Strategic objective four of the Department is aimed at providing support to its three entities namely: Commission on Traditional Leadership, Disputes and Claims; National House of Traditional Leaders; and Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities.

Strategic Objective 4

To support DTA entities by ensuring that they play a central role towards development and service delivery

Entities Performance for 2011/12 Financial Year

Commission on Traditional Leadership Disputes and Claims

The CTLDC is empowered by Section 26A of the Framework Act which requires Premiers of the affected provinces to establish Provincial Committees

that will deal with the disputes and claims delegated to them by the Commission. To this end, the following progress was made towards the establishment of the following Provincial Committees during the period under review: Mpumalanga and Eastern Cape. The remaining three provinces are being engaged to establish their committees by 2012/13.

During the year under review, the CTLDC processed a total of **139** claims and disputes as follows:

- 41 disputes and claims of Kingships;
- 76 Senior Traditional Leadership disputes and claims; and
- 22 Headmanship/headwomenship disputes and claims

The above claims and disputes were submitted to the respective Executive Authority for final decision.

National House of Traditional Leaders

The National House of Traditional Leaders (NHTL) was, initially established in terms of the Council of Traditional Leaders Act of 1994, passed in terms



of the Interim Constitution and later in terms of the National House of Traditional Leaders, passed in terms of Chapter 12 of the 1996 Constitution of the Republic of South Africa.

The National House of Traditional Leaders is seized with the responsibility of preserving and promoting the customs and traditions of traditional communities by doing work including:

- Fostering partnerships with government and non-governmental entities to promote and participate in service delivery and development processes in traditional communities
- Promote unity among traditional communities and traditional leaders; and
- Advise government in policy and legislative development matters affecting traditional communities, customary law and traditions.

The NHTL participated in the provincial assessment projects undertaken by the Department of Traditional Affairs to identify gaps, challenges and good practices in the various provinces with regard to the state of governance and cooperative governance between government and traditional leaders at the provincial and local levels.

Furthermore, the National House of Traditional Leaders was officially opened by the President of the Republic of South Africa, His Excellency Mr JG Zuma on 3 June 2011 outlining government priorities for 2011/2012.

On 5 October 2011, the President of the Republic, addressed the House in the Tshwane Metropolitan Council Chambers, Pretoria during the speech debate. The President alluded to the need for further engagement with traditional leadership to discuss matters of common interest and the need to convene a Summit for traditional leaders and elected municipal councillors to promote working relations and cooperative governance at the local level, to improve service delivery and development in traditional communities.

The NHTL provided inputs and position papers on pieces of draft legislation referred to it which impacted on the work of traditional communities and institutions, as required in terms of the establishing Act. Provincial houses of traditional leaders were also involved in such initiatives. One of the highlights of a united traditional leadership voice was during the discussion of the National Traditional Affairs Bill (NTAB) when a workshop was organised by the House and attended by the Congress of National Traditional Leaders of South Africa (CONTRALESA) and the leadership of provincial houses to interrogate and make inputs towards finalisation of the Bill.

They collectively made inputs which have contributed to the finalisation of the consultative process.



Strategic Objective	Measure/ Indicators	Baseline	Actual Performance against Targets		Reason for Variance
			Target 2011/12	Actual Achievements	
Sub-programme: CTLDC					
To support DTA entities by ensuring that they play a central role towards development and service delivery	Number of disputes and claims finalised by the CTLDC	New project	100 claims and disputes finalised	Achieved During the year under review the CTLDC processed and finalized a total of 139 claims and disputes	Multiple claimants for the same positions
	Effective functioning of the CTLDC	New project	Appointment of the Commissioners for the CTLDC and coordinate the establishment of provincial committees	Achieved The Commission is composed of five members who are appointed on full time basis for a period of five years The CTLDC has managed to facilitate the establish all provincial committees	
	Traditional Leadership Dispute Resolution Guideline developed	New project	Develop draft Traditional Leadership Dispute Resolution Guidelines	Achieved A draft Traditional Leadership Dispute Resolution Guidelines was developed	

Strategic Objective	Measure/ Indicators	Baseline	Actual Performance against Targets		Reason for Variance
			Target 2011/12	Actual Achievements	
Sub-programme: National House of Traditional Leaders					
Improve the capacity and capability of the NHTL and institution to deliver on its mandate	Improved capacity and capability of traditional leaders	New project	Capacitate traditional leadership by March 2012 through the DTA	Achieved A total of 44 traditional leaders were trained during the 2011/12 financial year through the Capacity Building Unit of the DTA. In addition the Skills audit for Traditional Leaders was conducted during the year under review by the Justice College	
Participate in service delivery and rural development	Effective involvement of traditional leadership on matters of service delivery and rural development	New project	Participation by traditional leaders in service delivery and development projects	Achieved The NHTL participated in various projects organised by government departments, The House engaged the following departments and structures to improve service delivery and development in communities, DRDLR, SALGA, CoGTA , StatsSA, Women, Children and People with Disabilities, Justice & Constitutional Development and Social Development. reached	Delays in formalizing terms of engagements

Strategic Objective	Measure/ Indicators	Baseline	Actual Performance against Targets		Reason for Variance
			Target 2011/12	Actual Achievements	
Sub-programme: National House of Traditional Leaders					
Participate in legislative and policy development processes relating to traditional leadership and institutions	Effective policies and legislation on matters of traditional leadership	Constitutional Review inputs	Position papers developed on draft legislation and policy affecting traditional leaders and communities	Achieved Inputs provided to Parliament and departments on the SA Languages, NTAB, Constitutional Review, Customary Marriages Act, Childrens Act, Policy on IKS by Science and Technology, Restorative Justice Policy, Initiation Schools and Ukuthwala	
Promote custodianship of culture, customs, traditions and values by traditional	Preservation and promotion of culture, customs, traditions, language and values and policies on cultural practices	Heritage Month, cultural events organised and celebrated nationally, provincially and by Traditional Councils	Preservation and promotion of culture, customs, traditions, language and values and policies on cultural practices	Achieved Members of the NHTL participated in cultural events hosted by various traditional councils, provincial houses, national government departments and structures	
Improve communication within the houses and stakeholders	Communication and Marketing Strategy developed and implemented	A draft Communication and Marketing Strategy	Communication and Marketing Strategy developed and implemented	Partially Achieved The Communication and Marketing Strategy was developed but required further review for approval and implementation	The DTA will provide support in this regard as its core function and provide support to the institution

DTA at a Glance for 2011/12 Financial Year

Through its skills development programme, DTA coordinated training of traditional leaders on indigenous law in partnership with Department of Justice and Constitutional Development. The training started with members of National House of Traditional Leaders on the 09 -12 January and on the 12-15 March 2012 for the members of Eastern Cape Provincial House of Traditional Leaders. The training schedule for other provinces has been developed and it will be implemented in the next financial year.

The course covered the following topics:

- Recognition and Application of Customary Law,
- Customary Marriages & Civil Marriages of Blacks;
- Customary Marriages & Interpretation of the Recognition of Customary Marriages Act;
- Succession & the Implication of the Reform of Customary Law of Succession Act;
- Administration of Deceased Estates;
- Claim for loss of support by Customary Marriage widow; and
- Administrative of Justice and Children as Offenders.

CULTURAL EVENTS

Silamba day held at Komjekejeke (Waalmansthal)

The Department participated in the celebration of the Silamba day which was held at Komjekejeke in Waalmansthal. The Silamba day is held annually in commemoration of the late King Silamba of amaNdebele of Manala. King Silamba negotiated with Rev. Knothe for the settlement in Waalmansthal. This was after a quarrel between Ama-Ndebele and a certain Mr. Bronkhorst who advised that the King went to the Missionaries to secure the place. King Silamba successfully negotiated and got the place. The people when going to occupy the Waalmansthal area, they go there walking with pride (bejekezela) that they have their own place.

This cultural ceremony was used by the King to give feedback to the community on variety of issues, it offers government a platform to share information and address the challenges facing the communities. In addition, business people as well as universities were also invited to market themselves. The Silamba day was partially used for cultural purposes but more focus was a means to educate, share and empower traditional communities with knowledge.



CHAPTER THREE

FINANCIAL PERFORMANCE

CONTENTS

Report of the Audit Committee	106
Report of the Accounting Officers	108
Report of the Auditor-General	120
Appropriation Statement	126
Notes to the Appropriation statement	145
Statement of the Financial Performance	148

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 03

Report of the Audit Committee

for the year ended 31 March 2012

We are pleased to present our report for the financial year ended 31 March 2012

1. AUDIT COMMITTEE MEMBERS AND ATTENDANCE

The Audit Committee consisted of the members listed hereunder. The Committee is supposed to meet at least four times per annum as per its approved terms of reference. Five (5) meetings were held for the reported financial period.

NAME OF MEMBERS	NUMBER OF MEETINGS ATTENDED
Ms Nonhlanhla Khumalo (Chairperson)	5
Mr William Ndlovu	4
Mr Thomas Ntuli	5

2. AUDIT COMMITTEE RESPONSIBILITY

The Audit Committee is satisfied that, it has complied with its responsibilities as outlined in Section 38(1)(a) of the PFMA and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted formal terms of reference as its audit committee charter, and has discharged all its responsibilities as contained therein. These will be reviewed and updated to conform and/or comply with changes in governance.

3. THE EFFECTIVENESS OF INTERNAL CONTROL

There were improvements noted in the internal controls for the department in the year under review. The Department reviewed all disbursements for the 2010/2011 and 2011/12 financial year and concluded on the irregular expenditure register. The department also made every effort to ensure that the asset register was complete and accurate. A Post Audit Action Plan was also implemented to provide reasonable assurance to the Audit Committee and Management that internal controls are being improved.

The Committee noted the improvement made by management in addressing the control environment and will continue to support and monitor the progress until the department's control environment has improved significantly.

4. INTERNAL AUDIT

Internal Audit Management reported directly to the Audit Committee, with Internal Audit reporting independently on the progress by management in implementing the plan.

Improvements were also noted in the functioning of the Internal Audit Activity during the year under review. A three year risk based strategic plan and the annual operation plan was implemented by the Internal Audit Activity. The Internal Audit Activity also assisted the Department in facilitating the Risk Management Processes and in compiling the risk register.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Report of the Audit Committee
for the year ended 31 March 2012

However it must be noted that the unit is not fully capacitated, this was largely due to the restructuring as previously reported. The Audit Committee tasked management to prepare comprehensive plan to indicate how the Department intended to address the issues raised in the report.

5. QUALITY OF MANAGEMENT AND MONTHLY / QUARTERLY REPORTS SUBMITTED IN TERMS OF THE ACT AND THE DIVISION OF REVENUE ACT

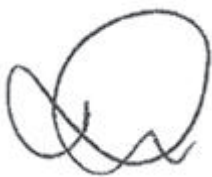
The Department presented and reviewed the financial management reports at its Quarterly Review Meetings. These reports were also tabled and discussed at the Audit Committee meetings. The Committee was satisfied with the reports being issued by the Accounting Officer and the Department during the year under review.

6. EVALUATION OF FINANCIAL STATEMENTS

The Audit Committee has:

- Reviewed the Annual Financial Statements prior to submission for Audit
- Reviewed and discussed with the Auditor-General and Accounting Officer the audited annual financial statements to be included in the annual report; and
- Reviewed the Auditor-General's management letter and management response.

The Committee concurs and accepts the conclusions of the Auditor-General on the annual financial statements and is of the opinion that the audit annual financial statements be accepted and read together with the report of the Auditor-General.



Nonhlanhla Khumalo
Chairperson of the Audit Committee
Date: 31 July 2012

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Report by the Accounting Officer

for the year ended 31 March 2012

Report by the Accounting Officer to the Executive Authority and Parliament/Provincial Legislature of the Republic of South Africa.

1. General review of the state of financial affairs

1.1 Important policy decisions and strategic issues

The Departments of Cooperative Governance and Traditional Affairs (**CoGTA**) is responsible for Outcome 9 that is aimed at ensuring a “responsive, accountable, effective and efficient local government system.” This outcome is located within the broader Local Government Turn-Around Strategy (LGTAS) (2009-2014). That consecutively is entrenched within the Constitutional framework of cooperative governance. Other strategic goals include the following projects: Operations clean Audit by 2014 and clean cities, Revenue enhancement, Green paper on Cooperative Governance, Community Works Program (CWP) and Municipal Infrastructure Support Agency (MISA).

1.2 Significant event that took place during the year

The department through CWP was able to create 105 218 work opportunities across 9 provinces, in 63 municipalities and 529 wards. 69% of the participants during this period were women and 54% were young people which provide access to a minimum level of regular work on an ongoing and predictable basic for those unable to access other opportunities.

A Special Purpose Vehicle established in a form of MISA has deployed technical assistance (Technical Experts & Young Professionals) to local government in order to strengthen their capacity to undertake infrastructure development and deliver basic municipal services and there were able to spend their R192.061 million allocation.

1.3 Spending trends

The total expenditure of the department, excluding local and foreign aid assistance, amount to R46 221 564 000 representing 95.89% of the total appropriation. The under spending of R1 983 650 000 was therefore 4.11% of the total budget. This reflects a continued trend of growth in the annual under expenditure which was at 0.26% in 2010/11

This comprised mainly of compensation of employees; goods and services; payments of capital assets and Transfers & subsidies. The following table reflects the savings trend since 2005/06:

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Report by the Accounting Officer

for the year ended 31 March 2012

Year	Expenditure R '000	Saving %	Saving R '000
2005/06	15 957 562	0,02	2 865
2006/07	24 573 267	3,33	817 739
2007/08	30 029 716	0,02	7 035
2008/09	35 348 095	0,82	290 912
2009/10	36 016 101	1,42	511 032
2010/11	44 457 917	0.26	115 202
2011/12	46 221 564	4.11	1 983 096

The main Estimates of National Expenditure provided for the appropriation of an amount of R47 933 580 000 and this was increased by R271 082 000 in the Adjustments Estimate to bring the total amount voted to R48 204 662 000. This represented an increase of R3 631 543 000 (7.53%) over the previous financial year. The main increases were in respect of the Equitable Share, Municipal Infrastructure Grant, Community Works Programme and Disaster Relief to provincial and local government.

The comparative revised budget allocations are as follows:

	Previous year R'000	Current year R'000
Allocations per programme		
Programme 1 – Administration	183 322	208 467
Programme 2 – Policy, Research and Knowledge Management	43 168	40 321
Programme 3 – Governance and Intergovernmental Relations	30 680 284	34 474 202
Programme 4 – National Disaster Management Centre	289 840	812 832
Programme 5 – Provincial and Municipal Government Systems	246 943	252 437
Programme 6 – Infrastructure and Economic Development	13 055 485	12 327 826
Programme 7 – Department of Traditional Affairs	74 077	88 577
Total	44 573 119	48 204 662

Allocation per economic classification		
Compensation of employees	200 603	246 615
Goods and services	425 271	446 543
Interest and rent on land	101	81
Financial transactions in assets and liabilities	272	1 193
Transfers and subsidies	43 921 269	47 490 434
Payment for capital assets	25 875	19 796
Total	44 573 119	48 204 662

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Report by the Accounting Officer

for the year ended 31 March 2012

Under/ (over) spending

The total under expenditure amounted to R1 983 096 000, which is 4.11% of the amount voted. The main contributing factors to the under expenditure was Local Government Equitable Share to the value of R934 662 000 which was withheld by National Treasury for non performance of municipalities on other conditional grants in the previous financial years; the Disaster Relief fund amounting to R727 717 000, is a contingency fund that is only utilised once the disasters have been declared and the relevant municipality and the province have complied with the applicable regulatory requirements. On and lastly an amount of R261 395 000 was under spent on the once-off gratuity to non returning councillors the delay was mainly due to the incomplete information received from municipalities as well as tax directives from SARS that are done on individual basis. These funds have been requested for roll over in order to continue making the payments in the 2012/13 financial year.

The under-spending on the operational budget was due to posts that were filled late in the financial year such as posts within MISA and CWP within compensation of employees to the value of R11 628 000 while in goods and services the department under spend with R20 548 000 due to projects that were either withheld or deferred to the next financial year and funds that were set aside to implement the establishment of cooperatives through SANACO which have been requested for roll over into 2012/13.

The payments for capital assets also under spend with R11 519 000; this was attributable to R5.6 million allocated to CWP which was not spent because the implementing agents' contract ended towards the end of the financial year, where the previous ones did not want to invest in capital towards the end of their term. The remaining R5.8 million is on office furniture and office equipment that was not required as envisaged.

1.4 Virements

The following Virement were effected in terms of section 43 of the PFMA (Act No. 1 of 1999) as amended.

- **PROGRAMME 2 TO PROGRAMME 1: R 310,000**
- **PROGRAMME 3 TO PROGRAMME 1: R 1,693,000**
- **PROGRAMME 4 TO PROGRAMME 5: R 2,576,000**
- **PROGRAMME 2 TO PROGRAMME 7: R 328,000**
- **PROGRAMME 3 TO PROGRAMME 7: R 672,000**
- **PROGRAMME 6 TO PROGRAMME 7: R 2,981,000**
- **PROGRAMME 4 TO PROGRAMME 7: R 827,000**
- **PROGRAMME 2 TO Authorised Losses: R 547,000**

The increase to the foreign government and international organisation was an annual subscription fee to the all Africa Ministerial Conference on decentralization and local development, devoted to the finalisation of the institutional and legal framework of the organisation.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Report by the Accounting Officer

for the year ended 31 March 2012

1.4.1 Programme 1 – Administration: R 2,547,000

The virement into programme 1 are to compensate for the cost of salaries that were paid to additional officials on the establishment, they are implementing the flagship projects such as LGTAS, Operation Clean Audit, Revenue Enhancement and Clean Towns and Cities. We also had to cater for new officials that came with the change in the Executive head of the department.

1.4.2 Excess on Programme: 2, and 3 – R 2,547,000

The savings have mainly been realised through vacancies, which were filled during the course of the year and the projects that have been withheld or deferred to the next financial year after the new Minister paved a new strategic agenda for the department.

1.4.3 Programme 5 – Provincial & Municipal Government System R2,576,000

The shifting of funds to Programme 5 of R 2,576,000 due to TSU that were shifted from programme 1 during the AENE which increased their salaries and travel account, the TSU are placed in all nine provinces for monitoring, evaluation and oversight at municipalities and ensure that their reporting is adequate and reliable.

1.4.4 Savings on Programme: 4 – R 2,550,000

The savings in this programme have mainly been realised through vacancies, which were filled late in the year and the non-renewal of a consultancy contract for Information Communication Technology to maintain the system within NDMC, the IT function is currently being performed in-house.

1.4.5 Programme 7 – Traditional Affairs R 4,808,000

The virement to the Department of Traditional Affairs and the National House of Traditional Leaders are as a result of increased cost related to the travelling account due to the assessment done on the state of traditional councils, payments of board members and legal costs on chieftaincy's disputes and claims.

1.4.6 Savings on Programme: 3, 4 & 6 – R 4,480,000

The funds have been shifted from these programmes after savings were realised through vacancies, which were filled late in the course of the year and contracts that have been deferred or withheld during the financial year after the Minister paved the new strategic direction of the department.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Report by the Accounting Officer

for the year ended 31 March 2012

1.4.7 Programme 1 Administration - Authorised Losses: R547,000

It is necessary to provide by means of a virement, for Authorised Losses as they are incurred. The breakdown of the amount is as follows:

Accident and Damage GG Vehicles	R547, 000
Cancellation Fees: Air tickets	-
Total	547,000

All the items, which are referred to above, have been subjected to due process in terms of the policies and procedures of investigations and assurance that punitive measures are enforced. All Virement done within the department were approved by National Treasury.

1.4.8 Any other material matter

The department did not incur any expenditure relating to unauthorised, however an amount of R679 000 was incurred as fruitless and wasteful expenditure due to interest paid to GEFP due to delay to pay severance package of two officials that took early retirement from the public service before reaching the age of 60 years, the car accident where the staff member was not dully authorised and the interest in late payment of an account. These matters will be investigated to determine whether they are recoverable and then they will be recovered; the internal controls measures are reviewed and enforced to prevent any occurrence of this type of expenditure.

2. Service rendered by the department

2.1 The department did not render any service during the period under review.

2.2 Tariff policy

The Department did not provide services for which a tariff must be determined, or rendered a free service as contemplated in Treasury Regulation 7.3.2.

2.3 Inventories

Inventories on hand at year end amounted to R309 000 consisting mainly of stationery. The average price costing method as provided for by the LOGIS system was utilized.

3. Capacity constraints

The Departments of Cooperative Governance and Traditional Affairs has since December 2011 embarked on a realignment process of the organisational structures to align the organisational structure to the mandate of the Ministry, in order to address local government priorities and place the current staff according to their expertise.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Report by the Accounting Officer

for the year ended 31 March 2012

The re-alignment processes are well underway and the first phase of approving the realigned structure in consultation with the Department of Public Service and Administration and the National Treasury is nearing completion.

Given the nature and scope of the Ministry mandate, the re-alignment process also seeks to address the capacity challenges that impact negatively on the implementation of key programmes. The Departments are confident that the process will be completed before the start of the MTEF process so that the new organisational structures could be implemented in a phased-in approach starting in the 2013/14 financial year.

4. Utilisation of donor funds

The donor funds were utilized in the following areas:

	Closing balance
Received in cash	R'000
• Decentralisation of LG in the DRC (African Renaissance)	R10 259
• Ethic training in LG anti-corruption strategy (DANISH)	R 0
• Results area 5 of the Local Economic Development Program (EU)	R 1 392
• Piloting Sebenza Nathi Initiative (EU)	R11 349
• Start-up expanding & strengthening public participation in LG (EU)	(R51)
• Phase 1: Expanding & strengthening public participation in LG (EU)	R 1 141
• Masibambane project (EU)	R 9 650
• Community Works Programme: ECSSP (DFID)	R 7 019
• National Training Framework Sector budget support (Netherlands)	R 0
• White Paper on Disaster Management (UNDP)	R 0
Grand Total	R40 760
Received in Kind	R'000
• Technical Co-operation on strengthening LG Programme (SLGP) (GTZ)	(0)
• Support to decentralisation and LG development policies in RSA (ITALY)	(R 2 848)

5. Trading entities and public entities

There are no trading entities under the control of the Department.

The South African Local Government Association (SALGA) is the only listed public entity which is fully operational.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 03

Report by the Accounting Officer

for the year ended 31 March 2012

6. Organisations to whom transfer payments have been made

- *South African Local Government Association (SALGA)*
SALGA has been recognised in terms of the Organised Local Government Act (1998) recognises the association as representative of organised local government, and to participate in intergovernmental structure at a provincial and district level in order to influence national and provincial legislation and gauge its impact on local government.
- *Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities.*
The Commission is a Chapter 9 institution listed in terms of the PFMA and reports directly to Parliament. The commission focuses on: recovering diminished heritages through research, disseminating its findings, education and advocacy. The commission also facilitates the resolution of conflicts between individuals, group and communities.
- *The Municipal Demarcation Board (MDB)*
The Board is a constitutional institution listed in terms of the PFMA and section 155 (3)(b) of the constitution as an independent authority responsible for determining municipal boundaries and its independence is protected by section 3 of the Local Government Municipal Demarcation Act (1998) and various judgement of the Constitutional Court.
- *South African Cities Network (SACN)*
The transfer is a contribution to the operational costs which enables cooperation's between South African cities and maximises benefits through the exchange of information.
- *Municipalities*
Transfers made in terms of the Division of Revenue Act.
- *Non-Profit Institutions:-*
 - *United Cities and Local Governments of Africa (UCLGA)*
It is an organisation established to facilitate inter-continental development and sharing of best practices amongst African Cities and Local Governments. The transfer contributes towards the operational costs and strengthening the capacity of UCLGA to implement its programmes.

The above institutions report on their financial results independently from the department and the entities and constitutional institutions are responsible for their Annual Reports which must be submitted to the Executive Authority for tabling in Parliament.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Report by the Accounting Officer

for the year ended 31 March 2012

7. Public private partnerships (PPP)

The Department has not entered into any Public Private Partnership agreements.

8. Corporate governance arrangements

The Department regards good corporate governance as an effective mechanism for encouraging efficiency in the operations of the Department, prevention of corruption and combating fraud. It therefore continuously strives towards achieving compliance with the principles of good corporate governance.

The requirements of the KING III report regarding the responsibilities of Accounting Officers should also be addressed. Departments should follow the requirements listed in section 38 and 40 of the Public Finance Management Act (PFMA).

8.1 Audit Committee

The Audit Committee is fully functional and met regularly during the year to provide an oversight role on the operations of the Department and the systems of corporate governance supporting the achievement of the Department's objectives. The Audit Committee also approved the Three Year Strategic Rolling Plan for the period 2011/12-2013/14 and the Annual Project Plan of Internal Audit. Quarterly reports are submitted to the Audit Committee which enabled the committee to monitor the performance of Internal Audit against the Internal Audit Annual Project Plan.

8.2 Risk Management

The Department conducted an annual risk assessment, in accordance with the Risk Management Policy. The risk report was approved by the Accounting Officer and the report was presented to the Audit Committee. The risk profile is based on Departmental objectives. The Departmental risk register was used to develop the three year rolling Internal Audit plan, as the Department follows a risk based audit approach.

The Department is continuously striving to increase the risk management processes of the Department and during the 2011/12 financial year successfully appointed risk champions in all Branches and resuscitated the Risk Management Committee to actively monitor the progress of the Risk Management process.

It is envisaged that during the 2012/2013 financial year efforts will be made to further enhance the risk management processes and develop business continuity plans for the Department.

8.3 Internal Audit

The Internal Audit Plan was developed in line with the Departmental risk assessment report. The plan was approved by the Audit Committee and subsequently implemented. The Unit conducted a number of internal

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

VOTE 03

Report by the Accounting Officer

for the year ended 31 March 2012

audits and ad hoc projects during the year and provided comprehensive recommendations for improvement, to the Department where appropriate.

The Strategic Management Committee (SMC) discussed and adopted the Post Audit Action Plan to ensure implementation of the said plan so that the internal control weaknesses that were identified are corrected.

8.4 Prevention of fraud and corruption

The department has established the Fraud Prevention Committee which was adopted and approved by management. The committee adopted the Anti-Corruption and Whistle Blowing Policy and focused on monitoring the implementation of the Fraud Prevention Plan. The Department has adequate and effective policies and procedures in place to prevent, detect and address acts of corruption. During the 2012/13 financial year the Department will continue to enhance the awareness of officials on their roles and responsibilities in combating corruption and also create an environment where there is a zero tolerance to fraud and corruption.

8.5 Other

The physical environment is managed by Facility Management unit and matters of safety and health are priorities within the rented buildings occupied by the Department. Personal health matters are addressed by the Quality of Work-life unit through awareness campaigns and periodic arrangement of Wellness Day to monitor vital health indicators.

9. Discontinued activities/activities to be discontinued

There were no discontinued activities or activities to be discontinued during the 2011/12 financial year.

10. New/proposed activities

Special Purpose Vehicle

Functions from Siyenza Manje in National Treasury that was implemented by DBSA was transferred to the department to ensure that sufficient in-house technical capacity building in weaker local and district municipalities is provided to enhance infrastructure delivery. The department was allocated R196.7 million for 2011/12 to establish a technical capacity support programme and for the sake of continuity the Department entered into a Memorandum of Understanding with DPISA to allow the contracts of the employees to continue while the Department is establishing the Municipal Infrastructure Support Agency to project manage this funding independently.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Report by the Accounting Officer

for the year ended 31 March 2012

11. Irregular expenditure

Pursuant to the qualification by the Auditor General on the completeness of irregular expenditure for the 2010/11 financial year, the department has embarked on processes to ensure full disclosure as well as a concerted effort to strengthen the internal controls on compliance with procurement regulations.

