

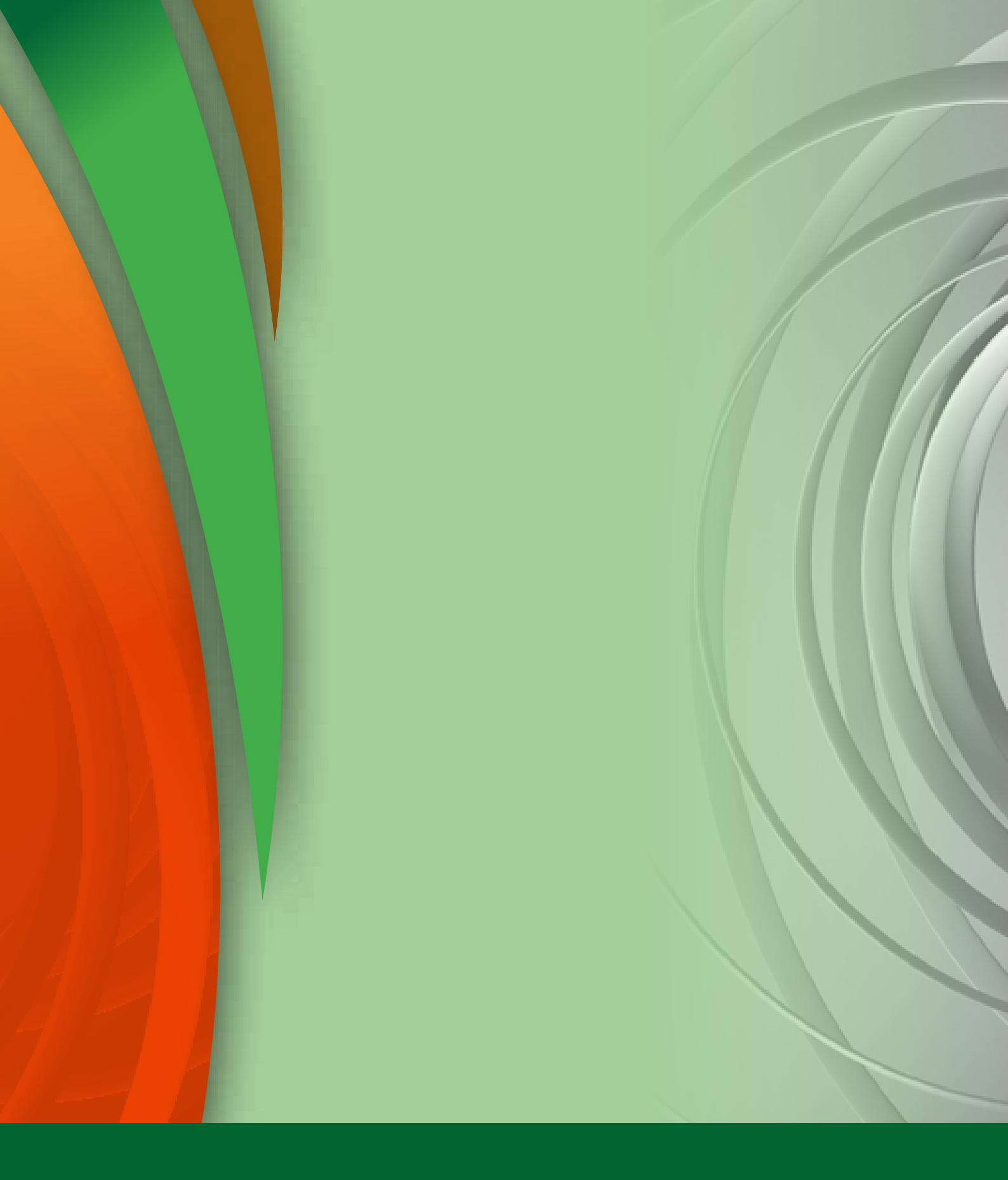
ANNUAL REPORT

for the financial year

2014/15



**Cooperative Governance
Traditional Affairs**



ANNUAL REPORT

for the financial year

2014/15



traditional affairs

Department:
Traditional Affairs
REPUBLIC OF SOUTH AFRICA

Table of Contents

Part A: Department General Information **4**

1.1	Contact Information	5
1.2	List of Abbreviations/Acronyms	6
1.3	Foreword by the Minister	9
1.4	Deputy Minister's Statement	11
1.5	Report of the Accounting Officer	13
1.5.1	Overview of the operations of the Department	13
1.5.2	Overview of the Financial Results of the Department	15
1.6	Statement of Responsibility and Confirmation of Accuracy for the Annual Report	17
1.7	Strategic Overview	18
1.7.1	Vision	18
1.7.2	Mission	18
1.7.3	Values	18
1.8	Legislative and Other Mandates	19
1.8.1	Constitutional Mandate	19
1.8.2	Legislative mandate	19
1.8.3	Policy Mandates	20
1.9	Organisational Structure	21
1.10	Entities Reporting to the Minister	21

Part B: Performance Information **22**

2.1	Overview of Departmental Performance	23
2.1.1	Service Delivery Environment	23
2.1.2	Service Delivery Improvement Plan	27
2.1.3	Organisational environment	29
2.2	Key policy developments and legislative changes	30
2.3	Strategic Outcome Oriented Goals	31
2.4	Performance Information by Programme	34
2.4.1	Programme 1: Administration	34
2.4.2	Programme 2: Research, Policy and Legislation	44
2.4.3	Programme 3: Institutional Support and Coordination	52
2.5	Transfer Payments	64
2.5.1	Transfer payments to public entities	64
2.5.2	Transfer payments to all organisations other than public entities	64
2.6	Conditional Grants	65
2.7	Donor Funds	65
2.8	Capital Investment	65

Part C: Governance 66

3.1	Introduction	67
3.2	Risk Management	67
3.3	Fraud and Corruption	67
3.4	Minimising Conflict of Interest	67
3.5	Code of Conduct	68
3.6	Health Safety and Environmental Issues	68
3.7	Portfolio Committees	68
3.8	SCOPA Resolutions	69
3.9	Prior Modifications To Audit Reports	69
3.10	Internal Control Unit	69
3.11	Internal Audit and Audit Committees	70
3.12	Audit Committee Report	71
	3.12.1 Audit Committee Members and Attendance:	71
	3.12.2 Audit Committee Responsibility	72
	3.12.3 The Effectiveness of Internal Control	72
	3.12.4 Quality of Management and Monthly/Quarterly Reports Submitted in Terms of the Act and the Division of Revenue Act	72
	3.12.5 Evaluation of Financial Statements	72

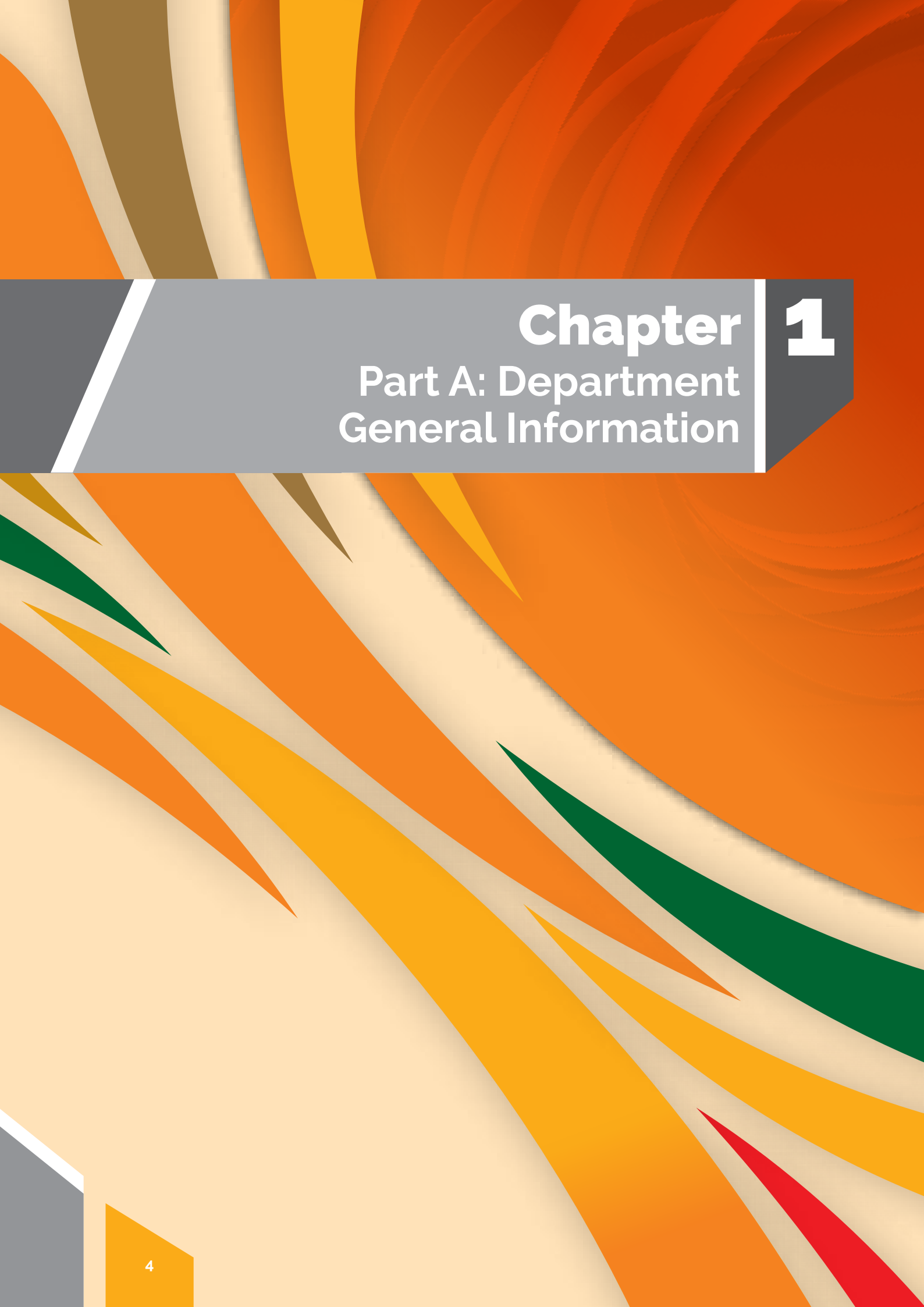
Part D: Human Resource Management 74

4.1	Human Capital Management	75
4.2	Employment and Vacancies	77
4.3	Filling of SMS Posts	78
4.4	Job Evaluation	79
4.5	Employment Changes	81
4.6	Employment Equity	83
4.7	Signing of Performance Agreements by SMS Members	87
4.8	Foreign Workers	90
4.9	Leave utilisation	91
4.10	HIV/AIDS & Health Promotion Programmes	93
4.11	Labour Relations	94
4.12	Skills Development	96
4.13	Injury on Duty	98
4.14	Utilisation of Consultants	98
4.15	Severance Packages	99

Part E: Financial Information 100

5.1	Report of the Auditor-General to Parliament	101
5.2	Annual Financial Statements for the Department of Traditional Affairs	105

**The Annual Report for the
Department of Cooperative Governance
can be read on the reverse side of this book**



Chapter
Part A: Department
General Information

1

1.1 Contact Information

Physical Address:

Pencardia 1
509 Pretorius St
Pretoria, 0083

Postal Address:

Private Bag X 804
Pretoria, 0001
South Africa

Website: www.dta.gov.za
www.cogta.gov.za

Tel: 012 334 4972
Fax: 086 204 6886
E-mail: Reshoketswem@cogta.gov.za

Published by:

The Department of
Cooperative Governance
and the Department of
Traditional Affairs

RP302/2014
ISBN: 978-0-9814215-8-2
COGTA Annual Report 2014/2015.

1.2 List of Abbreviations/Acronyms

Acronyms	Full Definition
APP	Annual Performance Plan
B2B	Back to Basics
CBS	Capacity Building Strategy
CGE	Commission on Gender Equality
CGF	Corporate Governance Framework
CoGTA	Cooperative Governance and Traditional Affairs
CRLRC	Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities
CTLDC	Commission on Traditional Leadership Disputes and Claims
CONTRALESA	Congress of Traditional Leaders of South Africa
DBSA	Development Bank of Southern Africa
DCoG	Department of Cooperative Governance
DDG	Deputy Director-General
DELC	Departmental Executive Leadership Committee
DIO	Deputy Information Officer
DIRCO	Department of International Relations and Cooperation
DDG	Deputy Director-General
DG	Director-General
DPSA	Department of Public Service Administration
DTA	Department of Traditional Affairs
DELC	Departmental Executive Leadership Committee
ELC	Executive Leadership Committee
ENE	Estimates of National Expenditure
FY	Financial Year
IDP	Integrated Development Plan
ISC	Institutional Support and Coordination
KPA	Key Performance Area
KPI	Key Performance Indicator
LGTAS	Local Government Turnaround Strategy
LGSETA	Local Government Sector Education and Training Authority
MMC	Medical Male Circumcision

Acronyms	Full Definition
MANCO	Departmental Management Committee
MoU	Memorandum of Understanding
MP	Member of Parliament
MPAT	Management Performance Assessment Tool
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NDP	National Development Plan
NKC	National Khoi-San Council
NICSA	National Interfaith Council of South Africa
NHTL	National House of Traditional Leaders
PMEIMP	Performance Monitoring, Evaluation and Information Management Policy
PFMA	Public Finance Management Act
PHTL	Provincial House of Traditional Leadership
PHTLS	Provincial Houses of Traditional Leadership
PMDS	Performance Management and Development Systems
PoA	Programme of Action
PAIA	Promotion of Access to Information Act
PPRC	Planning and Performance Review Committee
RPL	Research, Policy and Legislation
S&T	Subsistence and Travelling
SAHRA	South African Heritage Resources Agency
SALGA	South African Local Government Association
SCCH	Social Cohesion, Culture and Heritage
SDIP	Service Delivery Improvement Plan
TA	Traditional Affairs
TAODP	Traditional Affairs Outreach Development Programme
TC	Traditional Councils
TLGFA	Traditional Leadership and Governance Framework Act
ToR	Terms of Reference
TAB	Traditional Affairs Bill
TATGOF	Traditional Affairs Technical Governance Forum

1.3 Foreword by the Minister

This period marks an important milestone in the development and maturation of our system of local government. As we enter the next phase of developmental local government, we are guided by the strides we have made towards democratizing local governance, the restoration of the dignity of our people through the delivery of basic services and the cultivation of an environment that is conducive for doing business and promoting job creation within municipalities. We also enter this phase fully cognisant of the challenges facing local government – both self-imposed failures and challenges that are dictated by the external environment, such as the global economic meltdown.

Our assessment of the state of local government, conducted in the 2014/15 year, revealed that while much has been achieved in the 15-year existence of the local government system, some serious challenges still persist. The delivery of basic services needs improvement in many municipalities. Efforts need to be made to bring about political stability and improved governance. To restore trust and strengthen the relationship between municipalities and communities, credible ways and systems of citizen engagement need to be instituted. The diagnosis further indicated that while about a third of municipalities are doing well, the other third is at risk and the rest require targeted support to make them functional.

This Annual Report represents our effort to address the weaknesses we have diagnosed, with the express intent to improve the performance of municipalities that were classified as “at risk” and “dysfunctional”. Our immediate goal is to provide hands-on support and interventions to ensure the migration of all dysfunctional municipalities to better performing levels. Following the launch of the Back-to-Basics programme by President JG Zuma during the Presidential Local Government Summit in September 2014, we have engaged with municipalities, provincial governments and national sector departments on strategies to eliminate dysfunctionality in local government.

We are beginning to witness some positive shifts in municipal governance and management broadly, which signal that with the acceleration of the Back-to-Basics programme, we are able to propel local government to greater heights. We continue to provide support and good governance packages to specific municipalities such as Malamulele, Mogalakwena, Makana, Nelson Mandela Bay Metro, Buffalo City and Oudtshoorn, to restore and maintain stability. We vigilantly monitor legislative compliance to ensure that municipalities employ and attract qualified and committed personnel to take responsibility for rendering services to communities in municipalities.

The recently released municipal audit outcomes for 2013/14 confirm our view that with greater effort and stronger intergovernmental cooperation, the negative narrative around municipal financial management capabilities, can be reversed in favour of good governance and better stewardship of the public resources in local government.

I am also pleased to include the first annual report of the Department of Traditional Affairs in accordance with Treasury Regulations and the



Public Finance Management Act. This is a significant milestone for the Ministry since the Department of Traditional Affairs is now able to produce its own financial statements.

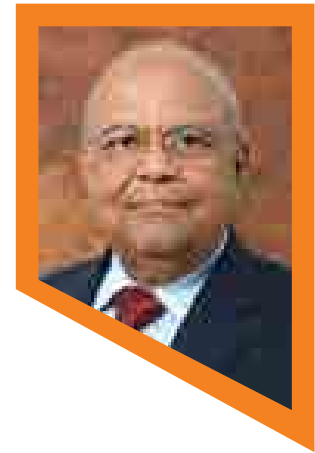
We recognise the important role played by traditional leaders in rural areas. It is therefore fundamental that they collaborate and cultivate harmonious relations with municipalities to advance development and service delivery. In this regard, we are finalising regulations for the participation of traditional leaders in municipal councils, informed by Section 81 of the Municipal Structures Act. This will provide uniform norms and standards across provinces, and strengthen the participation of traditional leaders in local government structures. We call upon councillors to engage local houses and traditional councils to discuss programmes impacting on rural communities. This will indeed promote and advance social cohesion, development and service delivery. We envisage finalising the regulations during the 2015/16 financial year. Our goal is to increase the number of municipalities with harmonious relations with traditional councils for improved service delivery.

We continue with the campaign on zero initiation deaths. In the past few years, we have witnessed various forms of abuse, ranging from physical abuse to deaths of initiates mainly due to illegal practices and commercialisation of this custom. The following are basic requirements for the establishment of initiation schools, which we will monitor closely with our traditional leaders, the Houses of Traditional Leadership and provinces:

- Registered schools with permits.
- Recognized surgeons.
- Pre-screened initiates.
- Consent by parents, guardians and the initiates.
- Guardianship, custodianship and accountability expected from traditional leaders.

We have furthermore, developed a National Initiation Policy towards regulating the practice of initiation. The

Mr. Pravin Gordhan, MP
Minister for Cooperative
Governance
and Traditional Affairs



policy is currently being taken through the Cabinet process. We envisage drafting legislation in 2015/16. The policy is already being implemented by various provinces from 2015/16.

The Traditional Affairs Bill has been finalised. In this current financial year, it will be resubmitted to Cabinet and subsequently tabled in Parliament. Once the Bill is enacted, it will among others provide for the establishment of specific Khoi-San structures, as well as the integration of recognised Khoi-San leaders into existing traditional leadership structures. The Bill will also strengthen the developmental role of the institution of traditional leadership.

We have made significant strides over the last year in confronting the challenges facing the institution of traditional leadership in the 21st century. Through this we aim to ensure that traditional leaders remain a cornerstone of our modern democracy.

We remain committed to the principle of a responsive and accountable local government, a local government by the people, for the people.

A handwritten signature in black ink that reads "Pravin Gordhan". The signature is fluid and cursive, written in a professional style.

Mr. P Gordhan, MP
MINISTER FOR COOPERATIVE GOVERNANCE
AND TRADITIONAL AFFAIRS

1.4 Deputy Minister's Statement

As we enter the second year of the current administration we will at the same time be celebrating the 60th anniversary of the Freedom Charter as adopted on 26 June 1955 stipulating that 'people shall govern' and therefore worth acknowledging the significant role that the traditional leadership institution played in the fight against the injustices of the past. In this regard, the democratic government made progress in recognising the institution and addressing the weaknesses, distortions and imbalances of the past. Amongst others, the establishment of the institutional and legislative mechanisms such as the establishment of Houses of Traditional Leaders, enactment of the Traditional Leadership Governance Framework Act, 2003, and the establishment of the Department of Traditional Affairs, signal some of the significant milestones of the democratic government towards restoration of the dignity of the institution of traditional leadership.

In the year under review, the Department accomplished a number of successes. Key among others, is the reduction in the number of deaths resulting from the initiation cultural practice. I am pleased to say that the Department, together with National and Provincial Houses of Traditional Leaders, Department of Health and other stakeholders were able to reduce number of deaths from initiation, particularly in the Eastern Cape where there have been many deaths in the past years. In the 2015/16 financial year, working together with structures of traditional leaders, communities and other key stakeholders we will continue to monitor implementation of the National Initiation Intervention Programme by all provinces, to ensure that there are no fatalities resulting from the initiation cultural practice. We call upon traditional leadership across South Africa to work with us in this regard. We can learn from Limpopo, with regard to best practice, by introducing Medical Male Circumcision (MMC) as one of the safest, hygienic and the most promising intervention for the prevention of deaths and fatalities. Communities and parents are also called to assist in identifying illegal schools.

Notwithstanding the constraints that we still face in the traditional affairs sector, there have been marked progress on the contribution of traditional leadership in advancing socio-economic development of their communities. There are several traditional councils and leaders that have commendable projects that enhance development within rural and traditional communities; these projects contribute immensely to government outcome 7, 'inclusive rural economy'. Some of the 2014/15 highlights in this regard, are *inter alia*, the following traditional councils:

- *Bafokeng Traditional Council under Kgosi Molotlegi in the North West Province*: Bafokeng nation owns 2000 square kilometres of land that is under-laden with the second largest known platinum deposit in the world. Royal Bafokeng had developed 2020 vision with the aim of enabling it to be a self-sufficient community, and to produce 15000 entrepreneurs, amongst others. Royal Bafokeng traditional council gives Bafokeng children bursaries for tertiary education studies.
- *Empangiseni Traditional Council*, under the leadership of a progressive traditional leader, Inkosi Zondo in Kwa Zulu Natal. This Traditional Council is highly engaged in agricultural projects, which have created employment for local communities. The projects include a vegetable project which employs 80 members of the traditional community, the majority of which are women and youth earning R2000 a month. The citrus fruit project has 22 small-scale farmers which employs women and youth.
- *The Dzumeri Traditional Council, under Hosi Dzumeri in Limpopo*: The council has awarded 50 wheelchairs to needy men, women and children and committed to increase them to 100 in the next year.
- *Makholokoe Traditional Council under Morena Paulus Moloi in the Free State*: The council has built a computer centre, bakery and initiated agricultural projects which also employ members of the community.

- *Bakgatla Ba Kgafela Traditional Council under Kgosi Pilane:* There are big development projects within this traditional community that the Traditional Council has initiated, funded and is managing.

All these projects have created employment for youth, women and other members of these communities, and have contributed immensely to socio-economic and rural development.

These councils provide an ideal model of Traditional Councils and how the institution of traditional leadership can play a developmental role within their communities through effective utilisation of natural resources such as land and mineral resources.

