



COGHSTA

Co-operative Governance
Human Settlements & Traditional Affairs



Annual Report

2014/15

**DEPARTMENT OF
CO-OPERATIVE GOVERNANCE,
HUMAN SETTLEMENTS &
TRADITIONAL AFFAIRS**

**PROVINCE OF NORTHERN CAPE
VOTE NO.9**

**ANNUAL REPORT
2014/15 FINANCIAL YEAR**

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PART A: GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS/ACRONYMS

AGSA	Auditor General of South Africa
AO	Accounting Officer
BBBEE	Broad Based Black Economic Empowerment
CFO	Chief Financial Officer
MEC	Member of Executive Council
HOD	Head of Department
PFMA	Public Finance Management Act
TR	Treasury Regulations
MTEF	Medium Term Expenditure Framework
SMME	Small Medium and Micro Enterprises
SCM	Supply Chain Management
EU	European Union
SITA	State Information Technology Agency
SDIP	Service Delivery Improvement Plan

3. FOREWORD BY THE MEC



MEC Elvin Botes

The year under review has coincided with the 60th Anniversary of the Freedom Charter and this in itself provided the Department of Co-operative Governance, Human Settlements and Traditional Affairs with an opportunity to reflect on the path we have travelled in the development of the sphere of local government, Human Settlements and the institutions of traditional leadership.

The Freedom Charter remains an over-arching developmental compass that guides the ANC-LED Government in moving South Africa forward. The Department of Cooperative Governance, Human Settlement and Traditional Affairs remains committed in advancing services to the ordinary people in this Province.

Tremendous progress made in delivering water, electricity and sanitation at Local Government Level. Our Achievements include:

- *Water provision improved from 94.4% to 97.4%;*
- *Sanitation improved to from 70.5% to 75%;*
- *Electricity improved to from 76.3% to 85%; and*
- *Refuse stands at 64%*

Our top financially performing municipalities is the District Municipalities of Frances Baardt and Zwelentlanga Fatman Mgcawu. Municipalities where the narrative of good governance is within reach are municipalities of John Taolo Gaetsewe, Pixley ka Seme, Namakwa, Umsobomvu, Khai Ma, Khara Khais, Hantam, and Kareeberg- this is municipalities which received Unqualified Reports, with Findings (or emphasis on matters which must be corrected)

Municipalities which are currently confronted with a deficit in leadership, where the syndrome of cognitive dissonance is present, are the municipalities of !Kheis, Dikgatlong, Ga-Segonyane, Kamiesberg, Karoo Hoogland, Kgatelopele, Magareng, Phokwane, Thembelihle, and Tsantsabane.

Community Works Programme in the Northern Cape target for 2014/15 of 13000 work opportunities was exceeded as at end of February to an actual of 13701;

- Distribution is as follows: Dikgatlong 1000, Joe Morolong 1500, Magareng 1000, Sol Plaatje 1000, Ubuntu 700, Kareeberg 700, Emthanjeni 800, Renosterberg 1000, Richtersveld 1000,

Kai !Garib 1000, Mier 300, Khai Ma 1000, Kgatelopele 1000 and Gamagara 1000.

- For 2015/16 financial year an additional 1000 new work opportunities will be created to be distributed as follows: Phokwane 500, Umsobomvu 250 and Siyancuma 250.

Our work has been guided by the National Development Plan (NDP), which provides a detailed roadmap for development until 2030. This plan requires us to focus on the need to strengthen the ability of local government to fulfil its developmental role in our communities. This we will continue to do into 2014/2015 and beyond by growing the local economies, creating jobs and eradicating the triple challenges of poverty, inequality and unemployment.

Together Moving South Africa Forward



Mr. Elvin Botes

**MEC of the Department of Cooperative Governance, Human Settlements & Traditional Affairs
31 May 2015**

4. PART OF THE ACCOUNTING OFFICER

Overview of the operations of the department:

In order for Program 1 to meet its mandate, top management of the department has set itself the following priorities; development of the departmental strategic plan, human resources plan as well as the review of the organisational structure. Further, it has set itself to improve the audit opinion to unqualified with fewer matters of emphasis as well as improvement on MPAT results.

During the previous audit (2014/15), the Department received an unqualified Audit Opinion with emphasis on a number of matters. The issues mentioned during that audit have been addressed during the current year under review. The audit action plan developed by the department has some improvements on a number of areas highlighted as weaknesses previously. The Implementation of appropriate risk management activities to ensure that regular risk assessments, including consideration of Information Technology risks has been developed and monitored on a quarterly basis. A number of policy gaps identified, has also been addressed by means of increased policy approvals made over the year. Record keeping from both support services and financial management were improved to ensure that complete, relevant and accurate information is accessible and available at any given time. The oversight role played by shared internal audit committee, assisted in improving internal controls on both financial and performance reporting and compliance with laws and regulations.

The supply chain processes for human settlement projects at municipalities, created some serious challenges over the past few financial years. The department incurred irregular expenditure to the tune of R617m accumulated since 2004/05 financial years, based on tender procedures not followed and documentation not submitted to auditor general for auditing purposes. These expenditures have increased with a further R30m for 2014/15 financial year, due to the roll-over of running projects not finalised by year end.

The department did de-recognise an amount of R647m irregular expenditure, as Per Note 31 on the AFS, incurred at municipalities as from 2004 until 2015. This decision is based on the latest guide (April 2015) on irregular expenditure issued by National Treasury as per paragraphs 23 to 26. It should be noted that due to the fact that supply chain practices happened at municipal level, the department cannot be held accountable for any irregularities that might occur on such committees. Furthermore, it has been impractical for the department to obtain the information on these expenditures incurred over the years, due to the poor records management processes at municipalities, and high staff turnover.

The matter has been addressed during the financial year by appointment of a Project Management Unit to assist with the technical capacity challenges at both departmental and municipal levels. This team of experts will gradually assist the department to take over the function of procurement on human settlement's projects from municipalities over the next financial year.

This was mentioned in the MEC budget speech delivered for 2014/15, presented to the Portfolio Committee during 2014/15 budget presentation. By doing this, the department will be in a position to

resolve the long outstanding matter of irregular expenditure happening at municipal level, but disclosed in departmental books every year.

During the 2014/2015 financial year the department has completed 677 houses under informal settlement upgrading, and a total of 2133 under all programmes. A total of 556 residential properties transferred to beneficiaries and 3025 sites were serviced and completed.

There has been an improvement in the Audit outcomes of municipalities for the year under review as compared to the previous years. There has been improvement in the delivery of basic services within the province as indicated in the census 2011 statistics and various reports from municipalities and sector departments. In the Northern Cape Province, two thousand new opportunities have been created under Community Works Programme.

In 2014/2015 financial year, the Programme has achieved the following; inauguration of Kgosi KS Motshwarakgole, Traditional leaders are now legible to join GEMS as from 1 April 2014, Seven vehicles were procured and handed over to senior traditional leaders and finally, salaries of Headmen were determined by the Commission on Remuneration of Public Office Bearers from R71 644 to R80 850 per annum and signed off by the President. These salaries were effective as from April 2014 and implemented.

Overview of the financial results of the department:

- Departmental receipts

Departmental receipts	2014/15			2013/2014		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	400	445	-45	363	435	-72
Interest, dividends and rent on land	4	1	3	23	9	14
Sale of capital assets	350	340	10		150	-150
Financial transactions in assets and liabilities	73	842	-769	94	371	-277
Total	827	1628	-801	480	965	-540

Determination of Tariffs:

Tariffs utilized within Department is as prescribed by National i.e. Persal: service rent commission garnishees 5%, insurance 2,5% and Parking R30,00.

No free services to report. No bad debts written off during this period.

Over-Collection:

Over-collection under the following items: Revenue previous years: Inter-departmental Claims (past financial years). The over-collection of revenue cannot be planned for, these have been incidents which have taken place above what was originally anticipated

o Programme Expenditure

Programme Name	2014/2015			2013/2014		
	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	88 774	89 373	(599)	100.7%	95 841	107 504
Human Settlements	424 727	422 391	2 336	99.4%	642 034	616 481
Co-Operative Governance	118 965	120 603	(1 638)	101.4%	108 060	102 616
Traditional Affairs	19 508	19 508	-	100.0%	17 466	14 968
TOTAL	651 974	651 875	99	100%	863 401	841 569

The department receive an allocation of R 651 974m for the 2014/15 financial year, and an amount of R 651 876m were spend, resulting in savings of R 99 000, 00. Some challenges were faced during the past financial year and departmental overspending on GOODS AND SERVICES amounted to R 7 329m, reduced to R3 766m, due savings realised in other programmes, thus reducing unauthorized expenditure as a whole. The main reason for these spending patterns were due to the monitoring and controlling of the budget tool introduced last year. It is a daily monitoring tool, that deducts expenditure before any commitment to incur expenditure, is made. No official were entitled to commit the department without the budget form attached, indicating whether funds is available or not. This control mechanism, will be continued in the new financial year 2015/16, to ensure that a break even analysis at end of the year.

Virements/roll overs

Programme	Over/Under R000'	Over/Under %	Reasons for virement	Remedial steps / Remarks
Administration	5 545 000	101	Under budgeting on fleet management services	Provision will be made for monthly maintenance and rental costs as charged by the Department of Transport.
Human Settlements	(3 758 000)	99	To offset over expenditure on administration	Due to the implementation of the budget tool so the savings was realised
Cooperative Governance	(411 000)	101	To cover shortfall on capital expenditure to cover procurement of vehicles for traditional leaders	Due to the implementation of the budget tool expenditure were kept at the minimum.
Traditional Affairs	(1 376 000)	100	To offset over expenditure on administration	-

The department have applied for a roll over for the amount of R 1 220 000 to Provincial Treasury. This amount was committed to pay for security infrastructure upgrade in the department. The project was not completed as at year end hence could not pay the service provide.

Another issue is the departmental irregular expenditure incurred over a number of years also recorded in the departmental books. The supply chain processes for human settlement projects at municipalities, created some serious challenges over the past few financial years.

The department incurred irregular expenditure to the tune of R617m accumulated since 2004/05 financial years, based on tender procedures not followed and documentation not submitted to auditor general for auditing purposes. These expenditures have increased with a further R30m for 2014/15 financial year, due to the roll-over of running projects not finalised by year end.

The department did de-recognise an amount of R647m irregular expenditure, as Per Note 31 on the AFS, incurred at municipalities as from 2004 until 2015.

The supply chain procurement processes has been addressed by means of capacitating the unit over the past financial year. Segregation of duties were some of the challenges, but has now been addressed going forward. The vacancies under LOGIS system have been filled and the manager and assistant director for have been appointed. Additional capacity were also given based on the commitment from provincial allocating funding for the filling of vacancies and increased capacity, for the improvement of supply chain units.

Future plans of the department

Human Settlements

In alignment the departments plan and its resources made available to the provincial priorities, Human Settlement programme will focus on the following:

- To build 1746 housing units
- To issue 1500 title deeds
- To plan and survey 5800 sites
- 933 serviced site to be completed.

Cooperative Governance

This programme will ensure that municipalities embrace implement the Back-to-Basics approach, by focusing on the following critical areas:

- Put people and their concerns first and ensure constant contact with communities through effective public participation platforms,
- Create conditions for decent living y consistently delivering quality municipal services, which includes planning and delivery infrastructure and amenities, maintenance and upkeep, as well as proper budgeting,
- Be well run with good governance an administration, cut wastage, spend public funds prudently, hire competent staff as well as ensure transparency and accountability,
- Ensure sound financial management and accounting, and prudently manage resources s as to sustainably deliver services and bring development to communities,
- Build and maintain sound institutional and administrative capabilities administered a managed by dedicated and skilled personnel at all levels.

Traditional Affairs

To ensure that mandates of the Houses of Traditional Leaders are excluded as per legislative mandates.

- To support traditional leaders and communities with leadership disputes and administration

complaints,

- To execute planned national and provincial programmes and events,
- To update genealogies of traditional leader and anthropological research.

Public Private Partnerships

There are no PPP agreements entered into over the past year. The department has embarked on a process to build new offices at the premises of the provincial department. These processes are still at inception phase and will be reported on in the new financial year, 2015/16.

Discontinued activities / activities to be discontinued

None

New or proposed activities

None

Supply chain management

- **List all unsolicited bid proposals concluded for the year under review**

None

Indicate whether SCM processes and systems are in place to prevent irregular expenditure

The department embarked on an exercise to improve monitoring of any expenditure within the department. The improved capacity under supply chain management assisted in reducing the number of irregularities within the department. The previous contracts entered into on a month to month to basis were all cancelled. A number of tenders were concluded to replace contracts of cleaning, gardening, and the telephone system, thus improving service delivery.

Challenges experienced in SCM and how they were resolved

There had been a number of challenges under SCM, due to capacity constraints, but with the financial assistance provided by provincial treasury, the department could manage to appoint additional staff to improve operations at its supply chain management to deal with issues of compliance for all procurement.

Gifts and Donations received in kind from non-related parties

None

Exemptions and deviations received from the National Treasury

None

Events after the reporting date

The request for the un-earmarking of Galeshewe Urban Renewal to reduce the level of overspending within the department, were only approve by provincial treasury after the reporting date of 31 March 2015. This effect has been addressed on the face of the annual financial statements.

Appreciation

We express appreciation for the diligence with which both the Internal Audit Committee as well as the external Auditor-General dealt with their tasks, both in giving assistance to the Department and pointing out areas where we can improve in delivering on our mandate.



Ms Gladys Botha
Accounting Officer
Department of Cooperative Governance Human Settlements and Traditional Affairs
31 May 2015

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

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

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

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

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

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

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

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

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

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

Yours faithfully



Accounting Officer
Ms Gladys Botha
31 May 2015

6 STRATEGIC OVERVIEW

6.1 Vision

People of the Northern Cape living in integrated sustainable human settlements, with responsive, accountable and highly effective municipalities and traditional institutions.

6.2 Mission

- To ensure the efficient, effective and economic utilization of departmental resources to maximize service delivery
- To facilitate and manage integrated sustainable human settlements and infrastructure development for effective service delivery.
- To facilitate, monitor and support the consolidation and sustainability phases at municipalities for integrated and sustainable service delivery.
- To promote and support inter-sphere engagement for integrated planning and co-ordination.
- To facilitate and develop support systems and structures to enhance traditional leadership.

6.3 Values

The Department has adopted the following set of values that will inform its conduct and approach to effective service delivery:

☐ *Equity:*

- Non discrimination
- Affirmative Action
- Gender Equity
- Integration of disability issues

☐ *Integrity:*

- Honesty
- Employees disassociating themselves from all forms of corruption and unethical behaviour
- Sound business practices

☐ *Development:*

- Enablement and empowerment
- Faith in potential of people
- Providing opportunities for growth and facilities
- Fair treatment for all
- Fairness and equality before the law

☐ *Team work:*

- Co-operation
- Support

- Trust
- ☐ *Accountability:*
 - Desire to perform well
 - Accepting accountability for your behaviour
 - Commitment
- ☐ *Efficiency:*
 - Productivity
 - The best work methods
 - Excellent services

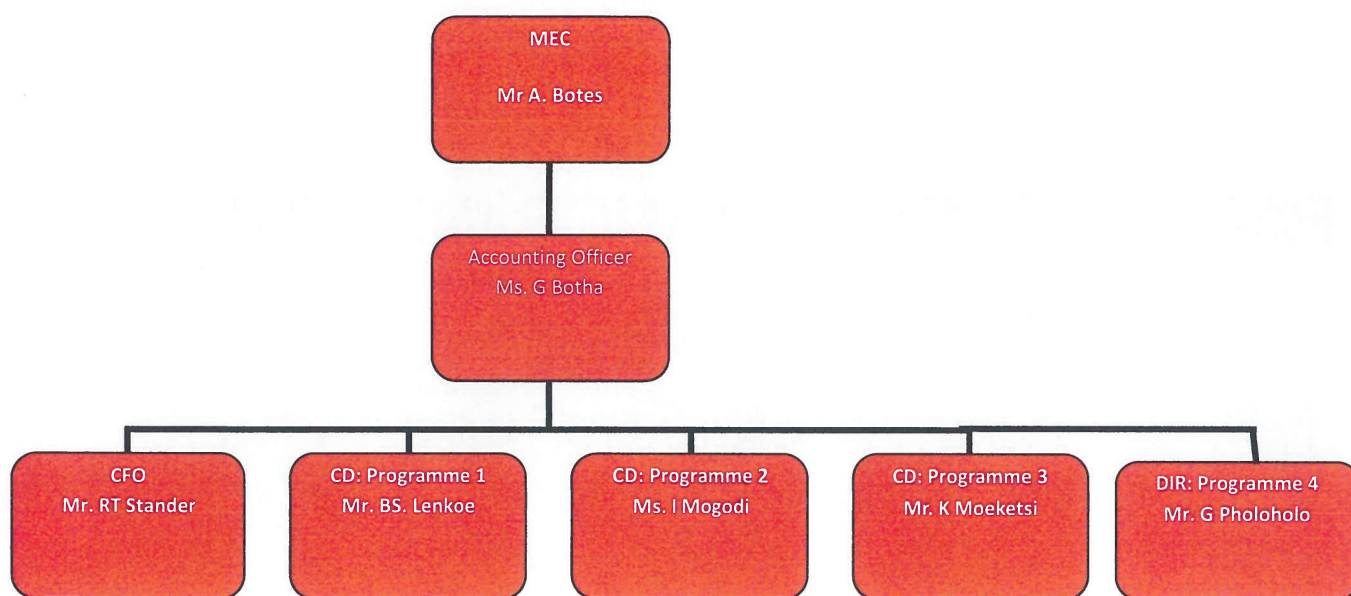
7 LEGISLATIVE AND OTHER MANDATES

- Public Finance Management Act (Act No 1 of 1999)
- Promotion of Access to Information Act (Act No of 2000)
- Fire Brigade Services Act (Act No 99 of 1987)
- GIAMA (Act No 19 of 2007)
- National Archives and Records Services of South Africa (Act No 13 of 1996)
- Northern Cape Archives Act (Act No of 2013)
- Housing Act (Act No 107 of 1997)
- The Prevention Of Illegal Eviction From Unlawful Occupation Of Land Act of 1998
- Housing Consumer Protection Measures Act of 1998
- Rental Housing Act (Act No 50 of 1999 as amended)
- Division of Revenue Act (DORA)
- Deeds Registry Act (Act No 47 of 1937)
- Home Loan and Mortgage Disclosure Act of 2000
- Spatial Planning Land Use Management Act (Act No 16 of 2013)
- Social Housing Act (Act No 16 of 2008)
- Housing Development Act (Act No 23 of 2008)