Parallel to the above the department has investigated all the cases of irregular expenditure in order to take the necessary actions against transgressors and to apply for the necessary condonement by the relevant authority.

Of the R 758 million that is awaiting condonement as per note 25 of the annual financial statements the following is the status quo in the processes towards condonement.

- The investigation by Internal Audit has been completed and applications were sent to National treasury for the condonement of the irregular expenditure emanating to the extensions of contracts in the 2010/11 and 2011/12 financial years to the value of R 676 million. It should be pointed out that the majority of the non-compliance on extension of contracts resulted from the implementation of the CWP programme which was transferred to the department from The Presidency in 2010/11 and was implemented using the service providers of that institution. The institutional arrangements and the appointment of service providers within the department for this programme have been finalised and no further irregular expenditure is being incurred in this regard.
- R82 million is currently under investigation to determine the appropriate action against transgressors as well as apply for condonement. This process is envisaged to be finalised by the 31 July 2012.

In order to prevent and end the non-compliance trend that leads to irregular expenditure, internal controls which include strengthened contract management; review of SCM policies and procedures; training and awareness on policies; as well as ensuring that appropriate action is taken against the transgressors.

12. Asset management

The department has for the past 2 financial years put effort to improve the asset management processes in order to maintain an up to date asset register. There has been a history of weak internal controls with regards to the safeguarding of assets as well as the controls around movement of assets within the department. This weakness is prevalent in the IT related assets and is being addressed.

In the financial year under review, the asset management policy and procedures were reviewed; periodic asset verifications were conducted as per the approved policy. There are exceptions from these verification processes which are currently being investigated to ensure a consistently up to date asset register.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Report by the Accounting Officer

for the year ended 31 March 2012

The department has also decentralised the responsibility and accountability for the assets to each branch where assets controllers were appointed to do reconciliation and report monthly to asset management unit on the movement of assets in order to update and maintain the asset register.

13. Events after the reporting date

None

14. Performance information

Since the introduction of the Framework for Management Programme Performance Information the department comply with the requirements of this framework. Quarterly Review Meetings are held and Branches reports are generated which reflects quarterly and progressive performance, including expenditure and its link with the risk areas highlighted in the risk assessment report.

The strategic objectives are set out in the Annual Performance Plan which is linked to the departmental appropriation. As required the plan had outputs, performance measures, the baseline and performance targets in expression of projects to be achieved during the 2011/12 financial year.

15. SCOPA resolutions

The SCOPA resolutions have not been finalised by Parliament.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Report by the Accounting Officer

for the year ended 31 March 2012

16. Prior modifications to audit reports

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Qualified audit opinion on the completeness of irregular expenditure.	2010/11	The 2010/11 and 2011/12 expenditure has been reviewed to ensure that the irregular expenditure incurred is fully accounted for in the current financial year and that the comparative figures for the 2010/11 have been adjusted to reflect the completeness of this disclosure.

17. Approval

The Annual Financial Statements set out on pages 126 to 251 have been approved by the Accounting Officer.



Mr. KTM Sigidi
Director-General (Acting)
Department of Cooperative Governance
31 July 2012



Prof: MC Nwaila
Director-General
Department of Traditional Affairs
31 July 2012

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Report of the Auditor-General

for the year ended 31 March 2012

Introduction

1. I have audited the financial statements of the Department of Cooperative Governance and Traditional Affairs set out on pages 126 to 182, which comprise the appropriation statement, the statement of financial position as at 31 March 2012, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and presentation of these financial statements in accordance with The Departmental Financial Reporting Framework prescribed by the National Treasury, and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and Division of Revenue Act of South Africa, 2011 (Act No. 6 of 2011) (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.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the General Notice issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Report of the Auditor-General
for the year ended 31 March 2012

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Cooperative Governance and Traditional Affairs as at 31 March 2012, and its financial performance and cash flows for the year then ended in accordance with The Departmental Financial Reporting Framework prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act (DoRA).

Emphasis of matters

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

Significant uncertainties

8. With reference to note 19 to the financial statements, the department is the defendant in various lawsuits. The outcome of these matters cannot currently be determined, and an amount of R4 264 000 has been disclosed as a contingent liability in the financial statements.

Additional matters

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

Unaudited supplementary schedules

10. The supplementary information set out in Annexures 1 to 6 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Financial reporting framework

11. The financial reporting framework prescribed by the National Treasury and applied by the department is a compliance framework. The wording of my opinion on compliance framework should reflect that the financial statements have been properly prepared in accordance with this framework. Section 20(2)(a) of the PAA, however requires me to express an opinion on the fair presentation of the financial statements. The wording of my opinion therefore reflects this requirement.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

12. In accordance with the PAA and the General Notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Report of the Auditor-General

for the year ended 31 March 2012

Predetermined objectives

13. I performed procedures to obtain evidence about the usefulness and reliability of the information in the report of information of predetermined objectives as set out on pages 16 to 72 of the annual report.
14. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the National Treasury *Framework for Managing Programme Performance Information* (FMPPPI).
15. The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).
16. The material findings are as follows:

Usefulness of information

Consistency

17. Treasury Regulation 5.2.4 requires that the strategic plan should form basis for the annual report, therefore requiring the consistency of objectives, indicators, and targets between the planning and reporting documents. A total of 22% of the reported objectives, indicators and targets for the Department of Traditional Affairs were not consistent with the objectives, indicators and targets as per approved strategic performance plan. This was due to the lack of understanding of the National Treasury Framework for managing programme performance information (FMPPPI) by the management of the department regarding the link of the strategic plan to other entities' plans.

Measurability

18. The FMPPPI requires that indicators/measures should have clear unambiguous data definitions so that data can be collected consistently and is easy to understand and use. A total of 44% of the indicators relevant to programme 4: Disaster Management, programme 5: Provincial and Municipal Government Support & programme 6: Infrastructure and Economic Development of the Department of Cooperative Governance were not well defined in that clear, unambiguous data definitions were not available to allow for data to be collected consistently. This was due to the requirements of the FMPPPI not being correctly applied due to a misinterpretation of the requirements.
19. The FMPPPI requires that it must be possible to validate the processes and systems that produce the indicator. A total of 44% of the indicators relevant to programme 3: Governance and Intergovernmental Relations, programme 4: Disaster Management, programme 5: Provincial and Municipal Government Support & programme 6: Infrastructure and Economic Development of the Department of Cooperative Governance were not verifiable in that valid processes and systems that produce the information on actual performance did not exist. This was due to the lack of key controls in the relevant systems of collection, collation, verification and storage of actual performance information.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Report of the Auditor-General
for the year ended 31 March 2012

RELIABILITY OF INFORMATION

Validity, Accuracy and Completeness

20. The FMPPI requires that processes and systems which produce the indicator should be verifiable, that the indicator should be accurate enough for its intended use and respond to changes in the level of performance and that documentation addressing the systems and processes for identifying, collecting, collating, verifying and storing information be properly maintained. I was unable to obtain all the information and explanations I considered necessary to satisfy myself as to the validity, accuracy and completeness of the actual reported performance relevant to 24% of programme 3: Governance and Intergovernmental Relations, programme 5: Provincial and Municipal Government Support & programme 6: Infrastructure and Economic Development of the Department of Cooperative Governance. This was due to lack of standard operating procedures for the recording of actual achievements by senior management.

Additional matter

21. In addition to the above material findings, I draw attention to the following matter:

Achievement of planned targets

22. Of the total number of 84 planned targets, 36 were not achieved by the Department of Cooperative Governance during the year under review. This represents 43% of total planned targets that were not achieved during the year under review.

Compliance with laws and regulations

23. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the General Notice issued in terms of the PAA are as follows:

Strategic planning and performance management

24. The accounting officer did not ensure that the department had and maintained an effective, efficient and transparent system of internal control regarding performance management, which described and represented how the institution's processes of performance planning, monitoring, measurement, review and reporting were conducted, organised and managed as required by section 38(1)(a)(i) and (b) of the PFMA.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Report of the Auditor-General

for the year ended 31 March 2012

Annual financial statements, performance report and annual report

25. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and not supported by full and proper records as required by section 40(1) (b) of the Public Finance Management Act. Material misstatements of disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Procurement and contract management

26. Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by Treasury Regulation 16A6.1.
27. Goods and services of a transaction value above R500 000 were procured without inviting competitive bids, as required by Treasury Regulations 16A6.1.
28. Invitations for competitive bidding were not always advertised for a required minimum period of 21 days, as required by Treasury Regulations 16A6.3(c).
29. Quotations were awarded to suppliers whose tax matters had not been declared by the South African Revenue Services to be in order as required by Treasury Regulations 16A9.1(d) and the Preferential Procurement Regulations.

Expenditure management

30. The accounting officer did not take effective steps to prevent irregular and fruitless and wasteful expenditure, as required by section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1.
31. Contractual obligations and money owed by the department were not settled within 30 days or an agreed period, as required by section 38(1)(f) of the PFMA and Treasury Regulation 8.2.3

Human Resource management and compensation

32. A human resource plan was not in place as required by Public Service Regulation 1/III/B.2(d).
33. Persons in charge at pay points did not always certify that the employees receiving payment were entitled thereto as required by TR 8.3.4.

Asset management

34. Proper control systems to safeguard and maintain assets were not implemented, as required by section 38(1)(d) of the PFMA and Treasury Regulation 10.1.1(a).

Internal control

35. I considered internal control relevant to my audit of the financial statements, report of information on predetermined objectives and compliance with laws and regulations. The matters reported below under

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Report of the Auditor-General

for the year ended 31 March 2012

the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on the report of information on predetermined objectives and the findings on compliance with laws and regulations included in this report.

Leadership

36. The accounting officer did not exercise oversight responsibility regarding financial and performance reporting and compliance with laws and regulations and related internal controls.

Financial and performance management

37. Management did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.
38. Management did not review and monitor compliance laws and regulations.

Governance

39. The accounting officer did not ensure that there is an adequately resourced and functioning internal audit unit that identifies internal control deficiencies and recommended corrective action effectively.

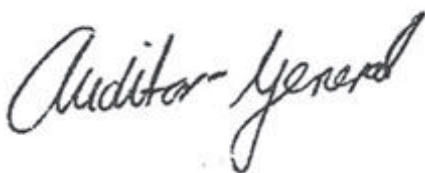
OTHER REPORTS

Investigations

40. Investigations were conducted based on allegations of possible tender irregularities by employees in different sections of the department. The investigations resulted in disciplinary proceedings being initiated against implicated employees.
41. The Public Protector conducted an investigation into alleged financial misconduct by the former late minister. The Public Protector's report, Report No.11 of 2011/12, dated 11 October 2011, recommended that certain of the funds be recovered from the late former minister.

Agreed upon procedures engagements

42. As requested by the department, an engagement was conducted during the year under review concerning the donor funding received from the European Union for project Masibambane. The report covered the period 1 April 2010 to 31 March 2011 and was issued on 24 July 2012.



Pretoria
30 July 2012



DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Appropriation Statement

for the year ended 31 March 2012

Appropriation per programme										
2011/12										
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure	2010/11
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000
1. ADMINISTRATION										
Current payment	200 383	(7 374)	2 551	195 560	195 009	551	99.7%	179 638	68 409	
Transfers and subsidies	100	7 228		7 328	7 243	85	98.8%	275	275	
Payment for capital assets	4 386			4 386	2 636	1 750	60.1%	3 130	576	
Payment for financial assets	500	146	547	1 193	1 193	-	100.0%	279	272	
	205 369	-	3 098	208 467	206 081	2 386	98.8%	183 322	169 532	
2. POLICY, RESEARCH AND KNOWLEDGE MANAGEMENT										
Current payment	34 546		(857)	33 689	33 521	168	99.5%	37 490	30 883	
Payment for capital assets	6 960		(328)	6 632	4 414	2 218	66.6%	5 678	4 550	
	41 506		(1 185)	40 321	37 935	2 386	94.1%	43 168	35 433	
3. GOVERNANCE AND INTERGOVERNMENTAL RELATIONS										
Current payment	28 217		(2 365)	25 852	22 909	2 943	88.6%	39 533	38 763	
Transfers and subsidies	34 448 350		-	34 448 350	33 247 845	1 200 505	96.5%	30 653 982	30 634 338	
Payment for capital assets	-		-	-	-	-		3	3	
	34 476 567		(2 365)	34 474 202	33 270 754	1 203 448	96.5%	30 693 518	30 673 104	

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Appropriation Statement

for the year ended 31 March 2012

Appropriation per programme									
2011/12					2010/11				
	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
4. DISASTER RESPONSE MANAGEMENT									
Current payment	38 788		(3 400)	35 388	32 885	2 503	92.9%	63 681	56 934
Transfers and subsidies	775 000	-	-	775 000	47 283	727 717	6.1%	214 398	214 398
Payment for capital assets	2 444	-	-	2 444	490	1 954	20.0%	11 761	11 760
	816 232	-	(3 400)	812 832	80 658	732 174	9.2%	289 840	283 092
5. PROV & MUN GOVT SYSTEMS									
Current payment	29 617	-	2 576	32 193	32 193	-	100.0%	34 551	34 551
Transfers and subsidies	220 210	-	-	220 210	220 210	-	100.0%	212 000	212 000
Payment for capital assets	34	-	-	34	8	26	23.5%	8	8
	249 861	-	2 576	252 437	252 411	26	99.9%	246 559	246 559
6. INFRA & ECONOMIC DEVELOPMENT									
Current payment	334 827	(26 254)	(3 532)	305 041	279 028	26 013	91.5%	222 152	222 052
Transfers and subsidies	11 990 931	26 237	-	12 017 168	12 006 074	11 094	99.9%	12 816 213	12 764 816
Payment for capital assets	5 600	17	-	5 617	46	5 571	0.8%	4 270	5
	12 331 358	-	(3 532)	12 327 826	12 285 148	42 678	99.7%	13 042 635	12 986 873

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Appropriation Statement

for the year ended 31 March 2012

Appropriation per programme										
2011/12										2010/11
	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
7. TRADITIONAL AFFAIRS										
Current payment	61 036	-	4 480	65 516	65 516	-	100.0%	48 930	36 670	
Transfers and subsidies	22 378	-	-	22 378	22 378	-	100.0%	24 401	24 401	
Payment for capital assets	355	-	328	683	683	-	100.0%	746	746	
	83 769	-	4 808	88 577	88 577	-	100.0%	74 077	61 817	
Subtotal	48 204 662			48 204 662	46 221 564	1 983 098	95.9%	44 573 119	44 456 410	
TOTAL	48 204 662			48 204 662	46 221 564	1 983 098	95.9%	44 573 119	44 456 410	
Reconciliation with Statement of Financial Performance										
Add:										
Departmental receipts				1 092					241	
Aid assistance				4 320					29 781	
Actual amounts per Statement of Financial Performance (Total Revenue)				48 210 074					44 603 141	
Add:										
Aid assistance				15 515					10 227	
Actual amounts per Statement of Financial Performance Expenditure				46 237 079					44 466 637	

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Appropriation Statement

for the year ended 31 March 2012

Appropriation per economic classification									
	2011/12					2010/11			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation of employees	248 809	(2 194)	-	246 615	234 987	11 628	95.3%	200 603	174 301
Goods and services	478 605	(30 883)	(1 179)	447 543	425 995	20 548	95.4%	425 271	414 071
Interest and rent on land	-	-	81	81	-	-	100.0%	101	101
Transfers & subsidies									
Provinces & municipalities	46 546 716	(1)	-	46 546 715	44 884 236	1 662 479	96.4%	43 513 951	43 495 856
Departmental agencies & accounts	86 346	-	-	86 346	86 346	-	100.0%	110 713	110 713
Foreign governments & international organisations	-	208	-	208	208	-	100.0%	-	-
Public corporations & private enterprises	153 649	26 029	-	179 678	179 678	-	100.0%	489	119
Non-profit institutions	10 164	-	-	10 164	5 716	4 448	56.2%	9 104	7 468
Households	660 094	6 678	551	667 323	394 849	272 474	59.2%	287 012	235 917
Payment for capital assets									
Machinery & equipment	18 019	17	-	18 036	8 277	9 759	45.9%	25 596	17 592
Software & other intangible assets	1 760	-	-	1 760	-	1 760	-	-	-
Payment for financial assets	500	146	547	1 193	1 193	-	100.0%	279	272
Total	48 204 662	-	-	48 204 662	46 221 566	1 983 096	95.9%	44 573 119	44 456 410

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Appropriation Statement

for the year ended 31 March 2012

Detail per programme 1 - Administration										
Details per Sub-Programme	2011/12					2010/11				
	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
1.1 MINISTRY										
Current payment	27 877	(1 008)		26 869	26 869	-	100.0%	3 312	3 312	3 312
Transfers and subsidies	-	3		3	2	1	66.7%			
Payment for capital assets	66			66	8	58	12.1%			
1.2 MANAGEMENT										
Current payment	12 979	(691)		12 288	12 288	-	100.0%	21 165	21 165	21 165
Transfers and subsidies	100	(16)		84	84	84		154	154	154
Payment for capital assets	2 089	(373)		1 716	30	1 686	1.7%	96	96	96
1.3 CHIEF OPERATING OFFICER										
Current payment	39 950	(5 529)	(347)	34 074	34 074	-	100.0%			
Transfers and subsidies	-	780		780	780	-	100.0%			
Payment for capital assets	801	(734)		67	67	-	100.0%			
1.4 CORPORATE SERVICES										
Current payment	33 175		8 677	41 852	41 300	551	98.7%	105 411	105 411	105 411
Transfers and subsidies	-	6 461		6 461	6 461	-	100.0%	121	121	121
Payment for capital assets	1 350	1 065		2 415	2 415	-	100.0%	2 990	2 990	436

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Appropriation Statement

for the year ended 31 March 2012

Details per Sub-Programme	2011/12						2010/11		
	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
1.5 FINANCIAL SERVICES									
Current payment	18 364		1036	19 400	19 400	-	100.0%		
Payment for capital assets	80			80	74	6	92.5%		
Payment for financial assets	500	146	547	1 193	1 193	-	100.0%	279	272
1.6 COMMUNICATION AND LIAISON									
Current payment	18 569	(146)	(6 313)	12 110	12 110	-	100.0%	18 162	6 933
Payment for capital assets		28		28	28	-	100.0%	44	44
1.7 LEGISLATION REVIEW&DRAFTING									
Current payment	10 625		(379)	10 246	10 246	-	100.0%		
1.8 INTERNAL AUDIT & RISK MNGMNT									
Current payment	9 821		(224)	9 597	9 597	-	100.0%		
Payment for capital assets		14		14	14	-	100.0%		
1.9 OFFICE ACCOMODATION									
Current payment	29 023		101	29 124	29 124	-	100.0%	31 588	31 588
Total	205 369	-	3 098	208 467	206 081	2 386	98.9%	183 322	169 532

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Appropriation Statement

for the year ended 31 March 2012

Programme 1 Per Economic classification	2011/12					2010/11			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation of employees	96 985		2 003	98 988	98 988	-	100.0%	83 056	72 158
Goods and services	103 398	(6 823)	(84)	96 491	95 940	551	99.4%	96 481	96 362
Interest and rent on land			81	81	81	-	100.0%	101	101
Transfers & subsidies									
Provinces & municipalities	100	(1)		99	14	85	14.1%	103	16
Households		6 678	551	7 229	7 229	-	100.0%	172	104
Gifts and donations									
Payment for capital assets									
Machinery & equipment	4 386			4 386	2 636	1 750	60.1%	3 130	519
Payment for financial assets	500	146	547	1 193	1 193	-	100.0%	279	272
Total	205 369	-	3 098	208 467	206 081	2 386	98.9%	183 322	169 532

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Appropriation Statement

for the year ended 31 March 2012

Detail per programme 2 - Policy, Research and Knowledge Management									
Details per Sub-Programme	2011/12					2010/11			
	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
2.1 MANAGEMENT: RESEARCH AND POLICY									
Current payment	2 731	49		2 780	2 780	-	100.0%	2 868	1 868
Payment for capital assets				-		-		6	6
2.2 POLICY METHODS AND RESEARCH									
Current payment	7 345	(82)	(547)	6 716	6 609	107	98.4%	7 132	1 753
2.3 KNOWLEDGE AND INFORMATION MANAGEMENT									
Current payment	9 825	(1 768)	(310)	7 747	7 686	61	99.2%	13 399	13 171
Payment for capital assets		94		94	94	-	100.0%	8	8
2.4 INFORMATION, COMMUNICATION AND BUSINESS TECHNOLOGIES									
Current payment	14 645	1 801		16 446	16 446	-	100.0%	14 091	14 091
Payment for capital assets	6 960	(94)	(328)	6 538	4 320	2 218	66.1%	5 664	4 536
Total	41 506		(1 185)	40 321	37 935	2 386	94.1%	43 168	35 433

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Appropriation Statement

for the year ended 31 March 2012

Programme 2 Per Economic classification	2011/12					2010/11			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation of employees	20 501		(310)	20 191	20 191	-	100.0%	13 517	13 517
Goods and services	14 045		(547)	13 498	13 330	168	98.8%	23 973	17 365
Payment for capital assets									
Machinery & equipment	5 200		(328)	4 872	4 414	458	90.6%	5 678	4 551
Software & other intangible assets	1 760			1 760	1 760	1 760			
Total	41 506		(1 185)	40 321	37 935	2 386	94.1%	43 168	35 433

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Appropriation Statement

for the year ended 31 March 2012

Detail per programme 3 - Governance and Intergove									
Details per Sub-Programme	2011/12					2010/11			
	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
3.1 MANAGEMENT: GOVERNANCE									
Current payment	2 900	1 198		4 098	4 098	-	100.0%	1 204	1 138
3.2 INTERGOVMTL COORDINATION									
Current payment	8 458	(2 495)	(2 340)	3 623	3 623	-	100.0%		
3.3 INTERGOVMTL FISCAL RELATION									
Current payment	11 133	1 297		12 430	12 430	-	100.0%	36 665	35 980
Transfers and subsidies	266 317			266 317	4 922	261 395	1.8%		
3.4 GOVERNANCE AND PUBLIC PARTICIPATION									
Current payment	5 726		(25)	5 701	2 758	2 943	48.4%	1 664	1 645
Payment for capital assets				-				3	3
3.5 SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION FISCAL TRANSFER									
Transfers and subsidies	25 486			25 486	25 486	-	100.0%	49 125	49 125
3.6 MUNICIPAL DEMARCATION BOARD									
Transfers and subsidies	38 482			38 482	38 482	-	100.0%	37 187	37 187
3.7 SA CITY NETWORK									
Transfers and subsidies	5 282			5 282	5 282	-	100.0%	5 104	5 104
3.8 UNIT CITI&LOC GOV- AFRICA									
Transfers and subsidies	4 882			4 882	434	4 448	8.9%	4 000	2 364
3.9 EQUITABLE SHARE									
Transfers and subsidies	34 107 901			34 107 901	33 173 239	934 662	97.3%	30 558 566	30 540 558
Total	34 476 567	-	(2 365)	34 474 202	33 270 754	1 203 448	96.5%	30 693 517	30 673 004

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Appropriation Statement

for the year ended 31 March 2012

Programme 3 Per Economic classification	2011/12						2010/11		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	19 490		(1 693)	17 797	17 347	450	97.5%	18 455	17 586
Goods and services	8 727		(672)	8 055	5 562	2 493	69.1%	21 077	21 077
Interest and rent on land				-					
Transfers & subsidies									
Provinces & municipalities	34 107 901			34 107 901	33 173 239	934 662	97.3%	30 558 566	30 540 558
Departmental agencies & accounts	63 968			63 968	63 968		100.0%	86 312	86 312
Non-profit institutions	10 164			10 164	5 716	4 448	56.2%	9 104	7 468
Households	266 317			266 317	4 922	261 395	1.8%		
Payment for capital assets									
Machinery & equipment				-				3	3
Total	34 476 567	-	(2 365)	34 474 202	33 270 754	1 203 448	96.5%	30 693 517	30 673 004

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Appropriation Statement

for the year ended 31 March 2012

Detail per programme 4 - National Disaster Management Centre										
Details per Sub-Programme	2011/12					2010/11				
	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	R'000
4.1 MANAGEMENT: HEAD OF DISASTER										
Current payment	4 274	4 321		8 595	8 595	-	100.0%	8 642	8 642	8 642
Payment for capital assets	50			50	25	25	50.0%			
4.2 LEGISLATION, POLICY AND COMPLIANCE MANAGEMENT										
Current payment	6 529			6 529	6 473	56	99.1%	38 002	38 002	38 002
Payment for capital assets	65			65	65			3 216	3 216	3 216
4.3 PLANNING COORDINATION AND SUPPORT										
Current payment	14 870		(850)	14 020	12 516	1 504	89.3%	1 638	1 638	1 596
Payment for capital assets	750			750	252	498	33.6%			
4.4 INTELLIGENCE AND INFORMATION SYSTEMS MANAGEMENT										
Current payment	13 115	(4 321)	(2 550)	6 244	5 301	943	84.9%	14 871	14 871	8 166
Payment for capital assets	1 579			1 579	213	1 366	13.5%	8 545	8 545	8 544
4.5 DISASTER RELIEF TRANSFERS										
Current payment								528	528	528
Transfers and subsidies	775 000			775 000	47 283	727 717	6.1%	214 398	214 398	214 398
Total	816 232	-	(3 400)	812 832	80 658	732 174	9.9%	289 840	289 840	283 092

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Appropriation Statement

for the year ended 31 March 2012

Programme 4 Per Economic classification	2011/12					2010/11			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation of employees	18 473		(1 385)	17 088	15 958	1 130	93.4%	10 231	7 122
Goods and services	20 315		(2 015)	18 300	16 927	1 373	92.5%	53 450	49 812
Transfers & subsidies									
Provinces & municipalities	775 000			775 000	47 283	727 717	6.1%	214 398	214 398
Payment for capital assets									
Machinery & equipment	2 444			2 444	490	1 954	20.0%	11 761	11 760
Total	816 232	-	(3 400)	812 832	80 658	732 174	9.9%	289 840	283 092

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Appropriation Statement

for the year ended 31 March 2012

Detail per programme 5 - Provincial and Municipal Support									
Details per Sub-Programme	2011/12					2010/11			
	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
5.1 MNGMNT: PROV & LOCAL GOV SUPP									
Current payment	5 319	1 779	2 576	9 674	9 674	-	100.0%		
Payment for capital assets		8		8	8	-	100.0%		
5.2 PROV GOVT SUPP&INTERVENTION									
Current payment	9 358	(2 603)		6 755	6 755	-	100.0%	34 551	34 551
Payment for capital assets				-	-	-		8	8
5.3 LOC GOVT SUPP&INTERVENTION									
Current payment	10 047	(2 726)		7 321	7 321	-	100.0%		
5.4 DEVELOPMENT PLANNING									
Current payment	4 893	3 550		8 443	8 443	-	100.0%		
Payment for capital assets	34	(8)		26	26				
5.5 MUNICIPAL SYS IMPROV GRANT									
Transfers and subsidies	220 210			220 210	220 210	-	100.0%	212 000	212 000
Total	249 861	-	2 576	252 437	252 411	26	100.0%	246 559	246 559

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Appropriation Statement

for the year ended 31 March 2012

Programme 5 Per Economic classification	2011/12					2010/11			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation of employees	21 527		1 385	22 912	22 912	-	100.0%	28 848	28 848
Goods and services	8 090		1 191	9 281	9 281	-	100.0%	5 703	5 703
Transfers & subsidies									
Provinces & municipalities	220 210			220 210	220 210	-	100.0%	212 000	212 000
Payment for capital assets									
Machinery & equipment	34			34	8	26	23.5%	8	8
Total	249 861	-	2 576	252 437	252 411	26	100.0%	246 559	246 559