I call upon other traditional leaders, to join hands with government in addressing the triple challenges of poverty, unemployment and inequality within their communities. Traditional leaders as custodians of land in most of our rural areas, can address these challenges by:

- Making land available for utilization by the community as per the applicable legislation;
- Ensuring that the said land is utilized effectively and support is obtained from the relevant government institutions;
- Together with government, developing cultural tourism within their areas: in this regard, all heritage sites within communities.

Furthermore, notwithstanding the current challenges of inadequate participation of traditional leadership in municipal councils and the discordant relations between traditional leadership and municipalities in most provinces, there are some pockets of excellence across the country. In the year under review, whilst acknowledging these challenges in some provinces, Traditional leaders in Enhlanzini and Gert Sibande District Municipalities in Mpumalanga provide a good model of effective

Mr. Obed Bapela
Deputy Minister for
Cooperative Governance
and Traditional Affairs



participation of traditional leaders in the municipal councils and collaborative working relations between the two. The traditional leaders in this district attend all municipal councils; and they also serve in portfolio committees which provide them with an opportunity to influence decisions to the benefit of their communities. The involvement and enhanced participation will bolster the COGTA programme of B2B on the following three pillars:

- Putting people first;
- Good governance with full participatory role; and
- Service delivery to ensure better life for our people.

Furthermore, the Eastern Cape Provincial Government, through its Intergovernmental Relations Framework, includes traditional leadership in its various IGR forums. For instance, traditional leaders participate as full time members of MuniMec. This is highly commendable.

The KZN province also provides a better model in this regard. KZN has an innovative formula of fostering relationships and participation of traditional leadership in municipal processes and structures where Joint Coordinating Committees consisting of municipal councillors and traditional leaders have been established. Furthermore, ward committees through the facilitation of provincial CoGTA are constituted in a manner that ensures that each has representation from traditional councils.

COGTA Ministry has prioritised the provision of targeted support to the institution of traditional leadership in

order to increase the number of TCs such as the ones above. In this regard, during this MTSF, the Ministry commits to support and empower the institution of traditional leadership for meaningful participation in developmental projects and the municipal integrated development planning processes as well as to increase the number of functional TC to support and contribute to COGTA Ministry outcome of “a responsive, accountable, effective and efficient developmental local government system”; which includes capacity building, training on leadership; managerial and life skills.

During the debate of the NHTL and President Jacob Zuma in March 2015, the President has called upon traditional leaders to organize themselves and work together to claim land that was taken from their forefathers, the President said that land is a very important aspect of economic growth and that the people of South Africa are nothing without it; and he emphasised the importance of effective utilization of land after reclaiming it. Emanating from the debate, the Department together with the NHTL has developed a Programme of Action (PoA) on the commitments made during the debate. Amongst others, the programme includes the effective use of communal land by traditional leadership to better the lives of their communities. The PoA will go a long way in addressing poverty and joblessness in traditional communities; and the Department will be instrumental in ensuring that the NHTL is supported to achieve the set targets in the PoA.

Through this programme and the other initiatives indicated above, we will continue to support the institution of traditional leadership and the interfaith sector to ensure that the traditional affairs sector contributes to the National Development Plan priorities and the MTSF, particularly the priorities on ‘inclusive rural economy; social cohesion and nation building; and local government chapter of the NDP.

I acknowledge the role that the institution of traditional leadership and interfaith played in moral regeneration and building social cohesion in the country, a case in point has been their role in curbing the recent attacks on foreign nationals.

An important milestone of the democratic government in the recognition, protection and promotion of all cultures, religions and languages has been the establishment of the CRL Rights Commission. Given the country’s history of inequalities, where certain cultures, religions and languages were not treated equally, we acknowledge that there is still a huge task ahead of us to continue building a united, caring, proud and a patriotic South African society where there is respect for all cultures, languages and religions. CRL Rights Commission has started to make strides in this regard.

I also acknowledge the role that other government departments across all spheres and other stakeholders have played in contributing to the achievement of our 2014/15 APP.

In conclusion, COGTA Ministry is committed to restoring the dignity and integrity of the institution of traditional leadership and to ensure that the interfaith sector and the institution are at the forefront of moral regeneration in South African communities, including strengthening support of the CRL Rights Commission in protecting the rights of religious, cultural and linguistic communities.

I would like to thank the COGTA family for their resolute commitment to achieving COGTA Ministry’s vision and that of government.



Mr. O Bapela, MP

Deputy Minister of Cooperative Governance and Traditional Affairs

1.5 Report of the Accounting Officer

1.5.1 Overview of the operations of the Department

This report presents the achievements and challenges of the Department during the 2014/15 financial year. The achievements presented in the report reflect our commitment to contribute to the National Development Plan and MTSF priorities. It is important to indicate that in the year under review, the Department achieved 43 of its 47 targets, i.e. 91% of the targets.

We have made progress in terms of improving and facilitating coordination and alignment of traditional affairs sector planning, monitoring and evaluation processes which is one of the strategic objectives in the year under review. In this regard, a significant milestone for the Department, was being able to strengthen our coordination and joint planning and performance reporting mechanisms for the traditional affairs sector. The Department together with provinces identified, defined and developed traditional affairs priorities and core indicators. These draft indicators will be finalised during the 2015/16 financial year. This initiative, will ensure that the sector works towards the same goal to support the institution of traditional leadership to play a developmental role in communities.

Furthermore, the Department strengthened the Traditional Affairs Technical Governance Forum (TATGOF) as our intergovernmental relations structure to specifically ensure joint planning and programme implementation as well as sharing information within the sector. In 2015/16 one of our targets is to finalise the development of the Traditional Affairs Sector Plan which will be monitored through the TATGOF.

The Department, for the first time in the year under review, is producing its annual report with its own financial

Dr MC Nwaila
Accounting Officer



statements. Furthermore, we established all prescribed corporate governance structures in compliance with the Public Finance Management Act, key among others is the Audit Committee and Risk Management Committee. We are committed to ensure that the Department fully complies with government legislation on planning, performance information reporting and management, financial and risk management. The Department has also strengthened its Internal Audit function and has implemented most of the recommendations from the Audit Committee.

Notwithstanding the fact that we are doing well, in terms of Strategic Management and Accountability Key Performance Areas (KPA) of the Management Performance Assessment Tool (MPAT), we have not been doing well in some of the KPAs in the past three years; particularly financial management and human resource management. In order to ensure that we improve corporate governance of the Department, MPAT Action plan is developed, implemented and monitored. Furthermore, the Department has in the year under review developed corporate governance policies, amongst others, financial management, human resource management and monitoring and evaluation policies have been completed and full implementation will start in 2015/16 financial year. We will continue to implement and monitor these policies in order to address the areas that were pinpointed by the 2013 MPAT results as needing attention.

Furthermore, the Department has prioritised regulating the initiation cultural practice as part of implementation of the National Initiation Intervention Plan. In this regard, extensive consultations on the Initiation Framework with a number of stakeholders have been concluded, the Framework was refined, and a National Initiation Policy emerged from the framework. In the 2015/16 financial year, the Department intends to gazette the Policy for further public comments subsequent to its tabling in Cabinet.

As a Department, we consider harmonization of relations between traditional leadership and government as being of utmost importance and instrumental to service delivery and socio-economic development of traditional communities.

The Department has set a medium term goal of strengthening the role and place of the institution in South African governance systems; and it is through harmonisation of relations between the elected and the institution that we will achieve this goal. In this regard, during the year under review, the Department conducted research to examine the level and extent of participation of traditional leaders in governance structures, including municipal councils across provinces. The research showed that, in this area we are not doing well, there are challenges which include among others, disparities in the implementation of Section 81. In order to address these challenges, and inspired by our vision of a transformed, developed, cohesive and sustainable traditional and interfaith communities, we have during the year under review, developed draft Regulations for the participation of traditional leaders in municipal councils. The Regulations will be finalised during the 2015/16 financial year and it is envisaged that we will reach full implementation phase of the regulations by the end of the current MTSF period.

In the year under review, we committed to build cohesiveness and stability of the kingships and traditional communities as part of our contribution to government outcome 14 of "Social cohesion and Nation Building". In this regard, we finalised consultations with five of the 11 recognised kingships on the formula for establishment of kingship councils in the year under review, and we will finalise the remaining two kingships during 2015/16.

We have also finalised and updated four genealogies and customary laws of succession for kingships. The genealogies and the customary laws of succession will go a long way in reducing the number of kingship disputes and bringing stability within kingships and therefore providing a conducive environment for them to focus on developing communities rather than succession disputes.

Furthermore, as part of the Department's contribution to government outcome 14, in the year under review, we finalised Protocol Guidelines for senior traditional leadership in 3 provinces, drafted a strategy for promotion of culture and heritage of traditional communities and finalised consultations on the Discussion Paper on regulating the interfaith sector. All these projects will contribute to social cohesion within rural communities.

There are still many challenges in this sector which are currently being attended to, especially the inadequate support provided to traditional councils and local houses. Furthermore, there are still challenges with regard to community authorities, landless traditional leaders and proliferation of headmanship.

The following section presents an overview of the Department's financial results in the year under review.

1.5.2 Overview of the Financial Results of the Department

DEPARTMENTAL RECEIPTS

Departmental receipts	2014/15			2013/14		
	Estimate	Actual	(Over)/ Under Collection	Estimate	Actual	(Over)/ Under Collection
	R'000	Amount Collected R'000	R'000	R'000	Amount Collected R'000	R'000
Sales of goods and services other than capital assets	-	4	-	-	-	-
Total	-	4	-	-	-	-

Revenue collected in this case mainly refers to parking fees and commission from third parties accessing Departmental systems. The revenue collected cannot be referred to as services rendered as per the SCOA.

PROGRAMME EXPENDITURE

Programme Name	2014/15			2013/14		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	21 544	22 273	(729)	-	-	-
Research, Policy and Legislation	13 893	14 299	(356)	-	-	-
Institutional Support and Coordination	80 447	75 250	5 197	-	-	-
Total	115 864	111 753	4 111	-	-	-

The Department maintained the basic elements of budgeting throughout the financial year and spending was mainly focused on strategic projects.

VIREMENTS

As stated above, the Department remained within its appropriated budget, however, there was a need to move funds between programmes to defray possible excess spending in line with Section 43 of the PFMA. The Department has in advance informed National Treasury about the shortfall, however, could not secure additional funding through budget adjustment process. This led to the Department requesting approval to move funds from low spending items to areas where there was budgetary pressures.

SUPPLY CHAIN MANAGEMENT

The Department has introduced effective supply chain systems to detect and curb irregular expenditure. All irregular expenditure incurred by the Department were unavoidable as they emanated from the previous Nhlapo Commission which was entrusted to research Traditional Leadership disputes and claims cases. The previous commissioners are the only ones who can depose and defend the findings by the Nhlapo Commission. As a result, the Department could not follow the supply chain management processes.

The Department has recently established its own transversal systems, however, does not have a supplier database and is in the process of acquiring it. Furthermore, the Department has entered into a memorandum of understanding with the Department of Cooperative Governance to provide functions where it does not have adequate capacity. This issue has been discussed with National Treasury to fund the DTA structure over the medium term period. Decision on the funding has not yet been taken.

TRANSFER OF ASSETS FROM DCOG TO DTA

The transfer of assets from DCoG to DTA has not yet been finalised in terms of Section 42 of the PFMA. DTA is in the process of verifying these assets to ensure accuracy, completeness and existence of the assets. Once the process is finalised and fair value has

been determined by DCoG, DTA will duly accept the transfer. DTA maintains an inventory list of the assets under its control and ensures that they are safeguarded.

I acknowledge the cooperation of the National House of Traditional Leaders, our provincial counterparts, national departments, public entities and other stakeholders in assisting the Department to achieve its 2014/15 targets.

I thank the Minister and the Deputy Ministers for the political leadership and guidance they provided throughout the year under review. Furthermore, I want to thank the entire DTA staff for their commitment in ensuring that we achieve the targets that we set for ourselves in 2014/15 with a view of improving the lives of our rural communities.



Dr. MC Nwaila
Accounting Officer
31 May 2015

1.6 Statement of Responsibility and Confirmation of Accuracy for the Annual Report

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

- All information and amounts disclosed throughout the annual report are consistent.
- The annual report is complete, accurate and is free from any omissions.
- The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The Annual Financial Statements (Part E) have been prepared in accordance with the modified cash standard and the relevant frameworks and guidelines issued by the National Treasury.
- The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- The Accounting Officer is responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2015.

Yours faithfully



Dr. MC Nwaila

Accounting Officer
31 May 2015





1.7 Strategic Overview

1.7.1 Vision

Integrated traditional affairs for sustainable development and social cohesion

1.7.2 Mission

To promote sustainable, developed and cohesive traditional, interfaith, Khoi and San communities by:

- Developing appropriate policies, legislation, norms, standards, systems and regulatory framework governing traditional affairs;
- Providing support to traditional affairs institutions;
- Enhancing information and knowledge management on traditional affairs;
- Transformation of the institution of traditional leadership in line with constitutional principles and the bill of rights;
- Promoting culture, traditions, customs and heritage of traditional communities within the constitutional principles and prescripts; and
- Building professional, competent, ethical and skilled services delivery-oriented employees and enhancing governance systems of the department.

1.7.3 Values

- Respect
- Integrity
- Professionalism
- Responsibility
- Accountability
- Team work
- Information sharing and communication

1.8 Legislative and Other Mandates

The Department's mandate extends beyond traditional, Khoi and San communities and includes overseeing a full range of tasks inherent in dealing with all issues of traditional affairs: and it is informed by the following legislative framework:

1.8.1 Constitutional Mandate

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

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

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

The Department's mandate is also informed by Part A of Schedule 4 of the Constitution, which states that "indig-

enous law, customary law and traditional leadership are both functional areas of concurrent national and provincial legislative competence, subject to the provisions of Chapter 12 of the Constitution".

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

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

1.8.2 Legislative mandate

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

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

The Department also derives its mandate from the TLGFA. Sections 19 and 20 of the TLGFA place a responsibility for the Department or a provincial government, as the case may be through legislative or other measures, to provide a role for traditional councils or traditional leaders in respect of arts and cul-

ture; land administration; agriculture; health; welfare; the administration of justice; safety and security; the registration of births, deaths and customary marriages; economic development; environment; tourism; disaster management; the management of natural resources; the dissemination of information relating to government policies and programmes; and education. These sections also outline the responsibilities and conditions for the Department when allocating the above mentioned roles to traditional leaders and traditional councils.

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

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

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

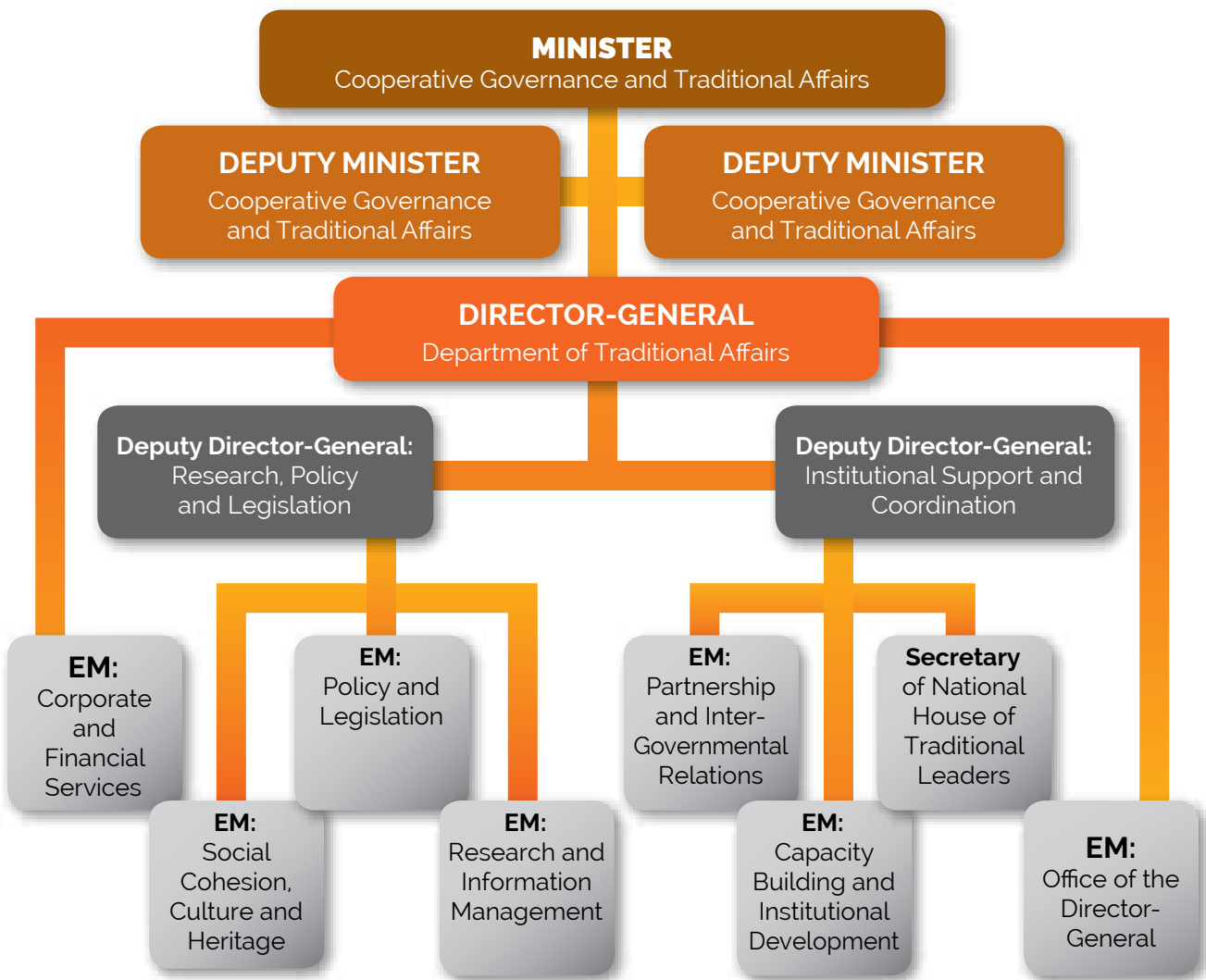
- **Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities Act (Act 19 of 2002)**

This Act provides for the promotion and protection of the rights of cultural, religious and Linguistic Communities, inclusive of traditional communities, Khoi and San and Interfaith.

1.8.3 Policy Mandates

The White Paper on Traditional Leadership and Governance, 2003, sets out a national framework, norms and standards that define the role and place of the institution of traditional leadership within the South African 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.

1.9 Organisational Structure



1.10 Entities Reporting to the Minister

The information furnished in this section should correlate with information provided in the related party transactions disclosure notes to the financial statements and the information on the entities.

The table below indicates the entities that report to the Minister:

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
CRL Rights Commission	Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities Act (Act 19 of 2002). Promotion and protection of the rights of cultural, religious and Linguistic Communities, inclusive of traditional communities, Khoi and San and Interfaith.	Transfer payment	Transfer



Chapter
Part B: Performance
Information

2



2.1 Overview of Departmental Performance

2.1.1 Service Delivery Environment

The Department of Traditional Affairs is a custodian of coordination of traditional affairs across the spheres of government. To this effect, the Department, through extensive consultation with key stakeholders, has developed the Traditional Affairs strategy informed by the needs of the traditional affairs sector. The strategy is aimed at ensuring alignment and integration of national traditional affairs plans with those of provinces, traditional affairs entities and government-wide outcomes and priorities.

The concept of “traditional affairs” includes, among others, the institution of traditional leadership, Khoi and San leadership, governance, administration of justice, spirituality (interfaith) and other valued community practices and protocols.

The Department’s activities and services in the year under review were informed by the outcome and findings of the assessment of the state of governance of structures of traditional leadership conducted in 2011/12. The assessment pointed out to several gaps that had to be addressed as well as recommendations of how they

should be addressed. The 2014-2019 Strategic Plan and the 2014/15 Annual Performance Plan included projects aimed at addressing the recommendations of the report on state of governance of traditional leadership structures.

The Department’s primary clients are traditional leaders, khoi and san and the interfaith sector. There are 8241 recognised traditional leaders by the state and the Department’s mandate is to ensure that they are supported to fulfil their roles within their communities. The table on the next page indicates a break-down of traditional leaders per level and province:

South Africa has well established traditional leadership structures and institutions, few of which have been fairly effective in discharging their functions. There has been great success in establishing institutional mechanisms and legislative frameworks for traditional leadership. Legitimate structures of traditional leadership at National, Provincial and Local government levels are established. These structures include Houses of Traditional Leaders, the Commission on Traditional Leadership Disputes and Claims and its provincial committees. These structures have been successful in recognising and reaffirming the institution of traditional leadership as part of the South African governance system.

Table :A break-down of traditional leaders per level and province:

No.	Province	Senior Traditional Leaders	Headmen / Women	Kings	Principal traditional leaders
1	Eastern Cape	215	1193	4	2
2	Northern Cape	8	25	0	0
3	Limpopo	183	2118	1 (1 Court interdict)	0
4	Mpumalanga	58	522	2	0
5	Gauteng	2	14	0	0
6	KwaZulu Natal	296	3372	1	0
7	North West	54	59	0	0
8	Free State	13	96	2	0
	Total	829	7399	11	2

The Department of Traditional Affairs conducted a study on the institution of traditional leadership in Ghana, Namibia, Botswana, Kenya and Zimbabwe. The findings of this study show that in comparison to these countries, South Africa has made significant progress with regard to the recognition, reaffirmation and government support of traditional leadership institution and establishment of recognised and legitimate structures of the institution.

One of the pillars of the Department’s mandate as derived from Section 185 (1) (b) of the Constitution is to ensure the promotion and protection of indigenous languages, heritage, customs, cultural and traditional practices, and interfaith. In line with this section, the Department should ensure that the heritage of traditional, interfaith, Khoi and San communities are promoted, restored and protected. Furthermore, the Department should ensure that there are harmonious relations between and within cultural, religious and linguistic communities. To this end, the Department has developed institutional mechanisms to support and promote interfaith formations, and has entered into a Memorandum of Understanding with the South African Heritage Resource Agency for the identification and restoration of traditional leadership, Khoi and San heritage sites for cultural tourism attraction and therefore contribution to socio-economic development in these communities. In addition, the Department succeeded in institutionalising its support to the Khoi and San structures and has established the National Khoi and San Council for engagement with government on Khoi and San issues.

The Department will continue to support and strengthen the National Interfaith Council of South Africa (NIC-SA). Together with NICSA, the Department established three interfaith structures at provincial level. These efforts, as well as the involvement of the Department in the NICSA planning processes and vice versa, are good opportunities for government to achieve national unity and social cohesion in the country. In addition, the Department will continue its support to the NHTL, CT-LDC and CRL Rights Commission to ensure that they achieve their mandates.