- The Housing Code Act of 2009
- Extension of Security of Tenure Act (Act No 62 of 1997)
- Housing Consumers Protection Measures Act (Act No of 1998)
- Disestablishment of South African Trust Limited Trust (Act No 26 of 2002)
- Property Rating Act and Property Valuation Ordinance (Act No 14 of 1993)
- National Housing Code of 2000
- Northern Cape Interim Housing Act (Act No 6 of 1999)
- Disaster Management Act (Act No 57 of 2002)
- Intergovernmental Relations Framework Act (Act No 13 of 2005)
- Remuneration of Public Office Bearers Act (Act No 20 of 1998)
- Local Government: Municipal Systems Act (Act No 32 of 2000)

- Local Government: Municipal Structures Act (Act No 117 of 1998)
- Local Government: Municipal Finance Management Act (Act No 56 of 2003)
- Local Government: Municipal Property Rates Act (Act No 6 of 2004)
- Demarcation Act (Act No of 1998)
- Organized Local Government Act (No 52 of 1997)
- Local Government: Cross-Boundary Municipal Act (Act No 29 of 1998)
- Intergovernmental Fiscal Relations Act (Act No 13 of 2005)
- Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities Act (Act No 19 of 2002)
- Traditional Leadership and Governance Framework Act (Act No 41 of 2003)
- National House of Traditional Leaders Act (Act No 10 of 1997)
- Northern Cape Traditional Leadership Governance and Houses of Traditional Leaders Act (Act No 2 of 2007)
- Housing Act (Act No 107 of 2005)

8 ORGANISATIONAL STRUCTURE



9 ENTITIES REPORTING TO THE MEC

The table below indicates the entities that report to the MEC.

Name of Entity	Legislative Mandate	Financial Relationship	Nature of Operations
Municipalities	PFMA DORA	R387 654 000	Transferring of Grants to municipalities for housing implementation
Housing Fund	PFMA	Dormant entity	Old house of reps entity establish. The entity need to be delisted on PFMA schedules

PART B: PERFORMANCE INFORMATION

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management.

Refer to page 94 of the Report of the Auditor General, published as Part E: Financial Information

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

The vision of the department is to see the people of the Northern Cape living in integrated sustainable human settlements, with responsive, accountable and highly effective municipalities and traditional institutions. However, during 2014/15 financial year, several socio-economic and political factors had impacted on the department's efforts to strive for the achievement of its vision. Amongst others, these factors include the following; increasing population rate, provincial economic growth, high employment rate, lack of well-located land for human settlements as well as lack of bulk infrastructure.

According to Statistic South Africa mid-year estimates 2014, the population rate of Northern Cape has increased by 20 839. The increase on population rate, though the number look insignificant, poses a tremendous threat on the department efforts to decrease housing and bulk infrastructure backlog. The last five years term saw a remarkable 46% drop in the building of houses while human settlement grants have remained stagnant. According to Statistic South Africa census 2011, the housing backlog of the province is estimated at 53 097.

The second factor that impacted on the department's efforts to improve the living standards of the people of Northern Cape is an economic growth. According to Statistic South Africa the Northern Cape, the provincial contribution to the national economy was 2% with regards to industry contribution the mining and quarrying industry remained the largest, contributing 23,4% to the provincial economy in 2013 while construction contributed the least at 2.6%.

The third factor that impacted on the department's efforts to improve the living standards of the people of Northern Cape is the high employment rate. According to Statistics South Africa, the unemployment rate of the province stands at 28.7% in the fourth quarter of 2014. During the last two quarters of 2014, the number of employed people increased by 23 000, while the unemployed decreased by 12 000.

In terms of employment by industry, the tertiary sector followed by the primary sector absorbed most of the workers in 2013 and 2014. The community services and trade industries employed the most workers

in 2013 and 2014. The employment growth between 2013 and 2014 in the primary sector was -1.6%, in the secondary sector it was 22.9% and in the tertiary sector it was also negative at -2.5 %.

The current economic climate in terms of rising fuel and electricity costs and rising interest rates is eroding the value of household incomes and has an adverse impact on the level of payments of municipal services. The department, within its own budgetary constraints provides necessary support to municipalities for municipalities to perform their own functions; however, due to poverty and unemployment, consumers are unable to pay for their municipal services. This has severely hampered the ability of municipalities to optimize the collection of revenue as a result over the past year there has been a number of service delivery protests.

2.2 Service Delivery Improvement Plan

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Submission of Annual Statements	Municipalities	Municipalities	Ready by mid-August	Municipalities
Provision of quality low cost housing units	Communities	Communities	Quality low cost houses	2133
Recognition of Khoi-San communities	Traditional leaders and their communities	Traditional leaders and their communities	Recognition of the Khoi-San Leadership and communities	Bill still to be assented

Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
Municipalities	Municipalities	Municipalities
Communities	Communities	
Traditional leaders and their communities	Traditional leaders and their communities	Bill still to be assented

2.3 Organisational environment

Administration

Program1 is responsible for ensuring effective leadership, management and administrative support to the department through continuous refinement of the organizational strategy, structure, financial services, in line with appropriate legislation and best practices.

To achieve the above mentioned the department has set itself the following priorities; development of the departmental strategic plan, human resources plan as well as the review of the organisational structure. Furthermore, the department has committed to improve the audit outcomes of 2013/2014 to unqualified

audit opinion with fewer matters of emphasis as well as improvement on Management Practices Assessment Tool (MPAT) results.

The department has thus tabled its Strategic Plan as well as Annual Performance Plan for the next medium-term strategic framework period to the legislature and the Human Resource Plan for the next medium-term expenditure framework period has been approved and submitted to Department of Public Service and Administration. Furthermore, in 2014/2015 financial year the department has filled nine (9) permanent positions of which all of them were filled by women. In addition, the department has provided training opportunities to 78 officials on the following programmes: Gender Mainstreaming, Facilitation and Report Writing as well as Basic First Aid. Also, the department had 15 students on learner ship and internship programs. The department have Employee Health and Wellness Programme that are in line with Employee Health and Wellness strategic framework. In addition the department has approved policies that improve health related knowledge, attitude, behaviour and objective health conditions of employees.

In line with provisions of occupational health and safety as well as the Batho Pele principles and services rendered by the department, the department has relocated to new offices in Upington (ZF Mgcawu) and Springbok (Namakwa region).

In further addressing the 2013/2014 audit outcomes as well as institutionalisation of planning, monitoring and evaluation, the department has now established a fully-fledged sub-programme on Policy, Planning, Monitoring and Evaluation, which has assisted with the development of a Policy Framework on Monitoring and Evaluation. As a result the department has improved on the consolidation of reports and the timeous submission of quarterly reports to our external stakeholders.

In conclusion while the department is implementing its mandate, the department is mindful of the challenges that relates to shortage of staff and allocation of budget. However, the programme is committed to prioritise within its available resources to meet its mandate.

Human Settlement

The constitution of the Republic of SA Section 26 (1) (2) and (3) states that:

- Everyone has the right to have access to adequate housing
- The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realization of this right
- No one may be evicted from their home, have their home demolished, without an order of the court made after considering all the relevant circumstances. No legislation may permit arbitrary legislation.

One of the department's priorities for 2014/2015 financial year was to continue with the development of sustainable human settlements and to improve quality life of the people of Northern Cape. The department has focused on the following; adequate housing and improved quality living environments, functional equitable residential property market as well as enhanced institutional capability for effective coordination of spatial investment decisions.

During 2014/2015 financial year, the department has created 2133 housing opportunities and it has ensured that 3025 houses have access to basic services like, water, sanitation as well as gravel roads. Secondly, through working together with Housing Development Agency, 7168264 hectors of well-located land was identified. In addition 246764 hectors has been released for new development that targeted the

poor and middle income households. Furthermore, 648 title deeds were issued to new home owners and in addition the department has planned to issue out 1500 title deeds in 2015/2016 financial year. The continuous effort of the department in improving the quality of life of the people of Northern Cape, the department has planned and surveyed 5818 and 3025 sites were serviced and completed for human settlement development. The department has further conducted several consumer workshops that reached 2675 participants.

During 2014/2015 financial year the department has experienced several challenges that contributed to the following; drop in the number of houses constructed as well as the spiral increase on the number of informal settlements sites. These challenges are as a result of an inadequate human settlement grant, increase in population rate of the province as well as high levels of unemployment.

In order to address some of the above mentioned challenges that stand as a stumbling block in the department's effort to improve the lives of the people of Northern Cape, the department is in the process of developing a Provincial Human Settlement Strategy. The aim of the strategy is to align human settlement planning and delivery in an integrated manner.

Co-operative Governance

The Constitution of the Republic of South Africa, Section 154. (1), states that the national government and provincial governments, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions.

In order to achieve the above mandate, the department has therefore prioritised the following; healthy political and administrative interface, delivery of basic services, provisioning of capable and competent staff as well as building institutional systems and processes in 32 municipalities of the Province.

In 2014/2015 financial year the MEC held several structured meetings (MUNMEC) with all mayors and municipal managers. The purpose of the meetings is mainly to receive progress reports, consult with municipalities, share information and discuss issues of common interest as articulated in inter-governmental relations framework (IGRFA) number 13 of 2015. This has led to the improvement of political and administrative relations at municipal level. In addition, the department has supported municipalities in relation to the following; conducted district wide infrastructure planning sessions with all municipalities, training on Municipal Infrastructure Grant (MIG) processes as well as development of business plans for a number of municipalities. Furthermore, municipalities were also supported with the roll over processes. As a result the expenditure of municipal infrastructure grant has improved. The department has transferred conditional grants to District Municipalities for Disaster Management and Fire Services before the end of the third quarter of the financial year. In addition to the above mentioned achievements, there has been an improvement in the Audit outcomes of municipalities as well as improvement on the delivery of basic services for the year under review as compared to the previous years. In line with government priority of eradicating poverty and creating jobs the department assisted with coordination of Community Works Programme that resulted to two thousand new opportunities in 2013/2014 financial year.

The observation on backlogs is that we seems to be chasing a moving target due to new developments, formalisation of lands, and inclusion of informal settlement figures into the backlogs and infrastructure that are dilapidated and needs refurbishments or replacements etc. The provision of basic refuse removal in the province remains stagnant especially in the rural areas due to lack of landfill site, regulated dumping sites, distance between villages and insufficient refuse trucks. The department has noted with concern the impact of slow human settlement provision on basic services. The implementation of the

Spatial Planning and Land Use Management Act (SPLUMA) is a challenge for the Province as municipalities do not have town and regional planners on their establishments. In the Province in both the private and public sector there is not enough town and regional planners, and this compounds the challenge for the implementation of SPLUMA.

This programme will ensure that municipalities embraced and implemented the Back-to-Basics approach, by focusing on the following critical areas; put people and their concerns first and ensure constant contact with communities through effective public participation platforms, create conditions for decent living by consistently delivering quality municipal services, which includes planning and delivering infrastructure and amenities, maintenance and upkeep, as well as proper budgeting; be well run with good governance and administration, cut wastage, spend public funds prudently, hire competent staff, as well as ensure transparency and accountability; ensure sound financial management and accounting, and prudently manage resources so as to sustainably deliver services and bring development to communities, and; build and maintain sound institutional and administrative capabilities, administered and managed by dedicated and skilled personnel at all levels.

TRADITIONAL AFFAIRS

The role of the institution of traditional leadership is to promote and contribute to development, service delivery, nation building, community peace, stability and social cohesion, moral regeneration and the preservation of custom, culture and traditions. This role demands that the institution should be supported through legislative and other measures to enable it to fulfil its mandate.

In fulfilling its mandate, the programme has set the following targets; to provide traditional leaders with tools of trade, support traditional councils and houses of traditional leaders as well as to develop genealogies of all headmen in Kuruman.

In 2014/2015 financial year, the Programme has achieved the following; inauguration of Kgosi KS Motshwarakgole, Traditional leaders are now legible to join GEMS as from 1 April 2014, seven vehicles were procured and handed over to senior traditional leaders and finally, salaries of Headmen were determined by the Commission on Remuneration of Public Office Bearers from R71 644 to R80 850 per annum and signed off by the President. These salaries were effective and implemented as from April 2014.

While the programme is implementing its mandate, it is important to be mindful of the challenges that relates to shortage of staff and allocation of budget. However, the programme is committed to prioritise within its available resources to meet its mandate.

In the next Medium Term Strategic Framework period the Programme will focus on the following; ensure that the mandates of the Houses of Traditional Leaders are executed as per legislative mandates, support traditional leaders and communities with leadership disputes and administration complaints, execute planned national and provincial programmes and events as well as to update genealogies of traditional leaders and anthropological research.

2.4 Key policy developments and legislative changes

The department will continue to implement Outcome 8 and 9 as well as implementing Back-to-Basics.

3. STRATEGIC OUTCOME ORIENTED GOALS

Programme	Strategic Oriented Goal	Progress
Administration	Overall strategic management, and evaluation, legal, financial management and human resource support to the programmes and that financial management is effective, efficient, economical and transparent	Mainly programme 1 is responsible for compliance. There is a progressive improving on department audit outcomes and MPAT results.
Human Settlements	To plan, facilitate, co-ordinate and manage the development of sustainable human settlements	The number of house over the past strategic period were 27934. To date 17999 title deeds were issued to beneficiaries over the same period
Cooperative Government	To support and monitor municipalities with a view of developing a responsive, accountable, effective and efficient local government system in the Northern Cape	Progressive improvement of municipal audit opinions and improved expenditure of MIG Grant as well as increased access to basic services
Traditional Affairs	To render efficient and effective administrative and financial management support to monitor implementation of policies and programmes regarding traditional affairs	<p>Land ownership is one factor that has over the past term constrained municipalities from delivering quality services to the traditional communities.</p> <p>Disagreements between the traditional authorities and municipal councils over land for development, projects and co-operation have been prevalent.</p> <p>As a result, municipalities have been rendered incapable of managing their own affairs, to exercise their powers and perform their functions.</p>

4. PERFORMANCE INFORMATION BY PROGRAMME

The activities of department of Co-operative Governance, Human Settlements & Traditional Affairs are organised in the following programmes:

4.1 Programme 1: Administration

Purpose:

Aims to ensure that overall management is strategic, policy is developed, monitored and evaluated and legal human resources support provided to all programmes and that financial management is effective, efficient, economical and transparent, effective and efficient departmental planning, monitoring, evaluation and reporting to improve service delivery.

Strategic Objective

Programme 1 : Administration					
Strategic objectives	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
Effective and efficient departmental planning, monitoring, evaluation and reporting to improve service delivery.	75	201	193	-8	Firstly, the programme could not review all its transversal policies as planned; the review process will be to carry to 2015/16 financial year. Secondly, the department is in the process of developing contract management manual and it will be finalised in 2015/16 financial year.