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Appropriation Statement

for the year ended 31 March 2012

Detail per programme 6 - Infrastructure and economic development									
Details per Sub-Programme	2011/12					2010/11			
	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
6.1 MANAGEMENT INFRASTRUCTURE									
Current payment	23 377	(1 573)	(551)	21 253	8 986	12 267	42.3%		
6.2 LOCAL ECONOMIC DEVELOP PLAN									
Current payment	8 962	(909)	(2 981)	5 072	4 651	421	91.7%	8 780	8 780
Transfers and subsidies				208	208		100.0%	489	119
Payment for capital assets				17	17		100.0%	70	5
6.3 INFRASTRUCTURE DEVELOPMENT									
Current payment	9 954	1 573		11 527	11 527		100.0%		
6.4 MUNICIPAL INFRASTRUCTURE GRANT									
Transfers and subsidies	1 443 505			11 443 505	11 443 490	15	100.0%	12 528 884	12 528 884
6.5 COMMUNITY WORK PROGRAM									
Current payment	254 122			254 122	240 797	13 325	94.8%	213 372	213 272
Transfers and subsidies	393 777			393 777	382 698	11 079	97.2%	286 840	235 813
Payment for capital assets	5 600			5 600	29	5 571	0.5%	4 200	
6.6 SPECIAL PURPOSE VEHICLE									
Current payment	38 412	(25 345)		13 067	13 067		100.0%		
Transfers and subsidies	153 649	26 029		179 678	179 678		100.0%		
Total	12 331 358	-	(3 532)	12 327 826	12 285 148	42 678	99.7%	13 042 635	12 986 873

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Appropriation Statement

for the year ended 31 March 2012

Programme 6 Per Economic classification	2011/12						2010/11		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	33 272			33 272	23 224	10 048	69.8%	17 803	17 803
Goods and services	301 555	(26 254)	(3 532)	271 769	255 804	15 965	94.1%	204 350	204 349
Transfers & subsidies									
Provinces & municipalities	11 443 505			11 443 505	11 443 490	15	100.0%	12 528 884	12 528 884
Foreign governments & international organisations	-	208		208	208		100.0%		
Public corporations & private enterprises	153 649	26 029		179 678	179 678		100.0%	489	119
Households	393 777			393 777	382 698	11 079	97.2%	286 840	235 813
Payment for capital assets									
Machinery & equipment	5 600	17		5 617	46	5 571	0.8%	4 270	5
Total	12 331 358	-	(3 532)	12 328 826	12 285 148	42 678	99.7%	13 042 636	12 986 973

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Appropriation Statement

for the year ended 31 March 2012

Detail per programme 7 - Traditional affairs										
Details per Sub-Programme	2011/12					2010/11				
	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
7.1 MAN: HEAD OF TRADI AFFAIRS										
Current payment	8 431	1 826	513	10 770	10 770		100.0%	12 515	12 515	
Payment for capital assets	150		320	470	470		100.0%	8	8	
7.2 POL AND LEGIS FOR TRADI AFFAIR										
Current payment	13 666	290		13 956	13 956		100.0%	6 563	6 563	
Payment for capital assets		80		80	80		100.0%	3	3	
7.3 INSTI, SUPPORT AND COORDINATION										
Current payment	13 593	(2 116)		11 477	11 477		100.0%	3 841	3 841	295
Payment for capital assets		30		30	30		100.0%			
7.4 NAT HOUSE OF TRAD LEADERS										
Current payment	14 701	433	3 967	19 101	19 101		100.0%	19 046	19 046	15 754
Payment for capital assets		95	8	103	103		100.0%			
7.5 C FOR THE P&P OF THE RC,R&LC										
Transfers and subsidies	22 378			22 378	22 378		100.0%	24 401	24 401	
7.6 COM ON TRAD LEADER DISP&CLAM										
Current payment	10 645	(433)		10 212	10 212		100.0%	6 965	6 965	1 543
Payment for capital assets	205	(205)		-	-			735	735	
Total	83 769	-	4 808	88 577	88 577	-	100.0%	74 077	74 077	61 817

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Appropriation Statement

for the year ended 31 March 2012

Programme 7 Per Economic classification	2011/12						2010/11		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current payments									
Compensation of employees	38 561	(2 194)		36 367	36 367		100.0%	28 693	17 267
Goods and services	22 475	2 194	4 480	29 149	29 149		100.0%	20 237	19 403
Transfers & subsidies									
Departmental agencies & accounts	22 378			22 378	22 378		100.0%	24 401	24 401
Payment for capital assets									
Machinery & equipment	355		328	683	683		100.0%	746	746
Total	83 769	-	4 808	88 577	88 577		100.0%	74 077	61 817

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Notes to the Appropriation Statement

for the year ended 31 March 2012

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

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) to the Annual Financial Statements.

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

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

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

4.1

	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Approp. %
ADMINISTRATION	208,467	206,081	2,386	1%
Variance is attributed to capital expenditure that was planned for the procurement of cctv equipment which was delayed due to the review of the entire security system of the department.				
POLICY, RESEARCH AND KNOWLEDGE MANAGEMENT	40,321	37,935	2,386	6%
Variance is attributed to the late finalisation of projects on knowledge information and information technology. This affected both compensation and operations in respect of project implementation.				
GOVERNANCE AND INTERGOVERNMENTAL RELATIONS	34,474,202	33,270,754	1,203,448	3%
The Equitable Share of some municipalities was withheld by National Treasury in order to offset unspent conditional grants in those municipalities.				
DISASTER RESPONSE MANAGEMENT	812,832	80,658	732,174	90%
Variance is mainly due to Disaster Relief grant which is only utilised on the disasters have been declared and municipalities and provinces have complied with legislation.				

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Notes to the Appropriation Statement

for the year ended 31 March 2012

	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Approp. %
PROV & MUN GOVT SYSTEMS				
	252,437	252,411	26	0%
The minimal variance on this program is mainly on capital expenditure. Savings where on equipment which was not procured as originally anticipated.				
INFRASTRUCTURE & ECONOMIC DEVELOPMENT				
	12,327,826	12,285,148	42,678	0%
The variance is mainly due to the co-operatives program which was delayed, a roll-over has been applied for in this regards. There were also savings on the Community Work Program due to late invoices that were occurred.				
TRADITIONAL AFFAIRS				
	88,577	88,577	0	0%
There is no variance on this program.				

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Notes to the Appropriation Statement

for the year ended 31 March 2012

4.2

Per economic classification:

Current expenditure

Compensation of employees	246,615	234,987	11,628	4.7%
Goods and services	446,543	425,995	20,548	4.6%
Interest and rent on land	81	81	-	0.0%

Transfers and subsidies

Provinces and municipalities	46,546,715	44,884,236	1,662,479	3.6%
Departmental agencies and accounts	86,346	86,346	-	0.0%
Public corporations and private enterprises	179,678	179,678	-	0.0%
Foreign governments and international organisations	208	208	-	0.0%
Non-profit institutions	10,164	5,716	4,448	43.8%
Households	667,323	394,849	272,474	40.8%

Payments for capital assets

Machinery and equipment	18,036	8,277	9,759	54.1%
Land and subsoil assets				

Software and other intangible assets	1,760	-	1,760	100.0%
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Payments for financial assets	1,193	1,193	-	0.0%
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DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Statement of Financial Performance

for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
REVENUE			
Annual appropriation	1	48,204,662	44,573,119
Departmental revenue	2	1,092	241
Aid assistance	3	4,320	29,781
TOTAL REVENUE		48,210,074	44,603,141
EXPENDITURE			
Current expenditure			
Compensation of employees	4	234,987	174,301
Goods and services	5	425,993	414,071
Interest and rent on land	6	81	101
Aid assistance	3	15,515	10,227
Total current expenditure		676,576	598,700
Transfers and subsidies			
Transfers and subsidies	8	45,551,033	43,850,073
Total transfers and subsidies		45,551,033	43,850,073
Expenditure for capital assets			
Tangible capital assets	9	8,277	17,592
Total expenditure for capital assets		8,277	17,592
Payments for financial assets	7	1,193	272
TOTAL EXPENDITURE		46,237,079	44,466,637
SURPLUS/(DEFICIT) FOR THE YEAR		1,972,995	136,504
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		1,983,098	116,709
Annual appropriation		43,147	98,701
Conditional grants		1,939,951	18,008
Unconditional grants			
Departmental revenue and NRF Receipts	16	1,092	241
Aid assistance	3	(11,195)	19,554
SURPLUS/(DEFICIT) FOR THE YEAR		1,972,995	136,504

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Statement of Financial Position

As at 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
ASSETS			
Current assets		39,276	171,831
Unauthorised expenditure	10	1,123	1,123
Cash and cash equivalents	11	32,710	165,788
Prepayments and advances	12	459	2,240
Receivables	13	4,984	2,680
TOTAL ASSETS		39,276	171,831
LIABILITIES			
Current liabilities		39,276	171,831
Voted funds to be surrendered to the Revenue Fund	14	(5 383)	116,709
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	15	630	14
Payables	16	3,269	3,153
Aid assistance unutilised	3	40,760	51,955
TOTAL LIABILITIES		39,276	171,831
TOTAL		-	-

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Statement of Changes in Net Assets

for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
Capitalisation Reserves			
Opening balance			
Transfers:			
Movement in Equity			
Movement in Operational Funds			
Other movements			
Closing balance		-	-
Recoverable revenue			
Opening balance			
Transfers:			
Irrecoverable amounts written off	10.6		
Debts revised			
Debts recovered (included in departmental receipts)			
Debts raised			
Closing balance		-	-
Retained funds			
Opening balance			
Transfer from voted funds to be surrendered (Parliament/ Legislatures ONLY)			
Utilised during the year			
Other			
Closing balance		-	-
Revaluation Reserve			
Opening balance			
Revaluation adjustment (Housing departments)			
Transfers			
Other			
Closing balance		-	-
TOTAL		-	-

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Cash Flow Statements

for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts	1.1	46,221,442	45,957,380
Annual appropriated funds received		46,216,181	45,927,358
Departmental revenue received	2	941	241
Aid assistance received	3	4,320	29,781
Net (increase)/decrease in working capital		(407)	22,876
Surrendered to Revenue Fund		(117,185)	(233)
Current payments		(676,576)	(598,700)
Payments for financial assets		(1,193)	(272)
Transfers and subsidies paid		(45,551,033)	(43,850,073)
Net cash flow available from operating activities	18	(124,952)	1,530,978
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets		(8,277)	(17,592)
Proceeds from sale of capital assets	2	151	-
Net cash flows from investing activities		(8,126)	(17,592)
CASH FLOWS FROM FINANCING ACTIVITIES			
Distribution/dividend received			
Increase/(decrease) in net assets			
Increase/(decrease) in non-current payables			
Net cash flows from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		(133,078)	1,513,386
Cash and cash equivalents at beginning of period		165,788	(1,347,598)
Cash and cash equivalents at end of period	19	(32,710)	165,788

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Accounting Policies

for the year ended 31 March 2012

The Financial Statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. However, 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, Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the Act and the Division of Revenue Act, Act 6 of 2011.

1. Presentation of the Financial Statements

1.1 Basis of preparation

The Financial Statements have been prepared on a modified cash basis of accounting, except where stated otherwise. The modified cash basis constitutes the cash basis of accounting supplemented with additional disclosure items. Under the cash basis of accounting transactions and other events are recognised when cash is received or paid.

1.2 Presentation currency

All amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.

1.3 Rounding

Unless otherwise stated all financial figures have been rounded to the nearest one thousand Rand (R'000).

1.4 Comparative figures

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.

1.5 Comparative figures - Appropriation Statement

A comparison between actual amounts and final appropriation per major classification of expenditure is included in the Appropriation Statement.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Accounting Policies

for the year ended 31 March 2012

Revenue

2.1 Appropriated funds

Appropriated funds comprise of departmental allocations as well as direct charges against revenue fund (i.e. statutory appropriation).

Appropriated funds are recognised in the financial records on the date the appropriation becomes effective. Adjustments made in terms of the adjustment budget process are recognised in the financial records on the date when the adjustments become effective.

Unexpended appropriated funds are surrendered to the National Revenue Fund. Any amounts owing to the National Revenue Fund at the end of the financial year are recognised as payable in the statement of financial position.

Any amount due from the National Revenue Fund at the end of the financial year is recognised as a receivable in the statement of financial position.

2.2 Departmental revenue

All departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the National Revenue Fund, unless stated otherwise.

Any amount owing to the National Revenue Fund is recognised as a payable in the statement of financial position.

No accrual is made for the amount receivable from the last receipt date to the end of the reporting period. These amounts are however disclosed in the disclosure note to the annual financial statements.

2.3 Direct Exchequer receipts

All direct exchequer receipts are recognised in the statement of financial performance when the cash is received and is subsequently paid into the National/Provincial Revenue Fund, unless stated otherwise.

Any amount owing to the National/Provincial Revenue Funds at the end of the financial year is recognised as a payable in the statement of financial position.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Accounting Policies

for the year ended 31 March 2012

2.4 *Direct Exchequer payments*

All direct exchequer payments are recognised in the statement of financial performance when final authorisation for payment is effected on the system (by no later than 31 March of each year).

2.5 *Aid assistance*

Aids assistance is recognised as revenue when received

All in-kind aid assistance is disclosed at fair value on the date of receipt in the annexure to the Annual Financial Statements

The cash payments made during the year relating to aid assistance projects are recognised as expenditure in the statement of financial performance when final authorisation for payments is effected on the system (by no later than 31 March of each year)

The value of the assistance expensed prior to the receipt of funds is recognised as a receivable in the statement of financial position.

Inappropriately expensed amounts using aid assistance and any unutilised amounts are recognised as payables in the statement of financial position.

All CARA funds received must be recorded as revenue when funds are received. The cash payments made during the year relating to CARA earmarked projects are recognised as expenditure in the statement of financial performance when final authorisation for payments effected on the system (by no later then 31 March of each year)

Inappropriately expensed amounts using CARA funds are recognised as payables in the statement of financial position. Any unutilised amounts are transferred to retained funds as they are not surrendered to the revenue fund.

3. Expenditure

3.1 *Compensation of employees*

3.1.1 *Salaries and Wages*

Salaries and wages are expensed in the statement of financial performance when the final authorization for payment is effected on the system (by no later than 31 March of each year).

Other employee benefits that give rise to a present legal or constructive obligation are disclosed.

in the disclosure notes to the financial statements at its face value and are not recognised in the statement of financial performance or position.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Accounting Policies

for the year ended 31 March 2012

Employee costs are capitalised to the cost of a capital project when an employee spends more than 50% of his/her time on the project. These payments form part of expenditure for capital assets in the statement of financial performance.

3.1.2 Social contributions

Employer contributions to post employment benefit plans in respect of current employees are expensed in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

No provision is made for retirement benefits in the financial statements of the department. Any potential liabilities are disclosed in the financial statements of the National Revenue Fund and not in the financial statements of the employer department.

Employer contributions made by the department for certain of its ex-employees (such as medical benefits) are classified as transfers to households in the statement of financial performance.

3.2 Goods and services

Payments made for goods and/or services are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

The expense is classified as capital if the goods and/or services were acquired for a capital project or if the total purchase price exceeds the capitalisation threshold (currently R5, 000). All other expenditure is classified as current.

Rental paid for the use of buildings or other fixed structures is classified as goods and services and not as rent on land.

3.3 Interest and rent on land

Interest and rental payments are recognised as an expense in the statement of financial performance when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.4 Payments for financial assets

Debts are written off when identified as irrecoverable. Debts written-off are limited to the amount of savings and/or underspending of appropriated funds. The write off occurs at year-end or when funds are available. No provision is made for irrecoverable amounts but an estimate is included in the disclosure notes to the financial statements amounts.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Accounting Policies

for the year ended 31 March 2012

All other losses are recognised when authorisation has been granted for the recognition thereof.

3.5 *Transfers and subsidies*

Transfers and subsidies are recognised as an expense when the final authorisation for payment is effected on the system (by no later than 31 March of each year).

3.6 *Unauthorised expenditure*

When confirmed unauthorised expenditure is recognised as an asset in the statement of financial position until such time as the expenditure is either approved by the relevant authority, recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

Unauthorised expenditure approved with funding is derecognised from the statement of financial position when the unauthorised expenditure is approved and the related funds are received.

Where the amount is approved without funding it is recognised as expenditure in the statement of financial performance on the date of approval.

3.7 *Fruitless and wasteful expenditure*

Fruitless and wasteful expenditure is recognised as expenditure in the statement of financial performance according to the nature of the payment and not as a separate line item on the face of the statement. If the expenditure is recoverable it is treated as an asset until it is recovered from the responsible person or written off as irrecoverable in the statement of financial performance.

3.8 *Irregular expenditure*

Irregular expenditure is recognised as expenditure in the statement of financial performance. If the expenditure is not condoned by the relevant authority it is treated as an asset until it is recovered or written off as irrecoverable.

4. **Assets**

4.1 *Cash and cash equivalents*

Cash and cash equivalents are carried in the statement of financial position at cost.

Bank overdrafts are shown separately on the face of the statement of financial position.

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.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Accounting Policies

for the year ended 31 March 2012

4.2 Other financial assets

Other financial assets are carried in the statement of financial position at cost.

4.3 Prepayments and advances

Amounts prepaid or advanced are recognised in the statement of financial position when the payments are made and are derecognised as and when the goods/services are received or the funds are utilised.

Prepayments and advances outstanding at the end of the year are carried in the statement of financial position at cost.

4.4 Receivables

Receivables included in the statement of financial position arise from cash payments made that are recoverable from another party (including departmental employees) and are derecognised upon recovery or write-off.

Receivables outstanding at year-end are carried in the statement of financial position at cost plus any accrued interest. Amounts that are potentials irrecoverable are included in the disclosure notes.

4.5 Inventory

Inventories that qualify for recognition must be initially reflected at cost. Where inventories are acquired at no cost, or for nominal consideration, their cost shall be their fair value at the date of acquisition.

All inventory items at year-end are reflected using the weighted average cost or FIFO cost formula.

4.6 Capital assets

4.6.1 Movable assets

Initial recognition

A capital asset is recorded on receipt of the item at cost. Cost of an asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the movable capital asset is stated at fair value. Where fair value cannot be determined, the capital asset is included in the asset register at R1.

All assets acquired prior to 1 April 2002 are included in the register R1.

Subsequent recognition

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as "*expenditure*"

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Accounting Policies

for the year ended 31 March 2012

for capital asset” and is capitalised in the asset register of the department on completion of the project.

Repairs and maintenance is expensed as current “goods and services” in the statement of financial performance.

4.6.2 Intangible assets

Initial recognition

An intangible asset is recorded in the asset register on receipt of the item at cost. Cost of an intangible asset is defined as the total cost of acquisition. Where the cost cannot be determined accurately, the intangible asset is stated at fair value. Where fair value cannot be determined, the intangible asset is included in the asset register at R1.

All intangible assets acquired prior to 1 April 2002 can be included in the asset register at R1.*

Subsequent expenditure

Subsequent expenditure of a capital nature is recorded in the statement of financial performance as “*expenditure for capital asset*” and is capitalised in the asset register of the department.

Maintenance is expensed as current “*goods and services*” in the statement of financial performance.

5. Liabilities

5.1 Payables

Recognised payables mainly comprise of amounts owing to other governmental entities. These payables are carried at cost in the statement of financial position.

5.2 Contingent liabilities

Contingent liabilities are included in the disclosure notes to the financial statements when it is possible that economic benefits will flow from the department, or when an outflow of economic benefits or service potential is probable but cannot be measured reliably.

5.3 Contingent assets

Contingent assets are included in the disclosure notes to the financial statements when it is possible that an inflow of economic benefits will flow to the entity.

5.4 Commitments

Commitments are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Accounting Policies

for the year ended 31 March 2012

5.5 Accruals

Accruals are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance but are included in the disclosure notes.

5.6 Employee benefits

Short-term employee benefits that give rise to a present legal or constructive obligation are disclosed in the disclosure notes to the financial statements. These amounts are not recognised in the statement of financial performance or the statement of financial position.

5.7 Lease commitments

Finance lease

Finance leases are not recognised as assets and liabilities in the statement of financial position. Finance lease payments are recognised as an expense in the statement of financial performance and are apportioned between the capital and interest portions. The finance lease liability is disclosed in the disclosure notes to the financial statements.

Operating lease

Operating lease payments are recognised as an expense in the statement of financial performance. The operating lease commitments are disclosed in the disclosure notes to the financial statement.

5.8 Impairment

The department tests for impairment where there is an indication that a receivable, loan or investment may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. An estimate is made for doubtful loans and receivables based on a review of all outstanding amounts at year-end. Impairments on investments are calculated as being the difference between the carrying amount and the present value of the expected future cash flows / service potential flowing from the instrument.

5.8 Provisions

Provisions are disclosed 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 will be required to settle the obligation and a reliable estimate of the obligation can be made.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Accounting Policies

for the year ended 31 March 2012

6. Receivables for departmental revenue

Receivables for departmental revenue are disclosed in the disclosure notes to the annual financial statements.

7. Net Assets

7.1 Capitalisation reserve

The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National Revenue Fund when the underlining asset is disposed and the related funds are received.

7.2 Recoverable revenue

Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.

8. Related party transactions

Specific information with regards to related party transactions is included in the disclosure notes.

9. Key management personnel

Compensation paid to key management personnel including their family members where relevant, is included in the disclosure notes.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Accounting Policies

for the year ended 31 March 2012

1. Annual Appropriation

1.1 Annual Appropriation

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

	2011/12		2010/11	
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received
	R'000	R'000	R'000	R'000
ADMINISTRATION	208,467	208,467		183,322
POLICY, RESEARCH AND KNOWLEDGE MANAGEMENT	40,321	40,321		43,168
GOVERNANCE AND INTERGOVERNMENTAL RELATIONS	34,474,202	32,485,721	1,988,481	45,336,951
DISASTER RESPONSE MANAGEMENT	812,832	812,832	-	289,840
PROV & MUN GOVT SYSTEMS	252,437	252,437	-	74,077
INFRA & ECONOMIC DEVELOPMENT	12,327,826	12,327,826	-	-
TRADITIONAL AFFAIRS	88,577	88,577	-	-
Total	48,204,662	46,216,181	1,988,481	45,927,358

Funds for Equitable Share grants with hold by National Treasury due to non performance
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2. Departmental revenue

	Note	2011/12 R'000	2010/11 R'000
Tax revenue			
Sales of goods and services other than capital assets	2.1	160	149
Fines, penalties and forfeits		-	-
Interest, dividends and rent on land	2.2	2	3
Sales of capital assets	2.3	151	
Transactions in financial assets and liabilities	2.4	779	89
Total revenue collected		1,092	241
Less: Own revenue included in appropriation	19		
Departmental revenue collected		1,092	241

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2012

2.1 Sales of goods and services other than capital assets

	Note	2011/12	2010/11
	2	R'000	R'000
Sales of goods and services produced by the department		158	143
Sales by market establishment		95	93
Other sales		63	50
Sales of scrap, waste and other used current goods		2	6
Total		160	149

2.2 Interest, dividends and rent on land

	Note	2011/12	2010/11
	2	R'000	R'000
Interest		2	3
Total		2	3

2.3 Sale of capital assets

	Note	2011/12	2010/11
	2	R'000	R'000
Tangible assets		151	-
Machinery and equipment	30	151	-
Total		151	-

2.4 Transactions in financial assets and liabilities

	Note	2011/12	2010/11
	2	R'000	R'000
Loans and advances			
Receivables		779	89
Total		779	89

3. Aid assistance

3.1 Aid assistance received in cash from RDP

	Note	2011/12	2010/11
		R'000	R'000
Local			
Opening Balance		10,259	10,259
Closing Balance		10,259	10,259

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2012

Foreign

Opening Balance	41,696	22,142
Revenue	4,320	29,781
Expenditure	(15,515)	(10,227)
Current	<u>(15,515)</u>	<u>(10,227)</u>
Closing Balance	30,501	41,696

3.2 Total assistance

	Note	2011/12 R'000	2010/11 R'000
Opening Balance		51,955	32,401
Revenue		4,320	29,781
Expenditure		(15,515)	(10,227)
Current		<u>(15,515)</u>	<u>(10,227)</u>
Closing Balance		40,760	51,955

3.3 Analysis of balance

	Note	2011/12 R'000	2010/11 R'000
Aid assistance prepayments		40,760	51,955
RDP		<u>40,760</u>	<u>51,955</u>
Closing balance		40,760	51,955

4. Compensation of employees

4.1 Salaries and Wages

	Note	2011/12 R'000	2010/11 R'000
Basic salary		150,650	110,762
Performance award		2,799	2,490
Service Based		500	304
Compensative/circumstantial		2,579	3,587
Periodic payments		14	71
Other non-pensionable allowances		55,458	39,951
Total		212,000	157,165

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2012

4.2 Social contributions

	Note	2011/12 R'000	2010/11 R'000
Employer contributions			
Pension		17,672	12,583
Medical		5,289	4,531
Bargaining council		26	22
Total		22,987	17,136
Total compensation of employees			
		234,987	174,301
Average number of employees		487	446

5. Goods and services

	Note	2011/12 R'000	2010/11 R'000
Administrative fees		96	83
Advertising		5,835	2,879
Assets less than R5,000	5.1	1,334	6,476
Bursaries (employees)		4,848	485
Catering		4,762	4,535
Communication		8,875	9,849
Computer services	5.2	10,266	33,329
Consultants, contractors and agency/outsourced services	5.3	281,999	248,288
Entertainment		-	12
Audit cost – external	5.4	5,058	4,673
Inventory	5.5	7,099	5,523
Operating leases		22,071	39,553
Property payments	5.6	18,405	11,522
Travel and subsistence	5.7	46,975	39,725
Venues and facilities		5,439	4,651
Training and staff development		1,158	1,313
Other operating expenditure	5.8	1,773	1,175
Total		425,993	414,071

5.1 Assets less than R5,000

	Note	2011/12 R'000	2010/11 R'000
Tangible assets			
Machinery and equipment	5	1,334	6,476
Total		1,334	6,476

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2012

5.2 Computer services

	Note	2011/12	2010/11
		R'000	R'000
	5		
SITA computer services		5,314	5,886
External computer service providers		4,952	27,443
Total		10,266	33,329

5.3 Consultants, contractors and agency/outsourced services

	Note	2011/12	2010/11
		R'000	R'000
	5		
Business and advisory services		268,420	234,565
Legal costs		7,067	4,051
Contractors		5,280	4,383
Agency and support/outsourced services		1,232	5,289
Total		281,999	248,288

5.4 Audit cost – External

	Note	2011/12	2010/11
		R'000	R'000
	5		
Regularity audits		4,919	4,673
Performance audits		139	-
Total		5,058	4,673

5.5 Inventory

	Note	2011/12	2010/11
		R'000	R'000
	5		
Learning and teaching support material		1	4
Fuel, oil and gas		86	70
Other consumable materials		852	309
Materials and supplies		63	48
Stationery and printing		6,085	5,085
Medical supplies		12	7
Total		7,099	5,523

5.6 Property payments

	Note	2011/12	2010/11
		R'000	R'000
	5		
Municipal services		9,466	6,188
Other		8,939	5,334
Total		18,405	11,522

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2012

5.7 Travel and subsistence

	Note	2011/12	2010/11
	5	R'000	R'000
Employee costs		46,950	39,725
Local		44,790	36,565
Foreign		2,185	3,160
Total		46,975	39,725

5.8 Other operating expenditure

	Note	2011/12	2010/11
	5	R'000	R'000
Professional bodies, membership and subscription fees		12	13
Resettlement costs		1,231	-
Other		530	1,162
Total		1,773	1,175

6. Interest and rent on land

	Note	2011/12	2010/11
		R'000	R'000
Interest paid		81	101
Total		81	101

7. Payments for financial assets

	Note	2011/12	2010/11
	7.1	R'000	R'000
Other material losses written off		1,193	272
Total		1,193	272

7.1 Other material losses written off

	Note	2011/12	2010/11
	7	R'000	R'000
Nature of losses			
Cancellation fees on transport and subsistence		67	186
Car accident claims		1,126	86
Total		1,193	272

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2012

8. Transfers and subsidies

	Note	2011/12 R'000	2010/11 R'000
Provinces and municipalities	47, 48, Annex 1A, Annex 1B	44,884,237	43,495,960
Departmental agencies and accounts	Annex 1C	86,346	110,713
Foreign governments and international organisations	Annex 1E	208	119
Public corporations and private enterprises	Annex 1D	179,678	-
Non-profit institutions	Annex 1F	5,716	7,468
Households	Annex 1G	394,819	235,813
Gifts, donations and sponsorships made	Annex 1J	29	-
Total		45,551,033	43,850,073

9. Expenditure for capital assets

	Note	2011/12 R'000	2010/11 R'000
Tangible assets		8,277	17,592
Machinery and equipment	30	8,277	17,592
Total		8,277	17,592

9.1 Analysis of funds utilised to acquire capital assets – 2011/12

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	8,277		8,277
Machinery and equipment	8,277	-	8,277
Total	8,277		8,277

9.2 Analysis of funds utilised to acquire capital assets – 2010/11

	Voted funds R'000	Aid assistance R'000	Total R'000
Tangible assets	17,592		17,592
Machinery and equipment	17,592	-	17,592
Total	17,592		17,592

10. Unauthorised expenditure

10.1 Reconciliation of unauthorised expenditure

	Note	2011/12 R'000	2010/11 R'000
Opening balance		1,123	1,123
Unauthorised expenditure awaiting authorisation / written off		1,123	1,123

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2012

10.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

	Note	2011/12 R'000	2010/11 R'000
Current		1,123	1,123
Total		1,123	1,123

10.3 Analysis of unauthorised expenditure awaiting authorisation per type

	Note	2011/12 R'000	2010/11 R'000
Unauthorised expenditure relating to overspending of the vote or a main division within a vote		1,123	1,123
Total		1,123	1,123

11. Cash and cash equivalents

	Note	2011/12 R'000	2010/11 R'000
Consolidated Paymaster General Account		32,680	165,766
Cash on hand		30	30
Total		32,710	165,796

12. Prepayments and advances

	Note	2011/12 R'000	2010/11 R'000
Staff advances		16	8
Travel and subsistence		109	160
Advances paid to other entities		334	2,072
Total		459	2,240

13. Receivables

	Note	2011/12 R'000 Less than one year	R'000 One to three years	R'000 Older than three years	R'000 Total	2010/11 R'000 Total
Claims recoverable	13.1 Annex 4	67	26		93	132
Staff debt	13.2	1,911	79	558	2,548	1,957
Other debtors	13.3	2,193	0	150	2,343	591
Total		4,171	105	708	4,984	2,680

Prior year amount was restated by disclosing debtors with a credit balance as payables and vice versa.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2012

13.1 Claims recoverable

	Note	2011/12	2010/11
	13	R'000	R'000
National departments		72	118
Provincial departments		21	14
Total		93	132

13.2 Staff debt

	Note	2011/12	2010/11
	13	R'000	R'000
Tax debt		33	4
Bursary debt		12	-
Car Accidents		1,726	1,797
Salary overpayment		59	114
Salary reversal control		58	37
Other		649	5
Debt Receivable Income		11	-
Total		2,548	1,957

13.3 Other debtors

	Note	2011/12	2010/11
	13	R'000	R'000
VAT on donor projects		2,172	591
Disallowance Miscellaneous		166	-
Medical aid contribuion		5	-
Total		2,343	591

14. Voted funds to be surrendered to the Revenue Fund

	Note	2011/12	2010/11
		R'000	R'000
Opening balance		116,709	(1,354,239)
Transfer from statement of financial performance		1,983,098	116,709
Voted funds not requested/(not received)	1.1	(1,988,481)	1,354,239
Paid during the year		(116,709)	-
Closing balance		(5,383)	116,709

The negative closing balance is as a result of the voted funds that were not yet received at year end. The R 5,383 is therefore receivable from revenue fund.