Despite the highlighted successes, there are still challenges that require interventions to ensure that improved service delivery in communities under the jurisdiction of traditional leaders is not stumbled. Among others, the following key challenges will be addressed by the DTA 2014-2019 Strategic Plan and the 2014/15 Annual Performance Plan.

Participation of traditional leadership in government structures

Central to service delivery within traditional communities, is the capacity and functionality of traditional leadership and structures to participate meaningfully in government planning and implementation of programmes, including effective participation in the inte-

grated development planning (IDP) processes. This has been and remains a challenge that should be addressed within the principle of cooperative governance. In particular, effective and meaningful participation of traditional leadership structures in local government structures and the IDP processes can contribute to sustainable development within rural, traditional, Khoi and San communities.

In light of the above, there are limitations in the existing legislation that negatively affect the effectiveness, functionality and governance of the institution in relation to its effective participation within municipal councils. In this regard, the limitations of the Local Government Municipal Structures Act of 1998 and the processes provided for in Section 81 of the Act in respect of the participation of traditional leaders in municipal councils are inadequate.

To address this challenge, the Department has, in the 2013/14 financial year, developed an Interim Framework for the participation of traditional leaders in municipal councils. In the 2016/16 financial year, the Department will, among others, address this challenge by facilitating and monitoring the implementation of section 81 of the Framework.

Working relationships between the Institution of Traditional Leadership and Local Government Structures

The Framework referred to above intends to set out the roles of traditional leaders when participating in municipal council proceedings.

The establishment and maintenance of good relations between the institution and local government structures will go a long way in improving and sustaining service delivery within areas of jurisdiction of traditional leaders. The influential nature of traditional leadership in their communities presents an opportunity for government in relation to collaboration for rural development. It therefore requires that the institution of traditional leadership is capacitated to participate meaningfully in government programmes and to know its role. It is also imperative that there are harmonious relations between government

and this sector to ensure improved service delivery in rural communities. This can be achieved through the institution's active participation in government structures, particularly at local government level. The Department will, over the medium term period, implement interventions to address this matter.

Despite the above challenges, studies conducted by the Department indicated that there are pockets of excellence within the institution of traditional leadership regarding working relationships between the institution and local government structures. Furthermore, the findings of the assessment and profiling of traditional councils in 2013 indicated that there are best practices on working relations between traditional leaders and local government structures in some provinces, including successful traditional leadership projects for socio-economic and rural development at community level, effective participation of traditional leadership in municipal councils, best partnerships for community development between traditional leadership, private and government institutions. These are opportunities which the Department will leverage to create sustainable development within traditional communities and to advance rural development. In 2015/16, the Department will share these practices and look at how they can be replicated in other parts of the country.

Court litigation on traditional leadership claims and disputes

The acceptance of the recommendation of the CTLDC by government on the recognised kingships resulted in dissatisfactions amongst some claimants or interested parties. Dissatisfied parties have approached the high court to seek relief or to overturn the recommendations of the CTLDC and decision of government. This poses a challenge for the Department and could delay the establishment of kings' councils in areas where the kingship is still in court, as well as the performance of CTLDC. This challenge subsequently renders the affected kings ineffective because they cannot operate as kings. This issue also affects stability, leads to tensions and conflict within the affected communities and is therefore a threat to social cohesion in those areas.

Establishment and management of partnerships within the institution

The Department has established several strategic partnerships with both the private sector and public institutions. The Department has signed memoranda of understanding with the Departments of Home Affairs, Cooperative Governance, Science and Technology, Correctional Services as well as the South African Local Government Association. The following are some of the key partnerships that the Department has established and that have already yielded results and contributed to the achievement of the Department's strategic objectives and mandate for the benefit of communities:

- A memorandum of understanding with Anglo Platinum Limited for skills and economic development of traditional communities where Anglo Platinum has mining operations;
- A memorandum of understanding with the South African Heritage Resource Agency for the identification, restoration and development of traditional, Khoi, San and Interfaith sacred and heritage sites into cultural tourism attraction sites;
- A cooperation agreement with the South African Justice College for training of Traditional Leadership on indigenous/customary law and restorative justice;
- A cooperation agreement with the South African Police Services to provide security to kings and to facilitate participation of traditional leadership in the implementation of Rural Safety Strategy; and
- A cooperation agreement with the National Lotteries Board to provide support to rural communities to access the Board funding for rural development projects.

Different levels of traditional leadership have established partnerships for rural development with the private and public sector institutions. The challenge is that there is no coordinated mechanism for these partnerships. Traditional leadership institutions are not adequately empowered to manage the contractual agreements and relationships resulting from these partnerships. The Department in the 2012/13 and 2013/14 financial years, as a coordinator of traditional affairs across the three spheres of government, developed a Partnership Model that provides a basis, framework and guidelines for effective management of future and current partnerships within the institution.

Inadequate capacity of the structures of traditional leadership to perform their roles and functions

One of the findings of the assessment of state of governance of traditional leadership structures indicated that the main factor that contributes to traditional leadership not being able to play their advisory and supportive role to government and governance is inadequate understanding of the mandate of the institution in the democratic dispensation. In addition, the institution does not have adequate skills, knowledge, resources and competencies to be at the centre of development and form an integral part of the South African governance system -- the core of its existence and functions. This challenge requires a long term strategy and approach that will result in well capacitated and sustainable institutions that are self-sustaining through community initiatives and private partnerships with limited dependence on government for support. The Department continues to implement the Traditional Affairs Capacity Building Plan to address this matter and to ensure that the institution is empowered to sustain itself. In this regard, the Department has been successful in finalising and implementing both the Traditional Leadership Empowerment Programme and the Outreach Programme in 2011/12-2013/14. Part of implementing the two programmes was the development and adoption by all stakeholders of the Framework for tools of trade for traditional leadership. The Framework provides norms and standards for provision of resources to traditional leadership structures to deliver on their mandates and provides an opportunity for government to succeed in empowering the institution to perform its supportive role to government and be a key stakeholder in development and service delivery. Systems for government support to the institution of traditional leadership are now established and institutionalised through these frameworks and strategies. The Department will therefore, among others, focus on monitoring the implementation of these frameworks, strategies and programmes in 2014/15.

Formal recognition and affirmation of Khoi and San leadership, structures and communities

The other challenge within the traditional affairs sector is the absence of statutory recognition and affirmation of Khoi and San communities and leaders. This matter, if not addressed, may hamper service delivery in the Khoi and San communities and might pose a threat to nation building and social cohesion in the country. This matter is one of the priorities of the Department. The Department will work tirelessly to ensure that the Traditional Affairs Bill is taken through parliament.

The DTA 2014/15 Annual Performance Plan played a critical role towards addressing these challenges.

2.1.2 Service Delivery Improvement Plan

In the year under review the Department identified one service for improvement; namely “resolution of traditional leadership disputes and claims.” The service was included in the Department’s 2013 – 2016 SDIP.

The following table presents actual achievement against the set standards.

The department has completed a service delivery improvement plan. The tables below highlight the service delivery plan and the achievements to date.

Main services and standards:

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Resolve traditional leadership disputes and claims	Traditional Leaders	360 leadership disputes and claims finalised	Traditional Communities	360 leadership disputes and claims were finalised
		A maximum of three months will be used to finalise complex cases lodged with the Commission		In all complex cases a maximum of 3 months or less was taken
		Development of a processes and procedures manual for lodging leadership claims and disputes for lodging and claimants taken through the manual		The Manual was developed and communicated to traditional communities

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
		Reducing litigation costs through conducting public education programmes on traditional leadership claims and disputes		This activity will be continuously pursued in the 2014/15 financial year as per the Department's 2014/15 SDIP
		Provide support to Provinces to ensure that structures of traditional leadership are able to address communities and avoid concerns which have a potential to become a dispute		Support was provided to Provinces through the Houses of Traditional Leaders to ensure that structures of traditional leadership are able to address communities and avoid concerns which have a potential to become a dispute
		Appoint two researchers to speed up the investigation processes for the claims		Rather than appointing researchers, and in line with the cost containment measures the Department made available Research and Information management Chief Directorate to be used by the Commission as and when required. Therefore this action was achieved.

Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
Briefing sessions with affected claimants.	Sessions with affected claimants.	Briefing sessions were held with the affected claimants.
Facilitating public hearings/interviews with claimants prior to development of a report to the relevant authority.	Public hearings/interviews with claimants prior to development of a report to the relevant authority.	Public hearings were held with claimants as part of the process prior to finalisation of investigations and recommendations to the relevant authorities (President in the case of Kingship/queenship claims and Premier in cases of other levels of traditional leadership).

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
Claimants are taken through the qualification criteria for lodgement of disputes and claims and for the recognition of different levels of traditional leadership as outlined in the Traditional Leadership Governance Framework Act.	Qualification criteria for lodgement of disputes and claims and for the recognition of different levels of traditional leadership.	Claimants were taken through the qualification criteria for lodgement of disputes and claims and for the recognition of different levels of traditional leadership as outlined in the Traditional Leadership Governance Framework Act.

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
When a claimant is aggrieved by the results or outcome of the investigation or reports by the CTLDC regarding his/her claim or dispute, he/she can approach the courts.	When a claimant is aggrieved by the results or outcome of the investigation or reports by the CTLDC regarding his/her claim or dispute, he/she can approach the courts.	Claimants were informed that if they are not in agreement with the CTLDC report on their claim they can take it through the legal processes (courts).

2.1.3 Organisational environment

The Department conducted a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis in June 2013. This indicated that the Department was not adequately focusing on other thrusts of its mandate, namely heritage development of traditional, interfaith, Khoi and San communities. These other thrusts and functions of the Department's mandate are also not included in the Department's approved organisational structure. In order to address this gap, the Department has reviewed its organisational structure to include these functions. Furthermore, the 2014/15 APP includes targets on heritage development of traditional, interfaith, Khoi and San leadership and communities to ensure that issues of heritage are addressed.

In addition, during the 2014/15 financial year, the Department through the Management Performance Assessment Tool (MPAT) of the Department of Performance Monitoring and Evaluation did self-assessment

of its corporate governance systems. This exercise identified gaps within the Department, which were addressed by developing an MPAT Action Plan. The Administration Programme is currently implementing the Action Plan and will continue in this financial year. The strategic Plan therefore includes some of the projects in the MPAT Action Plan to ensure that management and governance systems of the Department are improved to be able to effectively support the sector and improve service delivery.

There are three traditional affairs entities that report and are accountable to the Minister of Cooperative Governance and Traditional Affairs. The three entities are National House of Traditional Leaders (NHTL), Commission on Traditional Leadership Disputes and Claims (CTLDC) and the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities (CRLRC). The first two are part of the Department of Traditional Affairs and departmental human resources have been allocated to these two, whilst the latter is an independent Chapter 9 institution.

The Department coordinates planning and performance reporting of both the National House of Traditional Leaders and the CTLDC, and their plans are included in the Annual Performance Plan.

All three entities play a major role in the achievement of the Traditional Affairs sector priorities and in achieving the mandate of the Department. There is an operational link between the work of the CRLRC, NHTL, CTLDC and the Department's work; hence the three entities are all involved in the Departmental Planning to ensure alignment of their plans with the Departmental plans.

Internally, the Department of Traditional Affairs has three programmes, as indicated in the organisational structure below. The three programmes are Administration; Research, Policy and Legislation; and Institutional Support and Coordination. The Administration programme is comprised of Internal Audit, Strategic support and governance (Office of the Director-General) and Corporate and Financial Services. It offers internal audit services, corporate, financial and strategic management and governance support to the two line function programmes and entities. The administration programme

functions are performed by two Chief Directorates and the Internal Audit Directorate reporting to the Director-General, namely Chief Director: Corporate Services and Chief Director: Office of the Director-General and Senior Manager: Internal Audit. These three sections will be fully operational during the 2014-2019 MTSF.

2.2 Key policy developments and legislative changes

There were no policy and legislative changes during the year under review.



2.3 Strategic Outcome Oriented Goals

Achievements on government outcomes and the Department's outcome-oriented goals

The Department contributed to government outcomes 7, 9 and 12 in the year under review.

Government outcomes	DTA Strategic outcome oriented goals	Achievements
Outcome 7	Effective and sustainable partnerships and intergovernmental relations that promote socio-economic and infrastructure development within traditional communities and contribute to the achievement of the NDP goals.	<p>During the year under review, traditional leaders participated in land development programs. Since the year under review is the first year of the current MTSF, it is envisaged that the results of the participation will be visible by the end of the MTSF period.</p> <p>Collaborative partnerships were established with economic sector Departments for economic development purposes of traditional communities. Partnerships were established with the Departments of Trade and Industry; Rural Development and Land Reform; Tourism; Agriculture, Forestry and Fisheries; and Sports and Recreation. Since the year under review is the first year of the MTSF, the results of the partnerships will be visible from 2015/16 FY.</p> <p>During the year under review, a major achievement towards achieving this strategic objective and outcome is that 21 Traditional Councils were renovated in order to enable the institution of traditional leadership to perform its developmental role.</p> <p>NHTL Plan and programme on addressing HIV and Aids challenges within traditional communities developed and implemented, in which areas.</p> <p>1246 proclamations establishing jurisdictional areas of traditional leaders were gathered in five provinces and documents compiled for each of the provinces. Furthermore, the five provinces verified the proclamations including the proclamations gazettes for each recognized traditional council in the five provinces.</p>

Government outcomes	DTA Strategic outcome oriented goals	Achievements
Outcome 9	Capable, effective, and functional traditional affairs institutions which contribute to the building of a stable, capable and developmental local governance.	<p>During the year under review, the Department conducted research to examine the level and extent of participation of traditional leaders in governance structures, including municipal councils across provinces. From the recommendations of the research, the Department developed draft Regulations for the Participation of Traditional Leaders in Municipal Councils. The Regulations will be finalised during the 2015/16 financial year and it is envisaged that they will be fully implemented by the end of the MTSF period.</p> <p>National Traditional Leadership Capacity Building Plan was reviewed.</p> <p>National minimum norms and standards for provision of physical resources for Traditional Councils were developed.</p>
Outcome 12	<p>Fully capacitated Department of Traditional Affairs with effective governance systems to deliver on its mandate.</p> <p>Effective integrated planning, monitoring, evaluation and performance information management systems for improved Traditional Affairs performance.</p> <p>Effectively coordinated traditional affairs sector.</p>	<p>Towards contributing to outcome 12, the Department monitored the implementation of the SDIP on a quarterly basis and produced reports.</p> <p>Furthermore, the Department strengthened its system for implementation of PAIA. It submitted its PAIA section 32 report.</p> <p>In the year under review, the department established the following corporate governance structures to promote good governance of the Department and in compliance with the Public Finance Management Act and Treasury Regulations:</p> <ul style="list-style-type: none"> • Audit Committee • Risk Management Committee. • The Department has also strengthened its internal control environment as well as corporate services. • The Department paid its suppliers within 30 days from when it started operating its own transversal systems. • Development and implementation of the SCM, asset management, travel and subsistence and catering policies. <p>Department strengthened its coordination mechanisms, alignment of planning and performance reporting within the traditional affairs sector. In this regard, the Department together with provinces identified, defined and developed traditional affairs priorities and core indicators. This process will culminate into the development of traditional affairs sector plan.</p> <ul style="list-style-type: none"> • Traditional Affairs Technical Governance Forum (TAGTOF) has been strengthened as an intergovernmental relations structure for the sector and it facilitates aligned and joint planning and programme implementation as well as sharing information within the sector. In 2015/16, one of the targets is to finalise and start implementation of the Traditional Affairs Sector Plan which will be monitored through the TAGTOF. • Furthermore, the department developed and implemented the Traditional Affairs Communication Strategy in support of the Government Communication Plan.

Government outcomes	DTA Strategic outcome oriented goals	Achievements
Outcome 14	<p>Traditional affairs policies and legislation that enhance participatory democracy, accountability and good governance of traditional affairs institutions.</p> <p>Cohesive and economically viable traditional communities.</p> <p>Preserved and sustainable culture, customs, tradition and heritage of traditional communities.</p>	<ul style="list-style-type: none"> Finalised consultations with all relevant stakeholders on the Initiation Framework. The Framework was refined, and a National Initiation Policy was developed resulting from the framework. In the 2015/16 financial year, the Department will gazette the policy for public comments subsequent to its tabling in Cabinet. 5 of the 11 Kingships/queenships were consulted on the formula for the determination of the number of members of kingships councils. Finalised 844 of 1244 traditional leadership disputes and claims, including kingship claims, which if not finalised they lead to instability and conflicts within traditional communities. Finalised consultations with five of the 11 recognised kingships on the formula for establishment of kingship councils in the year under review, and we will finalise the remaining kingships during 2015/16 and 2016/17. Finalised and updated four genealogies and customary laws of succession for kingships. The genealogies and the customary laws of succession will go a long way in reducing the number of kingship disputes and bringing stability within kingships and therefore providing a conducive environment for them to focus on developing communities rather than succession disputes. National House Chairpersons Forum and its committees are fully functional and quarterly forum engagement sessions were held during the year under review. Towards achieving this strategic objective, the NHTL provided inputs to policies and legislation affecting traditional leaders and communities during the year under review and an annual report in this regard was developed. Discussion document on interfaith sector within traditional affairs was developed and consulted upon. Finalised Protocol Guidelines for senior traditional leadership in 3 provinces. Drafted a strategy for promotion of culture and heritage of traditional, interfaith, khoi and san communities. Developed a discussion paper on regulating the interfaith sector.

2.4 Performance Information by Programme

2.4.1 Programme 1: Administration

Purpose

The purpose of the Administration programme is to provide strategic leadership, effective administration, executive support, monitoring and evaluation of traditional Affairs performance, corporate and financial services.

Sub-Programmes

DEPARTMENT MANAGEMENT (OFFICE OF THE DIRECTOR-GENERAL)

Promotes effective strategic management and governance of the Department, corporate planning, integrated planning within traditional affairs, risk management, corporate secretariat, parliament and Cabinet support.

CORPORATE AND FINANCIAL SERVICES

Provide administrative, human resource management and development, information and communication technologies, legal services, records management and financial management support to line function programmes within the department. The sub-programme also plans and monitors departmental budget and expenditure, and manages the departments accounting assets and supply chain management systems and policies in relation to corporate services.

INTERNAL AUDIT

This is an independent and objective appraisal function which provides assurance to the DG and the department's senior management with regards to adequacy and efficiency of internal controls and governance systems of the department.

Strategic Objectives

- To strengthen the DTA capacity and capability through establishment and implementation of effective governance systems and the DTA Corporate Governance Framework by 2019.
- To facilitate effective monitoring and evaluation in the Traditional Affairs sector through development and implementation of Performance Monitoring, Evaluation and Information Management Policy by 2019.
- To improve and facilitate Traditional Affairs Planning processes and alignment of DTA, Traditional Affairs Entities and Provincial plans through implementation of DTA Planning and Reporting Guidelines and PMEIMP by 2019.
- To enhance public and media relations and promote public awareness of the DTA through the development and implementation of DTA Communication Strategy and Media Plan by 2019.

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

The Administration Programme had four strategic objectives during the year under review, the following section provides a brief description of significant achievements for the strategic objectives and performance indicators and how the achievements of targets under each strategic objectives have contributed towards achieving the Department's strategic outcome oriented goals.

- **Strategic objective: To strengthen the DTA capacity and capability through establishment and implementation of effective governance systems and the DTA Corporate Governance Framework by 2019**

Significant achievements towards achievement of this strategic objective in the year under review has been the establishment of fully functional corporate governance structures, to promote good governance of the Department and in compliance with the Public Finance Management Act. Among others, the Audit and Risk Management Committees were established.

- **Strategic objective: To improve and facilitate traditional affairs planning processes and alignment of DTA, Traditional Affairs Entities and provincial plans through implementation of DTA Planning and Reporting Guidelines by 2019**

Significant achievement towards achievement of this strategic objective is that the Department strengthened its coordination mechanisms, alignment of planning and performance reporting within the traditional affairs sector. In this regard, the operations of the Traditional Affairs Technical Governance Forum (TATGOF) as a Traditional Affairs sector intergovernmental relations structure were reviewed to ensure that the Forum effectively facilitates joint and alignment of traditional affairs sector planning as well as joint programme implementation and information sharing within the sector. Furthermore, the Department together with provinces identified, defined and developed proposed traditional affairs priorities and core indicators and has produced a draft traditional

affairs sector plan. These draft indicators will be finalised during the 2015/16 financial year. In 2015/16 the process will culminate into the development of the Traditional Affairs Sector Plan which will be monitored through the TATGOF.

- **Strategic objective: To facilitate effective monitoring and evaluation in the Traditional Affairs sector through development and implementation of Performance Monitoring, Evaluation and Information Management Policy (PMEIMP) by 2019**

Developed the Traditional Affairs Performance Monitoring, Evaluation and Performance Information Management Policy as well as the 2014-2019 Evaluation Plan.

- **Strategic objective: To enhance public and media relations and promote public awareness of DTA through the development and implementation of DTA Communication Strategy and Media Plan by 2019**

Developed and implemented the Traditional Affairs Communication Strategy in support of the Government Communication Plan.