Performance Indicators and targets

Programme 1: Administration					
Performance Indicator	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
Persal clean up reports	New	4	4	0	None
Reviewed organizational structure	New	1	1	0	None
Approved HR Plan	1	1	1	0	None
Employee Health and Wellness manual approved	New	1	1	0	None
Number of Employee Health and Wellness Programmes implemented	New	4	4	0	None
Number of Labour Relations Forum meetings coordinated	New	4	4	0	None
Number of proactive Labour Relations Programmes implemented	New	4	4	0	None
Approved WSP	New	1	1	0	None
Approved communication strategy	New	1	1	0	None
ICT Status report submitted	New	1	1	0	None
Number of reports on Occupational Health and Safety Compliance compiled	New	4	4	0	None
Number of departmental programmes supported with legal advice	New	4	4	0	None
Number of external stakeholders assisted with legal support	New	9	9	0	None
Number of departmental specific transversal policies reviewed and approved	New	22	14	-8	the department is in the process of reviewing departmental policies
An approved monitoring and evaluation framework	1	1	1	0	None
Number of departmental management plans submitted	2	6	6	0	None
Number of quarterly reports submitted	4	4	4	0	None
Annual report submitted	1	1	1	0	None
Number of Compliance Certificates submitted	12	12	12	0	None

Programme 1: Administration					
Performance Indicator	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
Number of Instruction Note 34 reports submitted	12	12	12	0	None
Number of Annual financial statements submitted to AG as per prescribed legislative mandates	1	1	1	0	None
Number of reports based on transactions paid within 30 days	New	12	12	0	None
Number of MTEF budget submissions made	1	1	1	0	None
Number of In-Year Monitoring reports submitted by the 15th of each month	12	12	12	0	None
Assessed and reviewed internal controls and compliance.	New	9	10	0	None
Reviewed risk management strategic documents.	New	6	6	0	None
Implemented risk management key processes.	New	6	6	0	None
Compilation and Review of Anti- fraud and corruption strategic documents.	New	4	4	0	None
Co-ordination of Anti-fraud and corruption key processes	New	3	3	0	None
Completed asset register		1	1	0	None
Number of DAMP reports submitted	12	12	12	0	None
Number of reconciliations performed between BAS and the Asset Register	12	12	12	0	None
Number of monthly statistical reports on procurement submitted	New	12	12	0	None
Number of LOGIS commitment reports submitted	6	12	12	0	None
Develop and implement contract management manual	New	1	0	-1	The manual is undergoing consultation processes, it will be approve in Q1 of 2015/16

Provide reasons for all deviations

The department could not finalise the review of transversal policies and Develop and implement contract management manual in 2014/15 financial year as per the target due to delays in consultation processes

Strategy to overcome areas of under performance

The programme will finalise the process of review transversal policies and development of the contract management manual during second quarter of 2015/16

Changes to planned targets

None

Sub-programme expenditure

Sub- Programme Name	2014/2015			2013/2014		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
OFFICE OF THE MEC	12 000	9 045	2 955	11 387	10 043	1 344
CORPORATE SERVICES	76 774	80 328	(3 554)	84 454	97 461	(13 007)
Total	88 774	89 373	(599)	95 841	107 504	(11 663)

4.2 Programme 2: Human Settlements

Purpose

Programme two is responsible for the development of sustainable development in the Northern Cape in the context of transforming our cities, towns and rural areas and building cohesive sustainable and caring communities with closer access to work and social amenities including sports and recreation facilities.

Strategic Objective

Programme 2: Human Settlements					
Strategic objectives	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 and facilitate sustainable human settlement research, policy, planning and capacity development by ensuring integrated sector planning, sound regulatory frameworks and capacity enhancement to achieve targets for Outcome 8 sustainable human settlements and improve quality of household life in an economical, efficient and effective manner.	12	59	93	+34	5 out of 7 performance indicators are new indicators, this has affected the baseline.
Facilitate coordinate and manage integrated sustainable human settlements projects in an economical, efficient and effective manner.	12951	9664	12382	+2730	Completion of prior year targets
Provide Human Settlements with grant management support, co-ordinate and manage the Human Settlements Subsidy System (HSS), Human Settlements Registry and Human Settlements Assets and Property Management in an economical, efficient and effective manner.	15	14	14	0	None

Performance Indicators and targets

Programme 2: Human Settlements					
Performance Indicator	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
Multi-Year Housing Development Plan (MYHDP) reviewed and approved	1	1	1	1	None
Number of municipalities capacitated and supported with regards to Human Settlements development planning	11	32	32	0	None
Number of Acts passed and/or policy guidelines approved	New	1	0	0	Municipalities at a MUNIMEC meeting requested additional consultation before approval.
Number of research papers completed	New	1	1	0	none
Outcome 8 Output 1: Sub-output 1.4: Number of level 1 accredited municipalities supported	New	2	2	0	none
Outcome 8 Output 1: Sub-output 1.4 Number of level 2 accredited municipalities supported	New	5	5	0	none
Number of stakeholders successfully trained through Accredited training programmes.	New	20	52	+32	The programme is funded by external stakeholders
Number of sites planned and surveyed under all programmes	7612	2221	5818	+3597	Land portion made available for development by the municipality yielded more erven.
Number of serviced sites to be completed under all programmes	2875	2948	2332	-616	The under performance is due to delays caused by service delivery protest in the Phokwane area and a poor performing contractor in Gamagara.
Number of new sites connected to basic water and sanitation services as part of the Integrated Residential Development Programme.	New	1929	1298	-631	The under performance is due to delays caused by service delivery protest.
Number of households connected to basic services as part of the Upgrading Informal Settlements Programme	New	819	804	-15	The underperformance due to a non performing contractor.
Number of housing units completed under all programmes	2464	1735	2130	395	Target exceeded due to houses under-construction from the previous year
Number of Conditional grant business plan compiled and	2	1	1	0	None

Programme 2: Human Settlements					
Performance Indicator	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
submitted					
Number of local municipalities assisted with the acquisition of land	1	1	1	0	None

Provide reasons for all deviations

- Municipalities at a MUNIMEC meeting requested additional consultation before approval.
- The programme is funded by external stakeholders
- Land portion made available for development by the municipality yielded more even.
- The underperformance is due to delays caused by service delivery protest in the Phokwane area and a poor performing contractor in Gamagara.
- The underperformance is due to delays caused by service delivery protest.
- The underperformance due to a non performing contractor.
- Target exceeded due to houses under-construction from the previous year

Strategy to overcome areas of under performance

The programme has invested in a project management unit to improve on the delivery model of the department; in particular:

- Contract management
- Quality assurance
- Project Packaging
-

The department is in the process of formulating provincial a human settlement strategy to ensure implementation of projects respond to the actual human settlement needs on the grounds. The strategy will guide provincial planning and alignment of human settlement development to relevant sector department

Changes to planned targets

None

Sub-programme expenditure

Sub- Programme Name	2014/2015			2013/2014		
	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
Housing Needs	17 246	18 368	(1 122)	21 848	9 434	12 414

Research and Planning						
Housing Development	398 811	398 522	289	609 277	585 929	23 348
Housing Asset Management	8 670	5 501	3 169	10 709	21 118	(10 409)
Total	424 727	422 391	2 336	641 834	616 481	25 353

4.3 Programme 3: Cooperative Governance

Purpose

The purpose of Programme 3 is to implement institutional, administrative and financial municipal frameworks, and also to promote integrated planning in the Province.

Strategic Objective

Programme 3: Cooperative Governance					
Strategic objectives	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 provide management and support services to Cooperative Governance within the regulatory framework	New	20	20	0	None
To provide management and support services to Local Government within the regulatory framework	New	16	16	0	None
To deepen democracy in municipalities within the regulatory framework	New	8	8	0	None
To monitor the implementation of the Municipal Property Rates Act	New	13	12	-1	Section 131 report could not be achieved due to deployment responsible for the report
Municipal Performance Management Systems in place to facilitate performance monitoring reporting and evaluation as planning	New	5	5	0	None
To provide a PSDF for improved and aligned Municipal SDF to promote orderly development and investment confidence in 32 municipality and to oversee the implementation of SPLUMA at 32 municipalities through proper support mechanisms	New	8	8	0	None
Effective support to local government institutions for effective integrated development Planning and Coordination of the revised Integrated Development	New	4	4	0	None

Programme 3: Cooperative Governance					
Strategic objectives	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
Planning Framework					
Maintain an updated GIS data to provide accurate infrastructure information	New	36	65	+29	None
Facilitate and coordinate the establishment of effective disaster and fire services mechanisms at provincial, district and local level	New	32	32	0	None
Strengthen the capacity of municipalities to deliver sustainable infrastructure and increase access to basic services including job creation and provision of free basic services	New	28	28	0	None

Performance Indicators and targets

Programme 3: Co-operative Governance					
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
Number of reports on municipalities provided with support on the implementation of MPRA.	New	4	4	0	None
Number of Section 131 reports compiled and submitted for tabling in the Provincial Legislature	New	1	0	-1	section 131 report could not be achieved due to deployment responsible for the report
Number of reports on municipalities supported with financial and budget related by-laws and policies and related matters	New	4	4	0	None
Number of reports on municipalities supported in developing fraud and anti-corruption strategies	New	4	4	0	None
Number of reports on intergovernmental relations and stakeholder engagements	New	4	4	0	None

Programme 3: Co-operative Governance					
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
Number of reports on the filling of municipal managers and section 56	New	4	4	0	None
Number of reports on municipalities with approved staff establishment aligned to IDP and budget	New	4	4	0	None
Number of report on municipalities supported and monitored with the implementation of HR systems	New	4	4	0	None
Number of reports on municipalities with integrated capacity building plan implemented	New	4	4	0	None
Number of reports on municipalities supported and monitored to effect functional councils	New	4	4	0	None
Number of reports on municipalities supported to develop and implement By-laws.	New	4	4	0	None
Number of cases investigated and reported on the Re-determination of Boundaries in municipalities	New	4	4	0	None
Number of reports on municipalities supported and monitored on the implementation of and compliance with policy and legislation	New	4	4	0	None
Number of reports on municipalities with functional ward committees	New	4	4	0	None
Number of reports on municipalities supported and monitored on the implementation of the CDW programme	New	4	4	0	None
Number of reports on the implementation of the Provincial Spatial Development Framework (PSDF)	New	4	4	0	None
Number of reports on municipalities implementing SDF's.	New	4	4	0	None
Number of reports on municipalities supported with development of legally compliant IDP	New	4	4	0	None
Number of municipalities' infrastructure data captured	New	32	61	29	Received more datasets than anticipated

Programme 3: Co-operative Governance					
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
Number of reports on accurate base and other data available for GIS outputs	New	4	4	0	None
Number of reports on municipal performance compiled as per the requirement of section 47 of MSA	New	1	1	0	None
Number of reports on municipalities with functional performance management systems	New	1	1	0	None

Provide reasons for all deviations

- Received more datasets than anticipated
- Section 131 report could not be achieved due to deployment responsible for the report

Strategy to overcome areas of under performance

The Senior Manager assume the responsibility of finalising the report and the report will be finalised in first quarter of 2015/16

Changes to planned targets

None

Linking performance with budgets

Sub-programme expenditure

Programme: Cooperative Governance	2014/2015			2013/2014		
	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

Local Governance	86 032	89 329	-3 297	93 112	103 818	-10 706
Development and planning	22 028	13 287	8 741	25 853	16 785	9 068
Total	108 060	102 616	5 444	118 965	120 603	-1 638

Programme 4: Traditional Affairs

Purpose:

Programme 4 coordinate Traditional Affairs activities across government through: implementation of appropriate policies, system and regulatory framework governing Traditional Affairs, enhancement of organizational efficiency and effectiveness, establishment of capacity development systems and partnership models, undertaking research and development on Traditional Affairs matters, and monitoring and evaluation of performance of Traditional Affairs and its sub-programmes.

Strategic Objectives

Programme 4: Traditional Affairs					
Strategic objectives	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 give overall support to the institution of Traditional leadership through financial, administrative and advisory role	4	18	42	+24	Increased cases referred to the Local House

Performance Indicators and targets

Programme 4: Traditional Affairs					
Performance Indicator	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
Number of legislative mandates executed by the Provincial House of Traditional Leaders	New	4	3	-1	Increased cases referred to the Local House
Number of legislative mandated executed by the Local House	New	2	3	+1	Opening of NHTL speech debate as well as increased initiatives of the National Department (DTA). Senior Manager attended meetings at national level on behalf of the HOD.
Chairpersons' forum meetings attended as organised by National House	New	4	3	-1	Increased stakeholder activities in development issues of traditional council areas.
Number of reports on the Implementation of Traditional Leadership Act	New	4	14	+10	Increased stakeholder activities in development issues of traditional council areas

Provide reasons for all deviations

- Increased cases referred to the Local House
- Opening of NHTL speech debate as well as increased initiatives of the National Department (DTA).
- Senior Manager attended meetings at national level on behalf of the HOD.
- The Chairperson's forum was cancelled due to the Opening of the National House of Traditional leaders
- Increased stakeholder activities in development issues of traditional council areas.

Strategy to overcome areas of under performance

Department's should provide the strategies to address under performance.

Changes to planned targets

None

Sub-programme expenditure

Programme Traditional Affairs	2014/2015			2013/2014		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Traditional Affairs	17 466	14 968	2 498	19 508	19 508	-
Total	17 466	14 968	2 498	19 508	19 508	-

5 TRANSFER PAYMENTS

5.1. Transfer payments to public entities

None

5.2. Transfer payments to all organisations other than public entities

The table below reflects the transfer payments made for the period 1 April 2014 to 31 March 2015

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Frances Baard District	Municipality	Provision of maintenance to fire equipment at municipalities	Yes	315 000	315 000	None
Pixley Ka Seme District	Municipality	Provision of maintenance to fire equipment at municipalities	Yes	315 000	315 000	None
Kgalagadi District Municipality	Municipality	Provision of maintenance to fire equipment at municipalities	Yes	315 000	315 000	None
Namakwa District Municipality	Municipality	Provision of maintenance to fire equipment at municipalities	Yes	315 000	315 000	None
Siyanda District Municipality	Municipality	Provision of maintenance to fire equipment at municipalities	Yes	315 000	315 000	None
Frances Baard District	Municipality	NEAR grant transfers to municipalities for disaster operations	Yes	315 000	315 000	None
Pixley Ka Seme District	Municipality	NEAR grant transfers to municipalities for disaster operations	Yes	315 000	315 000	None

Name of transferee	Type of organisation	Purpose for which the funds were used	Did the dept. comply with s 38 (1) (j) of the PFMA	Amount transferred (R'000)	Amount spent by the entity	Reasons for the funds unspent by the entity
Kgalagadi District Municipality	Municipality	NEAR grant transfers to municipalities for disaster operations	Yes	315 000	315 000	None
Namakwa District Municipality	Municipality	NEAR grant transfers to municipalities for disaster operations	Yes	315 000	315 000	None
Siyanda District Municipality	Municipality	NEAR grant transfers to municipalities for disaster operations	Yes	315 000	315 000	None
Sol Plaatje		GURP	yes	5 250 000	1 687 000	None

6 CONDITIONAL GRANTS

6.1. Conditional grants and earmarked funds paid

Conditional Grant 1: Human Settlement Development Grant

Department/ Municipality to whom the grant has been transferred	Municipalities
Purpose of the grant	To provide funding for the creation of sustainable human settlements
Expected outputs of the grant	<ul style="list-style-type: none"> • Number of residential units delivered in each housing programme • Number of serviced sites delivered in each housing programme • Number of finance linked subsidies approved and disbursed • Number of households in informal settlements provided with household access to services/upgraded services • Number of properties transferred and/or title deeds issued • Hectares of well located land acquired and/or released for residential development • Number of work opportunities created through related programmes
Actual outputs achieved	Planning and Surveying 5818. Sites Serviced 3025 Houses Build 2133.Top
Amount per amended DORA	R374 832 000
Amount transferred (R'000)	R374 832 000
Reasons if amount as per DORA not transferred	None
Amount spent by the department/ municipality (R'000)	R374 382 000

Reasons for the funds unspent by the entity	None
Monitoring mechanism by the transferring department	A Compliance certificate signed by Municipal Manager.

Conditional Grant 2: Disaster Management and Fire Equipment Grant 2014/2015

Department/ Municipality to whom the grant has been transferred	COGHSTA
Purpose of the grant	To enhance Municipalities capacity to deal with disasters and To enhance Municipalities capacity to deal with fire incidents
Expected outputs of the grant	Improve response time to deal with disasters, to enhance functionality of disaster units in municipality's emergency. Reduce domestic and veld fire incidents
Actual outputs achieved	Reviewing of the Disaster Management Plans, Education, Training and Awareness Campaigns Plans, Disaster Management and Fire Services Equipment for DDC.
Amount per amended DORA	3,150 000.00
Amount transferred (R'000)	3,150 000.00
Reasons if amount as per DORA not transferred	None
Amount spent by the department/ municipality (R'000)	3,150 000.00
Reasons for the funds unspent by the entity	None
Reasons for the funds unspent by the entity	None
Measures taken to improve performance	Writing letters signed by the HOD to encourage Municipalities to adhere to DORA and also to increase their spending capacity
Monitoring mechanism by the transferring department	Submission of Business Plans, Expenditure Reports to substantiate the request and invoices as Proof of Expenditure

7. DONOR FUNDS

7.1. Donor Funds Received

Not Applicable

8. CAPITAL INVESTMENT

8.1. Capital investment, maintenance and asset management plan

Not Applicable

- The department however does not have a dedicated unit responsible for these functions and activities cuts across the internal inspectorate and Labour relations unit.

5. MINIMISING CONFLICT OF INTEREST

All officials in the Supply Chain Management unit are required to declare any interest on the Declaration of Financial Disclosure forms. Senior managers are subjected to the same process. Official are further subjected to vetting and security clearance.

6. CODE OF CONDUCT

The department is adhering to the Public Service Code of Conduct.

7. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The does comply with all the regulations as per OHS Act. The building requirements are conducive to our employees within COGHSTA.