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

	Note	2011/12	2010/11
		R'000	R'000
Opening balance		14	6
Transfer from Statement of Financial Performance		1,092	241
Paid during the year		(476)	(233)
Closing balance		630	14

Prior year closing balance restated from R22 000 to R14 000

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2012

16. Payables – current

	Note	2011/12 Total	2010/11 Total
Advances received	16.1	37	100
Clearing accounts	16.2	767	969
Other payables	16.3	2,465	2,084
Total		3,269	3,153

Prior year amount was restated by disclosing payables with a debit balance as receivable and vice verse.

16.1 Advances received

	Note	2011/12 R'000	2010/11 R'000
Traditional Leaders	16	37	100
Total		37	100

16.2 Clearing accounts

	Note	2011/12 R'000	2010/11 R'000
LGSETA advance	16	582	-
Petty Cash		3	-
Salary Disallowance		11	-
Salary Deduction		11	-
Tax Debt		2	-
Travel and Subsistence advance		2	4
Disallowance Miscellaneous		156	965
Total		767	969

16.3 Other payables

	Note	2011/12 R'000	2010/11 R'000
Salaries and deductions	16	1,699	-
Other payables		691	2,069
Salary ACB recall		50	2
Pension Recoverable		14	13
Debt Receivable Income		11	-
Total		2,465	2,084

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2012

17. Net cash flow available from operating activities

	Note	2011/12 R'000	2010/11 R'000
Net surplus/(deficit) as per Statement of Financial Performance		1,972,995	136,504
Add back non cash/cash movements not deemed operating activities		(2,097,947)	1,394,482
(Increase)/decrease in receivables – current		(2,304)	47,000
(Increase)/decrease in prepayments and advances		1,781	(1,053)
(Increase)/decrease in other current assets			
Increase/(decrease) in payables – current		116	(23,071)
Proceeds from sale of capital assets		(151)	
Expenditure on capital assets		8,277	17,592
Surrenders to Revenue Fund		(117,185)	(233)
Voted funds not requested/not received		(1,988,481)	1,354,239
Net cash flow generated by operating activities		(124,953)	1,530,978

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

	Note	2011/12 R'000	2010/11 R'000
Consolidated Paymaster General account		32,680	165,758
Cash on hand		30	30
Total		32,710	165,788

These amounts are not recognised in the Annual Financial Statements and are disclosed to enhance the usefulness of the Annual Financial Statements.

19. Contingent liabilities and contingent assets

19.1 Contingent liabilities

Liable to	Nature	Note	2011/12 R'000	2010/11 R'000
Motor vehicle guarantees	Employees	Annex 3A		
Housing loan guarantees	Employees	Annex 3A	120	220
Claims against the department		Annex 3B	4,264	4,397
Other departments (interdepartmental unconfirmed balances)		Annex 5	1,756	14,052
Other		Annex 3B	70	-
Total			6,210	18,669

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2012

20. Commitments

	Note	2011/12 R'000	2010/11 R'000
Current expenditure			
Approved and contracted		124,754	59,522
		124,754	59,522
Capital expenditure (including transfers)			
Approved but not yet contracted		261,395	-
		261,395	-
Total Commitments		386,149	59,522

An amount of R261 395 is for Councillors gratuity payments.

21. Accruals

		2011/12 R'000	2010/11 R'000
Listed by economic classification			
	30 Days	30+ Days	Total
Goods and services	59,650	1,834	61,484
Capital assets	122	266	388
Other	-	-	-
	Note	2011/12 R'000	2010/11 R'000
Listed by programme level			
Programme 1 - ADMINISTRATION		4,778	217
Programme 2 - POLICY, RESEARCH AND KNOWLEDGE MANAGEMENT		2,026	54
Programme 3 - GOVERNANCE AND INTERGOVERNMENTAL RELATIONS		5	108
Programme 4 - DISASTER RESPONSE MANAGEMENT		66	10
Programme 5 - PROV & MUN GOVT SYSTEMS		175	8
Programme 6 - INFRA & ECONOMIC DEVELOPMENT		54,273	-
Programme 7 - TRADITIONAL AFFAIRS		368	-
Donor		181	-
Total		61,872	397

R54 135 is payments for Community Workers Programme

	Note	2011/12 R'000	2010/11 R'000
Confirmed balances with other departments	Annex 5	630	81
Total		630	81

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2012

22. Employee benefits

	Note	2011/12 R'000	2010/11 R'000
Leave entitlement		3,592	5,654
Service bonus (Thirteenth cheque)		5,760	4,283
Performance awards		-	2,490
Capped leave commitments		6,777	4,556
Total		16,129	16,983

The prior year performance awards and capped leave were committed in the previous 2010/11 AFS. These figures are included in this note for completeness and compliance.

23. Lease commitments

23.1 Operating leases expenditure

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2011/12					
Not later than 1 year	-	-	2,540	356	2,860
Later than 1 year and not later than 5 years	-	-	-	714	714
Total lease commitments			2,540	1,070	3,610
2010/11					
Not later than 1 year	-	-	22,487	798	23,285
Later than 1 year and not later than 5 years	-	-	2,540	1,070	3,610
Total lease commitments			25,027	1,868	26,895

The operating leases comprise of vehicles and office accommodation, based on the contracts signed with the department.

The department is negotiating the renewal of office accommodation lease contracts and a provision has been made as per note 28 in this regard. There are no renewal or purchase options on the vehicles.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2012

23.2 Finance leases expenditure**

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2011/12					
Not later than 1 year	-	-	-	1,806	1,806
Later than 1 year and not later than 5 years	-	-	-	1,671	1,671
Total lease commitments				3,477	3,477
LESS: finance costs	-	-	-		
Total present value of lease liabilities	-	-	-	3,477	3,477
2010/11					
Not later than 1 year				1,513	1,513
Later than 1 year and not later than 5 years				1,460	1,460
Total lease commitments				2,973	2,973
LESS: finance costs	-	-	-		
Total present value of lease liabilities	-	-	-	2,973	2,973

The finance leases are for photocopiers and cellphones based on the contracts entered into by the department there are no terms of renewal or restrictions.

24. Irregular expenditure

24.1 Reconciliation of irregular expenditure

	Note	2011/12 R'000	2010/11 R'000
Opening balance		471,828	60,495
Add: Irregular expenditure – relating to prior year		46,978	-
Add: Irregular expenditure – relating to current year		427,527	419,586
Less: Amounts condoned		(195,575)	(8,253)
Irregular expenditure awaiting condonation		750,758	471,828

Analysis of awaiting condonation per age classification

Current year	425,903	419,586
Prior years	324,855	52,242
Total	750,758	471,828

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2012

The Irregular expenditure relating to prior year is as a result of a review of the 2010/11 irregular expenditure that was incomplete and resulted in the qualification of the Annual Financial Statements for that period. The amount disclosed was R 419 586 and after the review the complete 2010/11 register came to R466 564, R46 978 being the additional irregular expenditure identified on the 2010/11 financial records

24.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2011/12 R'000
Community Work Programme contract extensions	Investigation complete, applied for National Treasury for condonement	366,687
Other contracts contravening National regulations	Investigation complete, applied for National Treasury condonement	32,849
Lease of office equipment	RT contracts condoned by National Treasury	1,624
Non compliance with SCM policy and National Treasury Practice notes	In the process of investigation in order to apply for condonement for National Treasury and the Accounting officer	26,367
Total		<u>427,527</u>

24.3 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2011/12 R'000
Non compliance with DoRA, transfer payment made without an approved payments schedule	National Treasury	127,908
Non compliance with DoRA, transfer payment made without an approved payments schedule	National Treasury	18,198
Administration of the MSIG fund, Alu Cap	National Treasury	27,570
Lease of office equipment and vehicles RT contracts	National Treasury	1,624
National Disaster Command Centre	Accounting Officer	20,275
Total		<u>195,575</u>

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2012

24.4 Details of irregular expenditures under investigation

Incident	2010/11 R'000
Non compliance with SCM policy relating to prior years	6,669
Non compliance with SCM policy relating to 2010/11	318,186
Non compliance with SCM policy relating to 2011/12	425,903
Total	750,758

Of the R758 million awaiting condonation; R 676 million (90%) relates to the extension of contracts and is currently under National treasury's consideration for condonement. The balance is under investigation in order to determine appropriate action, it is envisaged that this process will be finalised by 31 August 2012

25. Fruitless and wasteful expenditure

25.1 Reconciliation of fruitless and wasteful expenditure

	Note	2011/12 R'000	2010/11 R'000
Opening balance		336	-
Fruitless and wasteful expenditure – relating to prior year			
Fruitless and wasteful expenditure – relating to current year		679	336
Less: Amounts condoned			
Less: Amounts transferred to receivables for recovery			
Fruitless and wasteful expenditure awaiting condonement		1 015	336

25.2 Analysis of awaiting condonation per economic classification

	Note	2011/12 R'000	2010/11 R'000
Current		1 015	336
Total		1 015	336

Amounts previously omitted on the sub note.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2012

25.3 Analysis of Current year's fruitless and wasteful expenditure

Incident	Disciplinary steps taken/criminal proceedings	2011/12 R'000
Interest on late payment charges	Under Investigation	1
Interest on late payment charges	Under Investigation	551
Car accident	Under Investigation	127
Total		679

R 127 201.58 is in respect of a car accident with a rental car.

R1 632 .30 is in respect if interest charged on late payment to Telkom

R 550 479.28 is in respect of interest charged on late payment for early retirement to GEPPF.

26. Related party transactions

Payments made	Note	2011/12 R'000	2010/11 R'000
Goods and services		1,355	1,824
Total		1,355	1,824

South African Cities Network The relationship is based on the fact that the Department makes Dora transfers to Cities Network, therefore it is an entity under the department.	Shangai Expo	R1 221,586.59
Dipaleseng Municipality The relationship is based on the fact that the Department makes Dora transfers to Dipaleseng Muninicality therefore an entity under the Department.	Ministerial visit	R 133,398.50

27. Key management personnel

	No. of Indivi- duals	2011/12 R'000	2010/11 R'000
Political office bearers (provide detail below)			
Officials:	3	3,459	3,303
Level 15 to 16	17	15,951	8,023
Level 14 (incl. CFO if at a lower level)	61	50,036	34,168
Total	81	69,446	45,494

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2012

28. Impairment and other provisions

	Note	2011/12 Total	2010/11 Total
Staff Debt		1,005	353
Provision for leases of office rental		23,804	-
Provision for leases of inter park rental		429	-
Provision for legal claims		47	-
Total		25,285	353

29. Movable Tangible Capital Assets

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Opening balance	Curr Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
HERITAGE ASSETS					
Heritage assets	80	-	-	-	80
MACHINERY AND EQUIPMENT	47,077	258	8,453	4,439	51,349
Transport assets	4,819		2,252	635	6,436
Computer equipment	31,962	116	4,992	3,034	34,036
Furniture and office equipment	5,004	75	837	42	5,874
Other machinery and equipment	5,292	67	372	728	5,003
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	47,157	258	8,453	4,439	51,429

Included in the R51 429 000 of the assets is an amount of assets to the value of R 113 628.56 (Other assets) and R736 212.01 (computer equipment) that could not be verified at year end. These assets were not written off as they are still been investigated.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2012

30.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	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	8,277	176			8,453
Transport assets	2,252		-	-	2,252
Computer equipment	4,873	119	-	-	4,992
Furniture and office equipment	794	43	-	-	837
Other machinery and equipment	358	14	-	-	372
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	8,277	176	-	-	8,453

30.2 Disposals

DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	4,439		4,439	151
Transport assets	635	-	635	151
Computer equipment	3,034	-	3,034	-
Furniture and office equipment	42	-	42	-
Other machinery and equipment	728	-	728	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	4,439	-	4,439	151

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2012

30.3 *Movement for 2010/11*

MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
HERITAGE ASSETS	80	-	-	80
Heritage assets	80	-	-	80
MACHINERY AND EQUIPMENT	41,753	17,592	12,268	47,077
Transport assets	4,819	-	-	4,819
Computer equipment	27,812	5,925	1,775	31,962
Furniture and office equipment	4,607	584	187	5,004
Other machinery and equipment	4,515	11,083	10,306	5,292
TOTAL MOVABLE TANGIBLE ASSETS	41,833	17,592	12,268	47,157

30.4 *Minor assets*

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2012

	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	-	80	-	12,047	-	12,127
Curr Year Adjustments to Prior Year balances	-	(14)	-	-	-	(14)
Additions	-	1	-	2,091	-	2,092
Disposals	-	3	-	687	-	690
TOTAL MINOR ASSETS		64	-	13,451	-	13,515

	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
Number of R1 minor assets						
Number of minor assets at cost	-	28	-	12 439	-	12 467
TOTAL NUMBER OF MINOR ASSETS	-	28	-	12 439	-	12 467

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2012

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2011

	Opening balance	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	116	-	11,846	-	11,962
Curr Year Adjustments to Prior Year balances	-	(36)	-	(507)	-	(543)
Additions	-	-	-	6,476	-	6,476
Disposals	-	-	-	5,768	-	5,768
TOTAL MINOR ASSETS	-	80	-	12,047	-	12,127

30. Intangible Capital Assets

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Opening balance	Current Year Adjust- ments to prior year balances	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	12,342	488	-	2,003	10,827
TOTAL INTANGIBLE CAPITAL ASSETS	12,342	488	-	2,003	10,827

30.1 Additions

ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Cash	Non-Cash	(Develop- ment work in progress – current costs)	Received current year, not paid. (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	-	-	-	-	-
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	-	-	-	-	-

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

Disclosure Notes to the Annual Financial Statements

for the year ended 31 March 2012

30.2 Disposals

DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2012

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	-	2,003	2,003	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	-	2,003	2,003	-

30.3 Movement for 2010/11

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2011

	Opening balance	Additions	Disposals	Closing balance
	R'000	R'000	R'000	R'000
COMPUTER SOFTWARE	12,304	38	-	12,342
TOTAL MOVABLE TANGIBLE ASSETS	12,304	38	-	12,342

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES												
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2010/11 Division of Revenue Act		
	Division of Revenue Act	Roll Overs	Adjust- ments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury Department	Amount received by Municipality	Amount spent by municipality		% of available funds spent by municipality	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Municipal Systems Improvement Grant												
Eastern Cape												
Camdeboo	790				790			790	790	501	63.42%	750
Blue Crane Route	790				790			790	790	693	87.72%	750
Ikwezi	790				790			790	790	483	61.14%	750
Makana	790				790			790	790	-		750
Ndlambe	790				790			790	790	376	47.59%	750
Sundays River Valley	790				790			790	790	132	16.71%	1 200
Baviaans	790				790			790	790	705	89.24%	750
Kouga	790				790			790	790	-		750
Koukamma	790				790			790	790	-		750
Cacadu District Municipality	790				790			790	790	790	100.00%	750
Mbhashe	790				790			790	790	93	11.77%	750
Mnquma	790				790			790	790	-		750
Great Kei	790				790			790	790	790	100.00%	750
Amahlathi	790				790			790	790	-		750
Buffalo City										259	32.78%	750

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES												
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2010/11 Division of Revenue Act		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality		% of available funds spent by municipality	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Ngqushwa	790				790			790	-	790		750
Nkonkobe	790				790			790	327	790	41.39%	750
Nxuba	790				790			790	5	790	0.63%	750
Amatole District Municipality	790				790			790	-	790		750
Inxuba Yethemba	790				790			790	-	790		750
Tsolwana	790				790			790	-	790		750
Inkwanca	790				790			790	208	790	26.33%	750
Lukhanji	790				790			790	790	790	100.00%	750
Intsika Yethu	790				790			790	497	790	62.91%	750
Emalahleni	790				790			790	93	790	11.77%	750
Engcobo	790				790			790	-	790		750
Sakhisizwe	790				790			790	-	790		750
Chris Hani District Municipality	790				790			790	678	790	85.82%	750
Elundini	790				790			790	471	790	59.62%	750
Senqu	790				790			790	208	790	26.33%	750
Maletswai	790				790			790	250	790	31.65%	750
Gariep	790				790			790	-	790		750

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES													
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2010/11 Division of Revenue Act			
	Division of Revenue Act	Roll Overs	Adjust- ments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Depart- ment	Amount received by Muni- cipality	Amount spent by municipa- lity		% of available funds spent by muni- cipality	R'000	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	
Ukhahlamba District Municipality	790				790			790		-	790		750
Mbizana	790				790			790		-	790		750
Ntabankulu	790				790			790		-	790		750
Gaukeni	790				790			790		-	790		750
Port St Johns	790				790			790		475	790	60.13%	750
Nyandeni	790				790			790		-	790		750
Mhlontlo	790				790			790		-	790		750
King Sabata Dalindyebo	790				790			790		-	790		750
O.R. Tambo District Municipality	790				790			790		-	790		1 000
Umzimvubu	790				790			790		-	790		1 000
Matatiele	790				790			790		-	790		750
Alfred Nzo District Municipality	790				790			790			790		750
	33 970				33 970			33 970		8 824	33 970	23.36%	33 950

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES												
NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT			2010/11 Division of Revenue Act	
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality	% of available funds spent by municipality		R'000
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Free State												
Letsemeng	790				790			790	-			750
Kopanong	790				790			790	-			750
Mohokare	790				790			790	156	19.75%		750
Xhariep District Municipality	790				790			790	33	4.18%		750
Naledi	790				790			790	790	100.00%		1 000
Mangaung												750
Mantsopa	790				790			790	790	100.00%		750
Motheo District Municipality												750
Masilonyana	790				790			790	607	76.84%		750
Tokologo	790				790			790	-			750
Tswelopele	840				840			840	173	21.90%		750
Matjhabeng	790				790			790	-			750
Nala	790				790			790	528	66.84%		750
Lejweputswa District Municipality	790				790			790	-			750
Setsoto	790				790			790	-			750

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES												
NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				SPENT			2010/11 Division of Revenue Act R'000
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality	% of available funds spent by municipality		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	
Ditlhabeng	790				790				790	286	36.20%	750
Nketoana	790				790				790	387	48.99%	750
Maluti-a-Phofung	790				790				790	-		750
Phumelela	790				790				790	-		750
Thabo Mofutsanyana District Municipality	790				790				790	-		750
Moghaka	790				790				790	789	99.87%	750
Ngwathe	790				790				790	-		1 000
Metsimaholo	790				790				790	-		750
Matube	790				790				790	-		750
Fezile Dabi District Municipality	790				790				790	502	63.54%	750
	18 220				18 220				18 220	5 543	24.39%	19 250

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES												
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2010/11 Division of Revenue Act		
	Division of Revenue Act	Roll Overs	Adjust- ments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Depart- ment	Amount received by Muni- cipality	Amount spent by municipa- lity		% of available funds spent by muni- cipality	R'000
Nokeng tsa Taemane												750
Kungwini												750
Metsweding District Municipality												750
Emfuleni	800				800			800	-			750
Midvaal	800				800			800	800	100.00%		1 000
Lesedi	800				800			800	504	63.00%		750
Sedibeng District Municipality	800				800			800	-			
Mogale City	800				800			800	111	13.88%		750
Randfontein	800				800			800	630	78.75%		750
Merafong	800				1 590			1 590	-			
Westonaria	800				800			800	601	75.13%		750
West Rand District Municipality	800				800			800	305	38.13%		1 000
	7 200				7 990			7 990	2 951	33.61%		8 000

Gauteng

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES												
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2010/11 Division of Revenue Act		
	Division of Revenue Act	Roll Overs	Adjust- ments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury Department or National Department	Amount received by Municipality	Amount spent by municipality		% of available funds spent by municipality	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Kwazulu-Natal												
Vulamehlo	790				790			790	790	350	44.30%	750
Umdoni	790				790			790	790	-		750
Umkumbe	790				790			790	790	-		750
uMuziwabantu	790				790			790	790	-		750
Ezinqolweni	790				790			790	790	-		750
Hibiscus Coast	790				790			790	790	-		750
Ugu District Municipality	1 000				1 000			1 000	1 000	56	5.60%	1 000
uMshwathi	790				790			790	790	790	100.00%	750
uMngeni	790				790			790	790	37	4.68%	750
Mpofana	790				790			790	790	115	14.56%	750
Impendle	790				790			790	790	-		750
Msunduzi	790				790			790	790	-		750
Mkhambathini	790				790			790	790	-		750
Richmond	790				790			790	790	-		750
uMgungundlovu District Municipality	790				790			790	790	344	43.54%	750

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES													
NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT			2010/11 Division of Revenue Act		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality	% of available funds spent by municipality		R'000	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Emnambithi/Ladysmith	790				790			790	790	247	790	31.27%	750
Indaka	790				790			790	790	-	790		750
Umtshezi	790				790			790	790	-	790		750
Okhahlamba	790				790			790	790	-	790		750
Imbabazane	790				790			790	790	-	790		750
Uthukela District Municipality	790				790			790	790	173	790	21.90%	750
Endumeni	790				790			790	790	414	790	52.41%	750
Nquthu	790				790			790	790	116	790	14.68%	750
Msinga	790				790			790	790	286	790	36.20%	750
Umvoti	790				790			790	790	-	790		750
Umzinyathi District Municipality	790				790			790	790	-	790		750
Newcastle	790				790			790	790	-	790		750
eMahlangueni	790				790			790	790	652	790	82.53%	750
Dannhauser	790				790			790	790	-	790		750
Amajuba District Municipality	790				790			790	790	-	790		750
eDurbe	790				790			790	790	-	790		1 000

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES												
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2010/11 Division of Revenue Act		
	Division of Revenue Act	Roll Overs	Adjust- ments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury Department	Amount received by Municipality	Amount spent by municipality		% of available funds spent by municipality	R'000
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
uPhongolo	1 000				1 000			1 000	-		750	
Abaqulusi	1 000				1 000			1 000	686	68.60%	1 000	
Nongoma	790				790			790	-		750	
Ulundi	1 000				1 000			1 000	-		750	
Zululand District Municipality	1 000				1 000			1 000	418	41.80%	750	
Umhlabuyalini	790				790			790	397	50.25%	750	
Jozini	790				790			790	-		750	
The Big Five False Bay	790				790			790	-		750	
Hlabisa	790				790			790	790	100.00%	750	
Mtubatuba	790				790			790	-		750	
Umkhanyakude District Municipality	790				790			790	-		750	
Mfolozi	790				790			790	-		750	
uMhlathuze	790				790			790	578	73.16%	750	
Ntambanana	790				790			790	-		750	
Umlalazi	790				790			790	790	100.00%	750	

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES													
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2010/11 Division of Revenue Act			
	Division of Revenue Act	Roll Overs	Adjust- ments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Depart- ment	Amount received by Muni- cipality	Amount spent by municipa- lity		% of available funds spent by muni- cipality	R'000	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	
Mthonjaneni	790				790			790	790	515	790	65.19%	750
Nkandla	790				790			790	790	585	790	74.05%	750
uThungulu District Municipality	790				790			790		-	790		750
Mandeni	790				790			790		-	790		750
KwaDukuza	790				790			790		496	790	62.78%	750
Ndwedwe	790				790			790		313	790	39.62%	750
Maphumulo	790				790			790		-	790		750
iLembe District Municipality	790				790			790		-	790		750
Ingwe	790				790			790		341	790	43.16%	750
Kwa Sani	790				790			790		417	790	52.78%	750
Greater Kokstad	790				790			790		455	790	57.59%	750
Ubuhlebezwe	790				790			790		-	790		750
Umzimkhulu	790				790			790		790	790	100.00%	800
Sisonke District Municipality	790				790			790		-	790		750
	48 450				48 450			48 450		8 832	48 450	18.23%	45 050