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Programme: Administration						
Strategic objectives	Performance Indicators	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
To strengthen the DTA capacity and capability through establishment and implementation of effective governance systems and DTA Corporate Governance framework.	Asset Management Policy developed and implemented.	DTA Asset Management Policy developed and implemented.	DTA Assets Management policy developed and implemented.	Achieved DTA Asset Management Policy was developed and implemented.	None	None
	Invoice tracking system developed and implemented.	DTA Corporate Governance Framework (CGF).	Invoice tracking system developed and implemented	Achieved Invoice tracking system was developed and implemented.	None	None
	% of invoices paid within 30 days.	New project.	100% of invoices paid within 30 days.	Achieved 100% of invoices were paid within 30 days.	None	None
	Minimum financial performance indicators reports developed and submitted to NT on time.	DTA Corporate Governance Framework (CGF).	Minimum financial performance indicators reports developed and submitted to NT on time.	Achieved Minimum financial performance indicators reports (Financial Exception reports) were developed and submitted to NT on time.	None	None

Programme: Administration						
Strategic objectives	Performance Indicators	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
	DTA Processes and procedures for detecting, preventing and managing irregular, fruitless and unauthorised expenditure developed and implemented.	DTA Corporate Governance Framework (CGF).	DTA Processes and procedures for detecting, preventing and managing irregular, fruitless and unauthorised expenditure developed and implemented.	Achieved DTA Processes and procedures for detecting, preventing and managing irregular, fruitless and unauthorised expenditure was developed and implemented. Implementation reports were developed.	None	None
	DTA Catering policy developed and implemented.	DTA Corporate Governance Framework (CGF)	DTA Catering policy developed and implemented.	Achieved DTA Catering Policy Implementation report developed.	None	None
	DTA Subsistence and Travelling (S&T) Policy developed and implemented.	DTA Corporate Governance Framework (CGF).	DTA Subsistence and Travelling (S&T) Policy developed and implemented.	Achieved DTA Subsistence and Travelling policy was developed and implemented.	None	None

Programme: Administration						
Strategic objectives	Performance Indicators	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
	DTA Records Management policy developed and implemented.	DTA Corporate Governance Framework (CGF).	DTA Records Management policy developed and implemented.	Achieved DTA Records Management Policy was developed and implemented.	None	None
	Promotion of Access to Information Act (PAIA) Section 14 Manual developed and Implemented.	Draft PAIA Section 14 Manual developed.	Promotion of Access to Information Act (PAIA) Section 14 Manual developed and Implemented.	Achieved PAIA Section 14 Manual was developed and implemented.	None	None
	Promotion of Access to Information Act (PAIA) Section 14 Manual translated into 5 African official languages (Afrikaans, Sepedi, Tswana, Tsonga and Zulu) and braille.	Draft PAIA Section 14 Manual developed.	Promotion of Access to Information Act (PAIA) Section 14 Manual translated into 5 African official languages (Afrikaans, Sepedi, Tswana, Tsonga and Zulu) and braille.	Achieved Section 14 Manual was translated into 5 South African languages.	None	None

Programme: Administration						
Strategic objectives	Performance Indicators	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
	DTA PAIA Section 15 Notice Gazetted.	Draft DTA PAIA Manual Two Deputy Information Officers appointed.	DTA PAIA Section 15 Notice Gazetted.	Not achieved	Section 15 Notice was developed for gazetting but could not be gazetted.	The Department submitted an individual report (Section 15 Notice) for consideration. However, a decision was taken that there must be a consolidated report for COGTA and the consolidation process could not be finalised. The project will be carried over to 2015/16 FY.
	PAIA Section 32 report submitted to SAHRC by 30 June 2014.	Draft DTA PAIA Manual Two Deputy Information Officers appointed.	PAIA Section 32 report submitted to SAHRC by 30 June 2014.	Achieved	None	The DTA in collaboration with DCOG will consolidate the DTA and DCOG reports (Section 15 Notices) into a COGTA Section 15 Notice for gazetting by DoJCD.
	Report on PAIA compliance developed.	Draft DTA PAIA Manual.	Report on PAIA compliance developed.	Achieved	None	None

Programme: Administration

Strategic objectives	Performance Indicators	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
To improve and facilitate Traditional Affairs Planning processes and Alignment of DTA, Traditional Affairs Entities and Provincial plans through implementation of DTA Planning and Reporting Guidelines and PMEIMP by 2019.	DTA 2014-2019 Strategic Plan developed and tabled in Parliament.	DTA 2013-2016 Strategic Plan developed and tabled in Parliament by 30 March 2015.	DTA 2014-2019 Strategic Plan developed and tabled in Parliament.	Achieved DTA 2014-2019 Strategic Plan was developed and tabled in Parliament.	None	None
To improve and facilitate Traditional Affairs Planning processes and Alignment of DTA, Traditional Affairs Entities and Provincial plans through implementation of DTA Planning and Reporting Guidelines and PMEIMP by 2019.	DTA 2015/16 Annual Performance Plan (APP) developed.	DTA 2014-2015 Annual Performance Plan (APP) submitted to parliament DPME and National Treasury. DTA 2014/15 APP developed.	DTA 2015/16 Annual Performance Plan (APP) developed.	Achieved 2015/16 APP was approved and submitted to Parliament, DPME and National Treasury.	None	None
To facilitate effective monitoring and evaluation in the Traditional Affairs sector through development and implementation of Performance Monitoring, Evaluation and Information Management Policy (PMEIMP) by 2019.	2013/14 Annual Performance Information Report developed and submitted to Treasury, Parliament and DPME.	Annual report signed off by the Executive Authority and submitted to Treasury Parliament and DPME.	2013/14 Annual Performance Information Report developed and submitted to Treasury, Parliament and DPME.	Achieved 2013/14 Annual Performance Information Report was developed and submitted to Treasury, Parliament and DPME.	None	None

Programme: Administration						
Strategic objectives	Performance Indicators	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
To facilitate effective monitoring and evaluation in the Traditional Affairs sector through development and implementation of Performance Monitoring, Evaluation and Information Management Policy (PMEIMP) by 2019.	Performance Monitoring, Evaluation and Information Management Policy (PMEIMP) approved.	Approved Performance Monitoring, evaluation framework work.	Performance Monitoring, evaluation and information management policy (PMEIMP) approved.	Achieved Performance Monitoring, Evaluation and Information Management Policy (PMEIMP) was approved.	None	None
To facilitate effective monitoring and evaluation in the Traditional Affairs sector through development and implementation of Performance Monitoring, Evaluation and Information Management Policy (PMEIMP) by 2019.	DTA 2014-2019 Evaluation Plan approved.	Approved performance monitoring, Evaluation framework work.	DTA 2014-2019 Evaluation Plan approved.	Achieved DTA 2014-2019 Evaluation Plan was approved.	None	None

Programme: Administration						
Strategic objectives	Performance Indicators	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
To facilitate effective monitoring and evaluation in the Traditional Affairs sector through development and implementation of Performance Monitoring, Evaluation and Information Management Policy (PMEIMP) by 2019.	DTA 2014/15 MPAT Action Plan developed and monitored.	Corporate Governance Framework implemented.	DTA 2014/15 MPAT Action Plan developed and monitored.	Achieved 2014/15 MPAT Action Plan was developed and monitored.	None	None
To enhance public and media relations and promote public awareness of DTA through the development and implementation of DTA Communication Strategy and Media Plan by 2019.	DTA Communication Strategy developed and implemented.	New project.	DTA Communication Strategy developed and implemented.	Achieved DTA Communication Strategy was developed and implemented.	None	None

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

The Department planned to gazette PAIA Section 15 Notice during the first quarter of 2015/16. The target will be monitored through the Planning and Performance Review Committee of the Department.

CHANGES TO PLANNED TARGETS

There were no changes to planned targets in this programme during the year under review.

LINKING PERFORMANCE WITH BUDGETS

The Administration Programme had 20 annual targets at the beginning of the financial year, however, it achieved 19 targets which translate to 95% achievement.

The adjusted budget for the Programme is inclusive of the newly established Deputy Minister's office. The total adjusted budget for the Programme is R25,7 million and the total spending at the end of the financial year amounted to R22,2 million which translate to 86% spending against the budget. The Programme did not achieve on the translation of PAIA manual, however, this target did not require budget. The underspending is attributed largely to the late receipt of inter-departmental claims.

SUB-PROGRAMME EXPENDITURE

Sub- Programme Name	2014/15			2013/14		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of Employees	12 456	14 197	(1 741)	-	-	-
Goods and Services	8 741	7 813	928	-	-	-
Payment for Capital Assets	150	66	84	-	-	-
Payment for Financial Assets	197	197	-	-	-	-
Total	21 544	22 273	(729)	-	-	-

2.4.2 Programme 2: Research, Policy and Legislation

Purpose

- Provide research, establish and maintain traditional affairs information systems;
- Develop, review, coordinate and monitor implementation of national traditional affairs policies, norms and standards by provincial government, and supports traditional affairs entities to restore the integrity and dignity of traditional leadership;
- Provide and manage anthropological research and information; and
- Provide national frameworks and strategies for coordination of social cohesion within the sector, interfaith, Khoi and San Affairs and for the promotion of culture and heritage of Khoi, San and traditional communities.

Sub-Programmes

POLICY AND LEGISLATION:

To develop, review and monitor implementation of Traditional Affairs policies, legislation, framework, norms and standards. The sub-programme also ensures alignment of provincial traditional affairs legislation and policies with National policies and legislation.

RESEARCH AND INFORMATION MANAGEMENT:

To provide anthropological research for the department and traditional affairs entities, research support for entities, develop and maintain traditional affairs information management systems.

SOCIAL COHESION, CULTURE AND HERITAGE:

Provide and implement national frameworks and strategies for coordination of social cohesion within the sector, interfaith, Khoi and San Affairs and for the promotion of culture and heritage of Khoi, San and traditional communities.

Strategic Objectives

- To enhance Information management within traditional affairs through research, development and maintenance of a traditional affairs information central repository by 2019;
- To promote participation of traditional leadership in local government through implementation of the Interim Framework for Participation of Traditional Leadership in Municipal Councils by 2019;
- To support the reconstitution of traditional councils through monitoring the implementation and review of legislation by 2019;
- To support traditional affairs institutions and promote good governance and transformation through development, review and monitoring implementation of traditional affairs policies and legislation by 2019;
- To facilitate interfaith collaboration for social cohesion and nation building through the development and implementation of interfaith programme and policies by 2019; and
- To promote traditional, Khoi and san culture and heritage through the development and implementation of a strategy for promotion of culture and heritage within traditional affairs in collaboration with relevant stakeholders by 2019.

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

The Programme had six strategic objectives during the year under review, the following section provides a brief description of significant achievements for the strategic objectives and performance indicators and how the achievements of targets under each strategic objectives have contributed towards achieving the Department's strategic outcome oriented goals.

- **Strategic objective: To enhance Information management within traditional affairs through research, development**

and maintenance of a traditional affairs information central repository by 2019

Proclamations were gathered in five provinces and documents compiled for each of the provinces. Furthermore, the five provinces verified the proclamations including the proclamations gazettes for each recognized traditional council in the five provinces.

- **Strategic objective: To promote participation of traditional leadership in local government through implementation of the Interim Framework for Participation of Traditional Leadership in Municipal Councils by 2019**

A significant achievement towards achieving this strategic objective is the development of Draft Regulations for the Participation of Traditional Leaders in Municipal Councils.

- **Strategic objective: To support the reconstitution of traditional councils through monitoring the implementation and review of legislation by 2019**

Significant achievement towards achieving this strategic objective in the year under review is that consultations were completed with five (5) of the eleven (11) recognised kingships/queenships on the formula for the determination of the number of members of kingships councils.

- **Strategic objective: To support traditional affairs institutions and promote good governance and transformation through development, review and monitoring implementation of traditional affairs policies and legislation by 2019**

Initiation has been a challenge in the sector in the past years, and therefore a major achievement towards achieving this strategic objective is that the Department was able to finalise consultations with all relevant stakeholders on the Initiation Framework. Furthermore, the Framework was refined,



and a National Initiation Policy resulting from the framework was developed making way for the gazetting of the policy for public comments in the 2015/16 financial year.

- **Strategic objective: To facilitate interfaith collaboration for social cohesion and nation building through the development and implementation of interfaith programme and policies by 2019**

Towards achieving this strategic objective, a Discussion Document on Interfaith Sector within the scope of traditional affairs was developed during the year under review.

- **Strategic objective: To promote traditional, Khoi and san culture and heritage through the development and implementation of a strategy for promotion of culture and heritage within traditional affairs in collaboration with relevant stakeholders by 2019.**

A significant achievement towards achieving this strategic objective is the development and consultations on the Draft Strategy for Promotion of Culture and Heritage of Traditional and Interfaith Communities.

Furthermore, the Department in contributing to government outcome 14, to which this strategic objective contributes, it has finalised Protocol Guidelines for senior traditional leadership in 3 provinces and has finalised for all the kingships towards building social cohesion within traditional communities.

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Research, Policy and Legislation						
Strategic objectives	Performance indicators	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
To support traditional affairs institutions and promote good governance and transformation through development, review and monitoring implementation of traditional affairs policies and legislation by 2019.	Initiation Framework refined.	All inclusive initiation policy developed.	Initiation Framework refined.	Achieved Initiation Framework was refined. <ul style="list-style-type: none"> • Consultations were conducted with relevant government departments, houses of traditional leaders and non-governmental stakeholders. • A consolidated consultation report has been drafted. • Draft policy was tabled at FOSAD on 4 December 2014. • Draft policy was refined following the consideration thereof at FOSAD and the CoGTA Policy Forum. 	None	None

Research, Policy and Legislation						
Strategic objectives	Performance indicators	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
To promote participation of traditional leadership in local government through implementation of the Interim Framework for Participation of Traditional Leadership in Municipal Councils by 2019.	Reports on implementation of the Framework for participation of traditional leaders in municipal councils in 8 provinces developed.	Interim Framework for the participation of traditional leaders in municipal councils developed.	Consolidated report on implementation of the Framework for the participation of traditional leaders in municipal councils in 8 provinces developed.	Not achieved The Framework was developed but not approved by MINMEC.	Framework was not approved by MINMEC, and therefore, it was never implemented, hence the department could not develop reports on implementation of the Framework work.	Framework was considered by MinMec but not approved; and was subsequently converted into draft national regulations for participation of traditional leaders in municipal councils. The draft regulations were referred to State Law Advisers and refined based on their comments. The Regulations will be carried over to 2015/16 FY.
To support the reconstruction and establishment of traditional leadership structures through monitoring the implementation and review of legislation by 2019.	6 Kingships/queen-ships consulted on the formula for the determination of the number of members of kingships councils.	Formula for the determination of the number of members of kingship councils approved.	6 Kingships/queen-ships consulted on the formula for the determination of the number of members of kingships councils.	Not achieved 5 kingships were consulted on the formula.	Out of the 5 kingships that were to be consulted, 1 was not consulted.	1 Kingship was not consulted because provinces could not secure a meeting with the kingship. The project will be carried over to 2015/16.

Research, Policy and Legislation						
Strategic objectives	Performance indicators	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
To enhance information management within traditional affairs through research and the development of traditional affairs information central repository.	Information on proclamations establishing jurisdictional areas of traditional councils gathered in 5 provinces.	New project.	Information on proclamations establishing jurisdictional areas of traditional councils gathered in 5 provinces.	Achieved Proclamations were gathered and documents compiled for each of the 5 provinces. Proclamations were verified by provinces to be inclusive of all proclamations gazetted for each recognized traditional council.	None	None
	Number of genealogies and customary laws of succession for kingships updated and developed.	Customary law of succession and kingships updated and developed.	4 genealogies and customary laws of succession for kingships updated and developed.	Achieved 4 genealogies and customary laws of succession for kingships were updated and developed.	None	None
	5 districts in 2 provinces capacitated through workshops on protocol guidelines for Kingship/queenships and report developed.	Stakeholders consultation report on draft protocol guidelines for kingships and queenships developed.	5 districts in 2 provinces capacitated through workshops on protocol guidelines for Kingships/queenships and report developed.	Achieved 5 districts in 2 provinces were capacitated through workshops on protocol guidelines for Kingship/queenships and report developed.	None	None

Research, Policy and Legislation						
Strategic objectives	Performance indicators	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
To enhance information management within traditional affairs through research and development of a traditional affairs information central repository.	Protocol guidelines for senior traditional leaders in 3 provinces developed.	Protocol guidelines for senior traditional leaders in 2 provinces developed.	Protocol guidelines for senior traditional leaders in 3 provinces developed.	Achieved Protocol guidelines for senior traditional leaders in 3 provinces were developed.	None	None
To facilitate interfaith collaboration for social cohesion and nation building through the development and implementation of interfaith program.me and policies by 2019	Discussion document on interfaith sector within traditional affairs developed and consulted upon.	National interfaith Council of South Africa launched.	Discussion document on interfaith sector within traditional affairs developed and consulted upon.	Achieved Discussion document on interfaith sector within traditional affairs was developed and consulted upon.	None	None
To promote traditional, Khoi and San culture and Heritage through the development and implementation of a strategy for promotion of culture and heritage within traditional affairs in collaboration with relevant stakeholders by 2019.	Draft strategy for promotion of culture and heritage within traditional affairs developed.	New project.	Draft strategy for promotion of culture and heritage within traditional affairs developed.	Achieved Draft strategy for promotion of culture and heritage within traditional affairs was developed.	None	None

Research, Policy and Legislation						
Strategic objectives	Performance indicators	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
To support traditional affairs institutions and promote good governance and trans-formation through development, review and monitoring implementation of traditional affairs policies and legislation by 2019.	South African Position Paper on indigenous peoples and first nation status developed.	New project.	South African Position Paper on indigenous peoples and first nation status developed.	Achieved South African Position Paper on indigenous peoples and first nation status was developed.	None	None



STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

The Framework for the participation of traditional leaders in municipal councils has been converted into Regulations and they will be carried over to 2015/16 FY. The Department had planned to finalise the Regulations in the fourth quarter of 2015/16.

1 Kingship that was not consulted will be consulted during the second quarter of 2015/16 FY.

CHANGES TO PLANNED TARGETS

There were no changes to planned targets in the year under review.

LINKING PERFORMANCE WITH BUDGETS

The Research, Policy and Legislation Programme had 10 targets of which 8 were achieved which translate to 80% achievement.

The total adjusted budget for the Programme is R14,3 million and the total spent at financial year end amounted to R14,2 million which translate to 99% spending against the budget. Given the fact that the Programme achieved 8 of the 10 (80%) targets, there is no significant variance between expenditure and performance.

SUB-PROGRAMME EXPENDITURE

Sub- Programme Name	2014/15			2013/14		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of Employees	11 884	12 113	(229)	-	-	-
Goods and Services	1 989	2 116	(127)	-	-	-
Total	13 873	14 229	(356)	-	-	-

2.4.3 Programme 3: Institutional Support and Coordination

Purpose

To provide comprehensive support to the institution of traditional leadership and Khoi and San leadership structures; and coordination of traditional affairs across the three spheres of government and promote the role and place of the institution of traditional leadership in the South African governance system.

The programme is also responsible for the management of DTA Entities, namely NHTL, CTLDC and CRL Rights Commission. This involves ensuring that the entities stay within budget, deliver on their legislated mandates and are administratively accountable.

Sub programmes

INSTITUTIONAL DEVELOPMENT AND CAPACITY BUILDING

To develop and coordinate implementation of capacity building programmes for traditional affairs, and ensure that traditional communities are empowered.

INTERGOVERNMENTAL RELATIONS AND PARTNERSHIPS

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

NATIONAL HOUSE OF TRADITIONAL LEADERS

To enhance cooperation between government and the institution of traditional leadership, advise government



on programmes, policies and legislation that impact on traditional communities; establish collaborative relations for the advancement of service delivery and socio-economic development in traditional communities; promote the preservation of African heritage, traditions and customs and peace, nation building and social cohesion within traditional communities; preserve moral fibre and regeneration within society.

COMMISSION ON TRADITIONAL LEADERSHIP DISPUTES AND CLAIMS

To investigate, process and make recommendations to government on traditional leadership disputes and claims.

Strategic objectives of Institutional Support and Coordination Programme (Inclusive of NHTL and CTLDC)

- To empower the Houses of Traditional Leaders and TCs to perform their roles and functions through the development and implementation of the national capacity building programme by 2019;

- To coordinate traditional affairs across government, private sector and civil society through establishment of IGR institutional mechanisms by 2019;
- To facilitate partnerships with relevant stakeholders to enhance traditional affairs programmes and local economic development within traditional, Khoi and San communities through implementation of the partnership framework by 2019;
- To enhance sustainable infrastructure development and maintenance for traditional affairs institutions to promote service delivery within traditional communities through the implementation of the Capacity Building Plan by 2019;
- To promote and preserve African and indigenous knowledge systems, cultures, custom and heritage of traditional communities as part of nation building;
- To promote cooperation between houses of traditional leaders and entire traditional leadership institution in order to achieve their mandate;
- To advise government on policy and legislative development affecting traditional leaders and communities, custom, heritage, and tradition;
- To promote nation building, social cohesion, heritage and social well-being of traditional communities;
- To promote and support government on socio-economic development interventions within traditional communities; and
- To process and finalise all traditional leadership claims and disputes lodged with the commission by 31 Dec 2015.

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

- **Strategic objective: To empower the Houses of Traditional Leaders and TCs to perform their roles and functions through the development and implementation of the national capacity building programme by 2019**

Significant achievements in this strategic objective during the year under review are the review of the National Traditional Leadership Capacity Building

Plan and development of Minimum norms and standards for provision of physical resources for Traditional Councils.

- **Strategic objective: To coordinate traditional affairs across government, private sector and civil society through establishment of IGR institutional mechanisms by 2019**

A major achievement in this strategic objective and to strengthen coordination of the sector has been the review of the functioning and operations of the Traditional Affairs Technical Governance Forum (TATGOF) as a traditional affairs intergovernmental relations structure to specifically ensure that the key function of the structure is joint and alignment of traditional affairs planning, joint programme implementation as well as information sharing within the sector.

- **Strategic objective: To facilitate partnerships with relevant stakeholders to enhance traditional affairs programmes and local economic development within traditional, Khoi and San communities through implementation of the partnership framework by 2019**

Collaborative partnerships were established with economic sector Departments for economic development purposes of traditional communities. The partnerships were established with the Department of Trade and Industry; Rural Development and Land Reform; Tourism; Agriculture, Forestry and Fisheries; and Sports and Recreation. Since the year under review is the first year of the MTSF, the results of the partnerships will start being visible in from 2015/16 FY.

- **Strategic objective: To enhance sustainable infrastructure development and maintenance for traditional affairs institutions to promote service delivery within traditional communities through**

the implementation of the Capacity Building Plan by 2019

During the year under review, a major achievement towards achieving this strategic objective is that 21 Traditional Councils were renovated in order to enable the institution of traditional leadership to perform its developmental role.

- **Strategic objective: To promote and preserve African and indigenous knowledge systems, cultures, custom and heritage of traditional communities as part of nation building**

One of the significant achievements towards the achievement of this strategic objective, is the reduction of initiation fatalities in the Eastern Cape, due to the implementation and extensive monitoring of the Initiation Intervention Plan which was driven by the NHTL.

Furthermore, towards achievement of this strategic objective, during the year under review, the Department held a youth debate using Indigenous languages as part of promoting indigenous heritage and tradition.

- **Strategic objective: To promote cooperation between houses of traditional leaders and entire traditional leadership institution in order to achieve their mandate**

Towards the achievement of this strategic objective, six (6) kingships were consulted on the NHTL Programme for their endorsement and inputs. Furthermore, to strengthen cooperation between the NHTL and Provincial Houses, the National House Chairpersons Forum and its committees were convened and they are fully functional.

- **Strategic objective: To advise government on policy and legislative development affecting traditional leaders and communities, custom, heritage, and tradition**

Towards achieving this strategic objective, the NHTL provided inputs into policies and legislation affecting traditional leaders and communities during the year under review and an annual report in this regard was developed.

- **Strategic objective: To promote nation building, social cohesion, heritage and social well-being of traditional communities**

NHTL Plan and programme on addressing HIV and Aids challenges within traditional communities developed and implemented.

- **Strategic objective: To promote and support government on socio- economic development interventions within traditional communities by 2019**

- **Strategic objective: To process and finalise all traditional leadership claims and disputes lodged with the commission by 31 Dec 2015**

Significant achievement towards achievement of this strategic objective was the finalisation of 844 of 1244 traditional leadership disputes and claims, including kingship claims which if not finalised they lead to instability and conflicts within traditional communities.