8. SCOPA RESOLUTIONS

Resol u tion No.	Subject	Details	Response by the department	Resolved (Yes/No)
1.	Material under-spending of the conditional grant:	The department has materially under-spend the budget for conditional grant (i.e. housing subsidy grant) to the amount of R26,174,000.	The department in 2010/11 received an advance of R60m from Provincial Treasury for the Lerato Park project. The department then incurred expenditure of R26, 151, 923, 65 from the R60m on the Lerato Park project for services. The underspending in 2013/14 is to clear the advance received in 2010/11. A recommendation for funding has been submitted to provincial for consideration, during the adjustment budget.	No

2.	Irregular Expenditure:	<p>The expenditure incurred was still in the process of being determined. However, the irregular expenditure related to the following:</p> <ul style="list-style-type: none"> - Non-compliance with Supply Chain Management Regulations at municipal level on housing transfer payments amounting to R42,825,000 for the 2013/14 financial year and R79,262,000 for prior years. 	<p>The irregular expenditure of Human Settlements Grant due to SCM process not being followed at municipalities, is a major material matter. Project implementation are performed by all municipalities on behalf of the department.</p> <p>The department only transfers monies directly to municipalities, as per Division of revenue Act requirement, and SCM processes happened at their level. The issue of MFMA procurement vs PFMA has been discussed with AG, but not resolved.</p> <p>The department did attempt to collect tender information but could not obtain originals based on the fact that processes happened at municipal level, thus originals are kept at municipalities. Need to capacitate the SCM on technical issues. PMU unit with the necessary technical skills and expertise, will be fast tracked to assist in implementing housing projects at municipalities.</p> <p>A review of the current system of irregular expenditure with an intention to:-Develop, implement and monitor a uniform system of detection and reporting ineffective controls. An improvement in the monthly record keeping of an irregular register has been maintained.</p>	No
2.	Irregular Expenditure:	<p>Non-compliance with supply chain management processes as required, number of quotations were not obtained in some instances amounting to R6,467,000 for the current year</p>	<p>The department did procurement on contractual obligations but did not manage to resolve the new tender processes on time, hence the irregular expenditure. Commitments such as security services, accommodation services, leases to buildings were all paid without obtaining such quotations.</p> <p>A checklist has been developed to verify whether transactions does comply with all relevant legislation and where applicable, irregular, unauthorized and fruitless and wasteful expenditure should be reported immediately. The Department to form a special committee to deal with the matter. One of the main mandates of the committee should be to identify all batches with transaction values below R500 000. - Composition of the committee should include, but not</p>	No

			limited to, Finance and SCM officials. Pre-auditing of documents before payment processing, by a dedicated official. The SCM unit has been capacitated to ensure these procedures are eventually implemented.	
3.	Legal and Regulatory Requirements	<p>Predetermined Objectives: Human Settlement Usefulness of reported performance information</p> <p>59% major variances between planned and actual achievements were not explained and no reasons given thereto, as required by the National Treasury's Guide.</p> <p>A total of 24% of the reported indicators and 25% of the reported targets are not consistent with the indicators and targets as per the approved annual performance plan.</p> <p>Changes to objectives, indicators and targets reported in the annual performance report were changed in-year without approval by the executive authority.</p>	<p>The framework for managing programme performance need to be develop and implemented as a policy document on how to collect and verify information</p> <p>Establish and implement clear guidelines for the validation of performance data. To establish controls which will ensure the reliability of data;</p> <p>Predetermined checks needs to be undertaken with regard to the collection, review and verification of performance information.</p> <p>Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.</p> <p>Internal processes to be improved to ensure documents are submitted on time to the Executing Authority</p>	Yes
4.	Compliance with legislation	Budget: accounting officer did not take effective and appropriate steps to prevent over-spending amounting to R1,820m contrary to 39(2)(a) of the PFMA. The budget for	The over commitment of compensation are mainly due to the CDW programme that were not fully funded as from the 2008/09 financial year. Another reason were the appointment of senior personnel to provide guidance and assistance to municipalities in need of human resources. Secondment of senior personnel to municipalities is also contributing factor. Approval will be requested from	Yes

		compensation of employees was exceeded, in contravention of Treasury Regulation 8.3.2.	Treasury and the Provincial Legislature to authorize the expenditure. The Department has implemented cost containment measures to fund the shortfalls and will continue to implement these measures.	
5.	Procurement management	Invitations for competitive bidding were not always advertised for a required minimum period of days, as required by Supply Chain Management regulation 22 (1) & 22 (2).	This relates to the procurement processes at municipalities. The MFMA regulation as stipulated above were not properly followed by the municipalities. The department did inform the relevant municipalities, but no reasons could be provided, hence the finding from the auditor general. All SCM processes followed by municipalities are now checked through the implementation of a checklist within finance. If procedures are not followed as per the checklist, payments are sent back to human settlements for verification of tender information, then it's signed by a senior official indicating that all processes are in place.	No
6.	Expenditure management	The accounting officer did not take effective action to prevent unauthorised, irregular as well as fruitless and wasteful expenditure as per section 38(1)(c)(ii) of the PFMA and TR 9.1.1.	<p>This was unforeseen expenditure which the Department did not budget for that is office accommodation, office equipment lease and G.G Vehicle rental for the regional office. The cost to fund this was very high however the Department did managed to offset some of the expenditure by implementing cost containment measures and sourcing funds from other programme in line with the PFMA. The remainder of these cost that could not be absorbed through the measures implemented resulted in this unauthorized expenditure.</p> <p>The budget tool were implemented to assists in controlling expenditures at itemized levels The tool will assist to address issues on budgets, during regular budget meetings between office of the CFO and Chief Directorates.</p> <p>Approve budgets before incurring any expenditure as per Chapter 8 of TR. Submit budgets for review simultaneously to ensure it integrates with goals and objectives of a programme.</p> <p>Follow up on all budget amendments through to the relevant programme manager to ensure that each</p>	No

			amendment is executed	
7.	Expenditure management	Effective steps were not taken to prevent losses resulting from criminal conduct, as required by section 38 (1) (c) (ii) of the Public Finance Management Act.	The losses referred to by the AG, is mainly computer equipment and audio visual equipment. There are a number of cases registered with SAPS case numbers, but processes are not finalised as yet. The officials could not trace any previous documentation on investigation done on loss items of prior financial years. The matter remains under verbal discussion, at this stage, but the loss committee do recommend for the appointment of an investigation team with the relevant skills and expertise for further investigations or refer the matter to the State Attorney for such investigations.	Yes
	Expenditure management	Contractual obligations and money owed by the department were not settled within 30 days as per section 38(1) (f) of the PFMA and TR 8.2.3.	Invoices are not always submitted on time to the finance section, hence the delay in payments to service providers. The late payments mainly relates to the travelling and accommodation services. The travel agents also submitted their invoices late to the department.	Yes
8.	Transfer Payments	Contravention of section 38(1) (j) of the PFMA as the accounting officer transferred funds to entities without obtaining written assurance of financial management and internal control systems.	Due to weaknesses in the system of monitoring of funds transferred to local authorities which is in the process of being addressed. The allocations letters for housing grant were drafted and acknowledge by municipal managers, indicating that they do have controls in place. The department do not transfer funds to Municipalities but rather pay the housing projects on progress achieved on projects.	Yes
9.	Consequence management	Effective and appropriate disciplinary steps were not taken against officials who made and permitted unauthorised expenditure, irregular expenditure, fruitless and wasteful expenditure as prescribed by section 38 (1) (h) (iii) of the Public Finance Management Act and Treasury Regulation 9.1.3.	The department did not do any formal investigation due to the fact that this expenditures were incurred on the basis of contractual obligations already committed previous years, without having the budget for such expenditures. The issue of escalation costs of leases, security services, travel agents, telephone system, consultants to implement certain service delivery strategic objectives flowing from national departments as unfunded mandates, as well as appointment of critical unfunded vacancies over the years, all contributed to the over spending	No

9. INTERNAL CONTROL UNIT

The unit further developed a compliance checklist with regard to human settlement payment batches and assessed the payment batches on all quarters, which assisted to identify the tender documents still outstanding from the Municipalities, and this documents that have been outstanding from the Municipalities has been the contributing factors to Irregular expenditure on Human Settlement projects.

A need to assess the Control Environment within the Department was realized because of the re-occurring findings from Auditor General and Internal Audit. An exercise to assess the control environment including the regions was executed. The outcome did not only assisted on controls matters but also assisted to identify risks within the control environment which were not identified during the risk assessment process.

10. INTERNAL AUDIT AND AUDIT COMMITTEES

Throughout the year under review, the Audit Committee operated in terms of an approved Audit Committee Charter, which was the committee's approved terms of reference. The committee comprised of two external members and an internal audit committee member, all of whom are not employed by the department. The Audit Committee has, as part of its oversight responsibility on a quarterly basis, followed up on audit findings to ensure that issues raised were addressed timely.

11. AUDIT COMMITTEE REPORT

DEPARTMENT OF COOPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS

1. REPORT OF THE AUDIT COMMITTEE FOR 2014/15

We are pleased to present our report for the financial year ended 31 March 2015. The Audit Committee term expired during the year and appointment and renewal (where applicable) took place in January 2015. The Audit Committee acknowledges the attendance and participation of the Accounting Officer and senior management in the Audit Committee meetings.

2. AUDIT COMMITTEE RESPONSIBILITY

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

3. IN-YEAR MANAGEMENT AND MONTHLY/QUARTERLY REPORT

The position of the Head of Department has been vacant since 2013/14. It was however filled at the during the 2014/15 financial year. The Audit Committee has satisfy itself of the expertise, resources and experience of the departments finance function as required in the King III report on corporate governance.

The department has been reporting monthly and quarterly to the Treasury as is required by the PFMA. We had engagements with the Department's management to provide clarity on completeness and quality of the monthly and quarterly reports during our quarterly meetings and officials of the Department were able to clarify areas of concern raised by the Audit Committee.

4. EVALUATION OF FINANCIAL STATEMENTS

- 4.1 The Audit Committee has reviewed the financial statements for the year ended 31 March 2015 and has discussed matters of concern with management. In addition the Audit Committee reviewed the draft Annual Report of the department.
- 4.2 The Audit Committee has reviewed the accounting policies applied in the compilation of the annual financial statements and is satisfied that the policies are consistent with those of prior year, have been consistently applied and are in accordance with the National Treasury guidelines.
- 4.3 The Audit Committee reviewed the department's compliance with legal and regulatory provisions during the quarterly audit committee meetings and management has been directed to implement remedial measures where instances of non-compliance were noted.

5. THE EFFECTIVENESS OF INTERNAL CONTROL AND INTERNAL AUDIT

The department has and maintains the Internal Inspectorate unit responsible for management of internal controls within the department.

The Audit Committee is satisfied as to the effectiveness of internal audit function during the year and that the internal audit activity has to a large extent addressed the risks pertinent to the Department.

Our review of the findings of the Internal Audit work, which was based on the risk assessments conducted in the department revealed certain weaknesses, which were then raised with the Department.

5.1 The following internal audit work was completed during the year under review:

- 5.1.1 Management Performance Assessment Tool
- 5.1.2 Audit of predetermined objectives
- 5.1.3 IT audit
- 5.1.4 Risk Management follow up
- 5.1.5 Annual Financial Statements (AFS)
- 5.1.6 Interim Financial Statements (IFS)
- 5.1.7 Asset management
- 5.1.8 SCM and Contract Management
- 5.1.9 Human Resource Management
- 5.1.10 Operational Review/Transfer payments

5.2 The following were areas of concern:

- 5.2.1 Management of leave and recruitment processes
- 5.2.2 Information Communication Technology (ICT)
- 5.2.3 Management of oversight placed over municipalities
- 5.2.4 Management of Irregular expenditure arising from municipality transfers.

Management has however developed a pragmatic action plan to address the above issues within a reasonable time period. The Audit Committee monitored the implementation of the plan during the quarterly audit committee meetings and is partially satisfied with the implementation of its recommendations.

The Internal Audit activity also maintains combined assurance framework and plan which were developed in collaboration with the departmental risk management and Auditor General. The plan has been useful in ensuring that assurance is placed at all high risks by various assurance providers.

6. AUDITOR-GENERAL SOUTH AFRICA

We have reviewed the Department's implementation plan for audit issues raised in the prior year and we are satisfied that the matters have been adequately resolved except for irregular expenditure, commitments and payment of creditors within 30 days.

The Audit Committee met with representatives from the Office of the Auditor-General South Africa during the year and discussed issues of mutual concern and ensured that there are no unresolved issues.

The Audit 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.



Z. Fihlani

Chairperson of the Audit Committee - Department of Corporative Governance Human Settlements and Traditional Affairs.

Date: 14 August 2015

PART D: HUMAN RESOURCE MANAGEMENT

Personnel related expenditure

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

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

Table 3.1.1 Personnel expenditure by programme for the period 1 April 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	89 373	67 521		-	10	
Human Settlements	422 391	33 119		-	5	
Cooperative governance	120 603	96 976		-	15	
Traditional Affairs	19 508	14 047		-	2	
Total	651 875	211 663		-	32	

Table 3.1.2 Personnel costs by salary band for the period 1 April 2014 and 31 March 2015

Salary band	Compensation of Employees Cost including Transfers/ Personnel expenditure (R'000)	% of total personnel cost	Average personnel cost per employee (R'000)	No of employees
Lower skilled (Levels 1-2)	140	0.1	70,000	2
Skilled (Levels 3-5)	6,748	3.1	168,700	40
Highly skilled production (Levels 6-8)	113,490	52.7	255,034	445
Highly skilled supervision (Levels 9-12)	55,993	26	499,938	112
Senior management (Levels 13-16)	22,204	10.3	1,009,273	22
Contract (Levels 1-2)	127	0.1	127,000	1
Contract (Levels 3-5)	807	0.4	134,500	6
Contract (Levels 6-8)	395	0.2	197,500	2
Contract (Levels 9-12)	2,921	1.4	584,200	5

Contract (Levels 13-16)	4,376	2	2,188,000	2
Periodical Remuneration	618	0.3	5,282	117
Abnormal Appointment	4,410	2	110,250	40
TOTAL	212229	98.6	267291	794

Table 3.1.3 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	51695	75.3	-	-	2174	3.2	2729	4
Co-operative governance	72247	73.7	6	-	3914	4	5394	5.5
Human settlements	24867	72.6	-	-	929	2.7	1476	4.3
Traditional affairs	11438	79.6	-	-	226	1.6	305	2.1
TOTAL	160247	74.4	6	-	7243	3.4	9904	4.6

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2014 and 31 March 2015

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Lower skilled (Levels 1-2)	103	72	-	-	14	9.8	4	2.8
Skilled (Levels 3-5)	4623	68.4	-	-	427	6.3	632	9.3
Highly skilled production (Levels 6-8)	82587	72.6	6	0	4578	4	7369	6.5

Highly skilled supervision (Levels 9-12)	42650	74.4	0	0	1255	2.2	1684	2.9
Senior management (Levels 13-16)	17787	75.7	0	0	905	3.9	215	0.9
Total	147750	72	0	0	7179		9904	

3.1. Employment and Vacancies

Table 3.2.1 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
Administration, Permanent	197	178	9.6	-
Co-operative governance, Permanent	368	349	5.2	-
Human settlements, Permanent	99	85	14.1	-
Traditional affairs, Permanent	29	25	13.8	-
TOTAL	693	637	8.1	-

Table 3.2.2 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 (Levels 1-2), Permanent	2	2	0	-
Skilled (Levels 3-5), Permanent	43	40	7	-
Highly skilled production (Levels 6-8), Permanent	477	445	6.7	-
Highly skilled supervision (Levels	130	112	13.8	-

9-12), Permanent				
Senior management (Levels 13-16), Permanent	25	22	12	-
Contract (Levels 1-2), Permanent	1	1	-	-
Contract (Levels 3-5), Permanent	6	6	-	-
Contract (Levels 6-8), Permanent	2	2	-	-
Contract (Levels 9-12), Permanent	5	5	-	-
Contract (Levels 13-16), Permanent	2	2	-	-
TOTAL	693	637	8.1	-

Table 3.2.3 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
Administrative related, Permanent	126	109	13.5	-
All artisans in the building metal machinery etc., Permanent	1	1	-	-
Appraisers-valuers and related professionals, Permanent	3	3	-	-
Architects town and traffic planners, Permanent	2	1	50	-
Cartographic surveying and related technicians, Permanent	2	2	-	-
Cleaners in offices workshops hospitals etc., Permanent	8	7	12.5	-

Client inform clerks(switchb recept inform clerks), Permanent	4	4	-	-
Communication and information related, Permanent	1	1	-	-
Community development workers, Permanent	17	13	23.5	-
Diplomats, Permanent	1	0	100	-
Engineers and related professionals, Permanent	3	1	66.7	-
Finance and economics related, Permanent	8	6	25	-
Financial and related professionals, Permanent	6	5	16.7	-
Financial clerks and credit controllers, Permanent	35	33	5.7	-
Food services aids and waiters, Permanent	3	3	-	-
Human resources & organisat developm & relate prof, Permanent	1	1	-	-
Human resources clerks, Permanent	3	3	-	-
Human resources related, Permanent	30	25	16.7	-
Information technology related, Permanent	1	1	-	-
Inspectors of apprentices works and vehicles, Permanent	15	13	13.3	-
Legal related, Permanent	2	2	-	-
Library mail and related	12	10	16.7	-

clerks, Permanent				
Logistical support personnel, Permanent	4	4	-	-
Material-recording and transport clerks, Permanent	4	4	-	-
Messengers porters and deliverers, Permanent	8	8	-	-
Other administrat & related clerks and organisers, Permanent	278	275	1.1	-
Other administrative policy and related officers, Permanent	65	58	10.8	-
Other information technology personnel., Permanent	4	4	-	-
Other occupations, Permanent	4	4	-	-
Risk management and security services, Permanent	3	2	33.3	-
Secretaries & other keyboard operating clerks, Permanent	13	11	15.4	-
Senior managers, Permanent	24	21	12.5	-
Trade quality controllers, Permanent	2	2	-	-
TOTAL	693	637	8.1	-