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES													
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2010/11 Division of Revenue Act			
	Division of Revenue Act	Roll Overs	Adjust- ments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Depart- ment	Amount received by Muni- cipality	Amount spent by municipa- lity		% of available funds spent by muni- cipality	R'000	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	
Limpopo													
Makhuduthamaga	790				790			790	790	555	790	70.25%	750
Fetakgomo	790				790			790	790	790	790	100.00%	750
Greater Marble Hall	790				790			790	790	286	790	36.20%	750
Elias Motsoaledi	790				790			790	790	-	790		750
Greater Tubatse	790				790			790	790	-	790		750
Greater Sekhukhune District Municipality	790				790			790	790		790		750
Greater Giyani	790				790			790	790	149	790	18.86%	750
Greater Letaba	790				790			790	790	-	790		750
Greater Tzaneen	790				790			790	790	389	790	49.24%	750
Ba-Phalaborwa	790				790			790	790	-	790		750
Maruleng	790				790			790	790	105	790	13.29%	750
Mopani District Municipality	790				790			790	790	521	790	65.95%	750
Musina	790				790			790	790	790	790	100.00%	750
Mutale	790				790			790	790	726	790	91.90%	750

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES												
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2010/11 Division of Revenue Act		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality		% of available funds spent by municipality	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Thulamela	790				790			790	-	790		750
Makhado	790				790			790	51	790	6.46%	750
Vhembe District Municipality	790				790			790	-	790		750
Blouberg	790				790			790	-	790		750
Aganang	790				790			790	-	790		750
Molemole	790				790			790	602	790	76.20%	750
Polokwane	790				790			790	261	790	33.04%	750
Lepelle-Nkumpi	790				790			790	-	790		750
Capricorn District Municipality	790				790			790	790	790	100.00%	
Thabazimbi	790				790			790	478	790	60.51%	750
Lephalale	790				790			790	190	790	24.05%	750
Mookgopong	790				790			790	450	790	56.96%	750
Modimolle	790				790			790	-	790		750
Bela Bela	790				790			790	497	790	62.91%	750
Mogalakwena	790				790			790	-	790		750
Waterberg District Municipality	790				790			790	-	790		750
	23 700				23 700			23 700	7 630	23 700	25.81%	21 000

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES												
NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				SPENT			2010/11 Division of Revenue Act R'000
	Division of Revenue Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld R'000	Re-allocations by National Treasury or National Department R'000	Amount received by Municipality R'000	Amount spent by municipality R'000	% of available funds spent by municipality	%	
Mpumalanga												
Albert Luthuli	790				790			790	474	60.00%		750
Msukaligwa	790				790			790	541	68.48%		750
Mkhondo	790				790			790	-			750
Pixley Ka Seme	790				790			790	-			750
Lekwa	790				790			790	-			750
Dipaleseng	790				790			790	-			750
Govan Mbeki	790				790			790	-			750
Gert Sibande District Municipality	1 000				1 000			1 000	-			1 000
Delmas	1 200				1 200			1 200	-			1 200
Emalaheni	790				790			790	65	8.23%		750
Steve Tshwete	790				790			790	612	77.47%		750
Emakhazeni	790				790			790	264	33.42%		750
Thembisile	790				790			790	-			750
Dr JS Moroka	790				790			790	313	39.62%		750
Nkangata District Municipality	1 000				1 000			1 000	513	51.30%		750

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES												
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER				SPENT			2010/11 Division of Revenue Act	
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality	% of available funds spent by municipality		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Thaba Chweu	790				790			790	-			750
Mbombela	790				790			790	95	12.03%		750
Umjindi	790				790			790	623	78.86%		750
Nkomazi	790				790			790	-			750
Bushbuckridge	790				-			-	-			750
Ehlanzeni District Municipality	1 000				1 000			1 000	-			750
	17 630				16 840			16 840	3 500	11.91%		16 450
Northern Cape												
Moshaweng	790				790			790	-			750
Ga-Segonyana	790				790			790	685	86.71%		750
Gammagara	790				790			790	550	69.62%		750
Kgalagadi District Municipality	790				790			790	-			750
Richtersveld	790				790			790	163	20.63%		750
Nama Khoi	790				790			790	-			750
Kamiesberg	790				790			790	22	2.78%		750
Hantam	790				790			790	4	0.51%		750
Karoo Hoogland	790				790			790	432	54.68%		750

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES												
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2010/11 Division of Revenue Act		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality		% of available funds spent by municipality	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Khai-Ma	790				790			790		-		750
Namakwa District Municipality	790				790			790	438		55.44%	750
Ubuntu	790				790			790	-			750
Umsobomvu	790				790			790	581		73.54%	750
Emthanjeni	790				790			790	495		62.66%	750
Kareeberg	1 200				1 200			1 200	695		57.92%	1 200
Renosterberg	790				790			790	69		8.73%	750
Thembelihle	790				790			790	494		62.53%	750
Siyathemba	790				790			790	763		96.58%	750
Siyancuma	790				790			790	359		45.44%	750
Pixley Ka Seme	1 200				1 200			1 200	-			1 200
Mier	790				790			790	179		22.66%	750
!Kai! Garib	1 200				1 200			1 200	-			1 200
//Khara Hais	790				790			790	-			750
!Kheis	790				790			790	9		1.14%	750
Tsantsabane	790				790			790	-			750
Kgatelopele	790				790			790	-			750

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES												
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2010/11 Division of Revenue Act		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality		% of available funds spent by municipality	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Siyanda District Municipality	790				790			790	521		65.95%	750
Sol Plaatje	790				790			790	-			750
Dikgatlong	790				790			790	-			750
Magareng	790				790			790	-			750
Phokwane	790				790			790	-			750
Frances Baard District Municipality	1 200				1 200			1 200	111		9.25%	1 000
	26 920				26 920			26 920	6 570		21.07%	25 600
North West												
Moretele	1 000				1 000			1 000	-			1 000
Madibeng	790				790			790	197		24.94%	750
Rustenburg	790				790			790	-			750
Kgetlengrivier	790				790			790	-			750
Moses Kotane	1 000				1 000			1 000	400		40.00%	1 200
Bojanala Platinum District Municipality	790				790			790	-			
Ratlou	790				790			790	-			750

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES												
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2010/11 Division of Revenue Act		
	Division of Revenue Act	Roll Overs	Adjust- ments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Depart- ment	Amount received by Muni- cipality	Amount spent by municipa- lity		% of available funds spent by muni- cipality	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000		R'000	%
Tswaing	790				790			790	233		29.49%	750
Mafikeng	830				830			830	19		2.29%	750
Ditsobotla	1 200				1 200			1 200	597		49.75%	750
Ramotshere Moloka	1 000				1 000			1 000	-			1 000
Ngaka Modiri Molema District Municipality	1 000				1 000			1 000	-			750
Kagisano												750
Naledi	790				790			790	280		35.44%	750
Mamusa	790				790			790	-			750
Greater Taung	790				790			790	-			750
Molopo									-			750
NW 397	790				790			790	-			
Lekwa-Teemane	790				790			790	-			750
Dr Ruth Segomotsi Mompoti District Municipality	790				790			790	-			750
Ventersdorp	790				790			790	304		38.48%	750

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES											
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2010/11 Division of Revenue Act	
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality		% of available funds spent by municipality
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Tlokwe	790				790			790	-		750
City of Matlosana	790				790			790	432	54.68%	750
Maquassi Hills	790				790			790	-		750
Dr Kenneth Kaunda District Municipality	790				790			790	467	59.11%	1 000
	19 460				19 460			19 460	2 929	12.14%	18 450
Western Cape											
Matzikama	790				790			790	225	28.48%	750
Cederberg	790				790			790	392	49.62%	750
Bergivier	790				790			790	373	47.22%	750
Saldanha Bay	790				790			790	32	4.05%	750
Swartland	790				790			790	376	47.59%	750
West Coast District Municipality	790				790			790	248	31.39%	750
Witzenberg	1 200				1 200			1 200	142	11.83%	1 200
Drakenstein	790				790			790	-		750
Stellenbosch	790				790			790	174	22.03%	750

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES												
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2010/11 Division of Revenue Act		
	Division of Revenue Act	Roll Overs	Adjust- ments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Depart- ment	Amount received by Muni- cipality	Amount spent by municipa- lity		% of available funds spent by municipi- pality	R'000
Breede Valley	790				790			790	207	26.20%	790	750
Breede River Winelands	790				790			790	381	48.23%	790	750
Cape Winelands District Municipality	790				790			790	-		790	750
Theewaterskloof	1 200				1 200			1 200	556	46.33%	1 200	1 200
Overstrand	790				790			790	409	51.77%	790	750
Cape Agulhas	790				790			790	147	18.61%	790	750
Swellendam	790				790			790	350	44.30%	790	750
Overberg District Municipality	790				790			790	722	91.39%	790	750
Kannaland	1 720				1 720			1 720	1 720	100.00%	1 720	1 600
Hessequa	790				790			790	-		790	750
Mossel Bay	790				790			790	133	16.84%	790	750
George	790				790			790	395	50.00%	790	750
Oudtshoorn	790				790			790	641	81.14%	790	750
Bitou	790				790			790	-		790	750
Knysna	790				790			790	556	70.38%	790	750

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES											
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	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality		% of available funds spent by municipality
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000		%
Eden District Municipality	790				790			790	-		750
Laingsburg	790				790			790	201	25.44%	750
Prince Albert	790				790			790	-		750
Beaufort West	790				790			790	617	78.10%	750
Central Karoo District Municipality	790				790			790	-		750
National Total	24 660				24 660			24 660	8 997	27.33%	23 500
	220 210				220 210			220 210	55 776	21.20%	211 250
Municipal Infrastructure Grant											
Eastern Cape											
Nelson Mandela											182 532
Camdeboo	12 973				12 973			12 973	12 272	94.60%	9 362
Blue Crane Route	16 773				16 773			16 773	15 146	90.30%	12 522
Ikwezi	8 446				8 446			8 446	5 941	70.34%	7 022
Makana	24 312				24 312			24 312	11 945	49.13%	20 213
Ndlambe	22 449				22 449			22 449	15 919	70.91%	18 664

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES												
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2010/11 Division of Revenue Act		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality		% of available funds spent by municipality	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000		%	R'000
Sundays River Valley	19 504				19 504			19 504	13 110	67.22%	14 793	
Baviaans	10 447				10 447			10 447	7 863	75.27%	7 262	
Kouga	23 002				23 002			23 002	16 494	71.71%	19 124	
Kou-kamma	14 643				14 643			14 643	9 715	66.35%	10 752	
Cacadu District Municipality					-			-	-		7 117	
Mbhashe	32 809				32 809			32 809	32 106	97.86%	27 280	
Minquma	44 363				44 363			44 363	26 846	60.51%	36 886	
Great Kei	11 892				11 892			11 892	3 307	27.81%	9 888	
Amahlathi	22 884				22 884			22 884	11 936	52.16%	19 027	
Buffalo City					-			-			193 192	
Ngqushwa	17 257				17 257			17 257	10 380	60.15%	14 349	
Nkonkobe	21 693				21 693			21 693	13 634	62.85%	18 037	
Nxuba	9 669				9 669			9 669	6 653	68.81%	8 039	
Amatole District Municipality	321 323				321 323			321 323	178 771	55.64%	267 167	
Inxuba Yethemba	10 904				10 904			10 904	7 182	65.87%	9 066	
Tsolwana	9 631				9 631			9 631	4 943	51.32%	8 007	
Inkwanca	8 236				8 236			8 236	5 984	72.66%	6 848	

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES												
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2010/11 Division of Revenue Act		
	Division of Revenue Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld R'000	Re-allocations by National Treasury or National Department R'000	Amount received by Municipality R'000	Amount spent by municipality R'000		% of available funds spent by municipality	%
Lukhanji	26 480				26 480			26 480	15 402	58.16%	22 017	
Intsika Yethu	25 935				25 935			25 935	16 427	63.34%	21 564	
Emalahleni	19 217				19 217			19 217	17 330	90.18%	15 978	
Engcobo	21 621				21 621			21 621	17 076	78.98%	17 977	
Sakhisizwe	13 431				13 431			13 431	5 895	43.89%	11 166	
Chris Hani District Municipality	284 604				284 604			284 604	278 924	98.00%	236 636	
Elundini	22 466				22 466			22 466	15 225	67.77%	18 680	
Senqu	23 102				23 102			23 102	19 264	83.39%	19 209	
Maletswai	12 614				12 614			12 614	10 765	85.34%	10 487	
Gariep	9 928				9 928			9 928	1 290	12.99%	8 255	
Joe Gqabi Dist Municipality	143 957				143 957			143 957	129 724	90.11%	119 694	
Mbizana	29 445				29 445			29 445	21 530	68.26%	24 482	
Ntbankulu	19 664				19 664			19 664	14 374	70.97%	16 350	
Ngquza Hill	31 543				31 543			31 543	28 309	86.38%	26 226	
Port St Johns	20 254				20 254			20 254	18 237	64.36%	16 840	
Nyandeni	32 771				32 771			32 771	43 906	94.87%	27 247	

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES												
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2010/11 Division of Revenue Act		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality		% of available funds spent by municipality	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Mhlontlo	28 338				28 338			28 338	206 225	36.64%		23 562
King Sabata Dalindyebo	46 279				46 279			46 279	20 430	70.96%		38 479
O.R. Tambo District Municipality	562 773				562 773			562 773	30 640	98.34%		570 955
Umzimvubu	31 157				31 157			31 157	23 865	81.05%		23 939
Matatiele	28 791				28 791			28 791	13 378	68.03%		25 905
Alfred Nzo District Municipality	308 146				308 146			308 146	203 329	65.98%		153 179
	2 405 726				2 405 726			2 405 726	1 561 692	64.92%		2 375 976
Free State												
Letsemeng	18 210				18 210			18 210	10 195	55.99%		15 141
Kopanong	19 390				19 390			19 390	12 857	66.31%		16 122
Mohokare	15 532				15 532			15 532	9 710	62.52%		12 913
Naledi	14 149				14 149			14 149	7 351	51.95%		11 764
Mangaung												169 729
Mantsopa	22 773				22 773			22 773	18 440	80.97%		18 934
Masilonyana	30 322				30 322			30 322	16 192	53.40%		25 211

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES											
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2010/11 Division of Revenue Act	
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality		% of available funds spent by municipality
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000		R'000
Tokologo	17 855				17 855			17 855	13 886	77.77%	14 845
Tswelopele	25 015				25 015			25 015	23 038	92.10%	20 799
Matjhabeng	164 896				164 896			164 896	97 705	59.25%	137 104
Nala	45 642				45 642			45 642	17 707	38.80%	37 950
Setsofo	62 963				62 963			62 963	34 197	54.31%	52 351
Dihlabeng	42 647				42 647			42 647	31 273	73.33%	35 459
Nketoana	28 044				28 044			28 044	11 753	41.91%	23 317
Maluti-a-Phofung	171 336				171 336			171 336	122 640	71.58%	142 459
Phumelela	21 947				21 947			21 947	12 369	56.36%	18 248
Mochaka	38 661				38 661			38 661	28 280	73.15%	32 144
Ngwathe	41 582				41 582			41 582	9 437	22.69%	34 573
Metsimaholo	38 843				38 843			38 843	19 708	50.74%	32 296
Mafube	21 303				21 303			21 303	19 950	93.65%	17 712
	841 110				841 110			841 110	516 688	61.43%	869 071

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES											
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2010/11 Division of Revenue Act	
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality		% of available funds spent by municipality
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Gauteng											
Ekurhuleni											501 395
City of Johannesburg											556 450
City of Tshwane											384 068
Nokeng Isa Taemane											16 915
Kungwini											30 242
Emfuleni	126 985				126 985			126 985	62 274	49.04%	105 583
Midvaal	22 845				22 845			22 845	10 860	47.54%	18 994
Lesedi	23 139				23 139			23 139	19 496	84.26%	19 239
Mogale City	80 957				80 957			80 957	57 549	71.09%	61 226
Randfontein	30 284				30 284			30 284	4 057	13.40%	25 180
Westonaria	54 184				54 184			54 184	27 754	51.22%	45 051
Merafong City	61 152				61 137			61 152	32 820	53.68%	50 833
West Rand District Municipality											6 086
	399 546				399 531			399 546	214 810	53.76%	1 821 262

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES												
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER				SPENT			2010/11 Division of Revenue Act	
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality	% of available funds spent by municipality		R'000
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
KwaZulu Natal												
eThekweni												595 912
Vulamehlo	13 526				13 526			13 526	10 801	79.85%	10 801	11 247
Umdoni	13 028				13 028			13 028	3 479	26.70%	3 479	10 832
Umkhumbane	24 655				24 655			24 655	8 613	34.93%	8 613	20 499
uMuziwabantu	15 128				15 128			15 128	4 603	30.43%	4 603	12 578
Ezingolweni	11 125				11 125			11 125	4 165	37.44%	4 165	9 250
Hibiscus Coast	25 379				25 379			25 379	11 942	47.05%	11 942	21 102
Ugu District Municipality	239 046				239 046			239 046	137 031	57.32%	137 031	198 757
uMshwathi	15 171				15 171			15 171	7 159	47.19%	7 159	12 614
uMngeni	13 347				13 347			13 347	4 703	35.24%	4 703	11 097
Mpofana	9 668				9 668			9 668	1 251	12.94%	1 251	8 039
Impendle	8 871				8 871			8 871	3 518	39.66%	3 518	7 376
Msunduzi	126 455				126 455			126 455	45 010	35.59%	45 010	105 142
Mkhambathini	10 258				10 258			10 258	5 427	52.91%	5 427	8 528
Richmond	13 500				13 500			13 500	2 678	19.84%	2 678	11 224
uMgungundlovu District Municipality	85 850				85 850			85 850	35 741	41.63%	35 741	71 381

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES												
NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT			2010/11 Division of Revenue Act	
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality	% of available funds spent by municipality		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%		R'000
Emnambithi-Ladysmith	25 356				25 356				25 356	10 264	40.48%	21 082
Indaka	16 770				16 770				16 770	5 285	31.51%	13 944
Umtshezi	10 510				10 510				10 510	7 288	69.34%	8 739
Okhahlamba	19 153				19 153				19 153	8 146	42.53%	15 924
Imbabazane	17 281				17 281				17 281	12 724	73.63%	14 369
Uthukela District Municipality	150 740				150 740				150 740	29 136	19.33%	125 334
Endumeni	10 251				10 251				10 251	9 275	90.48%	8 522
Nquthu	21 020				21 020				21 020	15 021	71.46%	17 477
Msinga	21 981				21 981				21 981	10 226	46.52%	18 277
Umvoti	14 732				14 732				14 732	3 964	26.91%	12 249
Umzinyathi District Municipality	161 942				161 942				161 942	92 163	56.91%	134 648
Newcastle	74 224				74 224				74 224	57 736	77.79%	61 714
eMadlangeni	8 624				8 624				8 624	3 882	45.01%	7 170
Dannhauser	15 337				15 337				15 337	7 275	47.43%	12 752
Amajuba District Municipality	41 211				41 211				41 211	13 123	31.84%	34 265

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES												
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2010/11 Division of Revenue Act		
	Division of Revenue Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld R'000	Re-allocations by National Treasury or National Department R'000	Amount received by Municipality R'000	Amount spent by municipality R'000		% of available funds spent by municipality	
eDumbe	12 746				12 746			12 746	7 189	56.40%	10 598	
uPhongolo	16 793				16 793			16 793	13 350	79.50%	13 963	
Abaqulusi	20 975				20 975			20 975	8 932	42.58%	17 440	
Nongoma	20 868				20 868			20 868	15 286	73.25%	17 351	
Ulundi	22 011				22 011			22 011	10 972	49.85%	18 300	
Zululand District Municipality	227 100				227 100			227 100	115 790	50.99%	188 824	
Umhlabuyalini	19 908				19 908			19 908	8 153	40.95%	16 238	
Jozini	24 172				24 172			24 172	11 393	47.13%	19 784	
The Big Five False Bay	9 234				9 234			9 234	2 311	25.03%	7 364	
Hlabisa	9 822				9 822			9 822	2 705	27.54%	14 676	
Mtubatuba	17 195				17 195			17 195	8 157	47.44%	7 159	
Umkhanyakude District Municipality	186 942				186 942			186 942	47 096	25.19%	157 005	
Mfolozi	14 475				14 475			14 475	3 819	26.38%	12 035	
uMhlatuze	71 404				71 404			71 404	31 164	43.64%	59 369	
Ntambanana	10 193				10 193			10 193	7 367	72.28%	8 475	
Umlalazi	22 284				22 284			22 284	10 776	48.36%	18 528	

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES												
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2010/11 Division of Revenue Act		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality		% of available funds spent by municipality	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000		%	R'000
Mthonjaneni	10 761				10 761			10 761	4 543	42.22%	8 947	
Nkandla	17 887				17 887			17 887	7 190	40.20%	14 872	
uThungulu District Municipality	160 933				160 933			160 933	64 714	40.21%	133 809	
Mandeni	21 152				21 152			21 152	11 790	55.74%	17 587	
KwaDukuza	28 975				28 975			28 975	9 242	31.90%	24 092	
Ndwedwe	20 194				20 194			20 194	12 817	63.47%	16 790	
Maphumulo	16 881				16 881			16 881	9 408	55.73%	14 036	
iLembe District Municipality	147 801				147 801			147 801	70 971	48.02%	122 890	
Ingwe	16 569				16 569			16 569	1 874	11.31%	13 776	
Kwa Sani	7 887				7 887			7 887	9 009	114.23%	6 557	
Greater Kokstad	15 927				15 927			15 927	8 311	52.18%	13 242	
Ubuhebezwe	17 409				17 409			17 409	6 316	36.28%	14 474	
Umzimkhulu	39 688				39 688			39 688	20 474	51.59%	32 998	
Sisonke District Municipality	136 610				136 610			136 610	65 545	47.98%	113 585	
	2 598 935				2 598 935			2 598 935	1 178 293	45.34%	2 756 808	

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES												
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2010/11 Division of Revenue Act		
	Division of Revenue Act	Roll Overs	Adjust- ments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Depart- ment	Amount received by Muni- cipality	Amount spent by municipa- lity		% of available funds spent by muni- cipality	R'000
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Limpopo												
Makhuduthamaga	34 159				34 159			34 159	14 016	41.03%	14 016	28 401
Fetakgomo	15 407				15 407			15 407	3 950	25.64%	3 950	12 811
Empraim Mogale	17 871				17 871			17 871	10 946	61.25%	10 946	14 859
Elias Motsoaledi	29 037				29 037			29 037	21 788	75.04%	21 788	24 143
Greater Tubatse	36 311				36 311			36 311	18 963	52.22%	18 963	30 191
Greater Sekhukhune District Municipality	344 208				344 208			344 208	93 564	27.18%	93 564	286 195
Greater Giyani	29 950				29 950			29 950	20 671	69.02%	20 671	24 902
Greater Letaba	32 997				32 997			32 997	32 597	98.79%	32 597	27 435
Greater Tzaneen	46 712				46 712			46 712	21 289	45.58%	21 289	38 839
Ba-Phalaborwa	17 129				17 129			17 129	14 498	84.64%	14 498	14 242
Maruleng	24 874				24 874			24 874	19 281	77.51%	19 281	20 682
Mopani District Municipality	263 219				263 219			263 219	47 567	18.07%	47 567	218 855
Musina	12 039				12 039			12 039	10 874	90.32%	10 874	10 010
Mutale	13 995				13 995			13 995	8 572	61.25%	8 572	11 636
Thulamela	61 295				61 295			61 295	56 483	92.15%	56 483	50 964

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES												
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2010/11 Division of Revenue Act		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality		% of available funds spent by municipality	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000		%	R'000
Makhado	55 562				55 562			55 562	33 286	59.91%	46 197	
Vhembe District Municipality	296 276				296 276			296 276	213 020	71.90%	246 342	
Blouberg	25 477				25 477			25 477	19 237	75.51%	21 182	
Aganang	21 739				21 739			21 739	8 144	37.46%	18 075	
Molemole	19 716				19 716			19 716	7 861	39.87%	16 392	
Polokwane	182 607				182 607			182 607	69 526	38.07%	151 829	
Lepelle-Nkumpi	28 718				28 718			28 718	16 975	59.11%	23 877	
Capricorn District Municipality	173 914				173 914			173 914	73 784	42.43%	144 602	
Thabazimbi	34 750				34 750			34 750	10 391	29.90%	28 892	
Lephalale	35 907				35 907			35 907	21 870	60.91%	29 855	
Mookgopong	13 536				13 536			13 536	605	4.47%	11 254	
Modimolle	34 157				34 157			34 157	22 100	64.70%	28 399	
Bela Bela	15 518				15 518			15 518	9 026	58.16%	12 903	
Mogalakwena	113 222				113 222			113 222	22 133	19.55%	94 140	
	2 030 302				2 030 302			2 030 302	923 017	45.46%	1 688 104	

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES												
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2010/11 Division of Revenue Act		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality		% of available funds spent by municipality	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000		%	R'000
Mpumalanga												
Albert Luthuli	63 670				63 670			63 670	40 287	63.27%	40 287	52 939
Msukaligwa	33 285				33 285			33 285	18 589	55.85%	18 589	27 675
Mkhondo	48 703				48 703			48 703	18 966	38.94%	18 966	40 495
Pixley Ka Seme	26 576				26 576			26 576	10 964	41.26%	10 964	22 096
Lekwa	35 877				35 877			35 877	17 202	47.95%	17 202	29 830
Dipaleseng	17 881				17 881			17 881	5 736	32.08%	5 736	14 867
Govan Mbeki	75 755				75 755			75 755	44 714	59.02%	44 714	62 987
Victor Khanye Loc Municipality	20 521				20 521			20 521	15 126	73.71%	15 126	17 062
Emalahleni	78 122				78 122			78 122	22 325	28.58%	22 325	64 955
Steve Tshwete	30 957				30 957			30 957	22 152	71.56%	22 152	25 739
Emakhazeni	13 131				13 131			13 131	6 561	49.97%	6 561	10 918
Thembisile	89 106				89 106			89 106	60 898	68.34%	60 898	74 088
Dr JS Moroka	91 325				91 325			91 325	21 070	23.07%	21 070	75 933
Thaba Chweu	26 690				26 690			26 690	13 252	49.65%	13 252	22 192
Mbombela	155 031				155 031			155 031	69 428	44.78%	69 428	127 087
Umjindi	22 407				22 407			22 407	12 362	55.17%	12 362	18 630

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES											
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2010/11 Division of Revenue Act	
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality		% of available funds spent by municipality
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000		%
Nkomazi	112 208				112 208			112 208	95 928	85.49%	91 482
Bushbuckridge	235 834				235 834			235 834	123 278	52.27%	194 271
Ehlanzeni District Municipality											5 443
	1 177 079				1 177 079			1 177 079	618 838	52.57%	978 689
Northern Cape											
Moshaweng	41 128				41 128			41 128	16 340	39.73%	34 196
Ga-Segonyana	45 474				45 474			45 474	21 518	47.32%	24 958
Gamagara	14 249				14 249			14 249	12 570	88.22%	7 332
John Taolo Gaetsewe District Municipality											17 367
Richtersveld	7 113				7 113			7 113	1 306	18.36%	5 914
Nama Khoi	13 263				13 263			13 263	5 384	40.59%	9 979
Kamiesberg	9 634				9 634			9 634	4 477	46.47%	6 962
Hantam	10 505				10 505			10 505	5 570	53.02%	7 686
Karoo Hoogland	9 383				9 383			9 383	12 224	130.28%	6 753
Khai-Ma	8 840				8 840			8 840	135	1.53%	6 301