STRATEGIC OBJECTIVES, PERFORMANCE INDICATORS, PLANNED TARGETS AND ACTUAL ACHIEVEMENTS

Programme: Institutional Support and coordination						
Strategic objectives	Performance indicators	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
To empower the Houses of Traditional Leaders and TCs to perform their roles and functions through the development and implementation of the national capacity building programme by 2019.	National Traditional Leadership Capacity Building Plan reviewed.	Annual report on Capacity Building implementation plan.	National Traditional Leadership Capacity Building Plan reviewed.	Achieved National Traditional Leadership Capacity Building Plan was reviewed.	None	None
To empower the Houses of Traditional Leaders and TCs to perform their roles and functions through the development and implementation of the national capacity building programme by 2019.	Report on implementation of Capacity Building interventions in 8 Provinces and the DTA developed.	Annual report on Capacity Building implementation plan.	Report on implementation of Capacity Building interventions in 8 Provinces and the DTA developed.	Achieved A report on the implementation of Capacity Building interventions in 8 Provinces and the DTA was developed and approved.	None	None

Programme: Institutional Support and coordination						
Strategic objectives	Performance indicators	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
To empower the Houses of Traditional Leaders and TCs to perform their roles and functions through the development and implementation of the national capacity building programme by 2019.	Number of Houses of Traditional Leaders capacitated through information sharing sessions on Traditional Leadership Outreach Programme.	Traditional leadership outreach development programme implemented in 7 Houses of Traditional Leaders.	8 Provincial Houses of Traditional Leaders capacitated through information sharing sessions on Traditional Leadership Outreach Programme.	Not achieved All 8 Provincial Houses of Traditional Leaders were not capacitated, but the programme was developed.	All 8 Provincial Houses of Traditional Leaders were not capacitated.	Due to cost containment measures, instead of having sessions with individual Houses, the sessions will be undertaken with all Houses at the same time in one venue in 2015/16, and the Chairpersons Forum will be used in this regard. The project will be carried over and implemented as part of the Ministry's outreach programme in FY 2015/16.
To enhance sustainable infrastructure development and maintenance for traditional affairs institutions to promote service delivery within traditional communities through the implementation of the Capacity Building Plan by 2019.	Minimum Norms and standards for physical resources for Traditional Councils developed.	Traditional Councils profiling Report of 78 TCs.	Minimum norms and standards for physical resources for Traditional Councils developed.	Achieved Minimum Norms and standards for provision of physical resources for Traditional Councils were developed.	None	None

Programme: Institutional Support and coordination						
Strategic objectives	Performance indicators	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
To facilitate partnerships with relevant stakeholders to enhance traditional affairs programmes and local economic development within traditional, Khoi and San communities through implementation of the partnership framework by 2019.	Report on implementation of 5 existing active partnerships developed.	Partnership Implementation Guidelines developed.	Report on implementation of 5 existing active partnerships developed.	Achieved Annual report was developed on 6 identified partnership agreements was developed.	None	None

Programme: Institutional Support and coordination						
Strategic objectives	Performance indicators	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
To facilitate partnerships with relevant stakeholders to enhance traditional affairs programmes and local economic development within traditional, Khoi and San communities through implementation of the partnership framework by 2019.	Report on support to programmes that enhance economic development in traditional communities developed.	Partnership implementation guide developed.	Report developed on support to programmes that enhance economic development in traditional communities.	Achieved Annual report was developed on support to programmes that enhance economic development in traditional communities. The report is the consolidation of the quarterly reports which covered the engagement with the following Sector Departments: <ul style="list-style-type: none"> • Department of Trade and Industry; • Department of Rural Development and Land Reform; • Department of Tourism; • Department of Agriculture, Forestry and Fisheries; and • Department of Sports and Recreation South Africa 	None	None

Programme: Institutional Support and coordination						
Strategic objectives	Performance indicators	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
To coordinate traditional affairs across government, private sector and civil society through provision of support to provincial traditional affairs departments, development, review and monitoring implementation of the traditional affairs strategy by 2019.	Annual report on coordination of the implementation of the Traditional Affairs Strategy developed.	2012/13 Annual Report on the implementation of the Empowerment programmes.	2014/15 Annual report on coordination of the implementation of the Traditional Affairs Strategy developed.	Achieved Annual report on coordination of the implementation of the Traditional Affairs Strategy was developed.	None	None
	Annual report on participation of NHTL, PHTLs and LHTLs in government programmes and governance structures developed.	New project.	Annual report on participation of NHTL, PHTLs and LHTLs in government programmes and governance structures developed.	Achieved Annual report on participation of NHTL, PHTLs and LHTLs in government programmes and governance structures was developed.	None	None

Sub-Programme/Entity : National House of Traditional Leaders						
Strategic objectives	Performance indicators	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
To promote and preserve, culture, customs and heritage of traditional communities as part of nation building.	Report on Youth Debate using Indigenous languages as part of indigenous heritage and tradition developed.	New project.	Report on Youth Debate using Indigenous languages as part of indigenous heritage and tradition developed.	Achieved Report on Youth Debate using Indigenous languages as part of indigenous heritage and tradition was developed.	None	None
To promote cooperation between houses of traditional leaders and entire traditional leadership institution in order to achieve their mandates.	Number of kingships/queenships consulted on the NHTL Programme as required by NHTL Act with an agenda compliant with NHTL Act requirements.	Report on NHTL consultations with Kings.	6 kingships/queenships consulted on the NHTL Programme as required by NHTL Act with an agenda compliant with NHTL Act requirements.	Achieved 6 kingships/queenships were consulted on the NHTL Programme as required by NHTL Act with an agenda compliant with NHTL Act requirements.	None	None
To promote cooperation between houses of traditional leaders and entire traditional leadership institution in order to achieve their mandates.	Number of NHTL consultations with provincial houses of traditional leaders as required by NHTL Act with an agenda that is compliant with NHTL Act.	Report on NHTL consultations with provincial houses of traditional leaders developed.	4 NHTL consultations on the Programme of NHTL held with provincial houses with an agenda that is compliant with NHTL Act.	Achieved 4 NHTL consultations on the Programme of NHTL were held with provincial houses with an agenda that is compliant with NHTL Act.	None	None

Sub-Programme/Entity : National House of Traditional Leaders						
Strategic objectives	Performance indicators	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
To advise government on policy and legislation affecting traditional leaders and communities, customs, heritage and tradition.	Annual Report on inputs made by NHTL to government policies and legislation affecting traditional leaders and communities developed.	New project.	Annual Report on inputs made by NHTL to government policies and legislation affecting traditional leaders and communities developed.	Achieved Annual Report on inputs made by NHTL to government policies and legislation affecting traditional leaders and communities was developed.	None	None
To participate in programmes related to social well-being of traditional communities.	NHTL Plan on HIV and Aids challenges within traditional communities developed and implemented.	New project.	NHTL Plan on addressing HIV and Aids challenges within traditional communities developed and implemented.	Achieved NHTL Plan on addressing HIV and Aids challenges within traditional communities was developed and implemented.	None	None
To participate in programmes related to social well-being of traditional communities.	Report on traditional leaders participation in land development programs developed.	New project.	Report on traditional leaders participation in land development programs developed.	Achieved Report on traditional leaders participation in land development programs was developed.	None	None
To participate in programmes related to social well-being of traditional communities.	Progress report on revamping of Traditional and Queenships/Kingships Councils' offices developed.	78 traditional councils profiled.	Progress report on revamping of traditional and queenship/ kingship councils' office developed.	Achieved 21 Traditional Council Offices were revamped.	None	None

Sub-Programme/Entity : National House of Traditional Leaders						
Strategic objectives	Performance indicators	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
To promote and preserve, culture, customs and heritage of traditional communities as part of nation building.	Monitoring report on the practice of initiation developed.	Initiation Indaba coordinated. Ten-Points Initiation Intervention Plan Developed.	Monitoring report on the practice of initiation developed.	Achieved Monitoring report on the practice of initiation was developed.	None	None

Sub-Programme/Entity : Commission on traditional Leadership disputes and claims						
Strategic objectives	Performance indicators	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement 2014/2015	Deviation from planned target to Actual Achievement for 2014/2015	Comment on deviations
To process and finalise all traditional leadership claims and disputes lodged with the commission by 31 Dec 2015.	Number of claims and dispute re-searched.	139 cases re-searched and finalised.	320 traditional leadership claims and dispute cases researched.	Achieved 320 traditional leadership claims and dispute cases were researched and a report was developed.	None	None



STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

The project on 8 Provincial Houses of Traditional Leaders capacitated which was not achieved during the year under review will be carried over to the 2015/16 FY. It will be implemented as part of the Ministry's outreach programme and through the NHTL Chairperson's Forum.

CHANGES TO PLANNED TARGETS

There were no changes to planned targets in the year under review.

LINKING PERFORMANCE WITH BUDGETS

The total adjusted budget for the Programme is R75,6 million and the total spent at financial year end amounted to R75,2 million which translate to 99% spending against the budget. Given the fact that the Programme achieved 16 of the 17 (94%) targets, there is no significant variance between expenditure and performance.

SUB-PROGRAMME EXPENDITURE

Sub- Programme Name	2014/15			2013/14		
	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Compensation of Employees	23 779	23 935	(156)	-	-	-
Goods and Services	21 495	16 342	5 153	-	-	-
Transfer Payments	34 973	34 973	-	-	-	-
Payment for Capital Assets	200	-	200	-	-	-
Total	80 447	75 250	5 197	-	-	-

2.5 Transfer Payments

2.5.1 Transfer payments to public entities

The Commission for the Promotion and Protection of the Rights of the Cultural Religious and Linguistic Communities is a Schedule 1 Public Entity in terms of the PFMA. It is established in terms of Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities Act no. 19 of 2002. The Commission's main objective is to facilitate nation building through the protection and promotion of the rights of cultural, religious and linguistic communities. It receives its funding through the De-

partment as a transfer. Transfer and Subsidies refers to all unrequited payments made by the Department. It is unrequited provided that the Department does not receive anything directly in return for the transfer. The Department requests written confirmation from the Commission confirming that internal controls and procedures are in place before any funds are transferred in compliance with Section 38(1)(j) of the PFMA. The total transfer to the Commission for 2014/15 financial year amount to R34,973 million.

Name of Public Entity	Services rendered by the public entity	Amount transferred to the public entity R'000	Amount spent by the public entity R'000	Achievements of the public entity
CRL Rights Commission	Promoting and protecting the rights of cultural, religious and linguistic communities	34 973	34 973	It will be included in the annual report of the CRL Rights Commission as a chapter 9 institution

2.5.2 Transfer payments to all organisations other than public entities

None

2.6 Conditional Grants

The Department does not administer any conditional grants.

2.7 Donor Funds

The Department did not receive any donor funding during the period under review.

2.8 Capital Investment

The Department did not invest in any capital projects in the year under review.



Chapter
Part C: Governance

3

3.1 Introduction

The Department is committed to ensure good governance within the organisation. In this regard, the Department has established fully functional governance structures. Performance on annual and strategic objectives was monitored quarterly through the Planning and Performance Review Committee (PPRC) and interventions on areas of under-performance were implemented to ensure achievement of the Department's objectives. The Accounting Officer maintained an effective, efficient and transparent system of financial and risk management and internal control as required by section 38(1)(a)(i) of the PFMA.

3.2 Risk Management

The Department has a risk management policy and strategy in place which have been approved by the Accounting Officer and are reviewed on a regular basis. As required by the departmental risk management strategy, annual risk assessments were conducted both at strategic and operational levels. These assessments were conducted in accordance with the strategic objectives of the department and mitigation measures were developed. The department established a risk management committee, which convenes quarterly to review and monitor the effectiveness of risk management systems.

Risks have been minimised to an acceptable level and progress has been reported to management and the audit committee. During the 2014/15 financial year, a significant improvement was noted in the management of risks and this has translated into improvements in the department's performance.

3.3 Fraud and Corruption

The Department implemented adequate and effective policies and procedures to prevent, detect and address acts of corruption. An assessment of fraud and corruption risks was conducted and high risk areas were included in the risk portfolio of the department and monitored quarterly. There were regular information sharing on prevention, detection and reporting of fraud or corruption within the Department.

The department also implemented an Anti-Corruption and Whistleblowing policy including the reporting procedure, which has been communicated to all employees. Fraud reporting boxes are placed on all floors within the building of the department and the hotline is available for reporting instances of possible fraud or corruption. One case of alleged corruption was investigated and finalised during the reporting period.

3.4 Minimising Conflict of Interest

Annually, the department releases a circular to all SMS members stipulating what the registerable interests that must be disclosed to minimise conflict of interest. Ethics officers have also been appointed to verify the completeness of the financial disclosures. Furthermore, e-Disclosure system is currently being implemented.

In the year under review, no instances of possible conflict of interest by SMS members or unethical behaviour by non SMS members were reported.

3.5 Code of Conduct

Compliance with Public Service Act and Public Service Code of Conduct is paramount to all employees of the Department and it enforces adherence with good conduct at all times. Furthermore, the Code of Conduct for the Public Service and collective agreement (PSCBC Resolution 1 of 2003) are important prescripts in the Department insofar as discipline is concerned. It is endorsed by the PSCBC Resolution 1 of 2003 in that, Annexure A of the resolution contains numerous acts of misconduct which the Department complies with; and it prescribes that any employee will be guilty of misconduct if he or she “contravenes any prescribed code of conduct in the Public Service”.

3.6 Health Safety and Environmental Issues

The Occupational Health and Safety Programme, and its activities within **CoGTA**, are guided by Workplace Health and Safety legislation in RSA, namely the Occupational Health and Safety Act (OHS) and the DPSA Framework on Employee Health and Wellness matters and other regulations. The OHS programme within **CoGTA** is aimed at creating a healthy, hazard free working environment for all its employees, visitors and members of the public.

The following Workplace Health and Safety activities were undertaken within **CoGTA** to ensure safe systems of work, safe premises and a safe work environment:

- The OHS Committee has been appointed in line with the Occupational Health and Safety Act;
- OHS Representatives were trained to identify hazards and investigate incidents in the workplace;
- First Aiders were trained and appointed to render first aid during emergencies and minor injuries within the Department;
- Fire fighters were trained and appointed to deal with fire incidents in the Department;
- Evacuation/Emergency policy was developed and approved;
- Reports of injuries or occupational diseases are investigated periodically and reported as and when they occur.

3.7 Portfolio Committees

Most of the issues that were raised by the Portfolio Committee pertaining to Traditional Affairs were responded clarity seeking questions which were dealt with during the meetings and did not require any further action from the Department.

The following table presents matters raised by the Portfolio Committee and how the Department addressed those issues.

Dates	Matters raised by the Portfolio Committee	How the issues were addressed
10 July 2014	There should be closer cooperation between the Departments of Traditional Affairs and Health with regard to the problem of medical male circumcision. Measures should be put in place to ensure zero fatalities. Government, the institution of traditional leadership, and communities should work collaboratively in this regard.	The Minister of Health and the Deputy Minister of COGTA launched 2014/15 winter initiation season. The Department of Traditional Affairs, NHTL, Department of Health, Department of Social Development and SAPS collaborated together with the Department has developed and implemented the National Initiation Intervention Plan which is led by the NHTL.

Dates	Matters raised by the Portfolio Committee	How the issues were addressed
17 July 2014 and 22 July 2014	Based on the engagements between the Portfolio Committee on Cooperative Governance and Traditional Affairs and Ministry of Cooperative Governance and Traditional Affairs on 08 July 2014, the Committee accepted the 2014/15 Budget and Annual Performance Plan of the Department of the Cooperative Governance and Traditional Affairs.	No further action was required.
21 Sept 2014	The Portfolio Committee while impressed with the achievements of the Department of Traditional Affairs during the year under review, the Committee felt that these tended to be high level achievements whose impact did not seem to cascade down to traditional communities.	The Department's 2014/15 APP are more outcome focused to ensure that they result in impacting rural communities.
4 Nov 2014 and 24 Feb 2015	COGTA should ensure that traditional leadership and municipalities work together to ensure synergy and cooperation for improved service delivery and development.	The Department developed Draft Regulations to strengthen participation of traditional leaders in municipalities.
03 March 2015	Issues of Traditional Affairs are not given enough time by the committee and in future the committee will dedicate more time to deal with traditional affairs.	No further action was required.

3.8 SCOPA Resolutions

The department did not appear before SCOPA during the year under review.

3.9 Prior Modifications To Audit Reports

There were no previous modifications to the audit reports for the period prior to the year under review. With effect from 1 April 2014, DTA was required by National Treasury to submit its first annual report as required by the PFMA.

3.10 Internal Control Unit

The current organisational structure of the department does not cater for an internal control unit. The function of internal control is performed amongst various sub-programmes.

3.11 Internal Audit and Audit Committees

The Internal Audit unit supported the Accounting Officer to ensure that the department maintained an effective, efficient and transparent system of financial and risk management and internal control as required by section 38 of the PFMA. This was done through the provision of assurance (audits) and advisory (participation in governance structures) services.

The Internal Audit unit conducted the following audits in line with its approved audit plan:

- Quarterly review of performance information against the approved APP;
- Validation of management performance in line with the MPAT standards;
- Follow-up audit on Commission of Traditional Leaders Disputes and Claims;
- Follow-up audit on performance information;
- Ad-hoc audit on the safeguarding of financial records; and
- Review of travel and subsistence expenditure.

Internal audit also assisted the Department to compile its risk portfolio and monitor progress of risk mitigation measures. Furthermore, Internal Audit reported quarterly to the audit committee on its performance against the approved audit plan.

The primary purpose of the Audit Committee is to play an oversight role in assisting the Department to maintain an effective, efficient and transparent system of financial, risk management, governance, and internal control. The Audit Committee is also expected to obtain reasonable assurance from management that the Department is carrying out its responsibilities relating to:

- Financial management and other reporting practices;
- Internal controls and management of risks;
- Compliance with laws, regulations and ethics;
- Safeguarding of assets ; and
- Information Technology management and risks surrounding it.

Furthermore, the Audit Committee has the responsibility to ensure that the independence of the Internal Audit Unit is enhanced and they are functioning effectively through reviewing the scope, performance and results of audits undertaken. In addition, the Audit Committee is expected to review the plan and results of the work performed by the Auditor General to ensure that it covers critical risk areas, and that unsolved accounting and auditing problems are resolved.

The Audit Committee met four times during the reported financial period as required by their approved charter. The table below discloses relevant information on the committee members:

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
Mr AF Sinthumule	DIP: FINANCE AND ACCOUNTING BCOM ACCOUNTING MBA(with special project on PFMA)	External	n/a	1 Nov 2013	n/a	4

Name	Qualifications	Internal or external	If internal, position in the department	Date appointed	Date Resigned	No. of Meetings attended
ADV RR Dehal	B JURIS LLB ADMITTED ADVOCATE IN THE KZN BAR	External	n/a	1 July 2013	n/a	4
Mr E Cousins	B.COM (ACCOUNTING (M)) B.COM (HONS) (AUDITING) ADVANCED DIPLOMA IN PUBLIC ADMINISTRATION	External	n/a	22 July 2013	n/a	4
Ms DTL Dondur	BACHELOR OF ACCOUNTING HONOURS B COMPT CHARTERED ACCOUN- TANT-CA (SA) HONOURS IN BUSINESS ADMINISTRATION MBA	External	n/a	1 Sept 2014	n/a	0
Ms Pumla Mzizi	BCOM HONOURS IN TRANS- PORT ECONOMICS	External	n/a	1 Feb 2015	n/a	0

3.12 Audit Committee Report

We are pleased to present our report for the financial year ended 31 March 2015.

3.12.1 Audit Committee Members and Attendance

The Audit Committee consisted of the members listed hereunder. The Committee is required to meet at least four times per annum as per its approved terms of reference. Four (4) meetings were held for the reported financial period.

Name of member	Number of meetings attended
Mr Freddy Sinthumule (Chairperson)	4
Mr E Cousins	4
Adv RR Dehal	4
Ms D Dondur	0
Ms P Mzizi	0

The Department of Traditional Affairs (DTA) together with MISA and DCoG are reporting to the same exec-

utive authority. This arrangement allow DTA to share the services of the same Audit Committee, which is in line with treasury prescripts (3.1.3).

3.12.2 **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. The Audit Committee also reports that it has adopted formal terms of reference as per its audit committee charter, and has discharged all its responsibilities as contained therein.

3.12.3 **The Effectiveness of Internal Control**

During the period under review the committee reviewed the effectiveness of the internal control environment in line with TR 3.1.10 (a) – (g). The committee concluded as follows:

- The DTA should strengthen its control environment by implementing adequate policies relevant to the operations of DTA and not be dependent on DCoG;
- Management should ensure that internal function is adequately capacitated to assist the Accounting Officer in maintaining a sound control environment;
- A three year risk based strategic plan and an annual operation plan were implemented by the Internal Audit Activity, however all risk areas within DTA were not reviewed as a result of inadequate staff resources.
- The performance of the internal audit function has been monitored and its resource challenges has been highlighted to management for action.
- The results of quarterly control assessments by the AGSA was reported to the AC and monitored by management through a Post Audit Action Plan.

- Financial information provided to management and other users of such information are adequate, reliable and accurate; and
- The institution is compliant with legal and regulatory provisions.
- During the period under review the Committee noted the efforts made by management in establishing systems and processes to strengthen the control environment and will continue to support and monitor the progress until the Department's control environment has improved significantly to an acceptable standard.

3.12.4 **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 and performance (predetermined objectives) reports at its Quarterly Review Meetings. These reports were also tabled and discussed at the Audit Committee meetings. The Committee was with a few exceptions generally satisfied with the reports being issued by the Accounting Officer and the Department during the year under review.

3.12.5 **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 audited annual financial statements be accepted and read together with the report of the Auditor-General.