3.2. Filling of SMS Posts

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

Table 3.3.1 SMS post information as on 31 March 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
Salary Level 16	1	1	100	-	-
Salary Level 15	1	1	100	-	-
Salary Level 14	5	5	100	-	-
Salary Level 13	19	17	89	3	11
Total	26	24	92	3	11

Table 3.3.2 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
Salary Level 16	1	1	100	-	-
Salary Level 15	1	1	100	-	-
Salary Level 14	5	5	100	-	-
Salary Level 13	19	17	89	2	11
Total	26	24	92	2	11

Table 3.3.3 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
Salary Level 16	-	-	-	-	-
Salary Level 15	-	-	-	-	-
Salary Level 14	-	-	-	-	-
Salary Level 13	3	-	-	3	1
Total	3	-	-	3	1

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2014 and 31 March 2015

Reasons for vacancies not advertised within six months
Budget Constraints

Reasons for vacancies not filled within six months
Budget Constraints

Table 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2014 and 31 March 2015

Reasons for vacancies not advertised within six months
None

Reasons for vacancies not filled within six months
Budget Constraints

3.3. Job Evaluation

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

Table 3.4.1 Job Evaluation by Salary band for the period 1 April 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)	2	-	-	-	-	-	-
Contract (Levels 1-2)	1	-	-	-	-	-	-
Contract (Levels 3-5)	6	-	-	-	-	-	-
Contract (Levels 6-8)	2	-	-	-	-	-	-
Contract (Levels 9-12)	5	-	-	-	-	-	-
Contract (Band A)	2	-	-	-	-	-	-
Skilled (Levels 3-5)	43	-	-	-	-	-	-

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
Highly skilled production (Levels 6-8)	477	-	-	-	-	-	-
Highly skilled supervision (Levels 9-12)	130	-	-	-	-	-	-
Senior Management Service Band A	18	-	-	-	-	-	-
Senior Management Service Band B	5	-	-	-	-	-	-
Senior Management Service Band C	1	-	-	-	-	-	-
Senior Management Service Band D	1	-	-	-	-	-	-
TOTAL	693	-	-	-	-	-	-

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

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2014 and 31 March 2015

Gender	African	Asian	Coloured	White	Total
Female	-	-	-	-	-
Male	3	3	-	-	3
Total	3	3	-	-	3

Employees with a disability	None
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The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2014 and 31 March 2015

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

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2014 and 31 March 2015

Gender	African	Asian	Coloured	White	Total
None					
Employees with a disability		None			

Notes

- If there were no cases where the salary levels were higher than those determined by job evaluation, keep the heading and replace the table with the following:
-

Total number of Employees whose salaries exceeded the grades determine by job evaluation	None
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3.4. Employment Changes

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

Table 3.5.1 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), Permanent	-	2	-	-
Skilled (Levels 3-5), Permanent	40	1	2	5
Highly skilled production (Levels 6-8), Permanent	471	2	20	4.2
Highly skilled supervision (Levels 9-12), Permanent	113	3	6	5.3
Senior Management Service Band A, Permanent	16	-	1	6.3
Senior Management Service Band B, Permanent	5	-	-	-
Senior Management Service Band C, Permanent	1	-	-	-
Senior Management Service Band D, Permanent	1	-	-	-
Contract (Levels 1-2), Permanent	1	1	1	100
Contract (Levels 3-5), Permanent	1	7	1	100
Contract (Levels 6-8), Permanent	1	1	-	-
Contract (Levels 9-12), Permanent	4	4	3	75
Contract (Band A), Permanent	3	-	4	133.3
Contract (Band B), Permanent	-	-	1	-
TOTAL	657	21	39	5.9

Table 3.5.2 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 2014	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Administrative related, Permanent	112	7	10	8.9
All artisans in the building metal machinery etc., Permanent	1	-	-	-
Appraisers-valuers and related professionals, Permanent	3	-	-	-
Architects town and traffic planners, Permanent	1	-	-	-
Cartographic surveying and related technicians, Permanent	2	-	-	-
Cleaners in offices workshops hospitals etc., Permanent	6	3	2	33.3
Client inform clerks(switch receipt inform clerks), Permanent	4	-	-	-
Communication and information related, Permanent	1	-	-	-
Community development workers, Permanent	13	-	-	-
Diplomats, Permanent	1	-	1	100
Engineers and related professionals, Permanent	1	-	-	-
Finance and economics related, Permanent	6	-	-	-
Financial and related professionals, Permanent	3	1	-	-
Financial clerks and credit controllers, Permanent	32	1	-	-
Food services aids and waiters, Permanent	4	-	-	-
Human resources & organisat develop & relate prof, Permanent	2	-	1	50
Human resources clerks, Permanent	3	-	-	-
Human resources related,	26	1	1	3.8

Critical occupation	Number of employees at beginning of period- April 2014	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Permanent				
Information technology related, Permanent	1	-	-	-
Inspectors of apprentices works and vehicles, Permanent	12	1	-	-
Legal related, Permanent	2	-	-	-
Library mail and related clerks, Permanent	7	4	1	14.3
Logistical support personnel, Permanent	5	-	-	-
Material-recording and transport clerks, Permanent	3	-	-	-
Messengers porters and deliverers, Permanent	8	-	-	-
Other administrat & related clerks and organisers, Permanent	289	2	13	4.5
Other administrative policy and related officers, Permanent	62	-	3	4.8
Other information technology personnel., Permanent	3	1	-	-
Other occupations, Permanent	4	-	-	-
Risk management and security services, Permanent	2	-	-	-
Secretaries & other keyboard operating clerks, Permanent	13	-	1	7.7
Senior managers, Permanent	23	-	6	26.1
Trade quality controllers, Permanent	2	-	-	-
TOTAL	657	21	39	5.9

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

Table 3.5.3 Reasons why staff left the department for the period 1 April 2014 and 31 March 2015

Termination Type	Number	% of Total Resignations
Death, Permanent	2	5.1
Resignation, Permanent	27	69.2
Expiry of contract, Permanent	7	17.9
Dismissal-misconduct, Permanent	1	2.6
Retirement, Permanent	2	5.1
TOTAL	39	100

Table 3.5.4 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
Administrative related	112	1	0.9	65	58
All artisans in the building metal machinery etc.	1	-	-	1	100
Appraisers-values and related professionals	3	-	-	1	33.3
Architects town and traffic planners	1	-	-	-	-
Cartographic surveying and related technicians	2	-	-	1	50
Cleaners in offices workshops hospitals etc.	6	-	-	4	66.7
Client inform clerks(switchb recept inform clerks)	4	-	-	3	75
Communication and information related	1	-	-	1	100
Community development workers	13	-	-	5	38.5
Engineers and related professionals	1	-	-	1	100

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
Finance and economics related	6	-	-	4	66.7
Financial and related professionals	3	2	66.7	1	33.3
Financial clerks and credit controllers	32	-	-	24	75
Food services aids and waiters	4	-	-	1	25
Human resources & organisat developm & relate prof	2	-	-	1	50
Human resources clerks	3	-	-	2	66.7
Human resources related	26	1	3.8	17	65.4
Information technology related	1	-	-	1	100
Inspectors of apprentices works and vehicles	12	-	-	7	58.3
Legal related	2	-	-	3	150
Library mail and related clerks	7	-	-	5	71.4
Logistical support personnel	5	-	-	-	-
Material-recording and transport clerks	3	-	-	3	100
Messengers porters and deliverers	8	-	-	4	50
Other administrat & related clerks and organisers	289	-	-	174	60.2
Other administrative policy and related officers	62	-	-	53	85.5

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
Other information technology personnel.	3	-	-	-	-
Other occupations	4	-	-	1	25
Risk management and security services	2	-	-	2	100
Secretaries & other keyboard operating clerks	13	-	-	9	69.2
Senior managers	23	-	-	12	52.2
Trade quality controllers	2	-	-	2	100
TOTAL	657	4	0.6	408	62.1

Table 3.5.5 Promotions by salary band for the period 1 April 2014 and 31 March 2015

Salary Band	Employees 1 April 2- YY	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
Skilled (Levels 3-5), Permanent	40	-	-	24	60
Highly skilled production (Levels 6-8), Permanent	471	-	-	302	64.1
Highly skilled supervision (Levels 9-12), Permanent	113	4	3.5	69	61.1
Senior management (Levels 13-16), Permanent	23	-	-	13	56.5
Contract (Levels 1-2), Permanent	1	-	-	-	-
Contract (Levels 3-5), Permanent	1	-	-	-	-
Contract (Levels 6-8), Permanent	1	-	-	-	-
Contract (Levels 9-12), Permanent	4	-	-	-	-
Contract (Levels 13-16), Permanent	3	-	-	-	-
TOTAL	657	4	3.5	408	62.1

3.5. Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2015

Occupational category	Male					Female					Total
	African	Coloured	Indian	White	Total	African	Coloured	Indian		Total	
Legislators, senior officials and managers, Permanent	13	4	-	17	-	3	1	-	4	1	22
Professionals, Permanent	9	9	-	18	3	27	10	-	37	2	60
Technicians and associate professionals, Permanent	55	24	1	80	5	56	26	-	82	9	176
Clerks, Permanent	88	58	1	147	-	113	77	-	190	3	340
Service and sales workers, Permanent	-	-	-	-	-	1	1	-	2	-	2
Craft and related trades workers, Permanent	5	5	-	10	3	2	1	-	3	-	16
Elementary occupations, Permanent	6	2	-	8	-	9	4	-	13	-	21
TOTAL	176	102	2	280	11	211	120	-	331	15	637

Table 3.6.2 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, Permanent	-	1	-	-	-	1	-	-	2
Senior Management, Permanent	12	3	-	-	3	1	-	1	20

Professionally qualified and experienced specialists and mid-management, Permanent	40	17	-	8	25	17	-	5	112
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	100	77	2	2	164	92	-	8	445
Semi-skilled and discretionary decision making, Permanent	14	3	-	-	14	8	-	1	40
Unskilled and defined decision making, Permanent	-	-	-	-	2	-	-	-	2
Contract (Senior Management), Permanent	2	-	-	-	-	-	-	-	2
Contract (Professionally qualified), Permanent	3	-	-	1	1	-	-	-	5
Contract (Skilled technical), Permanent	-	1	-	-	1	-	-	-	2
Contract (Semi-skilled), Permanent	5	-	-	-	1	-	-	-	6
Contract (Unskilled), Permanent	-	-	-	-	-	1	-	-	1
TOTAL	176	102	2	11	211	120	-	15	637

Table 3.6.3 Recruitment for the period 1 April 2014 and 31 March 2015

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionally qualified and experienced specialists and mid-management, Permanent	-	-	-	-	-	3	-	-	3
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	-	-	-	-	2	-	-	-	2
Semi-skilled and discretionary decision making, Permanent	-	-	-	-	-	1	-	-	1
Unskilled and defined decision making, Permanent	-	-	-	-	2	-	-	-	2
Contract (Professionally qualified), Permanent	4	-	-	-	-	-	-	-	4
Contract (Skilled technical), Permanent	-	-	-	-	1	-	-	-	1
Contract (Semi-skilled), Permanent	5	-	-	-	2	-	-	-	7
Contract (Unskilled), Permanent	1	-	-	-	-	-	-	-	1
TOTAL	10	-	-	-	7	4	-	-	21

Table 3.6.4 Promotions for the period 1 April 2014 and 31 March 2015

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	8	2	-	-	2	-	-	1	13
Professionally qualified and experienced specialists and mid-management, Permanent	19	10	-	8	22	9	-	5	73
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	61	45	2	1	136	49	-	8	302
Semi-skilled and discretionary decision making, Permanent	5	2	-	-	12	5	-	-	24
TOTAL	93	59	2	9	172	63	-	14	412

Table 3.6.5 Terminations for the period 1 April 2014 and 31 March 2015

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior Management, Permanent	-	-	-	-	1	-	-	-	1
Professionally qualified and experienced specialists and mid-management, Permanent	1	1	-	-	2	2	-	-	6
Skilled technical and academically qualified workers, junior management, supervisors, foremen, Permanent	7	2	-	-	6	5	-	-	20
Semi-skilled and discretionary decision making, Permanent	2	-	-	-	-	-	-	-	2
Contract (Senior Management),	4	1	-	-	-	-	-	-	5

Permanent									
Contract (Professionally qualified), Permanent	2	-	-	-	1	-	-	-	3
Contract (Semi-skilled), Permanent	-	-	-	-	1	-	-	-	1
Contract (Unskilled), Permanent	1	-	-	-	-	-	-	-	1
TOTAL	17	4	-	-	11	7	-	-	39

Table 3.6.6 Disciplinary action for the period 1 April 2014 and 31 March 2015

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

Table 3.6.7 Skills development for the period 1 April 2014 and 31 March 2015

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

3.6. Signing of Performance Agreements by SMS Members

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

Table 3.7.1 Signing of Performance Agreements by SMS members as on 31 May 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
Salary Level 15	1	1	1	100
Salary Level 14	4	5	4	80
Salary Level 13		20	19	95
Total	5	26	24	92

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 March 2015

Reasons
None

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 March 2015

Reasons
None

3.7. Performance Rewards

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

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2014 and 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, Female	45	205	22	453	10,065
African, Male	28	171	16.4	510	18,207
Asian, Male	2	2	100	23	11,523
Coloured, Female	24	120	20	281	11,698
Coloured, Male	18	98	18.4	201	11,174
Total Blacks, Female	69	325	21.2	734	10,633
Total Blacks, Male	48	271	17.7	734	15,291
White, Female	5	15	33.3	82	16,34-
White, Male	4	10	40	63	15,722
Employees with a disability	5	16	31.3	60	12,018
TOTAL	131	637	20.6	1,672	12,766

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2014 and 31 March 2015

Salary band	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee
Lower skilled (Levels 1-2)	-	2	-	-	-
Skilled (Levels 3-5)	6	40	15	32	5,333
Highly skilled production (Levels 6-8)	83	445	18.7	753	9,072
Highly skilled supervision (Levels 9-12)	36	112	32.1	643	17,861
Contract (Levels 1-2)	-	1	-	-	-
Contract (Levels 3-5)	-	6	-	-	-
Contract (Levels 6-8)	-	2	-	-	-
Contract (Levels 9-12)	-	5	-	-	-

Periodical Remuneration	-	117	-	-	-
Abnormal Appointment	-	40	-	-	-
TOTAL	125	774	16.2	1428	11424

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2014 and 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
Administrative related	27	109	24.8	463	17,148
All artisans in the building metal machinery etc.	-	1	-	-	-
Appraisers-valuers and related professionals	-	3	-	-	-
Architects town and traffic planners	-	1	-	-	-
Cartographic surveying and related technicians	1	2	50	22	22,000
Cleaners in offices workshops hospitals etc.	-	7	-	-	-
Client inform clerks(switchb recept inform clerks)	1	4	25	5	5,000
Communication and information related	-	1	-	-	-
Community development workers	3	13	23.1	25	8,333
Engineers and related professionals	1	1	100	27	27,000
Finance and economics related	2	6	33.3	34	17,000
Financial and related professionals	1	5	2-	9	9,000
Financial clerks and credit controllers	9	33	27.3	88	9,778

Food services aids and waiters	1	3	33.3	5	5,000
Human resources & organisat developm & relate prof	1	1	100	20	20,000
Human resources clerks	1	3	33.3	6	6,000
Human resources related	12	25	48	115	9,583
Information technology related	-	1	-	-	-
Inspectors of apprentices works and vehicles	4	13	30,8	44	11,000
Legal related	2	2	100	43	21,500
Library mail and related clerks	1	10	10	10	10,000
Logistical support personnel	-	4	-	-	-
Material-recording and transport clerks	-	4	-	-	-
Messengers porters and deliverers	2	8	25	10	5,000
Other administrat & related clerks and organisers	42	275	15.3	348	8,286
Other administrative policy and related officers	9	58	15.5	97	10,778
Other information technology personnel.	-	4	-	-	-
Other occupations	1	4	25	11	11,000
Risk management and security services	-	2	-	-	-
Secretaries & other keyboard operating clerks	3	11	27.3	30	10,000
Senior managers	6	21	28.6	244	40,667
Trade quality controllers	Pierced 1	2	50	16	16,000
TOTAL	131	637	20.6	1672	12763

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2014 and 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	4	17	23.5	130	32,500	18,779
Band B	1	5	20	87	87,000	6,065
Band C	1	1	100	28	28,000	1,379
Band D	-	1	-	-	-	-
TOTAL	6	24	25	245	40833.3	26223