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES												
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2010/11 Division of Revenue Act		
	Division of Revenue Act R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld R'000	Re-allocations by National Treasury or National Department R'000	Amount received by Municipality R'000	Amount spent by municipality R'000		% of available funds spent by municipality	
Namakwa District Municipality												5 242
Ubuntu	9 488				9 488			9 488	6 338	66.80%		7 889
Umsobomvu	11 765				11 765			11 765	472	4.01%		9 782
Emthanjeni	13 306				13 306			13 306	3 672	27.60%		9 570
Kareeberg	7 892				7 892			7 892	2 120	26.86%		6 562
Renosterberg	8 170				8 170			8 170	4 273	52.30%		6 793
Thembelihle	11 186				11 186			11 186	-			7 807
Siyathemba	10 246				10 246			10 246	4 852	47.36%		7 026
Siyancuma	16 910				16 910			16 910	3 292	19.47%		12 567
Pixley Ka Seme District Municipality												5 973
Mier	9 385				9 385			9 385	6 657	70.93%		6 420
!Kai! Garib	17 293				17 293			17 293	8 584	49.64%		12 996
//Khara Hais	19 611				19 611			19 611	2 498	12.74%		14 923
!Kheis	11 434				11 434			11 434	6 898	60.33%		8 124
Tsantsabane	11 888				11 888			11 888	4 362	36.69%		8 501
Kgatelopele	7 727				7 727			7 727	733	9.49%		6 424

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES												
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2010/11 Division of Revenue Act		
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality		% of available funds spent by municipality	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Siyanda District Municipality												6 913
Sol Plaatje	45 363				45 363			45 363	19 654		43.33%	34 494
Dikgatlong	21 118				21 118			21 118	589		2.79%	14 336
Magareng	10 798				10 798			10 798	1 238		11.47%	8 978
Phokwane	21 735				21 735			21 735	13 521		62.21%	18 072
Frances Baard District Municipality												
	424 904	-			424 904	-		424 904	169 277		39.84%	6 446
North West												
Moretele	85 713				85 713			85 713	29 468		34.38%	71 266
Matibeng	163 940				163 940			163 940	140 241		85.54%	136 309
Rustenburg	166 947				166 947			166 947	99 467		59.58%	138 809
Kgetlengrivier	16 600				16 600			16 600	4 996		30.10%	13 802
Moses Kotane	102 056				102 056			102 056	57 025		55.88%	84 855
Ratlou	18 073				18 073			18 073	6 248		34.57%	15 027
Tswaing	20 968				20 968			20 968	9 752		46.51%	17 434
Matikeng	35 381				35 381			35 381	15 810		44.69%	29 417

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES												
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER				SPENT			2010/11 Division of Revenue Act	
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality	% of available funds spent by municipality		R'000
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Ditsobotla	25 393				25 393				25 393		8 592	21 113
Ramotshere Moiloa	22 588				22 588				22 588		8 594	18 781
Ngaka Modiri Molema District Municipality	167 463				167 463				167 463		102 375	139 238
Kagisano					-				-			13 614
Naledi	12 009				12 009				12 009		13 476	9 984
Mamusa	13 800				13 800				13 800		3 596	11 473
Greater Taung	26 975				26 975				26 975		12 023	22 428
Molopo	24 613				24 613				24 613		10 321	6 850
Lekwa-Teemane	13 179				13 179				13 179		6 067	10 958
Dr. Ruth Segomotsi Mompoti District Municipality	91 585				91 585				91 585		40 318	76 149
Ventersdorp	20 046				20 046				20 046		8 462	16 668
Tlokwe	34 191				34 191				34 191		17 391	28 428
City of Matlosana	100 609				100 609				100 609		35 814	83 652
Maquassi Hills	28 416				28 416				28 416		26 071	23 626
	1 190 545				1 190 545				1 190 545		656 107	989 881

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A													
STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES													
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2010/11 Division of Revenue Act			
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality		% of available funds spent by municipality	R'000	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	
Western Cape													
City of Cape Town													383 726
Matzikama	15 321				15 321			15 321	13 333	87.02%			10 809
Cederberg	12 814				12 814			12 814	4 822	37.63%			8 725
Bergrivier	9 727				9 727			9 727	7 888	81.10%			8 087
Saldanha Bay	15 164				15 164			15 164	8 460	55.79%			10 678
Swartland	11 974				11 974			11 974	11 974	100.00%			9 955
West Coast District Municipality					-			-	-				5 788
Witzenberg	18 229				18 229			18 229	15 913	87.29%			12 360
Drakenstein	28 919				28 919			28 919	21 287	73.61%			24 045
Stellenbosch	20 955				20 955			20 955	3 276	15.64%			17 423
Breede Valley	25 482				25 482			25 482	13 962	54.79%			18 390
Langeberg	15 149				15 149			15 149	8 654	57.13%			12 595
Cape Winelands District Municipality					-			-	-				5 593
Theewaterskloof	21 577				21 577			21 577	10 421	48.30%			17 940

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES												
NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				SPENT			2010/11
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act	
R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	
Overstrand	13 971				13 971			13 971	13 107	93.82%	11 616	
Cape Agulhas	8 479				8 479			8 479	7 801	92.01%	7 049	
Swellendam	9 172				9 172			9 172	4 810	52.45%	7 625	
Kannaland	9 494				9 494			9 494	2 219	23.38%	7 894	
Hessequa	10 551				10 551			10 551	3 292	31.20%	8 773	
Mossel Bay	14 143				14 143			14 143	9 037	63.90%	11 759	
George	36 309				36 309			36 309	17 359	47.81%	23 345	
Oudtshoorn	14 431				14 431			14 431	8 094	56.09%	11 998	
Bitou	12 081				12 081			12 081	12 081	100.00%	10 045	
Knysna	19 933				19 933			19 933	12 536	62.89%	16 573	
Eden District Municipality					-			-	-		6 844	
Laingsburg	6 755				6 755			6 755	5 116	75.74%	5 617	
Prince Albert	7 055				7 055			7 055	1 499	21.25%	5 866	
Beaufort West	17 673				17 673			17 673	9 687	54.81%	7 233	
Central Karoo District Municipality											7 461	
National Total	375 358				375 358			375 358	226 630	60.38%	695 812	
	11 443 505				11 443 490			11 443 505	6 065 352	53.00%	12 528 889	

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1A STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES											
NAME OF MUNICIPALITY	GRANT ALLOCATION			TRANSFER			SPENT			2010/11 Division of Revenue Act	
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by Municipality	Amount spent by municipality		% of available funds spent by municipality
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Disaster relief											
KwaZulu Natal											
KZN metro											214 398
Northern Province											
Mbombela					2 458						
Nkomazi					1 920						
Umjindi					5 674						
Buschbuckridge					22 095						
Mpumalanga Province					15 136						
Subtotal	-				47 283						214 398
National Total	-				47 283					-	214 398
TOTAL	11 663 715				11 710 983			11 663 715	6 121 128	74%	12 740 139

National Departments are reminded of the DORA requirements to indicate any re-allocations by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1B STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES										
NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				2010/11	
	Amount	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Trans-ferred	Amount received by Muni-ci-pality	Amount spent by muni-ci-pality	% of available funds spent by municipa-lity	Total Available
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Local Government Equitable Share										
Eastern Cape										
Nelson Mandela	656 653			656 653	656 653	100%	656 653			602 883
Camdeboo	33 093			33 093	31 156	94%	31 156			29 339
Blue Crane Route	34 998			34 998	34 998	100%	34 998			31 051
Ikwezi	13 753			13 753	13 753	100%	13 753			11 553
Makana	59 143			59 143	58 871	100%	58 871			53 620
Ndlambe	49 522			49 522	49 186	99%	49 186			43 896
Sundays River Valley	32 105			32 105	31 991	100%	31 991			25 710
Baviaans	15 153			15 153	14 833	98%	14 833			12 094
Kouga	41 038			41 038	38 073	93%	38 073			34 882
Kou-kamma	25 910			25 910	22 759	88%	22 759			22 754
Cacadu District Municipality	67 220			67 220	45 233	67%	45 233			69 387
Mbhashe	105 237			105 237	105 238	100%	105 238			45 707
Mnquma	136 070			136 070	135 532	100%	135 532			112 592
Great Kei	28 209			28 209	27 660	98%	27 660			24 084
Amahlathi	79 616			79 616	79 616	100%	79 616			69 462
Buffalo City	583 628			583 628	578 090	99%	578 090			508 895

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1B STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES												
NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				2010/11			
	Amount	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Trans-ferred	Amount received by Muni-ci-pality	Amount spent by muni-ci-pality	% of available funds spent by munici-pality	Total Available		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000		
Ngqushwa	55 140			55 140	55 140	100%	55 140			47 261		
Nkonkobe	76 099			76 099	76 099	100%	76 099			72 656		
Nxuba	18 627			18 627	18 627	100%	18 627			16 313		
Amatole District Municipality	530 281			530 281	517 003	97%	517 003			481 040		
Inxuba Yethemba	35 770			35 770	32 178	90%	32 178			34 250		
Tsolwana	21 878			21 878	19 251	88%	19 251			19 031		
Inkwanca	15 748			15 748	14 201	90%	14 201			13 503		
Lukhanji	96 062			96 062	94 792	99%	94 792			86 908		
Intsika Yethu	78 404			78 404	78 404	100%	78 404			69 276		
Emalahleni	61 619			61 619	61 056	99%	61 056			51 330		
Engcobo	66 596			66 596	66 179	99%	66 179			46 997		
Sakhisizwe	34 165			34 165	34 111	100%	34 111			27 217		
Chris Hani District Municipality	325 909			325 909	325 908	100%	325 908			281 530		
Elundini	64 855			64 855	64 855	100%	64 855			50 021		
Senqu	79 190			79 190	79 080	100%	79 080			66 875		
Maletswai	20 224			20 224	20 224	100%	20 224			17 620		
Gariep	22 167			22 167	21 590	97%	21 590			19 221		
Joe Gqabi District Municipality	149 031			149 031	149 031	100%	149 031			125 943		

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1B											
STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES											
NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				2010/11		
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by Municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available	R'000
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Mbizana	98 860			98 860	98 860	100%	98 860			75 758	
Ntabankulu	54 929			54 929	54 929	100%	54 929			41 957	
Ngquza Hill	97 182			97 182	97 182	100%	97 182			73 505	
Port St Johns	59 537			59 537	59 537	100%	59 537			44 714	
Nyandeni	111 925			111 925	111 925	100%	111 925			88 682	
Mhlonlto	87 213			87 213	87 213	100%	87 213			67 972	
King Sabata Dalindyebo	153 086			153 086	151 093	99%	151 093			127 858	
O.R. Tambo District Municipality	416 224			416 224	414 811	100%	414 811			406 208	
Umkhumbane	92 993			92 993	92 326	99%	92 326			71 442	
Matatiele	92 449			92 449	92 449	100%	92 449			71 817	
Alfred Nzo District Municipality	265 536			265 536	265 089	100%	265 089			125 171	
	5 243 047			5 243 047	5 176 785	99%	5 176 785			4 419 985	

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1B STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES										
NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				2010/11	
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by Municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Free State										
Letsemeng	45 212			45 212	45 212	100%	45 212			40 637
Kopanong	79 334			79 334	79 132	100%	79 132			72 760
Mohokare	45 632			45 632	45 632	100%	45 632			40 862
Xhariep District Municipality	20 629			20 629	20 600	100%	20 600			13 372
Naledi	33 288			33 288	32 542	98%	32 542			29 882
Mangaung	546 417			546 417	505 254	92%	505 254			494 273
Mantsopa	59 517			59 517	59 432	100%	59 432			53 916
Motheo District Municipality				-			-			152 764
Masilonyana	72 352			72 352	71 635	99%	71 635			66 189
Tokologo	38 552			38 552	34 082	88%	34 082			34 525
Tswelopele	55 333			55 333	55 333	100%	55 333			48 822
Matjhabeng	390 659			390 659	347 633	89%	347 633			358 900
Nala	120 920			120 920	120 911	100%	120 911			111 999
Lejweputswa District Municipality	93 735			93 735	93 522	100%	93 522			90 922
Setso	147 875			147 875	143 875	97%	143 875			133 874
Dihlabeng	114 851			114 851	114 851	100%	114 851			103 057
Nketoana	69 567			69 567	67 786	97%	67 786			62 145

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1B STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES										
NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				2010/11	
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by Municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Maluti-a-Phofung	305 453			305 453	305 453	100%	305 453			267 069
Phumelela	49 899			49 899	49 629	99%	49 629			45 118
Thabo Mofutsanyana District Municipality	72 399			72 399	70 308					
97%	70 308			59 868						
Moghaka	145 181			145 181	143 696	99%	143 696			135 789
Ngwathe	137 311			137 311	134 039	98%	134 039			126 766
Metsimaholo	88 125			88 125	81 003	92%	81 003			79 048
Mafube	67 075			67 075	67 075	100%	67 075			61 766
Fezile Dabi District Municipality	127 132			127 132	127 132	100%	127 132			122 988
	2 926 448			2 926 448	2 815 767	96%	2 815 767			2 807 311
Gauteng										
Ekurhuleni	1 644 128			1 644 128	1 630 150	99%	1 630 150			1 471 409
City of Johannesburg	1 897 561			1 897 561	1 892 948	100%	1 892 948			1 704 648
City of Tshwane	923 020			923 020	726 285	79%	726 285			717 978
Nokeng tsa Taemane				-			-			28 495
Kungwini				-			-			65 336

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1B STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES											
NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				2010/11		
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by Municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	
Metsweding District Municipality				-				-			26 015
Emfuleni	539 842			539 842	519 669	96%	519 669	519 669		498 815	
Midvaal	44 379			44 379	44 379	100%	44 379	44 379		37 448	
Lesedi	52 626			52 626	48 520	92%	48 520	48 520		48 093	
Sedibeng District Municipality	220 439			220 439	220 439	100%	220 439	220 439		213 221	
Mogale City	189 605			189 605	186 224	98%	186 224	186 224		173 321	
Randfontein	81 638			81 638	77 741	95%	77 741	77 741		73 559	
Westonaria	87 796			87 796	82 640	94%	82 640	82 640		79 143	
Merafong City	167 868			167 868	159 497	95%	159 497	159 497		147 257	
West Rand District Municipality	163 221			163 221	156 239	96%	156 239	156 239		160 459	
	6 012 123			6 012 123	5 744 731	96%	5 744 731	5 744 731		5 445 197	
KwaZulu Natal											
eThekweni	1 595 941			1 595 941	1 581 802	99%	1 581 802	1 581 802		1 414 534	
Vulamehlo	31 146			31 146	28 773	92%	28 773	28 773		25 632	
Umdoni	24 104			24 104	24 104	100%	24 104	24 104		20 802	
Umzumbe	76 198			76 198	76 198	100%	76 198	76 198		60 966	

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1B STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES											
NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				2010/11		
	Amount	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Trans-ferred	Amount received by Muni-ci-pality	Amount spent by muni-ci-pality	% of available funds spent by municipa-lity	Total Available	R'000
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
uMuziwabantu	38 288			38 288	38 288	100%	38 288				31 301
Ezinqolweni	23 010			23 010	21 581	94%	21 581				18 112
Hibiscus Coast	76 844			76 844	56 805	74%	56 805				70 295
Ugu District Municipality	235 738			235 738	234 988	100%	234 988				199 841
uMshwathi	49 180			49 180	48 921	99%	48 921				41 165
uMngeni	30 559			30 559	30 559	100%	30 559				26 617
Mpofana	19 485			19 485	15 704	81%	15 704				16 695
Impendle	21 087			21 087	19 932	95%	19 932				16 386
Msunduzi	304 835			304 835	302 705	99%	302 705				267 211
Mkhambathini	24 863			24 863	23 866	96%	23 866				20 601
Richmond	25 849			25 849	25 849	100%	25 849				21 684
uMgungundlovu District Municipality	286 019			286 019	286 019	100%	286 019				258 183
Emnambithi-Ladysmith	93 368			93 368	93 368	100%	93 368				83 304
Indaka	53 002			53 002	49 926	94%	49 926				44 140
Umtshezi	25 843			25 843	25 827	100%	25 827				21 569
Okhahlamba	55 031			55 031	54 262	99%	54 262				44 542
Imbabazane	57 268			57 268	57 268	100%	57 268				47 956
Uthukela District Municipality	229 471			229 471	225 680	98%	225 680				198 196

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1B STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES												
NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				2010/11			
	Amount	Roll Overs	Adjust-ments	Total Available	Actual Transfer	% of Available funds Trans-ferred	Amount received by Muni-ci-pality	Amount spent by muni-ci-pality	% of available funds spent by municipa-lity	Total Available		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000		
Endumeni	27 416			27 416	26 452	96%	26 452			19 788		
Nquthu	62 785			62 785	62 778	100%	62 778			47 451		
Msinga	61 218			61 218	58 981	96%	58 981			46 328		
Umvoti	36 785			36 785	36 522	99%	36 522			30 040		
Umzinyathi District Municipality	160 451			160 451	160 451	100%	160 451			132 014		
Newcastle	244 400			244 400	238 727	98%	238 727			225 777		
eMahlangueni	12 256			12 256	11 649	95%	11 649			9 622		
Dannhauser	42 091			42 091	39 598	94%	39 598			34 578		
Amajuba District Municipality	88 571			88 571	84 175	95%	84 175			78 331		
eDumbe	32 113			32 113	30 700	96%	30 700			26 395		
uPhongolo	52 612			52 612	51 267	97%	51 267			43 874		
Abaqulusi	69 224			69 224	69 224	100%	69 224			57 815		
Nongoma	62 891			62 891	51 860	82%	51 860			49 419		
Ulundi	68 274			68 274	68 274	100%	68 274			56 601		
Zululand District Municipality	234 326			234 326	234 326	100%	234 326			198 670		
Umlhlabuyalingana	49 682			49 682	48 046	97%	48 046			35 750		
Jozini	64 897			64 897	62 001	96%	62 001			48 546		
The Big Five False Bay	12 396			12 396	12 360	100%	12 360			9 747		

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1B STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES											
NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				2010/11		
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by Municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Hlabisa	38 543			38 543	37 856	98%	37 856			43 730	
Mtubatuba	42 041			42 041	39 768	95%	39 768			7 844	
Umkhanyakude District Municipality	159 548			159 548	153 930	96%	153 930			133 129	
Mfolozi	37 931			37 931	37 880	100%	37 880			31 241	
uMhlathuze	161 654			161 654	157 421	97%	157 421			145 629	
Ntambanana	17 675			17 675	14 687	83%	14 687			14 750	
Umlalazi	69 515			69 515	69 515	100%	69 515			58 565	
Mthonjaneni	22 096			22 096	22 096	100%	22 096			18 193	
Nkandla	44 648			44 648	40 191	90%	40 191			34 332	
uThungulu District Municipality	299 178			299 178	299 178	100%	299 178			259 978	
Mandeni	57 058			57 058	57 058	100%	57 058			49 629	
KwaDukuza	65 237			65 237	58 884	90%	58 884			57 882	
Ndwedwe	50 875			50 875	50 708	100%	50 708			36 501	
Maphumulo	43 137			43 137	42 261	98%	42 261			33 488	
iLembe District Municipality	206 729			206 729	206 613	100%	206 613			178 694	
Ingwe	44 868			44 868	40 719	91%	40 719			35 213	
Kwa Sani	10 517			10 517	9 904	94%	9 904			8 754	

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1B STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES											
NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				2010/11		
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by Municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	
Greater Kokstad	42 946			42 946	42 946	100%	42 946			36 196	
Ubuhebezwe	44 405			44 405	38 394	86%	38 394			35 479	
Umzimkhulu	75 003			75 003	74 978	100%	74 978			59 411	
Sisonke District Municipality	182 881			182 881	182 472	100%	182 472			156 284	
	6 476 002			6 476 002	6 347 275	98%	6 347 275			5 535 400	
Limpopo											
Makhuduthamaga	126 339			126 339	126 283	100%	126 283			111 894	
Fetakgomo	40 562			40 562	40 562	100%	40 562			33 103	
Empraim Mogale	60 529			60 529	60 415	100%	60 415			52 272	
Elias Motsoaledi	114 134			114 134	114 134	100%	114 134			100 148	
Greater Tubatse	114 137			114 137	114 137	100%	114 137			94 525	
Greater Sekhukhune District Municipality	330 878			330 878	326 852						
99%	326 852			274 264							
Greater Giyani	116 853			116 853	116 152	99%	116 152			100 047	
Greater Letaba	117 473			117 473	116 984	100%	116 984			100 445	
Greater Tzaneen	176 879			176 879	167 203	95%	167 203			154 949	

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1B STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES											
NAME OF MUNICIPALITY	GRANT ALLOCATION					TRANSFER					2010/11
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by Municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available	R'000
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
a-Phalaborwa	53 751			53 751	53 751	100%	53 751			47 605	
Maruleng	47 176			47 176	44 701	95%	44 701			39 323	
Mopani District Municipality	419 718			419 718	419 718	100%	419 718			363 483	
Musina	27 908			27 908	26 489	95%	26 489			24 045	
Mutale	37 628			37 628	32 665	87%	32 665			29 975	
Thulamela	235 608			235 608	235 608	100%	235 608			202 015	
Makhado	212 830			212 830	203 577	96%	203 577			185 483	
Vhembe District Municipality	431 171			431 171	431 171	100%	431 171			371 246	
Blouberg	79 413			79 413	75 548	95%	75 548			60 017	
Aganang	66 770			66 770	64 294	96%	64 294			55 215	
Molemole	66 171			66 171	64 741	98%	64 741			61 380	
Polokwane	350 705			350 705	292 802	83%	292 802			303 562	
Lepelle-Nkumpi	109 337			109 337	106 099	97%	106 099			93 674	
Capricorn District Municipality	365 229			365 229	365 229	100%	365 229			316 939	
Thabazimbi	53 095			53 095	52 795	99%	52 795			48 295	
Lephalale	73 300			73 300	69 381	95%	69 381			72 053	
Mookgopong	22 822			22 822	19 890	87%	19 890			18 371	
Modimolle	50 075			50 075	48 275	96%	48 275			44 945	

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1B STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES										
NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				2010/11	
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by Municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Bela Bela	39 790			39 790	39 329	99%	39 329			35 685
Mogalakwena	225 142			225 142	218 344	97%	218 344			193 964
Waterberg District Municipality	87 880			87 880	87 880	100%	87 880			85 215
	4 253 303			4 253 303	4 135 009	98%	4 135 009			3 674 137
mpumalanga										
Albert Luthuli	141 281			141 281	140 273	99%	140 273			119 231
Msukaligwa	93 142			93 142	88 975	96%	88 975			82 968
Mkhondo	88 732			88 732	81 170	91%	81 170			80 829
Pixley Ka Seme	74 975			74 975	74 447	99%	74 447			59 207
Lekwa	69 959			69 959	66 562	95%	66 562			62 872
Dipaleseng	39 319			39 319	39 319	100%	39 319			35 349
Govan Mbeki	171 429			171 429	170 794	100%	170 794			156 732
Gert Sibande District Municipality	246 282			246 282	246 282	100%	246 282			238 148
Victor Khanye	45 078			45 078	40 827	91%	40 827			40 266
Emalahleni	163 854			163 854	135 017	82%	135 017			146 796
Steve Tshwete	77 312			77 312	75 954	98%	75 954			70 395
Emakhazeni	31 562			31 562	29 050	92%	29 050			28 324

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1B STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES										
NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				Amount spent by municipality	2010/11 Total Available
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by Municipality	% of available funds spent by municipality		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%		
Thembisile	196 665			196 665	191 831	98%	191 831			172 932
Dr JS Moroka	205 518			205 518	205 518	100%	205 518			180 529
Nkangala District Municipality	291 974			291 974	291 974	100%	291 974			282 304
Thaba Chweu	66 696			66 696	64 337	96%	64 337			59 553
Mbombela	282 081			282 081	279 246	99%	279 246			247 674
Umjindi	43 164			43 164	43 164	100%	43 164			36 584
Nkomazi	234 566			234 566	230 032	98%	230 032			196 588
Bushbuckridge	398 491			398 491	355 586	89%	355 586			339 796
Ehlanzeni District Municipality	170 414			170 414	169 256	99%	169 256			166 230
	3 132 494			3 132 494	3 019 614	96%	3 019 614			2 803 307
Norther Cape										
Moshaweng	63 808			63 808	54 260	85%	54 260			47 483
Ga-Segonyana	58 219			58 219	53 796	92%	53 796			48 470
Gamagara	18 283			18 283	17 622	96%	17 622			16 224
John Taolo Gaetsewe District Municipality	50 939			50 939	45 856	90%	45 856			48 852
Richtersveld	10 415			10 415	9 696	93%	9 696			9 197

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1B STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES											
NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				2010/11		
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by Municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	
Nama Khoi	28 625			28 625	27 025	94%	27 025			27 222	
Kamiesberg	10 907			10 907	10 784	99%	10 784			9 425	
Hantam	17 683			17 683	17 166	97%	17 166			15 680	
Karoo Hoogland	11 544			11 544	10 852	94%	10 852			10 139	
Khai-Ma	10 921			10 921	10 921	100%	10 921			9 566	
Namakwa District Municipality	29 792			29 792	27 972	94%	27 972			29 291	
Ubuntu	15 669			15 669	15 157	97%	15 157			13 986	
Umsobomvu	26 095			26 095	25 595	98%	25 595			23 637	
Emthanjeni	30 439			30 439	30 439	100%	30 439			28 011	
Kareeberg	10 466			10 466	10 381	99%	10 381			9 050	
Renosterberg	12 912			12 912	12 200	94%	12 200			11 249	
Thembelihle	12 849			12 849	12 349	96%	12 349			10 815	
Siyathemba	17 829			17 829	17 829	100%	17 829			15 440	
Siyancuma	31 726			31 726	31 614	100%	31 614			25 818	
Pixley Ka Seme District Municipality	24 727			24 727	24 257	98%	24 257			25 666	
Mier	8 620			8 620	5 974	69%	5 974			6 650	

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1B										
STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES										
NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				Amount spent by municipality	2010/11 Total Available
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by Municipality	% of available funds spent by municipality		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000		
IKai! Garib	41 556			41 556	34 358	83%	34 358			35 787
//Khara Hais	46 121			46 121	45 611	99%	45 611			40 532
!Kheis	13 955			13 955	13 707	98%	13 707			11 788
Tsantsabane	22 454			22 454	15 990	71%	15 990			18 204
Kgatelopele	12 918			12 918	12 918	100%	12 918			11 591
Siyanda District Municipality	39 818			39 818	39 553	99%	39 553			43 532
Sol Plaatje	132 176			132 176	131 806	100%	131 806			130 958
Dikgatlong	40 046			40 046	39 893	100%	39 893			34 478
Magareng	25 546			25 546	25 546	100%	25 546			22 648
Phokwane	56 719			56 719	56 299	99%	56 299			50 647
Frances Baard District Municipality	79 281			79 281	79 281	100%	79 281			76 378
	1 013 058			1 013 058	966 707	95%	966 707			918 414

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1B STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES											
NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				2010/11		
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by Municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
North West											
Moretele	138 282			138 282	136 874	99%	136 874			115 673	
Madibeng	247 326			247 326	237 404	96%	237 404			217 230	
Rustenburg	231 669			231 669	227 659	98%	227 659			206 740	
Kgetlengrivier	38 032			38 032	38 032	100%	38 032			32 605	
Moses Kotane	203 756			203 756	203 756	100%	203 756			179 214	
Bojanala Platinum District Municipality	232 094			232 094	231 895	100%	231 895			224 696	
Ratlou	59 576			59 576	59 576	100%	59 576			49 310	
Tswaing	56 186			56 186	51 116	91%	51 116			48 094	
Mafikeng	109 725			109 725	109 725	100%	109 725			96 350	
Ditsobotla	69 696			69 696	65 488	94%	65 488			61 003	
Ramotshere Moiloa	70 458			70 458	70 458	100%	70 458			60 151	
Ngaka Modiri Molema District Municipality	357 615			357 615	356 321	100%	356 321			315 958	
Kagisano				-						42 848	
Naledi	29 119			29 119	23 591	81%	23 591			26 405	