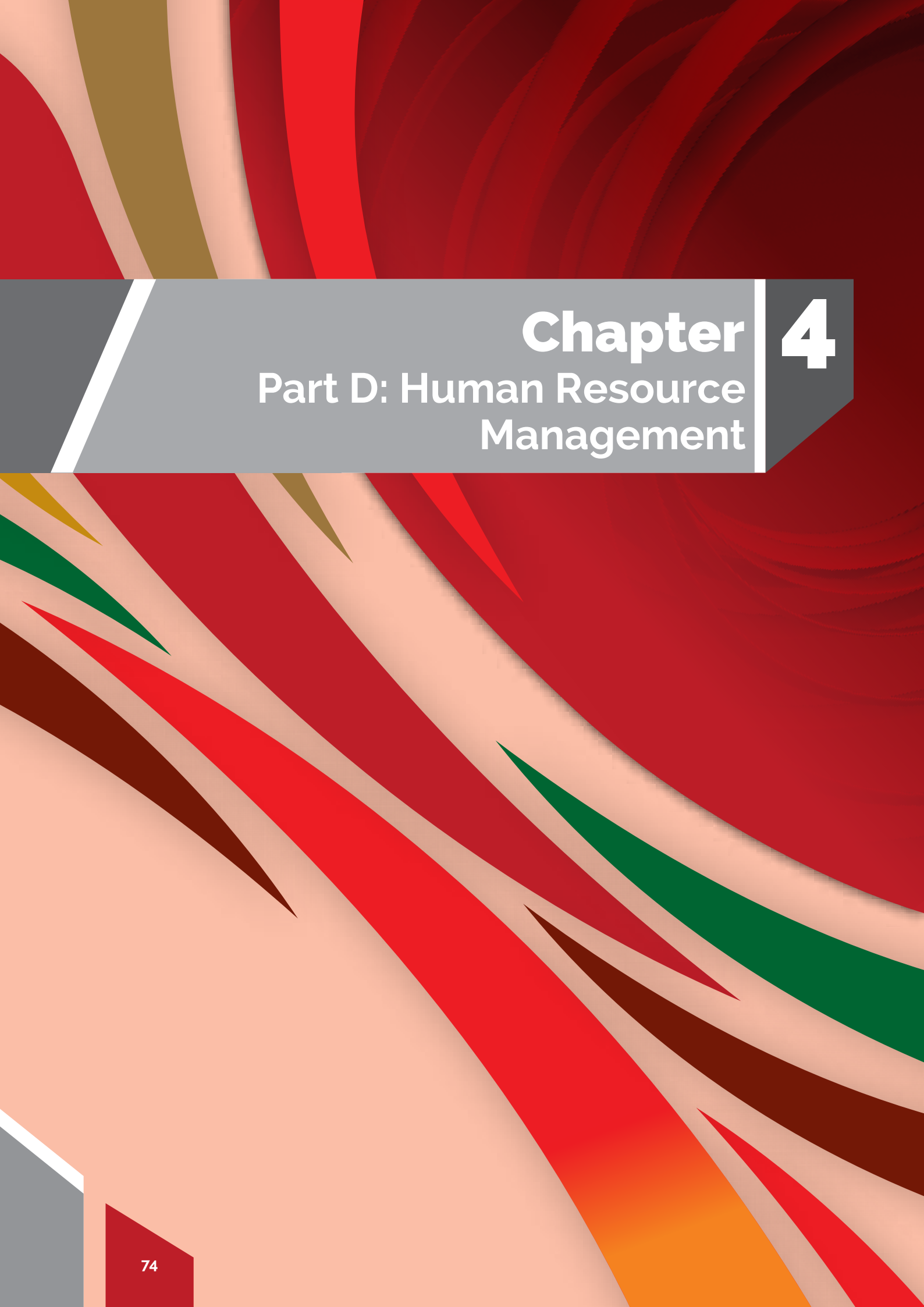


Mr Freddy Sinthumule

Chairperson of the Audit Committee

Department of Traditional Affairs

31 August 2015



Chapter **4**
Part D: Human Resource
Management



4.1 Human Capital Management

For the period under review Human Capital Management functions were performed by the Department of Cooperative Governance on behalf of the Department of Traditional Affairs through a Memorandum of Understanding entered into by the two Directors-General.

The sub-programme Human Capital Management is mainly responsible for overall workforce planning and management to ensure that CoGTA cultivates a diverse, competent and well managed staff complement capable and committed to deliver high quality services. Key to this responsibility is to ensure the recruitment of the right quality and quantity of staff, to ensure optimum utilisation of staff, to develop a multi skilled, representative and flexible work force.

The sub-programme provided support throughout the Department by facilitating the development of job profiles and conducting job evaluation in line with the Public Service Act requirements. Several employee wellness sessions, such as financial wellness, ear and eye tests, HIV and AIDS were organised by the sub-programme including the introduction of a partnership with the South African National Blood Services (SANBS). Seventy (70) CoGTA employees participated in the Nelson Mandela (Unite4Mandela) sport and cultural day on 24 November 2015 organised by the Department of Sports and Recreation, the Department of Arts and Culture, Tom Jenkins and Athletic Gauteng North.

Seventy one vacant, funded posts were filled with the support of the relevant line function managers.

All SMS members disclosed their financial interests before the due date and the information was submitted to the Public Services Commission on time.

Various information sessions were held with staff members to communicate the available service benefits and to ensure a better understanding thereof.

During the 2014/15 Financial Year, the Directorate: Human Resource Development implemented training programmes namely, Computer Packages (basic, intermediate and advance), Basic Project Management, Evidence Based Policy Implementation, Sexual Harassment, Finance for non-Finance Managers, Policy Development, Financial Management Workshops and a workshop on People with Disabilities. The Directorate further conducted orientation programmes for newly appointed employees and Compulsory Induction Programmes (CIP) for both level 1 to 5 and 6 to 12 staff members. A total number of 337 staff members for both Departments were trained in the above mentioned interventions during the 2014/15 financial year. Furthermore, a total of 39 staff members including both departments were awarded with bursaries to study towards different qualifications in line with the Departmental Strategic Plan. The Directorate further facilitated the achievement

of *equity* in both Departments by ensuring 50 percent representation of woman at senior management level and improved representation of people with disabilities to 1.2 %. The programme further institutionalised the 8 Principles Action Plan for Promoting Women Empowerment and Gender Equality. To encourage meritorious

performance, performance rewards were granted to all qualifying staff members in the Department during the year under review. Quarterly performance management and development sessions were conducted to intervene and ensure that individual performance is linked to the broader overall objectives of the Department.

Table 4.1.1 Personnel expenditure by programme for the period 1 April 2014 and 31 March 2015

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	22 273	14 197	20	1 486	20%	709
Research, Policy and Legislation	14 229	12 113	0	0	11%	711
Institutional Support and Coordination	75 250	23 935	24	250	32%	2 034
Total	111 753	50 245	44	1 736	45%	652

Table 4.1.2 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2014 and 31 March 2015

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	12 694	89%	121	0.95%	237	1.86%	315	2.48%
Research, Policy and Legislation	10 936	76%	47	0.42%	418	3.82%	193	1.76%
Institutional Support and Coordination	21 822	91%	29	0.13%	749	3.43%	517	2.37
Total	45 452	88%	197	0.43%	1 404	3.09%	1 025	2.26%

4.2 Employment and Vacancies

Table 4.2.1 Employment and vacancies by programme as on 31 March 2015

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Traditional Affairs	80	72	10	5
Total	80	72	10	5

Table 4.2.2 Employment and vacancies by salary band as on 31 March 2015

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2)	0	0	0	0
Skilled(3-5)	3	3	0	1
Highly skilled production (6-8)	26	23	11.5	2
Highly skilled supervision (levels 9-12)	24	23	8.3	0
Senior management (13-16)	27	24	11.1	2
Total	80	72	10	5

Table 4.2.3 Employment and vacancies by critical occupations as on 31 March 2015

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Senior Managers	27	24	11.1	2
Total	27	24	11.1	2

4.3 Filling of SMS Posts

Table 4.3.1 SMS post information as on 31 March 2015

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General (Salary Level 16)	1	1	100%	0	0%
Salary Level 15	2	1	50%	1	50%
Salary Level 14	8	8	100%	0	0%
Salary Level 13	15	15	100%	0	0%
Total	26	25	96%	1	4%

Table 4.3.2 SMS post information as on 30 September 2014

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General (Salary Level 16)	1	1	100%	0	0%
Salary Level 15	2	1	50%	1	50%
Salary Level 14	8	8	100%	0	0%
Salary Level 13	18	16	100%	2	11%
Total	29	26	96%	3	10%

Table 4.3.3 Advertising and filling of SMS posts for the period 1 April 2014 and 31 March 2015

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General (Salary Level 16)	1	0	0	0	0%
Salary Level 15	2	0	0	1	50%
Salary Level 14	8	0	0	0	0%
Salary Level 13	18	0	0	2	11%
Total	29	0	0	3	10%

Reasons for vacancies not filled within six months

The Department did not advertise vacant positions due to inadequate funding

4.4 Job Evaluation

Table 4.4.1 Job Evaluation by Salary band for the period 1 April 2014 and 31 March 2015

Salary band	Number of posts on approved establishment	Number of Jobs Evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	0	0	0	0	0	0	0
Skilled (Levels 3-5)	3	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	26	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	22	0	0	0	0	0	0
Senior Management Service Band A	18	0	0	0	0	0	0
Senior Management Service Band B	8	0	0	0	0	0	0
Senior Management Service Band C	2	0	0	0	0	0	0
Senior Management Service Band D	1	0	0	0	0	0	0
Total	80	0	0	0	0	0	0

Table 4.4.2 **Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2014 and 31 March 2015**

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

Table 4.4.3 **Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2014 and 31 March 2015**

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
All categories	0	0	0	0
	0	0	0	0
	0	0	0	0
	0	0	0	0
Total number of employees whose salaries exceeded the level determined by job evaluation				0
Percentage of total employed				0

Table 4.4.4 **Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2014 and 31 March 2015**

Gender	African	Asian	Coloured	White	Total
Female	0	0	0	0	0
Male	0	0	0	0	0
Total	0	0	0	0	0
Employees with a disability					0
Total number of Employees whose salaries exceeded the grades determine by job evaluation					None

4.5 Employment Changes

Table 4.5.1 Annual turnover rates by salary band for the period 1 April 2014 and 31 March 2015

Salary band	Number of employees at beginning of period – 1 April 2014	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	3	0	0	0
Highly skilled production (Levels 6-8)	21	0	0	0
Highly skilled supervision (Levels 9-12)	23	0	1	
Senior Management Service Bands A	15	0	0	0
Senior Management Service Bands B	8	0	0	0
Senior Management Service Bands C	1	0	0	0
Senior Management Service Bands D	1	0	0	0
Contracts	5	0	0	0
Total	77	0	1	0

Table 4.5.2 Annual turnover rates by critical occupation for the period 1 April 2014 and 31 March 2015

Critical occupation	Number of employees at beginning of period – April 20YY	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
All categories	0	0	0	0
	0	0	0	0
TOTAL	0	0	0	0

Table 4.5.3 Reasons why staff left the department for the period
1 April 2014 and 31 March 2015

Termination Type	Number	% of Total Resignations
Death	0	0
Resignation	1	0
Expiry of contract	0	0
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	0	0
Transfer to other Public Service Departments	0	0
Other	0	0
Total	1	1
Total number of employees who left as a % of total employment	1	1.3

Table 4.5.4 Promotions by critical occupation for the period
1 April 2014 and 31 March 2015

Occupation	Employees 1 April 2014	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
All categories	0	0	0	0	0
	0	0	0	0	0
TOTAL	0	0	0	0	0

Table 4.5.5 Promotions by salary band for the period 1 April 2014 and 31 March 2015

Salary Band	Employees 1 April 2014	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)	0	0	0	0	0
Skilled (Levels3-5)	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0
Senior Management (Level 13-16)	0	0	0	0	0
Total	0	0	0	0	0

4.6 Employment Equity

Table 4.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2015

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	23	0	0	4	19	0	2	0	48
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	5	0	0	0	24	0	0	0	29
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	28	0	0	4	43	0	2	0	77
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 4.6.2 **Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2015**

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	2	0	0	0	0	0	0	0	2
Senior Management	11	0	0	3	8	0	2	0	24
Professionally qualified and experienced specialists and mid-management	10	0	0	1	11	0	0	0	22
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	2	0	0	0	23	0	0	0	25
Semi-skilled and discretionary decision making	3	0	0	0	1	0	0	0	4
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	28	0	0	4	43	0	2	0	77

Table 4.6.3 **Recruitment for the period 1 April 2014 to 31 March 2015**

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

Table 4.6.4 Promotions for the period 1 April 2014 to 31 March 2015

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

Table 4.6.5 Terminations for the period 1 April 2014 to 31 March 2015

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	0	0	0	0	0	0	0	0	0
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	0	0	0	0	0	0	0	0	0
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0
Employees with Disabilities	0	0	0	0	0	0	0	0	0

Table 4.6.6 **Disciplinary action for the period 1 April 2014 to 31 March 2015**

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
None disclosure of financial interests	1	0	0	0	0	0	0	0	1

Table 4.6.7 **Skills development for the period 1 April 2014 to 31 March 2015**

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	1	0	0	0	2	0	0	0	3
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	8	-	-	-	3	0	0	0	11
Clerks	0	0	0	0	3	0	0	0	3
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	9	0	0	0	8	0	0	0	17
Employees with disabilities	0	0	0	0	0	0	0	0	0

4.7 Signing of Performance Agreements by SMS Members

Table 4.7.1 Signing of Performance Agreements by SMS members as on 31 August 2015

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department (Salary Level 16)	1	1	1	100%
Salary Level 15	1	1	1	100%
Salary Level 14	8	8	5	83%
Salary Level 13	16	16	17	100%
Total	26	26	24	96%

Table 4.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2015

Reasons
Not applicable

Table 4.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2015

Reasons
Not applicable

Table 4.7.4 Performance Rewards by race, gender and disability for the period 1 April 2014 to 31 March 2015

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	0	0	0	0	0
Male	10	24	42%	R158	R16
Female	9	33	27%	R111	R12
Asian	0	0	0	0	0
Male	0	0	0	0	0
Female	0	2	0%	0	0
Coloured	0	0	0	0	0
Male	0	0	0	0	0
Female	0	0	0	0	0
White					
Male	1	3	33%	R15	R15
Female	0	0	0	0	0
Total	20	62	32%	R284	R14

Table 4.7.5 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2014 to 31 March 2015

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	0	0	0	0	0	0%
Skilled (level 3-5)	4	4	100%	R17	R4	2.6%
Highly skilled production (level 6-8)	8	19	42%	R64	R8	5.2%
Highly skilled supervision (level 9-12)	5	19	26%	R71	R14	9.2%
Total	17	38	45%	R152	R9	6%

Table 4.7.6 Performance Rewards by critical occupation for the period 1 April 2014 to 31 March 2015

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
All categories	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
	0	0	0	0	0
Total	0	0	0	0	0

Table 4.7.7 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2014 to 31 March 2015

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Band A	1	14	7%	R39	R39	100%
Band B	2	6	33%	R93	R47	51%
Band C	0	1	0%	0	0	0%
Band D	0	0	0	0	0	0%
Total	3	21	14%	R132	R44	33%

4.8 Foreign Workers

Table 4.8.1 **Table 3.9.1 Foreign workers by salary band for the period 1 April 2014 and 31 March 2015**

Salary band	01 April 2014		31 March 2015		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0
Highly skilled supervision (Lev. 9-12)	0	0	0	0	0	0
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	0	0	0	0	0	0
Total	0	0	0	0	0	0

Table 4.8.2 **Foreign workers by major occupation for the period 1 April 2014 and 31 March 2015**

Major occupation	01 April 2014		31 March 2015		Change	
	Number	% of total	Number	% of total	Number	% Change
	0	0%	0	0%	0	0%
	0	0%	0	0%	0	0%

4.9 Leave utilisation

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

Table 4.9.1 **Sick leave for the period 1 January 2014 to 31 December 2014**

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	0	0	0	0	0	0
Skilled (levels 3-5)	0	0	0	0	0	0
Highly skilled production (levels 6-8)	7	0	0	0	0	0
Highly skilled supervision (levels 9 -12)	2	0	0	0	0	0
Top and Senior management (levels 13-16)	7	0	0	0	0	0
Total	16	0	0	0	0	0

Table 4.9.2 **Disability leave (temporary and permanent) for the period 1 January 2014 to 31 December 2014**

Salary band	Total days	% Days with Medical certification	Number of Employees using disability leave	% of total employees using disability leave	Average days per employee	Estimated Cost (R'000)
Lower skilled (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0	0	0
Highly skilled supervision (Levels 9-12)	0	0	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0	0	0
Total	0	0	0	0	0	0

Table 4.9.3 **Annual Leave for the period 1 January 2014 to 31 December 2014**

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	0	0	0
Skilled Levels 3-5)	2	0	0
Highly skilled production (Levels 6-8)	8	0	0
Highly skilled supervision(Levels 9-12)	15	0	0
Senior management (Levels 13-16)	15	0	0
Total	40	0	0

Table 4.9.4 **Capped leave for the period 1 January 2014 to 31 December 2014**

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2015
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	0	0	0	0
Highly skilled supervision(Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
Total	0	0	0	0

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

Table 4.9.5 **Leave payouts for the period 1 April 2014 and 31 March 2015**

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave payout for 2014 due to non-utilisation of leave for the previous cycle	0	0	0
Capped leave payouts on termination of service for 2014	0	0	0
Current leave payout on termination of service for 20YY/ZZ	0	0	0
Total	0	0	0

4.10 HIV/AIDS & Health Promotion Programmes

Table 4.10.1 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
All staff	Employee Health and Wellness Programme Employee Assistance Programme policy and guidelines

Table 4.10.2 Table 3.11.2 Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	√		Mr Sonwabo Shibane, Senior Manager Organisational Development.
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	√		1 Assistant Director, 1 Administration Clerk, Budget of R 650 000.
3. Has the department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	√		Psycho-social support counselling, wellness day for health screenings, HIV testing and Awareness, sport activities, financial wellness.
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		√	
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	√		The Department's Employment Equity policy does not discriminate against employees on the basis of their HIV status.

Question	Yes	No	Details, if yes
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	✓		Departmental HIV and AIDS approved policy makes provision for employees not to be discriminated based on HIV status. Disciplinary and grievance procedure are in place to counter against those discriminating on the basis of HIV status.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	✓		Through bi-annual Health assessment and VCT screening and annual wellness day and referrals for counselling.
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.		✓	

4.11 Labour Relations

Table 4.11.1 **Collective agreements for the period 1 April 2014 and 31 March 2015**

Subject matter	Date
None	N/A

NOTES

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

Total number of Collective agreements	None
--	-------------

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

Table 4.11.2 **Misconduct and disciplinary hearings finalised for the period 1 April 2014 and 31 March 2015**

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0%
Verbal warning	0	0%
Written warning	1	100%

Outcomes of disciplinary hearings	Number	% of total
Final written warning	0	0%
Suspended without pay	0	0%
Fine	0	0%
Demotion	0	0%
Dismissal	0	0%
Not guilty	0	0%
Case withdrawn	0	0%
Total	1	100%

NOTES

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

Total number of Disciplinary hearings finalised	1
--	----------

Table 4.11.3 **Types of misconduct addressed at disciplinary hearings for the period 1 April 2014 and 31 March 2015**

Type of misconduct	Number	% of total
Failure to disclose all registrable interests	1	100%
Total	1	100%

Table 4.11.4 **Grievances logged for the period 1 April 2014 and 31 March 2015**

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

Table 4.11.5 **Disputes logged with Councils for the period 1 April 2014 and 31 March 2015**

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

Table 4.11.6 Strike actions for the period 1 April 2014 and 31 March 2015

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

Table 4.11.7 Precautionary suspensions for the period 1 April 2014 and 31 March 2015

Number of people suspended	1
Number of people who's suspension exceeded 30 days	1
Average number of days suspended	139
Cost of suspension(R'000)	R320

4.12 Skills Development

Table 4.12.1 Training needs identified for the period 1 April 2014 and 31 March 2015

Occupational category	Gender	Number of employees as at 1 April 2014	Training needs identified at start of the reporting period			
			Learner-ships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Clerks	Female	0	0	0	0	0
	Male	0	0	0	0	0
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

Occupational category	Gender	Number of employees as at 1 April 2014	Training needs identified at start of the reporting period			
			Learner-ships	Skills Programmes & other short courses	Other forms of training	Total
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	0	0	0	0	0
	Male	0	0	0	0	0
Total		0	0	0	0	0

Table 4.12.2 Training provided for the period 1 April 2014 and 31 March 2015

Occupational category	Gender	Number of employees as at 1 April 2014	Training provided within the reporting period			
			Learner-ships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	2	0	0	2	2
	Male	1	0	1	0	1
Professionals	Female	0	0	0	0	0
	Male	0	0	0	0	0
Technicians and associate professionals	Female	3	0	1	2	3
	Male	8	0	4	4	8
Clerks	Female	3	0	2	1	3
	Male	0	0	0	0	0
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	0	0	0
	Male	0	0	0	0	0
Sub Total	Female	0	0	0	0	0
	Male	0	0	0	0	0
Total		17	0	8	9	17

4.13 Injury on Duty

Table 4.13.1 Injury on duty for the period 1 April 2014 and 31 March 2015

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

4.14 Utilisation of Consultants

Table 4.14.1 Report on consultant appointments using appropriated funds for the period 1 April 2014 and 31 March 2015

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Not applicable			

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
Not applicable			

Table 4.14.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2014 and 31 March 2015

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Not applicable			

Table 4.14.3 **Report on consultant appointments using Donor funds for the period 1 April 2014 and 31 March 2015**

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Not applicable			

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
Not applicable			

Table 4.14.4 **Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2014 and 31 March 2015**

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Not applicable			

4.15 Severance Packages

Table 4.15.1 **Granting of employee initiated severance packages for the period 1 April 2014 and 31 March 2015**

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

Chapter
Part E: Financial Information

5

5.1 Report of the Auditor-General to Parliament on Vote 3: Department of Traditional Affairs

Report on the financial statements



INTRODUCTION

1. I have audited the financial statements of the Department of Traditional Affairs set out on pages 106 to 145, which comprise the appropriation statement, statement of financial position as at 31 March 2015, the statement of financial performance, statement of changes in net assets, and cash flow statement for the year then ended, as well as the notes, 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 fair presentation of these financial statements in accordance with Modified Cash Standard (MCS) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act no. 1 of 1999) (PFMA), 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 International Standards on Au-

ditng. 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 and fair presentation 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.

Report of the Auditor-General

to Parliament on Vote 3: Department of Traditional Affairs

OPINION

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Traditional Affairs as at 31 March 2015 and its financial performance and cash flows for the year then ended, in accordance with Modified Cash Standard and the requirements of the PFMA.

Report on other legal and regulatory requirements.

7. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report, non-compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

PREDETERMINED OBJECTIVES

8. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected programmes presented in the annual performance report of the department for the year ended 31 March 2015:

- Programme 1: Administration on pages 34 to 43;
- Programme 2: Research, Policy and Legislation on pages 44 to 51;
- Programme 3: Institutional Support and Coordination on pages 52-63; and
- Programme Entities: National House for Traditional Leaders (NHTL), Commission for Traditional Leadership Disputes and Claims (CT-LDC) and CRL Rights Commission on pages 60 to 62.

9. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
10. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned programmes. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information (FMPPI).
11. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
12. I did not identify any material findings on the usefulness and reliability of the reported performance information for selected programmes.

ADDITIONAL MATTER

13. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected programmes. I draw attention to the following matter.

Report of the Auditor-General

to Parliament on Vote 3: Department of Traditional Affairs

ACHIEVEMENT OF PLANNED TARGETS

14. Refer to the annual performance report on page(s) x to x and x to x for information on the achievement of the planned targets for the year.

COMPLIANCE WITH LEGISLATION

15. I performed procedures to obtain evidence that the department had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

BUDGETS

16. The budget for compensation of employees was increased without the approval of the national treasury, as required by Treasury Regulations 6.3.1(a) and (d).