3.8. Foreign Workers

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

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

None

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2014 and 31 March 2015

None

3.9. 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 3.1.1 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'---)
Lower skilled (Levels 1-2)	2	-	1	0.2	2	1
Skilled (Levels 3-5)	255	72.5	34	8	8	148
Highly skilled production (Levels 6-8)	2332	84.6	263	61.7	9	2,313
Highly skilled supervision (Levels 9-12)	97	81.2	99	23.2	10	1,693
Senior management (Levels 13-16)	112	84.8	18	4.2	6	372
Contract (Levels 3-5)	10	80	5	1.2	2	7
Contract (Levels 6-8)	3	100	1	0.2	3	3
Contract (Levels 9-12)	34	94.1	3	0.7	11	75
Contract (Levels 13-16)	11	81.8	2	0.5	6	35
TOTAL	3729	82.9	426	100	9	4647

Table 3.1.2 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'---)
Skilled (Levels 3-5)	49	100	3	9.1	16	29
Highly skilled production (Levels 6-8)	540	100	23	69.7	23	532
Highly skilled supervision (Levels 9-12)	177	100	7	21.2	25	354
TOTAL	766	100	33	100	23	915

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2--- requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

Table 3.1.3 Annual Leave for the period 1 January 2014 to 31 December 2014

Salary Band	Total Days Taken	Average days per Employee	Number of Employees who took leave
Lower skilled (Levels 1-2)	15	8	2
Skilled (Levels 3-5)	922	22	42
Highly skilled production (Levels 6-8)	9818.68	21	468
Highly skilled supervision (Levels 9-12)	2913	25	117
Senior management (Levels 13-16)	604	27	22
Contract (Levels 1-2)	3	3	1

Table 3.1.4 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 December 2014
Skilled (Levels 3-5)	30	3	10	16
Highly skilled production (Levels 6-8)	94	3	31	24
Highly skilled supervision (Levels 9-12)	1	1	1	29
Senior management (Levels 13-16)	5	1	5	26
TOTAL	130	8	16	26
Skilled (Levels 3-5)	30	3		

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

Table 3.1.5 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)
Capped leave payouts on termination of service for 2014/15	407	17	23941
Current leave payout on termination of service for 2014/15	231	15	15400
TOTAL	638	32	19938

3.10. HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

Units/categories of employees identified to be at high risk of contracting HIV & related diseases (if any)	Key steps taken to reduce the risk
None	None

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	yes		Mrs. ESD Boboko - Senior Manager - HCM
2. Does the department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	yes		Five employees. No dedicated budget.
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.	yes		Wellness Management, HIV Management and Health and Productivity Management
4. Has the department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.	yes		Ms. D. Mahamba Corporate Services – Pixley kaSeme Region Ms. A. Festus Corporate Services – ZF Mgcawu Mr. P. Mpotsang Compliance – Province Ms. N. Julingalo Gender – Province Ms. W. Isaacs Corporate Services – Province Ms. B. Horace Finance – province Mr. R. Jacobs Co-operative Governance – Province Mr. M. Seleke Human Settlements – Province Ms. R. Kopeledi Corporate Services – JTG Ms. N. Hlakudi Nehawu Ms. S. Mngoma-Makhele Frances Baard Mr. G. Abrahams Communications – Province Ms. M. Mabotsa Legal Services – Province Ms. R. Moleko Traditional Affairs – Frances Baard
5. Has the department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of	yes		The HIV/AIDS policy has been reviewed so as to ensure that discrimination don't take place.

their HIV status? If so, list the employment policies/practices so reviewed.			
6. Has the department introduced measures to protect HIV-positive employees or those perceived to be HIV-positive from discrimination? If so, list the key elements of these measures.	yes		The HIV/AIDS policy has been reviewed so as to ensure that discrimination don't take place.
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have achieved.	yes		Two annual wellness days were presented so as to present the opportunity for HCT testing
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	yes		Two annual wellness days were presented so as to present the opportunity for HCT testing

3.11. Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2014 and 31 March 2015

Subject matter	Date
None	

Notes

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

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

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

Table 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2-14 and 31 March 2-15

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	1	-
Verbal warning	-	-
Written warning	7	-
Final written warning	2	-
Suspended without pay	1	-
Fine	-	-
Demotion	-	-
Dismissal	1	-
Not guilty	-	-
Case withdrawn	1	-
Total	13	-

Notes

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

Total number of Disciplinary hearings finalised	None
--------------------------------------------------------	-------------

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2014 and 31 March 2015

Type of misconduct	Number	% of total
Misrepresentation	1	-
Unauthorised traveling	2	-
Non compliance with directive	1	-
Fraud	1	-
Misuse of state property	2	-
Insubordination	1	-
Fruitless and wasteful expenditure	2	-
Poor performance	1	-
absenteeism	1	-
Gross financial misconduct	1	-
False allegations	1	-
Total	14	-

Table 3.12.4 Grievances logged for the period 1 April 2014 and 31 March 2015

Grievances	Number	% of Total
Number of grievances resolved	8	-
Number of grievances not resolved	-	-
Total number of grievances lodged	8	-

Table 3.12.5 Disputes logged with Councils for the period 1 April 2014 and 31 March 2015

Disputes	Number	% of Total
Number of disputes upheld	2	
Number of disputes dismissed	-	
Total number of disputes lodged	7	

Table 3.12.6 Strike actions for the period 1 April 2014 and 31 March 2015

Total number of persons working days lost	None
Total costs working days lost	None
Amount recovered as a result of no work no pay (R'000)	None

Table 3.12.7 Precautionary suspensions for the period 1 April 2014 and 31 March 2015

Number of people suspended	1
Number of people whose suspension exceeded 3- days	1
Average number of days suspended	60
Cost of suspension(R'000)	90142.03

3.12. Skills development

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

Table 3.13.1 Training needs identified for the period 1 April 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			
			Interns	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	24				24
	Male	19				19
Professionals	Female					
	Male					
Technicians and associate professionals	Female	119				119
	Male	70				70
Clerks	Female	9				9
	Male	19				19
Service and sales workers	Female					
	Male					
Skilled agriculture and fishery workers	Female					
	Male					
Craft and related trades workers	Female					
	Male					
Plant and machine operators and assemblers	Female					
	Male					
Elementary occupations	Female	152				152
	Male	108				108
Sub Total	Female					
	Male					
Total		260				260

Table 3.13.2 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			
			Internships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	33				33
	Male	45				45
Professionals	Female					
	Male					
Technicians and associate professionals	Female	189				189
	Male	1-9				1-9
Clerks	Female	23				23
	Male	12				12
Service and sales workers	Female					
	Male					
Skilled agriculture and fishery workers	Female					
	Male					
Craft and related trades workers	Female					
	Male					
Plant and machine operators and assemblers	Female					
	Male					
Elementary occupations	Female	247				247
	Male	166				166
Sub Total	Female					
	Male					
Total		411				411

3.13. Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2014 and 31 March 2015

None

3.14. Utilisation of Consultants

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

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

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2014 and 31 March 2015

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

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

Table 3.15.2 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

Table 3.15.3 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)	Donor and contract value in Rand

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

Table 3.15.4 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

3.15. Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2014 and 31 March 2015

None

PART E: FINANCIAL INFORMATION

Report of the auditor-general to the Northern Cape Provincial Legislature on vote no. 9: Department of Cooperative Governance, Human Settlement and Traditional Affairs

Report on the financial statements

Introduction

1. I have audited the financial statements of the Department of Cooperative Governance, Human Settlement and Traditional Affairs set out on pages 101 to 185, which comprise the appropriation statement, the 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 the Modified Cash Standard and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and Division of Revenue Act of South Africa, 2013 (Act No. 10 of 2014) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 qualified audit opinion.

Basis for qualified opinion

Irregular expenditure

6. The department did not recognise all irregular expenditure meeting the definition of irregular expenditure, in accordance with Modified Cash Standard *General Departmental Assets and Liabilities*. The department did not maintain adequate records of irregular expenditure on funds transferred to build low cost houses. Consequently, I was not able to determine the full extent of the understatement of irregular expenditure as it was impracticable to do so.

Commitments

7. The department did not adequately recognise contractual commitments, in accordance with Modified Cash Standard *Provisions and Contingents*. The department did not have adequate systems to maintain records of contractual commitments made by the department relating to housing projects. Consequently, commitments were understated by R18 363 244.

Qualified opinion

8. In my opinion, except for the effects of the matters described in the basis for qualified opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of the Department of Cooperative Governance, Human Settlement and Traditional Affairs as at 31 March 2015 and its financial performance and cash flows for the year then ended, in accordance with the Modified Cash Standard and the requirements of the PFMA and DoRA.

Additional matters

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

Material inconsistencies in other information included in the annexures

10. Annexure 6 of the annual financial statements indicates that the closing balance for inventory amounted to 30 824 units and R1 308 000. This is inconsistent with the performance information as per the annual performance report and transfer payments disclosed in the financial statements.

Unaudited supplementary schedules

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

Report on other legal and regulatory requirements

12. 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

13. 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 2: Human Settlements on pages 31 to 34
 - Programme 3: Co-operative Governance on pages 34 to 38
14. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
15. 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).
16. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
17. The material findings in respect of the selected programmes are as follows:

Programme 2: Human Settlements

Usefulness of reported performance information

18. I did not identify any material findings on the usefulness of the reported performance information for the following programmes:
- Programme 2: Human Settlements

Reliability of reported performance information

19. The Framework for Managing Programme Performance Information requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Overall, significantly important targets were not reliable because we were unable to obtain sufficient appropriate audit evidence for significantly important targets. In addition, significantly important targets were not valid, accurate and complete when compared to the source information or evidence provided. This was due to a lack of standard operating procedures or documented system descriptions for the accurate recording of actual achievements and frequent review of the validity of reported achievements against source documentation.

Programme 3: Co-operative Governance

Usefulness of reported performance information

20. Treasury Regulation 5.2.4 requires the annual performance to form the basis for the annual report, therefore requiring consistency of objectives, indicators and targets between planning and reporting documents. A total of 35% of the reported indicators and 50% of the reported targets were not consistent with those in the approved annual performance. This was due to a lack of, or limited, review of the completeness of reporting documents by management.
21. Performance indicators should be well defined by having clear definitions so that data can be collected consistently and is easy to understand and use, as required by the FMPPI. A total of 73% (>20%) of the indicators were not well defined.

Reliability of reported performance information

22. The Framework for Managing Programme Performance Information requires auditees to have appropriate systems to collect, collate, verify and store performance information to ensure valid, accurate and complete reporting of actual achievements against planned objectives, indicators and targets. Significantly important targets were not reliable when compared to the source information or evidence provided. This was due to a lack of standard operating procedures or documented system descriptions for the accurate recording of actual achievements and frequent review of the validity of reported achievements against source documentation.

Additional matter

23. I draw attention to the following matter:

Achievement of planned targets

24. Refer to the annual performance report on pages 26 to 42 for information on the achievement of the planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information for the selected programmes reported in paragraphs 19 to 22 of this report.

Compliance with legislation

25. 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:

Strategic planning and performance management

26. A strategic plan for the 2014 - 2015 was not prepared by the accounting officer as required by Treasury Regulation 5.1.1
27. Effective, efficient and transparent systems of risk management and internal control with respect to performance information and management was not maintained as required by section 38(1)(a)(i) of the PFMA.

Financial statements, performance and annual reports

28. The 2014-2015 strategic plan did not form the basis for the annual report as required by TR 5.2.4 and 5.2.1
29. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by section 40(1) (a) and (b) of the PMFA. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were subsequently corrected and the supporting records were provided subsequently, but the uncorrected material misstatements resulted in the financial statements receiving a qualified audit opinion.

Procurement and contract management

30. Goods and services of a transaction value above R500 000 were procured without inviting competitive bids, as required by TR 16A6.1. Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of TR 16A6.4.
31. Invitations for competitive bidding were not always advertised in at least the government tender bulletin, as required by TR 16A6.3(c).
32. Contracts were awarded to bidders based on points given for criteria that differed from those stipulated in the original invitation for bidding, in contravention of TR 16A6.3(a) and the Preferential Procurement Regulations.

Expenditure management

33. Effective steps were not taken to prevent unauthorised, irregular and fruitless and wasteful expenditure, as required by section 38(1)(c)(ii) of the PFMA and TR 9.1.1.
34. Contractual obligations and money owed by the entity were not settled within 30 days, as required by section 38(1)(f) of the PFMA and TR8.2.3.

Transfer of funds

35. Funds were transferred to entities without obtaining written assurance that the entity implements effective, efficient and transparent financial management and internal control systems and rendering the transfer of the funds subject to the entity establishing effective, efficient and transparent financial management and internal control systems, as required by section 38(1)(j) of the PFMA.

Asset and liability management

36. The department was committed to liabilities for which money had not been appropriated, in contravention of section 38(2) of the Public Finance Management Act.

Consequence management

37. Effective and appropriate disciplinary steps were not taken against officials who made or permitted unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure, as required by section 38(1)(h)(iii) of the PFMA and TR 9.1.3.
38. Allegations of improper conduct and failure to comply with the supply chain management system against role player in the supply chain management system were not investigated, as required by TR 16A9.1(b).

Service delivery – Human settlements

39. The planned expenditure from the Human Settlements Development Grant, for the financial year, the next financial and the 2016/17 was not published, as required by section 12(6) of the (DoRA).

Internal control

40. 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 the basis for qualified opinion, the findings on the annual performance report and the findings on non-compliance with legislation included in this report.

Leadership

41. The leadership of the department did not exercise oversight responsibility to ensure that proper internal control procedures are developed and implemented that will enable the department to produce accurate and complete annual financial statements.
42. The leadership does not exercise oversight responsibility on performance reporting and compliance with laws and regulations and internal control.
43. Leadership did not communicate and enforce management assertions (completeness, accuracy, quality) related to the disclosures in the financial statements and performance reports of the department.

Financial and performance management

44. The department 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 and performance reporting. This resulted in material adjustments in the financial statements and the auditors being unable to obtain all information needed to audit performance management.
45. Reviewing and monitoring of compliance with applicable laws and regulations are not done adequately by the department. The department does have a delegated employee to address and monitor new legislative changes affecting the department; however this did not have an impact on the outcomes of compliance.
46. Management failed to implement appropriate action to ensure that the prior year issues identified on irregular expenditure and commitments are corrected which resulted in material misstatement reported.

Auditor General

Auditor-General

Kimberley

31 July 2015



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 9

APPROPRIATION STATEMENT
for the year ended 31 March 2015

Appropriation per programme									
	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
Programme									
1. Administration	83 229		5 365	88 594	89 373	(779)	100.7%	95 841	107 504
2. Human Settlements	428 485		(3 578)	424 907	422 391	2 516	99.4%	642 034	616 481
3. Co-Operative Governance	119 376		(411)	118 965	120 603	(1 638)	101.4%	108 060	102 616
4. Traditional Affairs	20 884		(1 376)	19 508	19 508	-	100.0%	17 466	14 968
Subtotal	651 974			651 974	651 875	99	100.0%	863 401	841 569
TOTAL	651 974			651 974	651 875	99	100.0%	863 401	841 569

DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 9

APPROPRIATION STATEMENT
for the year ended 31 March 2015

	2014/15		2013/14	
	Final Appropriation	Actual Expenditure	Final Appropriation	Actual Expenditure
TOTAL (brought forward)				
Reconciliation with statement of financial performance				
ADD				
Departmental receipts	393		801	
NRF Receipts				
Aid assistance				
Actual amounts per statement of financial performance (total revenue)	652 367		864 202	
ADD				
Aid assistance		487		
Prior year unauthorised expenditure approved without funding				
Actual amounts per statement of financial performance (total expenditure)		652 362		841 569

DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 9

APPROPRIATION STATEMENT
for the year ended 31 March 2015

Appropriation per economic classification									
	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	257 350	-	3 442	260 792	264 364	(3 572)	101.4%	244 506	256 260
Compensation of employees	211 858	-	-	211 858	211 663	195	99.9%	195 296	197 116
Salaries and wages	182 301	-	-	182 301	182 983	(682)	100.4%	166 082	169 513
Social contributions	29 557	-	-	29 557	28 680	877	97.0%	29 214	27 603
Goods and services	45 492	-	3 442	48 934	52 701	(3 767)	107.7%	49 210	59 144
Administrative fees	389	-	-	389	338	51	86.9%	237	826
Advertising	792	-	-	792	583	209	73.6%	655	2 057
Minor assets	338	-	-	338	716	(378)	211.8%	550	500
Audit costs: External	2 793	-	1 293	4 086	4 403	(317)	107.8%	4 290	3 980
Bursaries: Employees	190	-	-	190	143	47	75.3%	400	293
Catering: Departmental activities	789	-	-	789	647	142	82.0%	835	738
Communication	303	-	-	303	629	(326)	207.6%	2 217	1 636
Computer services	2 120	-	-	2 120	1 470	650	69.3%	1 595	1 972
Consultants: Business and advisory services	1 185	-	2 270	3 455	7 240	(3 785)	209.6%	600	1 414
Infrastructure and planning services	30	-	-	30	8	22	26.7%	20	24
Legal services	-	-	-	-	199	(199)	-	-	1 412
Contractors	246	-	-	246	476	(230)	193.5%	109	1 364
Agency and support / outsourced services	55	-	-	55	-	55	-	352	-

DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 9

APPROPRIATION STATEMENT
for the year ended 31 March 2015

Entertainment	490	-	(127)	363	1 044	(681)	287.6%	188	206
Fleet services	2 853	-	-	2 853	3 146	(293)	110.3%	1 499	4 322
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	255	-	-	255	225	30	88.2%	35	(1)
Inventory: Farming supplies	2	-	-	2	-	2	-	-	-
Inventory: Food and food supplies	51	-	-	51	-	51	-	8	6
Inventory: Fuel, oil and gas	200	-	-	200	2	198	1.0%	395	620
Inventory: Learner and teacher support material	-	-	-	-	-	-	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	13	41
Inventory: Medical supplies	-	-	-	-	-	-	-	-	7
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	738	-	-	738	1 732	(994)	234.7%	1 273	1 870
Consumable: Stationery, printing and office supplies	1 582	-	-	1 582	1 167	415	73.8%	1 311	2 159
Operating leases	8 232	-	-	8 232	8 730	(498)	106.0%	7 635	8 498
Property payments	5 935	-	665	6 600	6 828	(228)	103.5%	8 853	7 495
Transport provided: Departmental activity	60	-	-	60	176	(116)	293.3%	-	-
Travel and subsistence	11 958	-	(659)	11 299	9 239	2 060	81.8%	10 404	13 562
Training and development	2 055	-	-	2 055	1 316	739	64.0%	2 876	2 003
Operating payments	952	-	-	952	741	211	77.8%	2 508	492
Venues and facilities	849	-	-	849	1 479	(630)	174.2%	236	1 462
Rental and hiring	50	-	-	50	24	26	48.0%	116	186
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-

DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 9

APPROPRIATION STATEMENT
for the year ended 31 March 2015

Transfers and subsidies	387 654	-	-	(3 442)	384 212	381 814	2 398	99.4%	613 158	581 736
Provinces and municipalities	8 400	-	-	(3 563)	4 837	4 837	-	100.0%	8 500	3 009
Provinces	-	-	-	-	-	-	-	-	-	9
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-	9
Municipalities	8 400	-	-	(3 563)	4 837	4 837	-	100.0%	8 500	3 000
Municipal bank accounts	-	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	8 400	-	-	(3 563)	4 837	4 837	-	100.0%	8 500	3 000
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	-
Non-profit institutions	500	-	-	-	500	-	500	-	-	-
Households	378 754	-	-	121	378 875	376 977	1 898	99.5%	604 658	578 727
Social benefits	-	-	-	121	121	352	(231)	290.9%	-	28
Other transfers to households	378 754	-	-	-	378 754	376 625	2 129	99.4%	604 658	578 699
Payments for capital assets	6 970	-	-	-	6 970	5 697	1 273	81.7%	5 737	3 573
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	6 970	-	-	-	6 970	5 690	1 280	81.6%	5 737	3 573
Transport equipment	-	-	-	320	320	2 584	(2 264)	807.5%	2 100	-
Other machinery and equipment	6 970	-	-	(320)	6 650	3 106	3 544	46.7%	3 637	3 573
Intangible assets	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-	-
Total	651 974	-	-	-	651 974	651 875	99	100.0%	863 401	841 569

DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 9

APPROPRIATION STATEMENT
for the year ended 31 March 2015

Programme 1: ADMINISTRATION									
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	2013/14	
								Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Office of the MEC	12 000	-	-	12 000	9 045	2 955	75.4%	11 387	10 043
2. Corporate Services	71 229	-	5 365	76 594	80 328	(3 734)	104.6%	84 454	97 461
Total for sub programmes	83 229	-	5 365	88 594	89 373	(799)	100.7%	95 841	107 504
Economic classification									
Current payments	80 531	-	5 274	85 805	87 532	(1 727)	101.8%	93 027	104 677
Compensation of employees	63 684	-	4 609	68 293	67 521	772	98.6%	58 082	61 518
Salaries and wages	54 160		4 609	58 769	58 858	(89)	99.8%	48 582	53 318
Social contributions	9 524	-	-	9 524	8 663	861	91.0%	9 500	8 199
Goods and services	16 847	-	665	17 512	20 011	(2 499)	114.3%	34 945	43 159
Administrative fees	71	-	-	71	156	(85)	219.7%	102	342
Advertising	144	-	-	144	353	(209)	245.1%	350	1 163
Minor assets	34	-	-	34	361	(327)	1 061.8%	151	171
Audit costs: External	2 793	-	-	2 793	1 820	973	65.2%	4 290	3 844
Bursaries: Employees	190	-	-	190	143	47	75.3%	400	300
Catering: Departmental activities	160	-	-	160	158	2	98.8%	521	236
Communication	139	-	-	139	159	(20)	114.4%	1 600	1 292
Computer services	724	-	-	724	268	456	37.0%	1 470	1 298

DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 9

APPROPRIATION STATEMENT
for the year ended 31 March 2015

Consultants: Business and advisory services	-	-	-	-	3 205	(3 205)	-	-	466
Infrastructure and planning services	-	-	-	-	-	-	-	-	-
Legal services	-	-	-	-	-	-	-	-	1 397
Contractors	12	-	-	12	232	(220)	1933.3%	3	520
Agency and support / outsourced services	-	-	-	-	-	-	-	300	-
Entertainment	202	-	-	202	1 044	(842)	516.8%	188	206
Fleet services	602	-	-	602	7	595	1.2%	740	4 320
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	-	-	-	-	-	-	-	2	-
Inventory: Fuel, oil and gas	200	-	-	200	-	200	-	395	71
Inventory: Materials and supplies	-	-	-	-	-	-	-	-	2
Inventory: Other supplies	-	-	-	-	-	-	-	-	-
Consumable supplies	494	-	-	494	1 066	(572)	215.8%	877	1 128
Consumable: Stationery, printing and office supplies	590	-	-	590	576	14	97.6%	592	1 274
Operating leases	2 743	-	-	2 743	2 600	143	94.8%	7 635	8 453
Property payments	1 155	-	665	1 820	2 371	(551)	130.3%	8 853	7 256
Transport provided: Departmental activity	-	-	-	-	54	(54)	-	-	-
Travel and subsistence	4 141	-	-	4 141	4 006	135	96.7%	4 114	6 720
Training and development	2 014	-	-	2 014	1 116	898	55.4%	1 932	1 901
Operating payments	335	-	-	335	224	111	66.9%	425	52
Venues and facilities	104	-	-	104	92	12	88.5%	5	747
Rental and hiring	-	-	-	-	-	-	-	-	-

DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS

VOTE 9

**APPROPRIATION STATEMENT
for the year ended 31 March 2015**

Interest and rent on land	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	92	(92)	-	-	-	-	10
Provinces and municipalities	-	-	-	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	92	(92)	-	-	-	-	10
Social benefits	-	-	-	-	-	92	(92)	-	-	-	-	10
Other transfers to households	-	-	-	-	-	-	-	-	-	-	-	-
Payments for capital assets	2 698	91	2 789	1 749	1 040	62.7%	2 814	2 817	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 698	91	2 789	1 749	1 040	62.7%	2 814	2 817	-	-	-	-
Transport equipment	-	-	-	-	-	-	-	-	-	-	-	-

DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2015

Other machinery and equipment	2 698	-	91	2 789	1 749	1 040	62.7%	2 814	2 817
Intangible assets	-								
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	83 229	-	5 365	88 594	89 373	(779)	100.7%	95 841	107 504

1.1 Office of the MEC									
	2014/15					2013/14			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	11 620	-	-	11 620	8 886	2 734	76.5%	10 351	9 007
Compensation of employees	8 620	-	-	8 620	6 212	2 408	72.1%	7 705	5 784
Goods and services	3 000	-	-	3 000	2 674	326	89.1%	2 646	3 223
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-
Payments for capital assets	380	-	-	380	159	221	41.8%	1 036	1 036
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	380	-	-	380	159	221	41.8%	1 036	1 036

DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2015

Intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-	-	-	-
Total	12 000	-	-	-	12 000	9 045	2 955	75.4%	11 387		10 043	

1.2 Corporate Services												
	2013/14						2014/15					
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure			
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000			R'000
Current payments	68 911	-	5 274	74 185	78 646	(4 461)	105.8%	82 676	95 670			
Compensation of employees	55 064	-	4 609	59 673	61 309	(1 636)	102.4%	50 377	55 734			
Goods and services	13 847	-	665	14 512	17 337	(2 825)	119.5%	32 299	39 936			
Interest and rent on land	-	-	-	-	-	-	-	-	-			
Transfers and subsidies	-	-	-	-	92	(92)	-	-	10			
Provinces and municipalities	-	-	-	-	-	-	-	-	-			
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-			
Non-profit institutions	-	-	-	-	-	-	-	-	-			
Households	-	-	-	-	92	(92)	-	-	10			
Payments for capital assets	2 318	-	91	2 409	1 590	819	66.0%	1 778	1 781			
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-			
Machinery and equipment	2 318	-	91	2 409	1 590	819	66.0%	1 778	1 781			
Intangible assets	-	-	-	-	-	-	-	-	-			
Payments for financial assets	-	-	-	-	-	-	-	-	-			
Total	71 229	-	5 365	76 594	80 328	(3 734)	104.6%	84 454	97 461			

DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2015

Programme 2: Human Settlements										2014/15	
2013/14										Final Appropriation	Actual expenditure
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation			R'000	R'000
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%			R'000	R'000
1. Housing Needs, Research and Planning	21 004	-	(3 578)	17 426	18 368	(942)	105.4%			21 848	9 434
2. Housing Development	398 811	-	-	398 811	398 522	289	99.9%			609 277	585 929
3. Housing Asset Management	8 670	-	-	8 670	5 501	3 169	63.4%			10 909	21 118
Total for sub programmes	428 485	-	(3 578)	424 907	422 391	2 516	99.4%			642 034	616 481
Economic classification											
Current payments	50 142	-	(3 578)	46 564	46 386	178	99.6%			38 042	38 505
Compensation of employees	38 264	-	(3 578)	34 686	33 119	1 567	95.5%			33 713	32 112
Salaries and wages	34 379	-	(3 578)	30 801	28 613	2 188	92.9%			28 739	27 744
Social contributions	3 885	-	-	3 885	4 506	(621)	116.0%			4 974	4 368
Goods and services	11 878	-	-	11 878	13 267	(1 389)	111.7%			4 329	6 393
Administrative fees	104	-	-	104	66	38	63.5%			13	167
Advertising	433	-	-	433	222	211	51.3%			140	818
Minor assets	133	-	-	133	134	(1)	100.8%			223	77
Audit costs: External	-	-	-	-	1 291	(1 291)	-			-	136
Bursaries: Employees	-	-	-	-	-	-	-			-	(1)

DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2015

Catering: Departmental activities	316	-	-	316	213	103	67.4%	37	233
Communication	68	-	-	68	54	14	79.4%	176	204
Computer services	623	-	-	623	515	108	82.7%	-	556
Consultants: Business and advisory services	100	-	-	100	87	13	87.0%	80	85
Infrastructure and planning services	30	-	-	30	8	22	26.7%	20	24
Legal services	-	-	-	-	27	(27)	-	-	15
Contractors	128	-	-	128	118	10	92.2%	73	311
Agency and support / outsourced services	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Fleet services	832	-	-	832	1 023	(191)	123.0%	141	2
Housing	-	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	255	-	-	255	225	30	88.2%	25	(1)
Inventory: Farming supplies	2	-	-	2	-	2	-	-	-
Inventory: Food and food supplies	15	-	-	15	-	15	-	-	6
Inventory: Medical supplies	-	-	-	-	-	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	2	(2)	-	-	-
Inventory: Materials and supplies	-	-	-	-	-	-	-	13	1
Inventory: Other supplies	-	-	-	-	-	-	-	-	7
Consumable supplies	106	-	-	106	73	33	68.9%	150	187
Consumable: Stationery, printing and office supplies	310	-	-	310	166	144	53.5%	191	403
Operating leases	2 747	-	-	2 747	3 183	(436)	115.9%	-	45
Property payments	2 390	-	-	2 390	2 087	303	87.3%	-	199

DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2015

Transport provided: Departmental activity	55	-	-	55	52	3	94.5%	-	-
Travel and subsistence	2 408	-	-	2 408	2 138	270	88.8%	340	2 107
Training and development	41	-	-	41	200	(159)	487.8%	944	102
Operating payments	330	-	-	330	158	172	47.9%	1 729	136
Venues and facilities	452	-	-	452	1 209	(757)	267.5%	2	421
Rental and hiring	-	-	-	-	16	(16)	-	32	153
Interest and rent on land	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	377 668	-	-	377 668	375 570	2 098	99.4%	603 624	577 608
Provinces and municipalities	-	-	-	-	-	-	-	-	-
Provinces	-	-	-	-	-	-	-	-	-
Provincial Revenue Funds	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-
Municipalities	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-
Households	377 668	-	-	377 668	375 570	2 098	99.4%	603 624	577 608
Social benefits	-	-	-	-	81	(81)	-	-	-
Other transfers to households	377 668	-	-	377 668	375 489	2 179	99.4%	603 624	577 608
Payments for capital assets	675	-	-	675	435	240	64.4%	368	368

APPROPRIATION STATEMENT
for the year ended 31 March 2015

Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	675	-	-	675	435	240	64.4%	368	368
Transport equipment	-	-	-	-	-	-	-	-	-
Other machinery and equipment	675	-	-	675	435	240	64.4%	368	368
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	428 485	-	(3 578)	424 907	422 391	2 516	99.4%	642 034	616 481

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DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2015

Provinces and municipalities	-	-	-	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-	-	-	-	-
Payments for capital assets	287	-	-	287	329	(42)	114.6%	268	189			
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	287	-	-	287	329	(42)	114.6%	268	189			
Intangible assets	-	-	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-	-	-	-
Total	21 004	-	(3 578)	17 426	18 368	(942)	105.4%	21 848	9 434			

2.2 Housing Development											
2014/15						2013/14					
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000		
Current payments	24 696	-	-	24 696	23 437	1 259	94.9%	9 000	11 883		
Compensation of employees	22 762	-	-	22 762	22 071	691	97.0%	7 275	9 778		
Goods and services	1 934	-	-	1 934	1 366	568	70.6%	1 725	2 105		
Interest and rent on land	-	-	-	-	-	-	-	-	-		
Transfers and subsidies	373 752	-	-	373 752	374 996	(1 244)	100.3%	600 177	574 012		

DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2015

Provinces and municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-
Households	373 752				373 752	374 996	(1 244)	100.3%	600 177	574 012			
Payments for capital assets	363	-	-	-	363	89	274	24.5%	100	34			
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-			
Machinery and equipment	363	-	-	-	363	89	274	24.5%	100	34			
Intangible assets	-	-	-	-	-	-	-	-	-	-			
Payments for financial assets	-	-	-	-	-	-	-	-	-	-			
Total	398 811	-	-	-	398 811	398 522	289	99.9%	609 277	585 929			

2.3 Housing Asset Management											2013/14		
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure		2014/15		
											Adjusted Appropriation	Shifting of Funds	Virement
Current payments	4 729	-	-	4 729	4 910	(181)	103.8%	7 462	17 377		R'000	R'000	R'000
Compensation of employees	4 230	-	-	4 230	4 404	(174)	104.1%	7 007	16 129				
Goods and services	499	-	-	499	506	(7)	101.4%	455	1 248				
Interest and rent on land	-	-	-	-	-	-	-	-	-				
Transfers and subsidies	3 916	-	-	3 916	574	3 342	14.7%	3 447	3 596				

DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS

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**APPROPRIATION STATEMENT
for the year ended 31 March 2015**

Provinces and municipalities	-	-	-	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-	-	-	-
Households	3 916	-	-	3 916	574	3 342	14.7%	3 447	3 596			
Payments for capital assets	25	-	-	25	17	8	68.0%	-	145			
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-			
Machinery and equipment	25	-	-	25	17	8	68.0%	-	145			
Intangible assets	-	-	-	-	-	-	-	-	-			
Payments for financial assets	-	-	-	-	-	-	-	-	-			
Total	8 670	-	-	8 670	5 501	3 169	63.4%	10 909	21 118			

Programme 3: Co-operative Governance										2014/15			2013/14	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final	Final Appropriation	Actual expenditure					

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**APPROPRIATION STATEMENT
for the year ended 31 March 2015**