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1B STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES											
NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				2010/11		
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by Municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available	R'000
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Mamusa	28 210			28 210	27 748	98%	27 748			24 380	
Greater Taung	88 632			88 632	88 613	100%	88 613			72 436	
Kagisano-Molopo	58 504			58 504	58 504	100%	58 504			8 606	
Lekwa-Teemane	24 989			24 989	24 989	100%	24 989			21 761	
Dr. Ruth Segomotsi Mompati District Municipality	188 347			188 347	188 347	100%	188 347			165 396	
Ventersdorp	40 951			40 951	40 498	99%	40 498			37 669	
Tlokwe	76 801			76 801	76 354	99%	76 354			69 095	
City of Matlosana	303 560			303 560	298 962	98%	298 962			283 801	
Maquassi Hills	69 259			69 259	69 238	100%	69 238			58 942	
Dr. Kenneth Kaunda District Municipality	153 622			153 622	152 974	100%	152 974			147 927	
	2 876 409			2 876 409	2 838 122	99%	2 838 122			2 566 290	

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1B STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES											
NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				2010/11		
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by Municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	
Western Cape											
City of Cape Town	970 473			970 473	970 473	100%	970 473			970 473	861 811
Matzikama	32 066			32 066	31 960	100%	31 960			31 960	31 337
Cederberg	23 008			23 008	21 826	95%	21 826			21 826	21 423
Bergivier	19 898			19 898	17 589	88%	17 589			17 589	20 959
Saldanha Bay	29 296			29 296	26 975	92%	26 975			26 975	26 840
Swartland	22 887			22 887	22 424	98%	22 424			22 424	20 979
West Coast District Municipality	68 652			68 652	66 424	97%	66 424			66 424	68 704
Witzenberg	40 561			40 561	39 305	97%	39 305			39 305	36 683
Drakenstein	62 476			62 476	60 699	97%	60 699			60 699	59 707
Stellenbosch	36 977			36 977	30 929	84%	30 929			30 929	34 272
Breede Valley	56 804			56 804	56 804	100%	56 804			56 804	53 333
Langeberg	45 172			45 172	45 172	100%	45 172			45 172	41 769
Cape Winelands District Municipality	200 739			200 739	199 969	100%	199 969			199 969	195 500
Theewaterskloof	46 935			46 935	44 750	95%	44 750			44 750	43 655
Overstrand	31 156			31 156	31 156	100%	31 156			31 156	26 920

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1B												
STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES												
NAME OF MUNICIPALITY	GRANT ALLOCATION					TRANSFER					2010/11	
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by Municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available	R'000	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Cape Agulhas	14 805			14 805	14 805	100%	14 805			14 805		13 494
Swellendam	16 648			16 648	15 983	96%	15 983			15 983		15 267
Overberg District Municipality	41 692			41 692	40 187	96%	40 187			40 187		40 309
Kannaland	16 840			16 840	16 840	100%	16 840			16 840		15 563
Hessequa	23 227			23 227	19 066	82%	19 066			19 066		21 258
Mossel Bay	36 942			36 942	30 982	84%	30 982			30 982		34 233
George	72 201			72 201	71 451	99%	71 451			71 451		59 340
Oudtshoorn	37 618			37 618	37 596	100%	37 596			37 596		35 403
Bitou	20 415			20 415	18 978	93%	18 978			18 978		17 536
Knysna	26 687			26 687	26 687	100%	26 687			26 687		22 279
Eden District Municipality	122 912			122 912	121 151	99%	121 151			121 151		126 111
Laingsburg	8 239			8 239	8 029	97%	8 029			8 029		6 862
Prince Albert	9 200			9 200	9 164	100%	9 164			9 164		7 956

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1B STATEMENT OF UNCONDITIONAL GRANTS AND TRANSFERS TO MUNICIPALITIES											
NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER				2010/11		
	Amount	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Amount received by Municipality	Amount spent by municipality	% of available funds spent by municipality	Total Available	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000
Beaufort West	28 956			28 956	20 320	70%	20 320				22 401
Central Karoo District Municipality	11 535			11 535	11 535	100%	11 535				15 756
	2 175 017			2 175 017	2 129 229	98%	2 129 229				1 997 660
Total of unconditional grants	34 107 901			34 107 901	33 173 239	97%	33 173 239				30 167 701
Vehicle licences				-							
Gauteng				-							
City of Tshwane	14			14	14						-
TOTAL	14			14	14						-
TOTAL	34 107 915			34 107 915	33 173 253	97%	33 173 239				30 167 701

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1C STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS							
DEPARTMENT/AGENCY/ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2010/11
	Adjusted appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000
South African Local Government Association Municipal Demarcation Board	25 486			25 486	25 486	100%	24 625
	38 482			38 482	38 482	100%	37 187
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	22 170		208	22 378	22 378	100%	21 401
	86 138	-	208	86 346	86 346		83 213

ANNEXURE 1D STATEMENT OF TRANSFERS/SUBSIDIES TO PUBLIC CORPORATIONS AND PRIVATE ENTERPRISES										
NAME OF PUBLIC CORPORATION/PRIVATE ENTERPRISE	TRANSFER ALLOCATION					EXPENDITURE				
	Adjusted appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	Appropriation Act	Capital	Current	Appropriation Act
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	R'000
Public Corporations Transfers										
Development Bank of SA Subsidies	153 649		26 000	179 649	179 678	100%				
Total	153 649	-	26 000	179 649	179 678					

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1E STATEMENT OF TRANSFERS TO FOREIGN GOVERNMENT AND INTERNATIONAL ORGANISATIONS							
FOREIGN GOVERNMENT / INTERNATIONAL ORGANISATION	TRANSFER ALLOCATION			EXPENDITURE		2010/11 Appropriation Act R'000	
	Adjusted appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer		% of Available funds Transferred
	R'000	R'000	R'000	R'000	R'000		%
Transfers Commonwealth Local Government Forum						489	
Africa Ministerial Conference on Decentralization and Local Development(AMCOD)			208	208	208	100%	
Total	-	-	208	208	208	489	

ANNEXURE 1F STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS							
NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION			EXPENDITURE		2010/11 Appropriation Act R'000	
	Adjusted appropriation	Roll Overs	Adjustments	Total Available	Actual Transfer		% of Available funds Transferred
	R'000	R'000	R'000	R'000	R'000		%
Transfers South African Cities Network	5 282			5 282	5 282	100%	
United Cities and Local Governments of Africa	4 000			4 000	434	11%	
Total	9 282			9 282	5 716	9 104	

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1G STATEMENT OF TRANSFERS TO HOUSEHOLDS						
HOUSEHOLDS	TRANSFER ALLOCATION			EXPENDITURE		2010/11 Appropriation Act R'000
	Adjusted appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	
Transfers						
Employees (Arbitration Award)	5 183			5 183	5 183	100%
Employees (Payment made as an act of grace)	266 317			266 317	4 922	2%
Employees early retirement	2 016			2 016	2 016	100%
Sub Total	273 516			273 516	12 121	
Subsidies						
Community Work Programme	393 777			393 777	382 698	97%
Total	667 293			667 293	394 819	59%

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 1H			
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED			
NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2011/12	2010/11
		R'000	R'000
Received in cash			
University of Kwa-Zulu-Natal	Monetary gift for preparing and presenting at a conference		2
Data Centrix	Jazz Festival Package	20	
Ntlabozo	Birthday Gift Voucher	1	
Gijima	Invitation for a golf day	1	
AVIS	Invitation to the R1 Million dollar Golf with Minister Chabane	2	
Siyangqoba seminars	Philips voice recorder	1	
Siyangqoba seminars	Samsung digital camera	3	
Siyangqoba seminars	Asus netbook	4	
Siyangqoba seminars	Camera	2	
Siyangqoba seminars	Philips voice recorder	1	
Harvard training institute	Android tablet PC	5	
Total		40	2

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 11 STATEMENT OF AID ASSISTANCE RECEIVED					
NAME OF DONOR	PURPOSE	OPENING BALANCE	REVENUE	EXPENDITURE	CLOSING BALANCE
		R'000	R'000	R'000	R'000
Received in cash					
African Renaissance Danish	Decentralization of Local Government in the DRG Ethnic training on the senior officials and political office-bearers in Local Government as part of the roll- out of the Local Government anti-corruption strategy	10 259	-	-	10 259
European Union	Masibambani project	306	(306)	-	-
European Union	Start-Up Expanding and Strengthening public participation in Local Government	14 318	-	4 668	9 650
European Union	Phase 1 Expanding and Strengthening public participation in Local Government	(51)	-	-	(51)
European Union	Result Area five of the Local Economic Development programme	(1068)	5 075	2 866	1 141
European Union	Piloting Sebenza Nathi Initiative	1 393	-	-	1 393
Netherlands	Sectorial budget support	11 349	(5)	-	11 349
UNDP	White Paper on Disaster Management	5	(444)	-	-
DFID	Community Work Programme:ECSSP	444	-	7 981	7 019
Subtotal		51 955	4 320	15 515	40 760
Received in kind					
GTZ	German Technical Co-operation Contribution on Strengthening Local Government Programme (SLGP)	-	24 654	24 654	-
USAID	Local Government Support Programme (LGSP)	-	-	-	-
Italy	Support Programme to Decentralisation and local development policies in South Africa	-	15 881	13 033	2 848
Subtotal		-	40 535	37 687	2 848
TOTAL		51 955	44 855	53 202	43 608

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE AND REMISSIONS, REFUNDS AND PAYMENTS MADE AS AN ACT OF GRACE			
		ANNEXURE 1J	
NATURE OF GIFT, DONATION OR SPONSORSHIP	2011/12	2010/11	
(Group major categories but list material items including name of organisation)	R'000	R'000	R'000
Paid in cash			
Funeral Contributions	29		
Total	29		-

ANNEXURE 3A									
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2012 – LOCAL									
GUARANTOR INSTITUTION	Guarantee in respect of	original guaranteed capital amount	Opening balance 1 April 2011	Guarantees draw downs during the year	Guaranteed repayments/cancelled/reduced/ released during the year	Revaluations	Closing balance 31 March 2012	Guaranteed interest for year ended 31 March 2012	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
ABSA Bank	Housing	36	36				36		
Standard Bank	Employees	11	11				11		
People's Bank	Employees	19	173		100		73		
ABSA Bank	Employees	10					-		
ABSA Bank	Employees	45					-		
Subtotal		121	220	-	100	-	120	-	-
Total		121	220	-	100	-	120	-	-

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 3B						
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2012						
NAME OF ORGANISATION	Opening balance 1 April 2011	Liabilities in- curred during the year	Liabilities paid/ cancelled/ re- duced during the year	Liabilities recov- erable (Provide details hereunder)	Closing balance 31 March 2012	
	R'000	R'000	R'000	R'000	R'000	R'000
Claims against the department						
Blackmoon Advertising&Research(PTY) Ltd vs Cogta	133				133	
PCU International vs Cogta	4 095				4 095	
DML Facilitators vs Minister for Cogta	169				169	
Total	4 397				4 397	

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 4 CLAIMES RECOVERABLE						
GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	R'000	R'000	R'000	R'000	R'000	R'000
Department						
Dept of Rural Dev&Land Reform			12	12	12	12
The Presidency			-	12	-	12
Department of Tourism			-	65	-	65
Department of Public Works			-	19	-	19
Department of Labour			-	11	-	11
Dept of International Relations and Cooperation			300	300	300	300
Government Printing Works			34	34	34	34
Government Communication Information Services			-	1 775	-	1 775
Department of Health and Social Development			6	-	6	-
Gauteng Provincial Government			1	-	1	-
SA Social Security Agency			41	-	41	-
Provincial Legislation Eastern Cape			14	-	14	-
Department of Public Service and Administration			19	-	19	-
Total			427	2 228	427	2 228

The amount of 300+34 are advances to National Departments that have to be declared. However it does not pull through from TB to note. The relevant letters to the Departments were done.

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 5 INTER-GOVERNMENT PAYABLES						
GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011	31/03/2012	31/03/2011
	R'000	R'000	R'000	R'000	R'000	R'000
DEPARTMENTS						
Current						
Department of Justice&Constitutional Development	185	-	921	914	1 106	914
Department of Public Works(Property Management)	243	80 701	751	10 686	994	91 387
GCSIS	-	-	-	296	-	296
Department of Water Affairs and Forestry	-	-	17	51	17	51
Presidency	91	-	22	105	113	105
Special Investigation Unit				2 000	-	2 000
DPISA	97	-	45	-	142	-
KZN Education	10	-	-	-	10	-
Dept of Energy	4	-	-	-	4	-
Subtotal	630	80 701	1 756	14 052	2 386	94 753
Non-current Subtotal	-	-	-	-	-	-
Total	630	80 701	1 756	14 052	2 386	94 753

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS
VOTE 03

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2012

ANNEXURE 6 INVENTORY					
INVENTORY	Note	2011/12		2010/11	
		Quantity	R'000	Quantity	R'000
Opening balance		84 740	384	70 546	252
Add/(Less): Adjustments to prior year balances		-	-	-	-
Add: Additions/Purchases - Cash		83 518	637	102 391	821
Add: Additions - Non-cash		498	4	5 132	11
(Less): Disposals		-	-	(148)	(27)
(Less): Issues		(76 249)	(711)	(88 461)	(670)
Add/(Less): Adjustments		(360)	(5)	(4 720)	3
Closing balance		92 147	309	84 740	390

CHAPTER 4:

Human Resource Management

4. Human Resource Management

4.1 SERVICE DELIVERY IMPROVEMENT PLAN 2011/12

KEY SERVICES	SERVICE BENEFICIARY	CURRENT STANDARD		DESIRED STANDARD			
		2008/9		01/04/2009 - 31/03/2010	01/04/2010 - 31/03/2011	01/04/2011 - 31/03/2012	
Provide support and capacity building on audit processes to provincial departments and municipalities to implement the Clean Audit programme.	- 114 Provincial Departments - 283 Local Municipalities	Quantity:	- Currently Provinces and municipalities are not developing credible Audit Remedial Plans.	- Develop Comprehensive Comparative Analysis of 283 municipalities and 114 provincial departments audit reports classifying issues affecting negative audits by 2009.	- 100% of municipalities with issues have Audit Remedial plans in place	- Maintain the standard	
			- 89% of municipalities have functional audit-committees (2008/09)	95% of municipalities have functional audit committees in place.	- 100% of municipalities have functional audit committees in place.	- Maintain the standard	
			- 77% submit AFS on time with 0% withdrawals (2007/08).	- 85% submit AFS on time with 0% Withdrawals.	- 95% submit AFS on time with 0% Withdrawals.	- 100% submit AFS on time with 0% Withdrawals.	
			Quality:				
			Consultation	- Monthly Provincial CFO's Forum meetings.	- Provincial Coordinating Committee meetings with CFO's and Municipal Managers on quarterly basis.	- Maintain the standard	- Maintain the standard
				- Ad-hoc one on one meeting with specific Municipalities.	- Scheduled one on one meeting with specific municipalities on issues affecting their audits	- Maintain the standard	- Maintain the standard
				- Quarterly Provincial Audit Steering Committee Meetings.	- Maintain the standard	- Maintain the standard	- Maintain the standard
				- Municipal finance monitoring and support strategic workshop annually.	- Already held from the 14th to the 17th of April 2009.	- Host the annual Municipal fiancé monitoring and support strategic workshops in April 2010	- Host the annual Municipal fiancé monitoring and support strategic workshops in April 2011

KEY SERVICES	SERVICE BENEFICIARY	CURRENT STANDARD		DESIRED STANDARD		
		2008/9		01/04/2009 - 31/03/2010	01/04/2010 - 31/03/2011	01/04/2011 - 31/03/2012
		Access:	<ul style="list-style-type: none"> - Written enquiries / requests. - Provincial visits to municipalities. - Monthly district meetings. - Deployment of technical experts to municipalities to provide hands-on support. - Access for Provinces through PCC and Technical MINMEC (Quarterly) 	<ul style="list-style-type: none"> - Maintain the standard - Maintain the standard - Maintain the standard - Maintain the standard - Maintain the standard 	<ul style="list-style-type: none"> - To hold annual review of the operation clean audit by 2011 - Maintain the standard - Maintain the standard - Maintain the standard - Maintain the standard 	<ul style="list-style-type: none"> - To hold annual review of the operation clean audit by 2012. - Maintain the standard - Maintain the standard - Maintain the standard - Maintain the standard
		Courtesy:	<ul style="list-style-type: none"> - 70 % of the written enquiries responded to within 14 days. - Assist municipalities and provinces with the development of audit remedial plans. 	<ul style="list-style-type: none"> - 85 % of the written enquiries responded to within 14 days - 70% of Municipalities and provinces that received qualified audits developing audit remedial plans 	<ul style="list-style-type: none"> - 95 % of the written enquiries responded to within 14 days - 85% of Municipalities and provinces that received qualified audits developing audit remedial plans 	<ul style="list-style-type: none"> - 100 % of the written enquiries responded to within 14 days - 100% of Municipalities and provinces that received qualified audits developing audit remedial plans
		Open & Transparency	<ul style="list-style-type: none"> - Avail Auditor-General reports. - Media campaigns and launches. - Stakeholder mobilization - Quarterly review meetings - Publish Section 46, 47, 48 reports in terms of the Municipal Systems Act on municipal/ provinces performance. 	<ul style="list-style-type: none"> - Maintain the standard - Maintain the standard - Maintain the standard - Conduct Annual Ethics Annual review summit campaign - Maintain the standard 	<ul style="list-style-type: none"> - Maintain the standard - Maintain the standard - Maintain the standard - Maintain the standard - Maintain the standard 	<ul style="list-style-type: none"> - Maintain the standard - Maintain the standard - Maintain the standard - Maintain the standard - Maintain the standard

KEY SERVICES	SERVICE BENEFICIARY	CURRENT STANDARD		DESIRED STANDARD		
		2008/9		01/04/2009 - 31/03/2010	01/04/2010 - 31/03/2011	01/04/2011 - 31/03/2012
		Information:	- Issues Circulars / Directives.	- Maintain the standard	- Maintain the standard	- Maintain the standard
			- National Programme of Action on municipal and provincial finance.	- Maintain the standard	- Maintain the standard	- Maintain the standard
		Redress:	- Pro-active Door to door municipal visits with Auditor-General.	- Maintain the standard	- Maintain the standard	- Maintain the standard
			- Written communication from municipalities and provinces to the National Department.	- Maintain the standard	- Maintain the standard	- Maintain the standard
			- Written responses/ assistance / advice on areas of concern	- Maintain the standard	- Maintain the standard	- Maintain the standard
		Value for Money:	- Fragmented implementation of programmes resulting in duplication of funding by CoGTA, provinces and municipalities.	- Coordination of programme implementation through the national steering committee	- Maintain the standard	- Maintain the standard
			- Annual evaluation of programmes	- Maintain the standard	- Maintain the standard	- Maintain the standard
			- Defined strategy and programme deliverables costed.	- Maintain the standard	- Review of the integrated logical framework/ strategy/ programme for operation clean audit	- Maintain the standard
		Time:	- Comprehensive Comparative Analysis of all municipalities and provincial departments audit reports 3 months after tabling of reports	- Comprehensive Comparative Analysis of all municipalities and provincial departments audit reports 2 months after tabling of reports	- Comprehensive Comparative Analysis of all municipalities and provincial departments audit reports 1 months after tabling of reports	- Maintain the standard
		Cost:				
		Human Resources:	1 Director 1 Assistant Director 1 Admin officer	1 Programme Head (DDG) 1 Project Manager (CD) 1 Project Coordinator (D) 4 Provincial Coordinators (DD) 1 Project Administrator (ASD)	- Maintain the standard	- Maintain the standard

TABLE 2.1 - Personnel costs by Programme

Programme	Total Voted Expenditure (R'000)	Compensation of Employees Expenditure (R'000)	Training Expenditure (R'000)	Professional and Special Services (R'000)	Compensation of Employees as percent of Total Expenditure	Average Compensation of Employees Cost per Employee (R'000)	Employment
Program 1 Administration	206,084	98,988	737	8380	48	199	497
Program 2 Policy, Research & Knowl Mngt	37,934	20,191	40	1838	53.2	41	497
Program 3 Governance & IGR	33,271,411	17,347	189	2969	0.1	35	497
Program 4 National Disaster Management Centre	80,658	15,958	36	7862	19.9	32	497
Program 5 Provincial and Municipal Govt Support	252,411	22,912	135	997	9.1	46	497
Program 6 Infrastructure and Economic Develop	12,285,148	23,224	36	5463	0.2	47	497
Program 7 Traditional Affairs	88,577	36,367	216	2627	41.1	73	497
Z-TOTAL AS ON FINANCIAL SYSTEMS (BAS)	46,222,223	234,987	1,389	30,136	172	473	497

TABLE 2.2 - Personnel costs by Salary band

Salary Bands	Compensation of Employees Cost (R'000)	Percentage of Total Personnel Cost for Department	Average Compensation Cost per Employee (R)	Total Personnel Cost for Department including Goods and Transfers (R'000)	Number of Employees
Skilled (Levels 3-5)	6,330	2.6	175,833	246,056	36
Highly skilled production (Levels 6-8)	25,090	10.2	196,016	246,056	128
Highly skilled supervision (Levels 9-12)	57,335	23.3	434,356	246,056	133
Senior management (Levels 13-16)	123,338	50.1	761,346	246,056	162
Contract (Levels 1-2)	76	0	0	246,056	0
Contract (Levels 3-5)	962	0.4	481,000	246,056	2
Contract (Levels 6-8)	2,075	0.8	230,556	246,056	9
Contract (Levels 9-12)	7,451	3	745,100	246,056	10
Contract (Levels 13-16)	12,093	4.9	3,023,250	246,056	4
Periodical Remuneration	1,400	0.6	70,000	246,056	20
Abnormal Appointment	5	0	417	246,056	12
TOTAL	236155	96	458553	246056	515

TABLE 2.3 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme

Programme	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Programme (R'000)
Program 1 Administration	84510	79.3	814	0.8	2009	1.9	2456	2.3	106549
Program 2 Policy Research and Knowledge Mngt	18492	78.6	150	0.6	699	3	537	2.3	23522
Program 3 Governance & IGR	24023	81.1	12	0	561	1.9	610	2.1	29637
Program 4 National Disaster Management Centre	12799	77.4	1	0	396	2.4	369	2.2	16530
Program 5 Provincial and Municipal Govt Support	11596	76.7	4	0	349	2.3	370	2.4	15116
Program 6 Infrastructure and Economic Development	14293	80.6	0	0	296	1.7	325	1.8	17731
Program 7 Traditional Affairs	21036	77.4	16	0.1	832	3.1	514	1.9	27187
TOTAL	186749	79	997	0.4	5142	2.2	5181	2.2	236272

TABLE 2.4 - Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Band

Salary bands	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost	HOA (R'000)	HOA as % of Personnel Cost	Medical Ass. (R'000)	Medical Ass. as % of Personnel Cost	Total Personnel Cost per Salary Band (R'000)
Skilled (Levels 3-5)	4029	63.5	289	4.6	403	6.4	647	10.2	6340
Highly skilled production (Levels 6-8)	17464	69.2	472	1.9	918	3.6	1829	7.2	25254
Highly skilled supervision (Levels 9-12)	45067	76.6	214	0.4	835	1.4	1494	2.5	58840
Senior management (Levels 13-16)	103751	80.2	0	0	3260	2.5	1291	1	129369
Contract (Levels 1-2)	72	94.7	0	0	0	0	0	0	76
Contract (Levels 3-5)	880	89.6	22	2.2	10	1	20	2	982
Contract (Levels 6-8)	2003	96	0	0	6	0.3	12	0.6	2086
Contract (Levels 9-12)	7057	93.4	3	0	19	0.3	0	0	7554
Contract (Levels 13-16)	11556	92.3	0	0	38	0.3	44	0.4	12526
Periodical Remuneration	0	0	0	0	0	0	0	0	3006
Abnormal Appointment	0	0	0	0	0	0	0	0	22
TOTAL	191879	78	1000	0.4	5489	2.2	5337	2.2	246055

HR OVERSIGHT - APRIL 2011 to MARCH 2012 - Cooperative Governance and Traditional Affairs

TABLE 3.1 - Employment and Vacancies by Programme at end of period

Salary bands	Salaries (R'000)	Salaries as % of Personnel Cost	Overtime (R'000)	Overtime as % of Personnel Cost
Program 1 Administration	263	172	34.6	9
Program 2 Governance Policy & Research	58	47	19	2
Program 3 Governance & IGR	50	39	22	9
Program 4 National Disaster Management Centre	37	23	37.8	8
Program 5 Provincial and Municipal Govt Support	74	64	13.5	3
Program 6 Infrastructure and Economic Development	36	28	22.2	12
Program 7 Traditional Affairs	79	65	17.7	3
TOTAL	597	438	26.6	46

TABLE 4.2 - Profile of employees whose positions were upgraded due to their posts being upgraded

Beneficiaries	African	Asian	Coloured	White	Total
Female	23	0	0	0	23
Male	0	0	0	0	0
TOTAL	23	0	0	0	23
Employees with a Disability	0	0	0	0	0

TABLE 4.3 - Employees whose salary level exceed the grade determined by Job Evaluation [i.t.o PSR 1.V.C.3]

Occupation	Number of Employees	Job Evaluation Level	Remuneration Level	Reason for Deviation	No of Employees in Dept
Female	0	0	0	0	0
Male	0	0	0	0	0
TOTAL	0	0	0	0	0
Percentage of Total Employment	0	0	0	0	0

HR OVERSIGHT - APRIL 2011 to MARCH 2012 - Cooperative Governance and Traditional Affairs

TABLE 5.1 - Annual Turnover Rates by Salary Band

Salary Band	Employment at Beginning of Period (April 2011)	Appointments	Terminations	Turnover Rate
Skilled (Levels 3-5)	37	5	2	5.4
Highly skilled production (Levels 6-8)	93	24	14	15.1
Highly skilled supervision (Levels 9-12)	107	29	4	3.7
Senior Management Service (Levels 13-16)	86	33	15	17.4
Contract (Levels 3-5)	2	1	14	700
Contract (Levels 6-8)	46	7	4	8.7
Contract (Levels 9-12)	16	3	15	93.8
Contract (Levels 13-16)	60	7	8	13.3
TOTAL	447	109	76	17

TABLE 5.2 - Annual Turnover Rates by Critical Occupation

Occupation	Employment at Beginning of Period (April 2011)	Appointments	Terminations	Turnover Rate
Senior Managers	146	40	23	15.8
TOTAL	146	40	23	15.8

TABLE 5.3 - Reasons why staff are leaving the department

Termination Type	Number	Percentage of Total Resignations	Percentage of Total Employment	Total	Total Employment
Death	3	3.9	0.6	76	438
Resignation	21	27.6	4.4	76	438
Expiry of contract	31	40.8	6.4	76	438
Dismissal-misconduct	1	1.3	0.2	76	438
Retirement	1	1.3	0.2	76	438
Transfers to other Departments	19	26	4.2	76	438
TOTAL	76	100	16	76	438