ANNUAL FINANCIAL STATEMENTS

17. The financial statements submitted for auditing were not prepared in all material respects in accordance with the prescribed financial reporting framework as required by section 40(1)(b) of the PFMA.
18. Material misstatements of current assets and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

EXPENDITURE MANAGEMENT

19. Effective steps were not taken to prevent unauthorised and irregular expenditure, as required by section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1.
20. Contractual obligations and money owed by the department were not settled within 30 days an agreed period, as required by section 38(1)(f) of the PFMA and Treasury Regulation 8.2.3.

INTERNAL AUDIT

21. The internal audit function did not evaluate certain compliance with laws and regulations, as required by Treasury Regulation 3.2.11(e).

INTERNAL CONTROL

22. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The matters reported below are limited to the significant internal control deficiencies that resulted in findings on the annual performance report and the findings on non-compliance with legislation included in this report.

LEADERSHIP

23. The accounting officer did not exercise adequate oversight responsibility regarding financial and performance reporting and compliance as well as related internal controls.

Report of the Auditor-General

to Parliament on Vote 3: Department of Traditional Affairs

FINANCIAL AND PERFORMANCE MANAGEMENT

24. Management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial reporting.
25. Management has not prepared regular, accurate and complete financial for the year under review as numerous adjustments were processed.
26. Management did not adequately review and monitor compliance with applicable laws and regulations pertaining to budget and expenditure management.

GOVERNANCE

27. Leadership did not ensure that there is an adequately resourced and functioning internal audit unit that identifies internal control deficiencies and recommends corrective action effectively.

OTHER REPORTS

INVESTIGATIONS

28. A forensic investigation by an external service provider was initiated by the Department of Cooperative Governance into fraud committed on services procured through a central service provider. The investigation was still ongoing at the date of this report.

Auditor - General

Pretoria

31 July 2015



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

5.2 Annual Financial Statements for the Department of Traditional Affairs

For the year ended 31 March 2015

TABLE OF CONTENTS

Appropriation Statement	106
Notes to the Appropriation Statement	120
Statement of Financial Performance	121
Statement of Financial Position	122
Statement of Changes in Net Assets	123
Accounting policies	125
Notes to the Annual Financial Statements	131
Annexures	144

Appropriation Statement for the year ended 31 March 2015

Appropriation per Programme										
2014/15										2013/14
Programme	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. Administration	21 544	-	-	21 544	22 273	(729)	103.4 %	-	-	-
2. Research, Policy & Legislation	13 873	-	-	13 873	14 299	(356)	102.6%	-	-	-
3. Institutional Support & Coordination	80 447			80 447	75 250	5 197	93.5 %	-	-	-
Subtotal	115 864	-	-	115 864	111 753	4 111	96,5 %	-	-	-
Statutory Appropriation										
TOTAL	115 864	-	-	115 864	111 753	4 111	96,5 %	-	-	-

Appropriation Statement for the year ended 31 March 2015

	2014/15		2013/14	
Voted Funds and Direct Charges	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
Programmes				
Administration	21 544	22 273		
Research Policy & Legislation	13 873	14 229		
Institutional Support & Coordination	80 447	75 250		
ADD				
Departmental receipts	4			
	115 868	111 753		
Actual amounts per statement of financial performance (total revenue)				
ADD				
Aid assistance		-		
Prior year unauthorised expenditure approved without funding		-		
Actual amounts per statement of financial performance (total expenditure)		111 753		

Appropriation Statement for the year ended 31 March 2015

Appropriation per economic classification									
2014/15									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	80 541	-	-	80 541	76 517	4 024	95.0%	-	-
Compensation of employees	48 119	-	-	48 119	50 245	(2 126)	104.4%	-	-
Salaries and wages	42 373	-	-	42 373	45 451	(3 078)	107.3%	-	-
Social contributions	5 746	-	-	5 746	4 793	953	83.4%	-	-
Goods and services	32 422	-	-	32 422	26 272	6 150	81.0%	-	-
Administrative fees	1	-	-	1	5	(4)	483.8%	-	-
Advertising	943	(197)	-	746	75	671	10.0%	-	-
Minor assets	3	-	-	3	28	(25)	938.5%	-	-
Audit costs: External	-	-	-	-	(661)	(661)	0%	-	-
Catering: Departmental activity	321	-	-	321	695	(374)	216.5%	-	-
Communication	1 474	-	-	1 474	1 670	(196)	113.3%	-	-
Consultants: Business and advisory services	1 901	-	-	1 901	1 736	165	91.3%	-	-
Legal services	4 600	-	-	4 600	5 774	1 174	125.5%	-	-
Contractors	-	-	-	-	36	(36)	0%	-	-
Entertainment	36	-	-	36	-	36	0%	-	-
Fleet services (including government motor transport)	-	-	-	-	192	(192)	0%	-	-

Consumable supplies	2 149	-	-	2 149	234	1 915	10.9%	-
Consumable: Stationery, printing and office supplies	2 661	-	-	2 661	760	1 901	28.6%	-
Operating leases	216	-	-	216	6	210	2.6%	-
Travel and subsistence	15 422	-	-	15 422	13 501	1 921	87.5%	-
Training and development	1 185	-	-	1 185	44	1 141	3.7%	-
Operating payments	275	-	-	275	587	(312)	213.6%	-
Venues and facilities	1 235	-	-	1 235	266	969	21.5%	-
Transfers and subsidies	34 973	-	-	34 973	34 973	-	100%	-
Departmental agencies and accounts	34 973	-	-	34 973	34 973	-	100%	-
Payments for capital assets	350	-	-	350	66	284	19%	-
Machinery and equipment	350	-	-	350	66	284	19%	-
Other machinery and equipment	350	-	-	350	66	284	19%	-
Payments for financial assets	-	197	-	197	197	-	100%	-
TOTAL	115 864			115 864	111 753	4 111	96.5%	

Appropriation Statement for the year ended 31 March 2015

Programme 1: ADMINISTRATION									
2014/15									
Sub programme	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. Ministry	4 000	-	-	4 000	3 129	871	78.2%	-	-
2. Management of Trades	9 732	750	-	10 482	17 069	(6 587)	162.2%	-	-
3. Corporate and Financial Services	6 531	-	-	6 531	1 700	4 831	26.0%	-	-
4. Internal Audit	1 281	(750)	-	531	375	156	70.7%	-	-
Total for sub programmes	21 544	-	-	21 544	22 273	(729)	103.4%	-	-
Economic classification									
Current payments	21 394	-	-	21 394	22 010	(616)	102.9%	-	-
Compensation of employees	12 456	-	-	12 456	14 197	(1 741)	114.0%	-	-
Salaries and wages	10 347	-	-	10 347	12 694	606	71.2%	-	-
Social contributions	2 109	-	-	2 109	1 503	(2 347)	122.7%	-	-
Goods and services	8 938	-	-	8 938	7 813	1 125	87.4%	-	-
Administrative fees	1	-	-	1	5	(4)	459.9%	-	-
Advertising	743	(197)	-	546	75	471	13.7%	-	-
Minor assets	-	-	-	-	28	(28)	0%	-	-
Audit costs: External	-	-	-	-	661	(661)	0%	-	-
Catering: Departmental activities	75	-	-	75	108	(33)	144.5%	-	-

Communication	440	-	-	440	430	10	97.7%	-
Consultants: Business and advisory services	1 901	-	-	1 901	1 486	415	78.2%	-
Legal services	600	-	-	600	-	600	0%	-
Contractors	0	-	-	--	5	(5)	0%	-
Fleet Services	0	-	-	-	92	(92)	0%	-
Consumable supplies	180	-	-	180	83	97	46.4%	-
Consumable: Stationery, printing and office supplies	200	-	-	200	151	49	75.3%	-
Operating leases	216	-	-	216	-	216	0%	-
Travel and subsistence	3 645	-	-	3 645	3 914	(269)	107.4%	-
Training and development	650	-	-	650	20	630	3.1%	-
Operating payments	167	-	-	167	563	(396)	336.9%	-
Venues and facilities	120	-	-	120	192	(72)	160.1%	-
Payments for capital assets	150	-	-	150	66	84	44.3%	-
Machinery and equipment	150	-	-	150	66	84	44.3%	-
Payments for financial assets	-	197	-	197	197	-	100%	-
TOTAL	21 544			21 544	22 273	(729)	103.4%	

Appropriation Statement for the year ended 31 March 2015

1.1 MINISTRY									
2014/15									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	4 000			4 000	3 129	871	78.2%		
Compensation of employees	2 533			2 533	1 663	870	65.7%		
Goods and services	1 467			1 467	1 466	1	99.9%		
TOTAL	4 000			4 000	3 129	871	78.2%		
1.2 MANAGEMENT OF TRADITIONAL AFFAIRS									
2014/15									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	9 582	750		10 332	17 003	(6 671)	164.6%		
Compensation of employees	4 893	750		5 643	10 804	(5 161)	191.5%		
Goods and services	4 689			4 689	6 198	(1 509)	132.2%		
Payments for capital assets	150			150	66	84	44.3%		
TOTAL	9 582	750		10 482	17 069	(6 587)	162.8%		

2.3 CORPORATE AND FINANCIAL SERVICES

2.3 CORPORATE AND FINANCIAL SERVICES									
2014/15									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	6 531			6 531	1 503	5 028	23.0%		
Compensation of Employees	3 979			3 979	1 437	2 542	36.1%		
Goods and services	2 552	(197)		2 355	66	2 289	2.8%		
Payments for financial assets		197		197	197	0	100%		
TOTAL	6 531			6 531	1 700	5 028	26.0%		

2.4 INTERNAL AUDIT

2.4 INTERNAL AUDIT									
2014/14									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	1 281	(750)		531	375	156	70.6%		
Compensation of Employees	1 051	(750)		301	292	9	97.0%		
Goods and services	230			230	83	147	36.1%		
TOTAL	1 281	(750)		531	375	156	70.6%		

Appropriation Statement for the year ended 31 March 2015

Programme 2: RESEARCH, POLICY AND LEGISLATION

	2014/15						2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Management	3 347	-	-	3 347	4 075	(728)	121.8%	-	-
2. Policy & Legislation	3 265	-	-	3 265	3 404	(139)	104.3%	-	-
3. Research & Information Management	7 261	-	-	7 261	6 750	511	93.0%	-	-
Total for sub programmes	13 873	-	-	13 873	14 229	(356)	102.6%	-	-
Economic classification									
Current payments	13 873	-	-	13 873	14 229	(356)	102.6%	-	-
Compensation of employees	11 884	-	-	11 884	12 113	(229)	101.9%	-	-
Salaries and wages	10 520	-	-	10 520	10 936	(416)	104.0%	-	-
Social contributions	1 364	-	-	1 364	1 178	186	86.3%	-	-
Goods and services	1 989	-	-	1 989	2 116	(127)	106.4%	-	-
Minor assets	3	-	-	3	-	3	0%	-	-
Catering: Departmental activities	10	-	-	10	129	(119)	1 287.7%	-	-
Communication	160	-	-	160	239	(79)	149.4%	-	-
Entertainment	12	-	-	12	-	12	0%	-	-
Consumable supplies: Stationery, printing and office supplies	180	-	-	180	5	175	2.6%	-	-
Operating leases	87	-	-	87	198	(111)	228.0%	-	-
Travel and subsistence	1 355	-	-	1 355	1 532	(177)	131.1%	-	-
Training and development	50	-	-	50	-	50	0%	-	-
Operating payments	2	-	-	2	-	2	0%	-	-
Venues and facilities	130	-	-	130	13	117	9.9%	-	-
TOTAL	13 873	-	-	13 873	14 229	(356)	102.6%	-	-

2.1 MANAGEMENT									
2014/15					2013/14				
Economic classification	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	3 347	-	-	3 347	4 075	(728)	121.8%	-	-
Compensation of Employees	2 846	-	-	2 846	2 895	(49)	101.7%	-	-
Goods and services	501	-	-	501	1 180	(679)	235.6%	-	-
TOTAL	3 347	-	-	3 347	4 057	(728)	121.8%	-	-

2.2 POLICY AND LEGISLATION									
2014/15					2013/14				
Economic classification	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	3 265	-	-	3 265	3 404	(139)	104.3%	-	-
Compensation of employees	2 858	-	-	2 858	3 238	(380)	113.3%	-	-
Goods and services	407	-	-	407	166	241	40.9%	-	-
TOTAL	3 265	-	-	3 265	3 404	(139)	104.3%	-	-

2.3 RESEARCH AND INFORMATION MANAGEMENT									
2014/15					2013/14				
Economic classification	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	7 621	-	-	7 621	6 750	511	93.0%	-	-
Compensation of Employees	6 180	-	-	6 180	5 981	119	96.8%	-	-
Goods and services	1 081	-	-	1 081	769	312	71.3%	-	-
TOTAL	7 621	-	-	7 621	6 750	511	93.0%	-	-

Appropriation Statement for the year ended 31 March 2015

Programme 3: INSTITUTIONAL SUPPORT AND COORDINATION									
2014/15							2013/14		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Ins Support & Co	1 958	-	-	1 958	1 913	45	97.7%	-	-
2. Institutional Dev & CB	6 020	-	-	6 020	4 811	1 209	79.9%	-	-
3. Intergov Rel & Partner	6 146	-	-	6 146	5 784	362	94.1%	-	-
4. National House of TL	18 627	-	-	18 627	15 069	3 558	80.9%	-	-
5. Cri Rights Commission	34 973	-	-	34 973	34 973	-	100%	-	-
6. Comm on TL Disputes & CL	12 723	-	-	12 723	12 700	23	99.8%	-	-
Total for sub programmes	80 447	-	-	80 447	75 250	5 197	93.5%	-	-
Economic classification									
Current payments	45 274	-	-	45 274	40 277	4 997	89.0%	-	-
Compensation of employees	23 779	-	-	23 779	23 935	(156)	100.7%	-	-
Salaries and wages	21 506	-	-	21 506	21 822	(316)	101.5%	-	-
Social contributions	2 273	-	-	2 273	2 113	160	93.0%	-	-
Goods and services	21 495	-	-	21 495	16 342	5 153	76.0%	-	-
Advertising	200	-	-	200	-	200	0%	-	-
Catering: Departmental activities	236	-	-	236	458	(222)	193.9%	-	-
Communication	874	-	-	874	1 001	(127)	114.6%	-	-
Legal services	4 000	-	-	4 000	5 774	(1 774)	144.4%	-	-
Contractors	-	-	-	-	31	(31)	0%	-	-
Entertainment	24	-	-	24	-	24	0%	-	-
Fleet services	-	-	-	-	100	(100)	0%	-	-
Consumable supplies	1 789	-	-	1 789	146	1 643	8.2%	-	-
Consumable: Stationery,	2 374	-	-	2 374	411	1 963	17.3%	-	-
Operating leases	-	-	-	-	6	(6)	0%	-	-
Travel and subsistence	10 422	-	-	10 422	8 055	2 367	77.3%	-	-
Training and development	485	-	-	485	24	461	5.0%	-	-

Operating payments	106	-	-	106	25	81	23.5%	-	-
Venues and facilities	985	-	-	985	61	924	6.2%	-	-
Transfers and subsidies	34 973	-	-	34 973	34 973	-	100%	-	-
Departmental agencies and accounts	34 973	-	-	34 973	34 973	-	100%	-	-
Payments for capital assets	200	-	-	200	0	200	0%	-	-
Machinery and equipment	200	-	-	200	0	200	0%	-	-
TOTAL	80 477	-	-	80 477	75 250	5 197	93.5%	-	-

3.1 INSTITUTIONAL SUPPORT AND COORDINATION

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification	1 958	-	-	1 958	1 913	45	97.7%	-	-
Current payments	1 958	-	-	1 958	1 913	45	97.7%	-	-
Compensation of Employees	1 387	-	-	1 387	1 526	(139)	110.0%	-	-
Goods and services	571	-	-	571	387	184	67.8%	-	-
TOTAL	1 958	-	-	1 958	1 913	45	97.7%	-	-

3.2 INSTITUTIONAL DEVELOPMENT AND CAPACITY BUILDING

	2014/15							2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification	6 020	-	-	6 020	4 811	1 209	79.9%	-	-
Current payments	6 020	-	-	6 020	4 811	1 209	79.9%	-	-
Compensation of employees	3 982	-	-	3 982	4 389	(407)	110.2%	-	-
Goods and services	2 038	-	-	2 038	422	1 616	20.7%	-	-
TOTAL	6 020	-	-	6 020	4 811	1 209	79.9%	-	-

Appropriation Statement for the year ended 31 March 2015

3.3 INTERGOVERNMENTAL RELATIONS AND PARTNERSHIPS										
2014/15										2013/14
Economic classification	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
Current payments	6 146	-	-	6 146	5 784	362	94.1%	-	-	-
Compensation of Employees	4 848	-	-	4 848	5 376	(528)	110.9%	-	-	-
Goods and services	1 298	-	-	1 298	409	889	31.5%	-	-	-
TOTAL	6 146	-	-	6 146	5 784	362	94.1%	-	-	-
3.4 NATIONAL HOUSE OF TRADITIONAL LEADERS										
2014/15										2013/14
Economic classification	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
Current payments	18 627	-	-	18 627	15 069	3 558	80.9%	-	-	-
Compensation of Employees	7 965	-	-	7 965	6 987	978	87.7%	-	-	-
Goods and services	10 662	-	-	10 662	8 082	2 580	75.8%	-	-	-
TOTAL	18 627	-	-	18 627	15 069	3 558	80.9%	-	-	-

3.5 CRL RIGHTS COMMISSION

		2014/15						2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Transfers and subsidies	34 973	-	-	34 973	34 973	-	100%	-	-
Departmental agencies and accounts	34 973	-	-	34 973	34 973	-	100%	-	-
TOTAL	34 973	-	-	34 973	34 973	-	100%	-	-

3.6 COMMISSION ON TRADITIONAL LEADERSHIP DISPUTES AND CLAIMS

		2014/15						2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification									
Current payments	12 523	-	-	12 523	12 700	177	101.4%	-	-
Compensation of Employees	5 597	-	-	5 597	5 657	60	101.1%	-	-
Goods and services	6 926	-	-	6 926	7 043	117	101.7%	-	-
TOTAL	12 523	-	-	12 523	12 700	177	101.4%	-	-

Notes to the Appropriation Statement

for the year ended 31 March 2015

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Programme 1: Administration	21 544	22 273	(729)	103%
Programme 2 Research, Policy & Legislation	13 873	14 229	(356)	103%
Programme 3 Institutional Sup & Coordination	80 447	75 250	5 197	94%
Total	115 864	111 753	4 111	96%

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Current payments	80 543	76 517	4 026	5.0%
Compensation of employees	48 119	50 245	(2 126)	-4%
Goods and services	32 424	26 272	6 152	19%
Transfers and subsidies	34 973	34 973	-	100%
Provinces and municipalities				
Departmental agencies and accounts	34 973	34 973	-	100%
Payments for capital assets	350	66	284	81%
Machinery and equipment	350	66	284	81%
Payments for financial assets	197	197	-	0%
Total	111 864	111 753	4 111	96%

Statement of Financial Performance

for the year ended 31 March 2015

	<i>Note</i>	2014/15 R'000	2013/14 R'000
REVENUE			
Annual appropriation	1	115 864	
Departmental revenue	2	4	
TOTAL REVENUE		115 868	
EXPENDITURE			
Current expenditure			
Compensation of employees	3	50 245	
Goods and services	4	26 272	
Total current expenditure		76 517	
Transfers and subsidies			
Transfers and subsidies	6	34 973	
Total transfers and subsidies		34 973	
Expenditure for capital assets			
Tangible assets	7	66	
Total expenditure for capital assets		66	
Payments for financial assets	5	197	
TOTAL EXPENDITURE		111 753	
SURPLUS/(DEFICIT) FOR THE YEAR		4 115	
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		4 111	
Annual appropriation		4 111	
Departmental revenue and NRF Receipts	2	4	
SURPLUS/(DEFICIT) FOR THE YEAR		4 115	

Statement of Financial Position

for the year ended 31 March 2015

	<i>Note</i>	2014/15 R'000	2013/14 R'000
ASSETS			
Current Assets	<i>8</i>	13 397	-
Unauthorised Expenditure		2 252	-
Cash and cash equivalents	<i>9</i>	10 853	-
Receivables	<i>10</i>	292	-
TOTAL ASSETS		13 397	-
LIABILITIES			
Current Liabilities		13 397	-
Voted funds to be surrendered to the Revenue Fund	<i>11</i>	6 363	-
Payables	<i>13</i>	7 034	-
TOTAL LIABILITIES		13 397	-

SURPLUS/(DEFICIT) FOR THE YEAR

Statement of Changes in Net Assets

for the year ended 31 March 2015

NET ASSETS	Note	2014/15 R'000	2013/14 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		-	-
Debts revised		-	-
Debts recovered (included in departmental receipts)		-	-
Debts raised		-	-
Closing balance		-	-
Retained funds			
Opening balance		-	-
Transferred from voted funds to be surrendered (Parliament/Legislatures ONLY)		-	-
Utilised during the year		-	-
Other		-	-
Closing balance		-	-
Revaluation Reserves			
Opening balance		-	-
Revaluation adjustment (Housing departments)		-	-
Transfers		-	-
Other		-	-
Closing balance		-	-
TOTAL		-	-

Cash Flow Statement

for the year ended 31 March 2015

	<i>Note</i>	2014/15 R'000	2013/14 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Annual appropriated funds received	1	115 868	-
Departmental revenue received	2	4	-
Net (increase)/decrease in working capital			
Surrendered to Revenue Fund	12	(4)	-
Current payments		(74 265)	-
Payments for financial assets		(197)	-
Transfers and subsidies paid	6	(34 973)	-
Net cash flow available from operating activities		10 919	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(66)	-
Net cash flows from investing activities		(66)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase/(decrease) in cash and cash equivalents		10 853	-
Cash and cash equivalents at beginning of period		-	-
Cash and cash equivalents at end of period	9	10 853	-

Accounting Policies

for the year ended 31 March 2015

Summary of significant accounting policies

The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated.

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

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

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

Accounting Policies for the year ended 31 March 2015

7.2	<p>Departmental revenue</p> <p>Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise.</p> <p>Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.</p>
7.3	<p>Accrued departmental revenue</p> <p>Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when:</p> <ul style="list-style-type: none"> ▪ it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and ▪ the amount of revenue can be measured reliably. <p>The accrued revenue is measured at the fair value of the consideration receivable.</p> <p>Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents.</p>
8	<p>Expenditure</p>
8.1	<p>Compensation of employees</p>
8.1.1	<p>Salaries and wages</p> <p>Salaries and wages are recognised in the statement of financial performance on the date of payment.</p>
8.1.2	<p>Social contributions</p> <p>Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment.</p> <p>Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.</p>
8.2	<p>Other expenditure</p> <p>Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.</p>
8.3	<p>Accrued expenditure payable</p> <p>Accrued expenditure payable is recorded in the notes to the financial statements when the goods are received or, in the case of services, when they are rendered to the department.</p> <p>Accrued expenditure payable is measured at cost.</p>
8.4	<p>Leases</p>
8.4.1	<p>Operating leases</p> <p>Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment.</p> <p>The operating lease commitments are recorded in the notes to the financial statements.</p>

8.4.2	<p>Finance leases</p> <p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> ▪ cost, being the fair value of the asset; or ▪ the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9	<p>Aid Assistance</p>
9.1	<p>Aid assistance received</p> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p>
9.2	<p>Aid assistance paid</p> <p>Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p>
10	<p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position.</p> <p>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.</p>
11	<p>Prepayments and advances</p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p>
12	<p>Loans and receivables</p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>
13	<p>Investments</p> <p>Investments are recognised in the statement of financial position at cost.</p>
14	<p>Impairment of financial assets</p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>
15	<p>Payables</p> <p>Loans and payables are recognised in the statement of financial position at cost.</p>

Accounting Policies for the year ended 31 March 2015

16	Capital Assets
16.1	<p>Immovable capital assets</p> <p>Immovable capital assets are initially recorded in the notes to the financial statements at cost. Immovable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of immovable capital assets cannot be determined accurately, the immovable capital assets are measured at R1 unless the fair value of the asset has been reliably estimated, in which case the fair value is used.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Immovable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the immovable asset is recorded by another department in which case the completed project costs are transferred to that department.</p>
16.2	<p>Movable capital assets</p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined accurately, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Biological assets are subsequently carried at fair value</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the movable asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>
16.3	<p>Intangible assets</p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined accurately, the intangible capital assets are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure that is of a capital nature is added to the cost of the asset at the end of the capital project unless the intangible asset is recorded by another department/entity in which case the completed project costs are transferred to that department.</p>

17	Provisions and Contingents
17.1	<p>Provisions</p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
17.2	<p>Contingent liabilities</p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably</p>
17.3	<p>Contingent assets</p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department</p>
17.4	<p>Commitments</p> <p>Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the department will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash</p>
18	<p>Unauthorised expenditure</p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> ▪ approved by Parliament or the Provincial Legislature with funding and the related funds are received; or ▪ approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or ▪ transferred to receivables for recovery. <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
19	<p>Fruitless and wasteful expenditure</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables for recovery.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
20	<p>Irregular expenditure</p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery or not condoned and is not recoverable.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>

Accounting Policies for the year ended 31 March 2015

21	<p>Changes in accounting policies, accounting estimates and errors</p> <p>Changes in accounting policies that are effected by management have been applied retrospectively in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such instances the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
22	<p>Events after the reporting date</p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
23	<p>Departures from the MCS requirements</p> <p>Management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation; and the requirement from which the department has departed, the nature of the departure and the reason for departure.</p>
24	<p>Capitalisation reserve</p> <p>The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received</p>
25	<p>Recoverable revenue</p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
26	<p>Related party transactions</p> <p>A related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party. Related party transactions are recorded in the notes to the financial statements when the transaction is not at arm's length.</p>
27	<p>Inventories</p> <p>At the date of acquisition, inventories are recorded at cost price in the notes to the financial statements</p> <p>Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is its fair value at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or the lower of cost and replacement value.</p>

Notes to the Annual Financial Statements

for the year ended 31 March 2015

1. Annual Appropriation

1.1 Annual Appropriation

	2014/15			2013/14
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received
	R'000	R'000	R'000	R'000
Administration	21 544	21 544	-	-
Research, Policy	13 873	13 873	-	-
Institutional Sup.	80 447	80 447	-	-
Total	115 864	115 864	-	-

The total adjusted appropriated budget of the Department was requested and received in full. The budget is inclusive of the newly created office of the Deputy Minister for Traditional Affairs, following cabinet's approval in reorganising the micro structure of government.

2. Departmental revenue

	Note	2014/15 R'000	2013/14 R'000
Sales of goods and services other than capital assets	2.1	4	-
Departmental revenue collected		4	-

The Department collected revenue through commissions from third parties and parking fees. Total amount collected was subsequently surrendered to the National Revenue Fund.

2.1 Sales of goods and services other than capital assets

	Note	2014/15 R'000	2013/14 R'000
Sales of goods and services produced by the department	2	4	-
Sales by market establishment		1	-
Other sales		3	-
Total		4	-

Notes to the Annual Financial Statements for the year ended 31 March 2015

3. Compensation of employees

3.1 Salaries and Wages

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Basic salary		34 639	-
Performance award		150	-
Service Based		25	-
Compensative/circumstantial		538	-
Other non-pensionable allowances		10 100	-
Total		45 452	-

3.2 Social contributions

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Employer contributions			
Pension		3 763	-
Medical		1 025	-
Bargaining council		5	-
Total		4 793	-
Total compensation of employees		50 245	-
Average number of employees		80	-

4. Goods and services

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Administrative fees		5	-
Advertising		75	-
Minor assets	4.1	28	-
Catering		695	-
Communication		1 671	-
Consultants: Business and advisory services		1 735	-
Legal services		5 775	-
Contractors		37	-
Audit cost – external	4.2	661	-
Fleet Services		192	-
Consumables	4.3	993	-
Operating leases		6	-
Travel and subsistence	4.4	13 501	-
Venues and facilities		266	-
Training and development		44	-
Other operating expenditure	4.5	588	-
Total		26 272	-

As a newly established Department, the designed programmes included expanded mandate which demanded extensive consultation with various stakeholders such as Provincial Traditional Structures. Furthermore, there was a need to audit Traditional Councils as well as conducting anthropological research to mitigate future risks of unnecessary Traditional Leadership Disputes and Claims. Other mandatory legislative requirement such as official opening of NHTL and that required engagements to ensure that traditional leadership structures comply with the Framework Act.

Notes to the Annual Financial Statements for the year ended 31 March 2015

4.1 Minor assets

	Note	2014/15 R'000	2013/14 R'000
Tangible assets			
Machinery and equipment	4	28	-
Total		28	-

The above assets relates labour saving devices purchased for recording equipment for Departmental activities.

4.2 Audit cost – External

	Note	2014/15 R'000	2013/14 R'000
Regularity audits	4	661	-
Total		661	-

4.3 Consumables

	Note	2014/15 R'000	2013/14 R'000
Consumable supplies	4	229	-
Household supplies		17	-
Other consumables		212	-
Stationery, printing and office supplies		764	-
Total		993	-

4.4 Travel and subsistence

	Note	2014/15 R'000	2013/14 R'000
Local	4	12 474	-
Foreign		1 027	-
Total		13 501	-

The travel and subsistence expenditure relates to travel made in pursuit of the achievement of strategic projects of the Department as per the approved Annual Performance Plan.

4.5 Other operating expenditure

	Note	2014/15 R'000	2013/14 R'000
Professional bodies, membership and subscription fees	4	6	-
Resettlement costs		95	-
Other		487	-
Total		588	-

Included in the amount for other operating expenditure are the printing costs for the 2014/15 financial year Strategic Plan and Annual Performance Plan documents

Notes to the Annual Financial Statements for the year ended 31 March 2015

5. Payment for Financial Assets

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Debt written off	8.1	197	-
Total		197	-

5.1 Debts written off

	2014/15 R'000	2013/14 R'000
Nature of debts written off		
Other debt written off		
Disallowed damages & losses written off	197	-
Total	197	-

The exp. relates to damages & losses cases recommended for write-off by the Loss Control Committee

6. Transfers and subsidies

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Departmental agencies and accounts	Annex 1A	34 973	-
Total		34 973	-

Unspent funds transferred to the above beneficiaries

Transfer and Subsidies refers to all unrequited payments made by the Department. It is unrequited provided that the Department does not receive anything directly in return for the transfer. In transferring the amounts above, the Department requested written confirmation from the Commission confirming that internal controls and procedures are in place before any funds were transferred which is in compliance with Section 38(1)(j) of the PFMA.

7. Expenditure for capital assets

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Tangible assets			
Machinery and equipment	24	66	-
Total		66	-

As a newly established Department, there was a need to acquired office equipment for new appointees.

7.1 Analysis of funds utilised to acquire capital assets - 2014/15

	Voted funds R'000	Aid ass. R'000	Total R'000
Tangible assets	66	-	66
Machinery and equipment	66	-	66
Total	66	-	66

Notes to the Annual Financial Statements for the year ended 31 March 2015

8. Unauthorised Expenditure

8.1 Reconciliation of unauthorised expenditure

	2014/15 R'000	2013/14 R'000
Opening balance	-	-
Unauthorised expenditure - discovered in the current year (as restated)	2 252	-
Unauthorised expenditure awaiting authorisation/ written off	2 252	-

8.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

	2014/15 R'000	2013/14 R'000
Current	2 252	-
Total	2 252	-

8.3 Analysis of unauthorised expenditure awaiting authorisation per type

	2014/15 R'000	2013/14 R'000
Unauthorised expenditure relating to overspending of the vote or a main division within the vote	2 252	-
Total	2 252	-

8.4 Details of unauthorised expenditure incident

	2014/15 R'000	2013/14 R'000
Overspending on main division	2 252	-
Disciplinary steps taken / criminal proceedings The matter has been reported to NT & will be referred to the oversight committee in Parliament		
Total	2 252	-

9. Cash and cash equivalents

	2014/15 R'000	2013/14 R'000
Consolidated Paymaster General Account	10 853	-
Total	10 853	-

Notes to the Annual Financial Statements for the year ended 31 March 2015

10. Receivables

	Note	2014/15				2013/14
		R'000	R'000	R'000	R'000	R'000
		Less than one year	One to three years	Older than three years	Total	Total
Claims recoverable	10.1	15	-	-	15	-
Recoverable expenditure	10.2	202	-	-	202	-
Staff debt	10.3	75	-	-	75	-
Total		292	-	-	292	-

10.1 Claims recoverable

	Note	2014/15 R'000	2013/14 R'000
Provincial departments	10 Annex 1B	14	-
Public entities		1	-
Total		15	-

10.2 Recoverable Debts

	Note	2014/15 R'000	2013/14 R'000
Disallowance: Damages and Losses	10	202	-
Total		202	-

10.3 Staff debt

	Note	2014/15 R'000	2013/14 R'000
Damages: Departmental Vehicle (Debt take-on)	10	75	-
Total		75	-

Notes to the Annual Financial Statements for the year ended 31 March 2015

11. Voted funds to be surrendered to the Revenue Fund

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Opening balance		-	-
Transfer from statement of financial performance (as restated)		4 111	-
Add: Unauthorised expenditure for the current year		2 252	-
Paid during the year		-	-
Closing balance		6 363	-

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

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Opening balance		-	-
Transfer from Statement of Financial Performance		4	-
Paid during the year	2	(4)	-
Closing balance		-	-

13. Payables – current

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Clearing accounts	13.1	7 034	-
Total		7 034	-

13.1 Clearing accounts

Description		2014/15 R'000	2013/14 R'000
Sal: Income Tax: CL		82	-
Inter Departmental Claim		6 952	-
Total		7 034	-

Notes to the Annual Financial Statements for the year ended 31 March 2015

14. Net cash flow available from operating activities

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Net surplus/(deficit) as per Statement of Financial Performance		4 115	-
Add back non cash/cash movements not deemed operating activities		6 804	-
(Increase)/decrease in receivables – current		(292)	-
(Increase)/decrease in prepayments and advances		-	-
(Increase)/decrease in other current assets		-	-
Increase/(decrease) in payables – current		7 034	-
Proceeds from sale of capital assets		-	-
Proceeds from sale of investments		-	-
(Increase)/decrease in other financial assets		-	-
Expenditure on capital assets		66	-
Surrenders to Revenue Fund		(4)	-
Surrenders to RDP Fund/Donor		-	-
Voted funds not requested/not received		-	-
Own revenue included in appropriation		-	-
Other non-cash items		-	-
Net cash flow generated by operating activities		10 919	-

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

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Consolidated Paymaster General account		10 853	-
Total		10 853	-

16. Contingent liabilities and contingent assets

Contingent liabilities	<i>Note</i>	2014/15 R'000	2013/14 R'000
Liable to Intergovernmental payables (unconfirmed balances)	<i>Annex 1C</i>	4 932	-
Total		4 932	-

These relates to inter-departmental claims received from Presidency and the Department of Cooperative Governance after year end closure but could not be verified as valid claims against the Department.

Notes to the Annual Financial Statements for the year ended 31 March 2015

17. Commitments

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Current Expenditure			
Approved and contracted		254	-
Approved but not yet contracted		-	-
Total Commitments		254	-

*The lease contract for the photocopiers is for photocopier machines and the purchase orders for translation of PAIA manuals.
The lease contract of the photocopier machines is expiring on 31 March 2015*

18. Accruals and payables not recognised

			2014/15 R'000	2013/14 R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Compensation of Employees	1 851	-	1 851	-
Goods and services	454	-	454	-
Total	2 305	-	2305	-

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Listed by programme level			
Administration		1 583	-
Research, Policy and Legislation		197	-
Institutional Support and Coordination		524	-
Total		2 305	-

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Confirmed balances with other departments	<i>Annex 1C</i>	6 952	-
Total		6 952	-

19. Employee benefits

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Leave entitlement		1 876	-
Service bonus (Thirteenth cheque)		969	-
Performance awards		721	-
Capped leave commitments		1 537	-
Total		5 102	-

Notes to the Annual Financial Statements for the year ended 31 March 2015

20. Lease commitments

20.1 Operating leases expenditure

2014/15	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total
Not later than 1 year	-	-	-	89	89
Later than 1 year and not later than 5 years	-	-	-	86	86
Total lease commitments	-	-	-	175	175

20.2 Finance Lease expenditure

2014/15	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	421	421
Later than 1 year and not later than 5 years	-	-	-	266	266
Total lease commitment	-	-	-	687	687

21. Irregular expenditure

21.1 Reconciliation of irregular expenditure

	Note	2014/15 R'000	2013/14 R'000
Opening balance		-	-
Add: Irregular expenditure - relating to current year		6 518	-
Less: Current year amounts condoned		(6 518)	-
Less: Amounts not condoned and recoverable		-	-
Irregular expenditure awaiting condonation		-	-
Analysis of awaiting condonation per age classification		2014/15	2013/14
Current year		-	-
Prior years		-	-
Total		-	-

Notes to the Annual Financial Statements for the year ended 31 March 2015

21.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/ criminal proceedings	2014/15 R'000
Procuring of goods and services without following SCM processes	Expenditure condoned by the Accounting Officer	
-Legal Fees (Disputes & Claims cases)	Expenditure condoned by the Accounting Officer	5 795
-Accommodation	Expenditure condoned by the Accounting Officer	720
-Catering	Expenditure condoned by the Accounting Officer	3
Total		6 518

21.3 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2014/15 R'000
Procuring of goods and services without following SCM processes	Accounting Officer	6 518
Total		6 518

22. Related party transactions

Entity	Mandate	Relationship	Amount
CRL Rights Commission	Promote and protects cultural, religious and linguistic rights. The Commission focuses on conflict resolution, research, advocacy and community engagement on conflicts pertaining to cultural, religious and linguistic rights within communities.	The commission is an entity of the Department and receives its funding through a transfer payment	R34 million
Department of Cooperative Governance (DCoG)	Develop and monitor the implementation of national policy and legislation seeking to transform and strengthen key institutions and mechanism of governance to fulfil their developmental role.	The relationship between DTA and DCoG is based purely on the fact that both Departments share one Minister. DCoG processed all financial transactions on an agency basis through an MoU while DTA was setting up its transversal systems. In the first 9 months of 2014/15 DCoG processed payments to value of R93 million on behalf of DTA.	None
Municipal Infrastructure Support Agency (MISA)	Provide immediate support to Municipalities that are struggling with infrastructure delivery by facilitating the deployment of engineers, scientists and technicians to Municipalities and overseeing them.	There were not financial party transaction with MISA, however, suffice to state that we share one Minister. MISA deployed its engineers to assist the Department in assessing the state of 829 Traditional Councils to give effect to the President's directive of refurbishing all TCs by 2019 starting with the distress	None
Municipal Demarcation Board (MDB)	Is responsible for determining municipal boundaries, declare district management areas, delimit wards for local elections and assess the capacity of municipalities to perform their functions.	There were not financial party transaction with MDB, however, suffice to state that we share one Minister	None

Notes to the Annual Financial Statements for the year ended 31 March 2015

23. Key management personnel

	No. of Individuals	2014/15 R'000	2013/14 R'000
Political office bearers (provide detail below)	1	1 597	-
Officials:			
Level 15 to 16	2	3 427	-
Level 14 (incl. CFO if at a lower level)	8	8 769	-
Family members of key management personnel			
Total		13 793	-

24. Movable Tangible Capital Assets

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
Machinery and equipment	-	66	-	66
Computer equipment	-	24	-	24
Furniture and office equipment	-	42	-	42
Total movable tangible capital assets	-	66	-	66

24.1 Additions

**ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER
ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2015**

	Cash R'000	Non-cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
Machinery and equipment	66	-	-	-	66
Computer equipment	24	-	-	-	24
Furniture and office equipment	42	-	-	-	42
Total additions to movable tangible capital assets	66	-	-	-	66

Notes to the Annual Financial Statements for the year ended 31 March 2015

24.2 Minor assets

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2015

	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	-	-	-	-	-	-
Additions	-	-	-	28	-	28
Disposals	-	-	-	-	-	-
Total minor assets	-	-	-	28	-	28

	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	-	-	-	-	-	-
Number of minor assets	-	-	-	11	-	11
Total number of minor assets	-	-	-	11	-	11

Notes to the Annual Financial Statements for the year ended 31 March 2015

ANNEXURE 1A: STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS

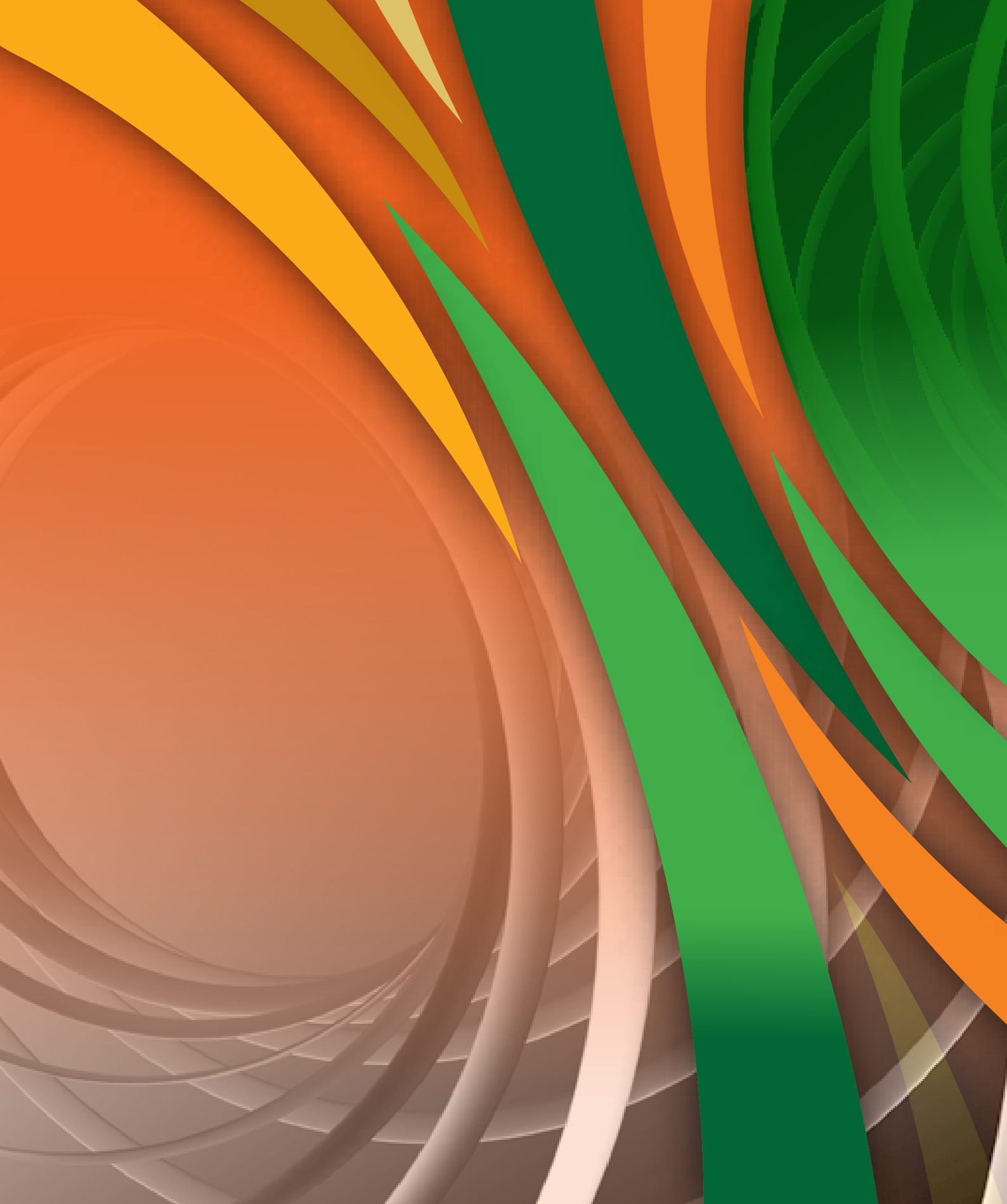
Department/ Agency/ Account	Transfer Allocation			Transfer		2013/14 Appropriation Act
	Adjusted Appropriation R'000	Roll-Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	
CRL Rights Commission	34 973	-	--	34 973	34 973	100 %
	34 973	-	-	34 973	34 973	100%

ANNEXURE 1B: CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 2014/15 Receipt date up to six (6) working days after year end
	31/03/2015 R'000	31/03/2014 R'000	31/03/2015 R'000	31/03/2014 R'000	31/03/2015 R'000	31/03/2014 R'000	
Department							
Limpopo CoGHSTA	14	-	-	-	14	-	-
Other Government Entities							
CRL Rights Commission	1	-	-	-	1	-	-
TOTAL	15	-	-	-	15	-	-

ANNEXURE 1C: INTER-GOVERNMENT PAYABLES

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 2014/15	
	31/03/2015	31/03/2015	31/03/2015	31/03/2015	31/03/2015	31/03/2015	Payment date up to six (6) working days before year end	Amount
	R'000	R'000	R'000	R'000	R'000	R'000		R'000
DEPARTMENTS								
Current								
The Presidency	-	-	1 383	0	1383	-	-	-
Cooperative Governance	6 952	-	3 549	-	10 501	-	-	-
Total	6 952	-	4 932	-	11 884	-	-	-



Read the **Annual Report** for the
Department of Cooperative Governance
on the reverse side of this book