TABLE 5.4 - Granting of Employee Initiated Severance Packages

Category	No of applications received	No of applications referred to the MPSA	No of applications supported by MPSA	No of Packages approved by department
Skilled (Salary Level 3-5)	0	0	0	0
Highly Skilled Production (Salary Level 6-8)	0	0	0	0
Highly Skilled Production (Salary Level 9-12)	0	0	0	0
Senior Management (Salary Level 13-16)	0	0	0	0
TOTAL	0	0	0	0

TABLE 5.5 - Promotions by Critical Occupation

Occupation	Employment at Beginning of Period (April 2011)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Senior Managers	129	0	0	49	38
TOTAL	129	0	0	49	38

TABLE 5.6 - Promotions by Salary Band

Salary Band	Employment at Beginning of Period (April 2011)	Promotions to another Salary Level	Salary Level Promotions as a % of Employment	Progressions to another Notch within Salary Level	Notch progressions as a % of Employment
Skilled (Levels 3-5)	37	0	0	33	54.1
Highly skilled production (Levels 6-8)	93	12	12.4	63	64.9
Highly skilled supervision (Levels 9-12)	107	9	7.8	85	73.9
Senior management (Levels 13-16)	86	0	0	49	33.8
Contract (Levels 3-5)	2	0	0	1	5.6
Contract (Levels 6-8)	46	0	0	4	50
Contract (Levels 9-12)	16	0	0	5	25
Contract (Levels 13-16)	60	0	0	5	31.3
TOTAL	447	21	4.4	245	51

HR OVERSIGHT - APRIL 2011 to MARCH 2012 - Cooperative Governance and Traditional Affairs

TABLE 6.1 - Total number of Employees (incl. Employees with disabilities) per Occupational Category (SASCO)

Occupational Categories	Male, African	Male, Co-loured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Co-loured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, senior officials and managers	70	3	3	76	7	58	3	2	63	7	153
Professionals	16	3	0	19	0	9	1	1	11	4	34
Technicians and associate professionals	65	3	3	71	8	80	3	2	85	10	174
Clerks	22	1	0	23	0	74	0	0	74	8	105
Service and sales workers	2	0	0	2	1	0	0	0	0	0	3
Plant and machine operators and assemblers	6	2	0	8	0	0	0	0	0	0	8
Elementary occupations	9	0	0	9	0	6	0	0	6	0	15
Other	3	0	0	3	0	2	0	0	2	0	5
TOTAL	193	12	6	211	16	229	7	5	241	29	497
Employees with disabilities	1	0	0	1	1	1	1	0	2	0	4

TABLE 6.2 - Total number of Employees (incl. Employees with disabilities) per Occupational Bands

Occupational Categories	Male, African	Male, Co-loured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Co-loured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management	9	1	1	11	1	3	1	0	4	0	16
Senior Management	63	2	3	68	9	54	2	3	59	10	146
Professionally qualified and experienced specialists and mid-management	53	3	2	58	5	58	1	1	60	6	129
Skilled technical and academically qualified workers, junior management, supervisors, foremen	30	5	0	35	1	72	1	0	73	12	121
Semi-skilled and discretionary decision making	23	0	0	23	0	18	0	0	18	0	41
Contract (Top Management)	0	1	0	1	0	1	0	0	1	0	2
Contract (Senior Management)	6	0	0	6	0	2	1	0	3	0	9
Contract (Professionally qualified)	4	0	0	4	0	10	1	1	12	0	16
Contract (Skilled technical)	3	0	0	3	0	9	0	0	9	1	13
Contract (Semi-skilled)	2	0	0	2	0	2	0	0	2	0	4
TOTAL	193	12	6	211	16	229	7	5	241	29	497

TABLE 6.3 - Recruitment

Occupational Categories	Male, African	Male, Co-loured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Co-loured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management	0	0	0	0	1	0	1	0	1	0	2
Senior Management	9	1	1	11	1	18	0	1	19	0	31
Professionally qualified and experienced specialists and mid-management	19	0	0	19	0	10	0	0	10	0	29
Skilled technical and academically qualified workers, junior management, supervisors, foremen	7	1	0	8	0	14	1	0	15	1	24
Semi-skilled and discretionary decision making	2	0	0	2	0	3	0	0	3	0	5
Contract (Top Management)	0	1	0	1	0	0	0	0	0	0	1

TABLE 6.3 - Recruitment (continued)

Occupational Categories	Male, African	Male, Co-loured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Co-loured	Female, Indian	Female, Total Blacks	Female, White	Total
Contract (Senior Management)	5	0	0	5	0	1	0	0	1	0	6
Contract (Professionally qualified)	1	0	0	1	0	1	1	0	1	0	3
Contract (Skilled technical)	2	0	0	2	0	5	0	0	5	0	7
Contract (Semi-skilled)	1	0	0	1	0	0	0	0	0	0	1
TOTAL	46	3	1	50	2	52	3	1	55	1	109
Employees with disabilities	1	0	0	1	1	0	1	0	1	0	4

TABLE 6.4 - Terminations

Occupational Categories	Male, African	Male, Co-loured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Co-loured	Female, Indian	Female, Total Blacks	Female, White	Total
Top Management	0	0	0	1	0	1	0	0	1	0	2
Senior Management	4	0	0	4	0	7	2	0	9	0	13
Professionally qualified and experienced specialists and mid-management	1	0	0	1	0	3	0	0	3	0	4
Skilled technical and academically qualified workers, junior management, supervisors, foremen	2	0	0	1	0	10	0	0	10	1	13
Semi-skilled and discretionary decision making	0	1	0	0	0	2	0	0	2	0	2
Contract (Top Management)	2	0	0	3	0	0	0	0	0	0	3
Contract (Senior Management)	4	0	0	4	0	2	0	0	2	0	6
Contract (Professionally qualified)	5	0	0	5	0	9	1	0	10	0	15
Contract (Skilled technical)	0	0	0	0	0	4	0	0	4	1	5
Contract (Semi-skilled)	7	2	0	7	0	6	0	0	6	0	13
TOTAL	25	12	6	26	0	44	3	0	47	2	76

TABLE 6.5 - Skills Development

Occupational Categories	Male, African	Male, Co-loured	Male, Indian	Male, Total Blacks	Male, White	Female, African	Female, Co-loured	Female, Indian	Female, Total Blacks	Female, White	Total
Legislators, Senior Officials and Managers	27	0	0	27	1	47	1	3	51	4	55
Professionals	10	0	0	10	0	11	0	0	11	0	11
Technicians and Associate Professionals	0	0	0	0	0	0	0	0	0	0	0
Clerks	15	1	0	16	0	23	1	0	24	2	26
Service and Sales Workers	0	0	0	0	0	0	0	0	0	0	0
Skilled Agriculture and Fishery Workers	0	0	0	0	0	0	0	0	0	0	0
Craft and related Trades Workers	0	0	0	0	0	0	0	0	0	0	0
Plant and Machine Operators and Assemblers	0	0	0	0	0	0	0	0	0	0	0
Elementary Occupations	1	0	0	1	0	1	0	0	1	0	1
TOTAL	53	1	0	54	1	82	2	3	87	6	93
Employees with disabilities	0	0	0	0	1	0	0	0	0	0	1

HR OVERSIGHT - APRIL 2011 to MARCH 2012 - Cooperative Governance and Traditional Affairs
TABLE 7.1 - Performance Rewards by Race, Gender and Disability

Demographics	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
African, Female	71	229	31	R 1 079	R 13 829
African, Male	48	193	25	R 753	R 15 683
Asian, Female	1	5	20	R 0	R 0
Asian, Male	2	6	33.3	R 75	R 37 424
Coloured, Female	0	7	0	R 48	R 47 924
Coloured, Male	2	12	16.7	R 48	R 16 142
Total Blacks, Female	72	241	30	R 1 127	R 14 261
Total Blacks, Male	52	211	24.7	R 876	R 16 530
White, Female	19	29	65.5	R 257	R 17 100
White, Male	8	16	50	R 142	R 23 585
Employees with a disability	0	1	0	R 0	R 0
TOTAL	151	497	30.4	R 2 401	R 15 691

TABLE 7.2 - Performance Rewards by Salary Band for Personnel below Senior Management Service

Salary Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Skilled (Levels 3-5)	34	41	82.9	R 92	R 2 706
Highly skilled production (Levels 6-8)	55	121	45.5	R 576	R 10 473
Highly skilled supervision (Levels 9-12)	46	129	35.7	R 1 124	R 24 435
Contract (Levels 3-5)	0	4	0	R 12	R 0
Contract (Levels 6-8)	0	13	0	R 31	R 0
Contract (Levels 9-12)	0	16	0	R 155	R 0
Periodical Remuneration	0	20	0	R 0	R 0
Abnormal Appointment	0	1	0	R 0	R 0
TOTAL	135	345	39.1	R 1990	R 14741

TABLE 7.3 - Performance Rewards by Critical Occupation

Critical Occupations	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)
Senior Managers	14	136	10.3	R 411	R 29,357
TOTAL	14	136	10.3	R 411	R 29357

TABLE 7.4 - Performance Related Rewards (Cash Bonus) by Salary Band for Senior Management Service

SMS Band	Number of Beneficiaries	Total Employment	Percentage of Total Employment	Cost (R'000)	Average Cost per Beneficiary (R)	% of SMS Wage Bill	Personnel Cost SMS (R'000)
Band A	9	88	10.2	R 148.00	R 16,444	0.2	73,132
Band B	3	38	7.9	R 83.00	R 27,667	0.2	47,619
Band C	2	9	22.2	R 181.00	R 90,500	1.5	12,245
Band D	0	1	0	R 0	R 0	0	0
TOTAL	14	136	10.3	R 12	R 29428.6	0.3	132996

HR OVERSIGHT - APRIL 2011 to MARCH 2012 - Cooperative Governance and Traditional Affairs
TABLE 8.1 - Foreign Workers by Salary Band

Salary Band	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Senior Management (Levels 13-16)	2	100	2	100%	1	100	2	2	1
TOTAL	2	100	2	100%	1	100%	2	2	1

TABLE 8.2 - Foreign Workers by Major Occupation

Major Occupation	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period	Total Change in Employment
Professionals and Managers	2	100	2	100	1	100	2	1	1
TOTAL	2	100	2	100	1	100	2	1	1

HR OVERSIGHT - APRIL 2011 to MARCH 2012 - Cooperative Governance and Traditional Affairs
TABLE 9.1 - Sick Leave for Jan 2011 to Dec 2011

Major Occupation	Employment at Beginning Period	Percentage of Total	Employment at End of Period	Percentage of Total	Change in Employment	Percentage of Total	Total Employment at Beginning of Period	Total Employment at End of Period
Skilled (Levels 3-5)	205	85.4	29	9.3	7	65	313	175
Highly skilled production (Levels 6-8)	540	81.1	87	27.8	6	276	313	438
Highly skilled supervision (Levels 9-12)	572	79.2	82	26.2	7	786	313	453
Senior Management (Levels 13-16)	570	81.4	91	29.1	6	1,689	313	464
Contract (Levels 3-5)	25	80	5	1.6	5	7	313	20
Contract (Levels 6-8)	36	94.4	4	1.3	9	22	313	34
Contract (Levels 9-12)	61	70.5	12	3.8	5	72	313	43
Contract (Levels 13-16)	6	83.3	3	1	2	23	313	5
TOTAL	2015	81	313	100	6	2940	313	1632

TABLE 9.2 - Disability Leave (Temporary and Permanent) for Jan 2011 to Dec 2011

Salary Band	Total Days	% Days with Medical Certification	Number of Employees using Disability Leave	% of Total Employees using Disability Leave	Average Days per Employee	Estimated Cost (R'000)	Total number of days with medical certification	Total number of Employees using Disability Leave
TOTAL	0	0	0	0	0	0	0	0

HR OVERSIGHT - APRIL 2011 to MARCH 2012 - Cooperative Governance and Traditional Affairs
TABLE 7.1 - Performance Rewards by Race, Gender and Disability

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Skilled (Levels 3-5)	868	22	40
Highly skilled production (Levels 6-8)	2494	19	133
Highly skilled supervision (Levels 9-12)	2556	20	126
Senior Management (Levels 13-16)	2659	16	169
Contract (Levels 3-5)	100	7	14
Contract (Levels 6-8)	135	12	11
Contract (Levels 9-12)	298	14	21
Contract (Levels 13-16)	192	12	16
TOTAL	9302	18	530

TABLE 9.4 - Capped Leave for Jan 2011 to Dec 2011

Salary Band	Total days of capped leave taken	Average number of days taken per employee	Average capped leave per employee as at 31 December 2011	Number of Employees who took Capped leave	Total number of capped leave available at 31 December 2011	Number of Employees as at 31 December 2011
Skilled (Levels 3-5)	24	12	36	2	534	15
Highly skilled production (Levels 6-8)	3	2	26	2	620	24
Highly skilled supervision (Levels 9-12)	15	3	34	5	1471	43
Senior management (Levels 13-16)	17	4	43	4	1855	43
TOTAL	59	5	36	13	4480	125

TABLE 9.5 - Leave Payouts

Reason	Total Amount (R'000)	Number of Employees	Average Payment per Employee (R)
Capped leave payouts on termination of service for 2011/12	117	7	16714
Current leave payout on termination of service for 2011/12	0	15	0
TOTAL	117	22	5318

HR OVERSIGHT - APRIL 2011 to MARCH 2012 - Cooperative Governance and Traditional Affairs
TABLE 10.1 - Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
XXX	Employee Health and Wellness programme Employee Assistance program in place
XXX	Health and productivity program in place Occupational Health and Safety program in place

TABLE 10.2 - Details of Health Promotion and HIV/AIDS Programmes [tick Yes/No and provide required information]

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Mr Sonwabo: Shibane, Senior Manager Organisational Development
2. Does the department have a dedicated unit or have you designated specific staff members to promote health and well being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		4 staff members, 1x Deputy Director, 2 x Assistant Director, 1 x Admin Officer Budget: R 600 000
have you designated specific staff members to promote health and wellbeing of employees.			
If so, indicate the number of employees who are involved in this task and annual budget that is available for this purpose.			
3. Has the department introduced an Employee Assistance or health promotion programme for your employees? If so, indicate the key elements/ services of the programme.	X		Employee Assistance Programme (counselling services), health promotion and life skills (awareness and workshops) and HIV and AIDS (Awareness and VCT services)
4. Has the department established (a) committee(s) as contemplated in part IV E.5 (e) of Chapter 1 of the Public Service Regulation, 2001? If so, please provide the names of the members of the committee and the stakeholder (s) that they represent.		X	
5. Has the department reviewed the employment policies and practices of your department to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	X		The Department's Employment Equity policy does not discriminate against employees on basis of their HIV status. HIV and AIDS policy has been drafted.
poicies and practices of your Department to ensure that this do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practises so reviewed.			
6. Has the Department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination?	X		Care and support referrals to HIV and AIDS support centres are established. Disciplinary and grievance procedures are in place to counter against those discriminating on basis of HIV status.
If so, list the key elements of these measures.			
7. Does the Department encourage its employees to undergo voluntary counselling and testing? If so, list the results that you have achieved.	X		Through an annual wellness day, VCT service interventions employees are encouraged to undergo VCT. Wellness day 2011, 14 employees underwent HIV testing, 3 tested positive, 1 male and 2 females. Referrals for care and support were provided to employees who tested positive.
8. Has the Department developed measures/indicators to monitor and evaluate the impact of your health promotion programme? If so, list these measures or indicators.	X		Annual health survey.

TABLE 11.2 - Misconduct and Discipline Hearings Finalised

Outcomes of disciplinary hearings	Number	Percentage of Total	Total
Dismissal	1	50%	1
Charges dismissed	1	50%	1
TOTAL	2	100%	2

TABLE 11.3 - Types of Misconduct Addressed and Disciplinary Hearings

Type of misconduct	Number	Percentage of Total	Total
Dishonesty/Fraud	1	50%	1
Alleged sexual harrasment	1	50%	1
TOTAL	2	100%	2

TABLE 11.4 - Grievances Lodged

Number of grievances addressed	Number	Percentage of Total	Total
Grievance lodged	14	100%	14
Grievance addressed	7	50%	7
TOTAL	7	50%	7

TABLE 11.5 - Disputes Lodged

Number of disputes addressed	Number	% of total
Disputes lodged	4	100%
Upheld	0	0
Settled	2	50%
Dismissed	0	0
TOTAL	2	50%

TABLE 11.7 - Precautionary Suspensions

Precautionary Suspensions	—
Number of people suspended	1
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost (R'000) of suspensions	0

HR OVERSIGHT - APRIL 2011 to MARCH 2012 - Cooperative Governance and Traditional Affairs
TABLE 12.1 - Training Needs identified

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	71	0	71
	Male	0	0	51	0	51
Professionals	Female	0	0	43	0	43
	Male	0	0	40	0	40
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	0	0	38	0	38
	Male	0	0	22	0	22
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	65	0	65
	Male	0	0	44	0	44
Gender sub totals	Female	0	0	217	0	217
	Male	0	0	157	0	157
TOTAL		0	0	374	0	374

TABLE 12.2 - Training Provided

Occupational Categories	Gender	Employment	Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	55	0	55
	Male	0	0	28	0	28
Professionals	Female	0	0	11	0	11
	Male	0	0	10	0	10
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	0	0	26	0	26
	Male	0	0	16	0	16
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	1	0	1
	Male	0	0	1	0	1
Gender sub totals	Female	0	0	93	0	93
	Male	0	0	55	0	55
TOTAL		0	0	148	0	148

TABLE 13 - No data

HR OVERSIGHT - APRIL 2011 to MARCH 2012 - Cooperative Governance and Traditional Affairs
TABLE 14.1 - Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Appointment of a service provider for a new governance policy or legislative framework for managing the allocation of powers and functions across the three spheres of government	3	176	R 998 891.00
Co-sourcing of the Internal Audit	5	528	R2 960 218
Knowledge Management Audit	4	66	R 1 026 200.00
Appointment of a service provider to provide a multi-stakeholder perception survey	4	132	R 354 739.50
Recruitment of lead agents for implementation of the Community Work Programme (CWP)	4	1056	R 29 999.999
Recruitment of lead agents for implementation of the Community Work Programme (CWP)	4	1056	R 29 957 270.00
Recruitment of lead agents for implementation of the Community Work Programme (CWP)	4	1056	R 29 912 688.00
Appointment of a service provider to develop information and communication technology (ICT) Master System Plan (MSP) for the Department	6	66	R 712 044.00
Appointment of a service provider to implement the department's support programme for cooperatives	15	176	R 13 000 000.00
Appointment of a service provider for the assessment of the functionality of the basic services	4	60	R 496 061.00
Appointment of a service provider for an assessment of free basic services	4	60	R 486 823.00
Appointment of a knowledge management expert to facilitate the knowledge Café	4	10	R 76 000.00
Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
			R 109 980
12	61	4442	933.50

TABLE 14.2 - Analysis of consultant appointments using appropriated funds, i.t.o. HDIs

Project Title	Percent- age owner- ship by HDI groups	Percent- age man- agement by HDI groups	Number of Consultants from HDI groups that work on the project
Appointment of a service provider for a new governance policy or legislative framework for managing the allocation of powers and functions across the three spheres of government	100	100	3
Co-sourcing of the Internal Audit	60	60	5
Knowledge Management Audit	100	100	4
Appointment of a service provider to provide a multi-stakeholder perception survey	100	100	4
Recruitment of lead agents for implementation of the Community Work Programme (CWP)	0	0	4
Recruitment of lead agents for implementation of the Community Work Programme (CWP)	0	0	4
Recruitment of lead agents for implementation of the Community Work Programme (CWP)	0	0	4
Appointment of a service provider to develop information and communication technology (ICT) Master System Plan (MSP) for the Department	100	100	6
Appointment of a service provider to implement the department's support programme for cooperatives	0	0	15
Appointment of a service provider for the assessment of the functionality of the basic services	100	100	4
Appointment of a service provider for an assessment of free basic services	100	100	4
Appointment of a knowledge management expert to facilitate the knowledge Café	15.6	15.6	4

TABLE 14.3 - Report on consultant appointments using Donor funds

**ANNEXURE 11
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS RECEIVED**

NAME OF ORGANISATION	NATURE OF GIFT, DONATION OR SPONSORSHIP	2011/12	2010/11
		R'000	R'000
Received in cash			
University of Kwa-Zulu-Natal	Monetary gift for preparing and presenting at a conference		2
Data Centrix	Jazz Festival Package	20	
Ntlabezo	Birthday Gift Voucher	1	
Gijima	Invitation for a golf day	1	
AVIS	Invitation to the R1 Million dollar Golf with Minister Chabane	2	
Siyanqoba seminars	Philips voice recorder	1	
Siyanqoba seminars	Samsung digital camera	4	
Siyanqoba seminars	Asus netbook	4	
Siyanqoba seminars	Camera	2	
Siyanqoba seminars	Philips voice recorder	1	
Harvard training institute	Android tablet PC	6	
Subtotal		42	2
TOTAL		42	2

HR OVERSIGHT - APRIL 2011 to MARCH 2012 - Cooperative Governance and Traditional Affairs
TABLE 14.4 - Report on consultant appointments using appropriated funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Contract value in Rand
Appointment of a service provider for a new governance policy or legislative framework for managing the allocation of powers and functions across the three spheres of government	3	176	R 998 891.00
Co-sourcing of the Internal Audit	5	528	R2 960 218
Knowledge Management Audit	4	66	R 1 026 200.00
Appointment of a service provider to provide a multi-stakeholder perception survey	4	132	R 354 739.50
Recruitment of lead agents for implementation of the Community Work Programme (CWP)	4	1056	R 29 999.999
Recruitment of lead agents for implementation of the Community Work Programme (CWP)	4	1056	R 29 957 270.00
Recruitment of lead agents for implementation of the Community Work Programme (CWP)	4	1056	R 29 912 688.00
Appointment of a service provider to develop information and communication technology (ICT) Master System Plan (MSP) for the Department	6	66	R 712 044.00
Appointment of a service provider to implement the department's support programme for cooperatives	15	176	R 13 000 000.00
Appointment of a service provider for the assessment of the functionality of the basic services	4	60	R 496 061.00
Appointment of a service provider for an assessment of free basic services	4	60	R 486 823.00
Appointment of a knowledge management expert to facilitate the knowledge Café	4	10	R 76 000.00

Total number of projects	Total individual consultants	Total duration: Work days	Total contract value in Rand
12	61	4442	R 109 980 933.50

TABLE 14.5 - Analysis of consultant appointments using appropriated funds, i.t.o. HDIs

Project Title	Percent- age owner- ship by HDI groups	Percent- age man- agement by HDI groups	Number of Consultants from HDI groups that work on the project
Appointment of a service provider for a new governance policy or legislative framework for managing the allocation of powers and functions across the three spheres of government	100	100	3
Co-sourcing of the Internal Audit	60	60	5
Knowledge Management Audit	100	100	4
Appointment of a service provider to provide a multi-stakeholder perception survey	100	100	4
Recruitment of lead agents for implementation of the Community Work Programme (CWP)	0	0	4
Recruitment of lead agents for implementation of the Community Work Programme (CWP)	0	0	4
Recruitment of lead agents for implementation of the Community Work Programme (CWP)	0	0	4
Appointment of a service provider to develop information and communication technology (ICT) Master System Plan (MSP) for the Department	100	100	6
Appointment of a service provider to implement the department's support programme for cooperatives	0	0	15
Appointment of a service provider for the assessment of the functionality of the basic services	100	100	4
Appointment of a service provider for an assessment of free basic services	100	100	4
Appointment of a knowledge management expert to facilitate the knowledge Café	15.6	15.6	4

TABLE 14.6 - Report on consultant appointments using Donor funds

Project Title	Total number of consultants that worked on the project	Duration: Work days	Donor and Con- tract value in Rand
Masibambane Communication Project	xxx	xxx	R 435 739.00
Masibambane Advisory Service			R 3 464 365.60
Community Work Programme			R 7 810 170.81

CHAPTER 5:

Other Information

Acronyms

AFS	Annual Financial Statement
AGSA	Auditor-General of South Africa
APAC	Association of Public Account Committee
CAPEX	Capital Expenditure
CDWP	Community Development Worker Programme
CFO	Chief Financial Officer
CWP	Community Work Programme
CoGTA	Cooperative Governance and Traditional Affairs
COO	Chief Operating Officer
CGE	Commission on Gender Equality
CoGTA	Cooperative Governance and Traditional Affairs
CRLRC	Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities
CONTRALESA	Congress of Traditional Leaders of South Africa
DBSA	Development Bank of Southern Africa
DCoG	Department of Cooperative Governance
DDG	Deputy Director-General
DG	Director-General
DM	Disaster Management
DoRA	Division of Revenue Act
Dplg	Department of Provincial and Local Government
DPME	Department of Performance Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DTA	Department of Traditional Affairs
ELC	Executive Leadership Committee
ENE	Estimates of National Expenditure
FY	Financial Year
HCM	Human Capital Management
HIV	Human Immunodeficiency Virus
HoD	Head of the Department
IAC	Interdepartmental Assessment Committee
ICT	Information Communication Technology
ICDM	Inter
IDP	Integrated Development Programme
IGR	Inter-Governmental Relations
IGRF	Inter-Governmental Relations Framework
ISC	Institutional Support and Coordination
KM	Knowledge Management
KPI	Key Performance Information
KSP	Knowledge Sharing Programme
LED	Local Economic Development
LGES	Local Government Equitable Shares

LGFF	Local Government Fiscal and Functional Framework
LGTAS	Local Government Turnaround Strategy
LGSETA	Local Government Sector Education and Training Authority
MDB	Municipal Demarcation Board
MECs	Members of Executive Council
MIG	Municipal Infrastructure Grant
MISA	Municipal Infrastructure Support Agency
MM	Municipal Manager
MoA	Memorandum of Agreement
MoU	Memorandum of Understanding
MinMec	Ministers and Members of Executive Council
MLDP	Municipal Leadership Development Programme
MPACs	Municipal public Account Committees
MPMS	Municipal Performance Monitoring and Support
MPRA	Municipal Property Right Act
MR & E	Municipal Reporting and Evaluation
MSA	Municipal System Act
MSIG	Municipal System Improvement Grant
MTAS	Municipal Turnaround Strategy
NCBF	National Capacity Building Framework
NDMC	National Disaster Management Center
NDMF	National Disaster Management Framework
NDRIP	National Disaster Risk Indicative Profile
NETS Africa	Network of Tuscan and South African Local Government
NKC	National Khoi-San Council
NTAB	National Traditional Bill
SANECSA	South Africa Nuclear Energy Corporation
NHTL	National House of Traditional Leadership
NT	National Treasury
OPEX	Operational Expenditure
UHABS	Universal Households Access to Basic Services
UCLGA	United Cities and Local Government of Africa
PALAMA	Public Administration Leadership and Management Academy
PMS	Performance Management and Development System
PoA	Programme of Action
PHYL	Provincial Houses of Traditional Leadership
RPL	Research, Policy and Legislation
SACN	South African Cities Network
SACPLAN	South African Council for Planners
SADC	Southern African Development Countries
SALGA	South African Local Government Association
SACN	South African Clean Cities Network

SLA	Services Level Agreement
SANACO	South African National Apex Co-operation
SACN	South African Clean Cities Network
SCM	Supply Chain Management
SIU	Special Investigation Unit
SMS	Senior Management Services
SONA	State of the Nation Address
TLDC	Traditional Leadership Disputes and Claims
TLGFA	Traditional Leadership and Governance Framework
ToR	Terms of Reference
VPN	Vital Private Network

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COOPERATIVE GOVERNANCE
TRADITIONAL AFFAIRS**

Content enquiries:

Corporate Planning and Governance

Tel: 012 334 4612 / 0671

Fax: 012 395 4680

Communications and Marketing

Private Bag X804 Pretoria 0001 South Africa

Tel: 012 334 0600 | Fax: 012 334 0713

www.cogta.gov.za

ISBN: 978-0-9585146-7-5

RP: 290/2012