	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	appropriation %	R'000	R'000
Sub programme												
3.1 Local Governance	93 252	-	(140)	93 112	103 818	(10 706)				111.5%	86 032	89 329
3.2 Development and Planning	26 124	-	(271)	25 853	16 785	9 068				64.9%	22 028	13 287
Total for sub programmes	119 376	-	(411)	118 965	120 603	(1 638)				101.4%	108 060	102 616
Economic classification												
Current payments	109 193	-	3 563	112 756	114 779	(2 023)				101.8%	99 225	99 224
Compensation of employees	94 832	-	-	94 832	96 976	(2 144)				102.3%	91 691	91 866
Salaries and wages	79 885	-	-	79 885	82 723	(2 838)				103.6%	78 893	77 948
Social contributions	14 947	-	-	14 947	14 253	694				95.4%	12 798	13 918
Goods and services	14 361	-	3 563	17 924	17 803	121				124.0%	7 534	7 358
Administrative fees	129	-	-	129	85	44				65.9%	86	193
Advertising	186	-	-	186	-	186				-	165	68
Minor assets	171	-	-	171	221	(50)				129.2%	148	145
Audit costs: External	-	-	1 293	1 293	1 292	1				99.9%	-	-
Bursaries: Employees	-	-	-	-	-	-				-	-	(6)
Catering: Departmental activities	217	-	-	217	180	37				82.9%	186	103
Communication	59	-	-	59	410	(351)				694.9%	341	99
Computer services	773	-	-	773	687	86				88.9%	125	118
Consultants: Business and advisory services	1 085	-	2 270	3 355	3 948	(593)				117.7%	520	863
Infrastructure and planning services	-	-	-	-	-	-				-	-	-
Legal services	-	-	-	-	146	(146)				-	-	-
Contractors	10	-	-	10	111	(101)				1110.0%	33	509

**APPROPRIATION STATEMENT
for the year ended 31 March 2015**

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for the year ended 31 March 2015

3.1 Local Governance	2014/15	2013/14

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APPROPRIATION STATEMENT
for the year ended 31 March 2015

Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	86 813	-	3 563	90 376	101 496	(11 120)	112.3%	80 270	86 028
Compensation of employees	74 188	-	-	74 188	84 807	(10 619)	114.3%	74 276	79 839
Goods and services	12 625	-	3 563	16 188	16 689	(501)	103.1%	5 994	6 189
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies	5 750	-	(3 563)	2 187	1 766	421	80.7%	5 500	3 039
Provinces and municipalities	5 250	-	(3 563)	1 687	1 687	-	100.0%	5 500	3 000
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-
Non-profit institutions	500	-	-	500	-	500	-	-	-
Households	-	-	-	-	79	(79)	-	-	39
Payments for capital assets	689	-	(140)	549	556	(7)	101.3%	262	262
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-
Machinery and equipment	689	-	(140)	549	549	-	100.0%	262	262
Intangible assets	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-
Total	93 252	-	(140)	93 112	103 818	(10 706)	111.5%	86 032	89 329

3.2 Development and Planning

2014/15					2013/14	
Adjusted	Shifting of	Virement	Final	Actual	Variance	Expenditure
						Final
						Actual

DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
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APPROPRIATION STATEMENT
for the year ended 31 March 2015

Economic classification	Appropriation	Funds	Appropriation	Expenditure		as % of final appropriation	Appropriation	expenditure
	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	22 380	-	22 380	13 283	9 097	59.4%	18 955	13 196
Compensation of employees	20 644	-	20 644	12 169	8 475	58.9%	17 415	12 027
Goods and services	1 736	-	1 736	1 114	622	64.2%	1 540	1 169
Interest and rent on land	-	-	-	-	-	-	-	-
Transfers and subsidies	3 150	-	3 150	3 179	(29)	100.9%	3 000	18
Provinces and municipalities	3 150	-	3 150	3 150	-	100.0%	3 000	18
Departmental agencies and accounts	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-
Households	-	-	-	-	-	-	-	-
Payments for capital assets	594	-	323	323	-	100.0%	73	73
Buildings and other fixed structures	-	-	-	-	-	-	-	-
Machinery and equipment	594	-	323	323	-	100.0%	73	73
Intangible assets	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-
Total	26 124	-	25 853	16 785	9 068	64.9%	22 028	13 287

Programme 4: Traditional Affairs							2013/14	
							Final	Actual
							Appropriation	expenditure
							Expenditure as % of final	
							Variance	
							Actual Expenditure	
							Final Appropriation	
							Shifting of Funds	
							Virement	
							Adjusted Appropriation	
							2014/15	
							2014/15	

DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 9

APPROPRIATION STATEMENT
for the year ended 31 March 2015

	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	appropriation %	R'000	R'000
Sub programme											
4.1 Traditional Affairs	20 884	-	(1 376)	19 508	19 508				100.0%	17 466	14 968
Total for sub programmes	20 884	-	(1 376)	19 508	19 508				100.0%	17 466	14 968
Economic classification											
Current payments	17 484	-	(1 817)	15 667	15 667				100.0%	14 212	13 854
Compensation of employees	15 078	-	(1 031)	14 047	14 047				100.0%	11 810	11 620
Salaries and wages	13 877	-	(1 031)	12 846	12 789				99.6%	9 868	10 502
Social contributions	1 201	-	-	1 201	1 258				104.7%	1 942	1 118
Goods and services	2 406	-	(786)	1 620	1 620				100.0%	2 402	2 234
Administrative fees	85	-	-	85	31				36.5%	36	124
Advertising	29	-	-	29	8				27.6%	-	8
Minor assets	-	-	-	-	-				-	28	107
Audit costs: External	-	-	-	-	-				-	-	-
Bursaries: Employees	-	-	-	-	-				-	-	-
Catering: Departmental activities	96	-	-	96	96				100.0%	91	166
Communication	37	-	-	37	6				16.2%	100	41
Computer services	-	-	-	-	-				-	-	-
Consultants: Business and advisory services	-	-	-	-	-				-	-	-
Infrastructure and planning services	-	-	-	-	-				-	-	-
Legal services	-	-	-	-	-				-	-	-
Contractors	96	-	-	96	15				15.6%	81	24

DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 9

APPROPRIATION STATEMENT
for the year ended 31 March 2015

Agency and support / outsourced services	55	-	-	55	-	-	52	-
Entertainment	288	-	(127)	161	-	-	-	-
Fleet services	381	-	-	381	-	-	484	-
Housing	-	-	-	-	-	-	-	-
Inventory: Clothing material and supplies	-	-	-	-	-	-	-	-
Inventory: Food and food supplies	26	-	-	26	-	-	-	-
Inventory: Fuel, oil and gas	-	-	-	-	-	-	-	549
Inventory: Materials and supplies	-	-	-	-	-	-	-	1
Inventory: Other supplies	-	-	-	-	-	-	-	-
Consumable supplies	-	-	-	-	507	-	125	210
Consumable: Stationery, printing and office supplies	60	-	-	60	90	150.0%	-	55
Operating leases	-	-	-	-	75	(75)	-	-
Property payments	-	-	-	-	9	(9)	-	-
Transport provided: Departmental activity	-	-	-	-	-	-	-	-
Travel and subsistence	1 216	-	(659)	557	557	100.0%	1 019	759
Training and development	-	-	-	-	-	-	-	-
Operating payments	16	-	-	16	176	(160)	252	168
Venues and facilities	21	-	-	21	17	4	215	22
Rental and hiring	-	-	-	-	7	(7)	-	-
Interest and rent on land	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Rent on land	-	-	-	-	-	-	-	-
Transfers and subsidies	1 086	-	121	1 207	1 207	100.0%	1 034	1 061
Provinces and municipalities	-	-	-	-	-	-	-	8
Provinces	-	-	-	-	-	-	-	8

DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 9

APPROPRIATION STATEMENT
for the year ended 31 March 2015

Provincial Revenue Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Provincial agencies and funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8
Municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Municipal bank accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Municipal agencies and funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Departmental agencies and accounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-profit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Households	1 086	-	121	1 207	1 207	1 207	-	100.0%	-	1 034	-	1 052	-	-	-	-	1 052
Social benefits	-	-	121	121	150	(29)	-	124.0%	-	-	-	-	-	-	-	-	-
Other transfers to households	1 086	-	-	1 086	1 057	29	-	97.3%	-	1 034	-	1 052	-	-	-	-	1 052
Payments for capital assets	2 314	-	320	2 634	2 364	-	100.0%	-	2 220	2 220	53	-	-	-	-	-	-
Buildings and other fixed structures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other fixed structures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Machinery and equipment	2 314	-	320	2 634	2 634	-	-	100.0%	-	2 220	-	53	-	-	-	-	53
Transport equipment	-	-	320	320	2 584	(2 264)	-	807.5%	-	2 100	-	-	-	-	-	-	-
Other machinery and equipment	2 314	-	-	2 314	50	2 264	-	2.2%	-	120	-	53	-	-	-	-	53
Intangible assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payments for financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	20 884	-	(1 376)	19 508	19 508	19 508	-	100.0%	17 466	17 466	14 968	-	-	-	-	-	14 968

4.1 Traditional Affairs									
2014/15					2013/14				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final	Final Appropriation	Actual expenditure

DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 9

APPROPRIATION STATEMENT
for the year ended 31 March 2015

Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	R'000	appropriation	R'000	R'000
							%			
Current payments	17 484	-	(1 817)	15 667	15 667	-	100.0%		14 212	13 854
Compensation of employees	15 078	-	(1 031)	14 047	14 047	-	100.0%		11 810	11 620
Goods and services	2 406	-	(786)	1 620	1 620	-	100.0%		2 402	2 234
Interest and rent on land	-	-	-	-	-	-	-		-	-
Transfers and subsidies	1 086	-	121	1 207	1 207	-	100.0%		1 034	1 061
Provinces and municipalities	-	-	-	-	-	-	-		-	-
Departmental agencies and accounts	-	-	-	-	-	-	-		-	8
Public corporations and private enterprises	-	-	-	-	-	-	-		-	-
Non-profit institutions	-	-	-	-	-	-	-		-	-
Households	1 086	-	121	1 207	1 207	-	100.0%		1 034	1 052
Payments for capital assets	2 314	-	320	2 634	2 634	-	100.0%		2 220	53
Buildings and other fixed structures	-	-	-	-	-	-	-		-	-
Machinery and equipment	2 314	-	320	2 634	2 634	-	100.0%		2 220	53
Intangible assets	-	-	-	-	-	-	-		-	-
Payments for financial assets	-	-	-	-	-	-	-		-	-
Total	20 884		(1 376)	19 508	19 508	-	100.0%		17 466	14 968

**DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
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VOTE 9**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2015**

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

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

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

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

3. Detail on payments for financial assets

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

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

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Administration	88 774	89 374	(599)	100.7%
Human Settlements	424 727	422 391	2 336	99.4%
Co-Operative Governance	118 565	120 603	(1 638)	101.7%
Traditional Affairs	19 508	19 508	-	100%

Over expenditure is due to payment to Lefatshe Consultants at Kara Heis Municipality or IT solution.

Programme 1:				
Administration	88 774	89 373	(599)	100.7

The overpayment is due to non-availability of Municipality officials to produce housing projects SCM process documents as requested by the Auditor General

Programme 2:	424 727	422 391	2336	99.4
Human Settlements				

The saving is due to the underspending of the EPWP Grant.

**DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
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VOTE 9**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2015**

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Programme 3: Co-Operative Governance	118 565	120 603	(1 638)	101.7
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The over expenditure is due to the appointment of KPMG Consultants at Municipality to perform a forensic audit.

Programme 4: Traditional Affairs	19 508	19 508	-	100.0%
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**DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
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VOTE 9**

**NOTES TO THE APPROPRIATION STATEMENT
for the year ended 31 March 2015**

4.2 Per economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	211 858	211 663	195	99.9%
Goods and services	48 934	52 701	(3 767)	107.7%
Interest and rent on land				
Transfers and subsidies				
Provinces and municipalities	4 837	4 837	-	100.0%
Departmental agencies and accounts				
Higher education institutions				
Public corporations and private enterprises				
Foreign governments and international organisations				
Non-profit institutions	500	-	500	0%
Households	378 875	376 977	1 898	99.5%
Payments for capital assets				
Buildings and other fixed structures				
Machinery and equipment	6 970	5 697	1 273	81.7%

**DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
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VOTE 9

**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	<i>1</i>	651 974	863 401
Departmental revenue	<i>2</i>	393	801
TOTAL REVENUE		652 367	864 202
EXPENDITURE			
Current expenditure			
Compensation of employees	<i>4</i>	211 664	197 116
Goods and services	<i>5</i>	52 702	59 145
Aid assistance	<i>3</i>	487	-
Total current expenditure		264 853	256 261
Transfers and subsidies			
Transfers and subsidies	<i>6</i>	381 812	581 735
Total transfers and subsidies		381 812	581 735
Expenditure for capital assets			
Tangible assets	<i>7</i>	5 690	3 573
Intangible assets	<i>7</i>	6	-
Total expenditure for capital assets		5 696	3 573
Unauthorised expenditure approved without funding	<i>11</i>	-	-
Payments for financial assets	<i>8</i>	-	-
TOTAL EXPENDITURE		652 361	841 569
SURPLUS/(DEFICIT) FOR THE YEAR		6	22 633

**DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 9
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2015**

Reconciliation of Net Surplus/(Deficit) for the year

Voted funds		100	21 832
Annual appropriation		-	-
Conditional grants		-	-
Unconditional grants		-	-
Departmental revenue and NRF Receipts	13	393	801
Aid assistance	3	(487)	-
SURPLUS/(DEFICIT) FOR THE YEAR		6	22 633

**DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
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**STATEMENT OF FINANCIAL POSITION
for the year ended 31 March 2015**

	Note	2014/15 R'000	2013/14 R'000
ASSETS			
Current assets		56 106	52 231
Unauthorised expenditure	8	55 602	51 655
Cash and cash equivalents	9	5	5
Prepayments and advances	10	5	5
Receivables	11	494	566
Non-current assets		306	-
Receivables	11	306	-
TOTAL ASSETS		56 412	52 231
LIABILITIES			
Current liabilities		56 412	52 231
Voted funds to be surrendered to the Revenue Fund	12	4 046	34 116
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	13	327	357
Bank overdraft	14	48 001	13 229
Payables	15	3 659	3 663
Aid assistance unutilised	3	379	866
TOTAL LIABILITIES		56 412	52 231
NET ASSETS		-	-

**DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
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VOTE 9**

**CASH FLOW STATEMENT
for the year ended 31 March 2015**

	Note	2014/15 R'000	2013/14 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		652 789	864 689
Annual appropriated funds received	1.1	651 974	863 401
Departmental revenue received	2	815	1 288
Net (increase)/decrease in working capital		(4 185)	(3 516)
Surrendered to Revenue Fund		(35 111)	(13 880)
Surrendered to RDP Fund/Donor		-	-
Current payments		(260 907)	(243 977)
Transfers and subsidies paid		(381 812)	(581 735)
Net cash flow available from operating activities	16	(29 226)	21 581
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	7	(5 696)	(3 573)
Proceeds from sale of capital assets	2.3	150	340
Net cash flows from investing activities		(5 546)	(3 233)
Net increase/(decrease) in cash and cash equivalents		(34 772)	18 348
Cash and cash equivalents at beginning of period		(13 224)	(31 572)
Cash and cash equivalents at end of period	17	(47 996)	(13 224)

**DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
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VOTE 9**

ACCOUNTING POLICIES

Summary of significant accounting policies

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

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

**DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
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ACCOUNTING POLICIES

	<p>Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p> <p>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.</p> <p>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.</p>
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	Expenditure
8.1	Compensation of employees
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>

**DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
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ACCOUNTING POLICIES

8.3	Accrued expenditure payable 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. Accrued expenditure payable is measured at cost.
8.4	Leases
8.4.1	Operating leases Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements.
8.4.2	Finance leases Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment. The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions. Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of: <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.

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ACCOUNTING POLICIES

9	Aid Assistance
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. 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>

**DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
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ACCOUNTING POLICIES

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>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>

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ACCOUNTING POLICIES

	<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</p>

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	expenditure.
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>
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>

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22	Events after the reporting date Capital assets reported as losses to the value of R125 000.00 has been written off and R87 000.00 still in process to be finalised (as per disclosure note 27).
23	Agent-Principal arrangements Municipalities act as developer on behalf of the Department.
24	Departures from the MCS requirements Management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard and there were no departures.
25	Capitalisation reserve The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received
26	Recoverable revenue Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.
27	Related party transactions 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.
28	Inventories <i>(Effective from 1 April 2016)</i> At the date of acquisition, inventories are recorded at cost price in the notes to the financial statements Where inventories are acquired as part of a non-exchange transaction, the cost of inventory is its fair value at the date of acquisition. Inventories are subsequently measured at the lower of cost and net realisable value or the lower of cost and replacement value.
29	Key Management Key Management recorded includes the Minister and Deputy Ministers responsible for the department, the Director-General, the Deputy Director-General(s), and the Chief Financial Officer (CFO) and all other officials who occupy positions in the levels specified above
30	Employee Benefits

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	<p>For leave entitlement and capped leave the department recorded amounts accumulated up to end of the financial year under review. All negative leave balances were added to the employee benefits</p> <p>The amount disclosed in the financial statements relating to Performance Bonus at the end of the financial year was based on 1.5% of the compensation of employee's budget;</p> <p>Amounts disclosed in terms of Service Bonus are as per the DPSA guide on the employee's 13th cheque on their birth months.</p>
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1. Annual Appropriation

1.1 Annual Appropriation

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

		2014/15		2013/14
	Final Appropriation	Actual Funds Received	Funds not requested/ not received	Appropriation received
	R'000	R'000	R'000	R'000
Programme 1	88 594	88 594	-	95 841
Programme 2	424 907	424 907	-	642 034
Programme 3	118 965	118 965	-	108 060
Programme 4	19 508	19 508	-	17 466
Total	651 974	651 974	-	863 401

1.2 Conditional grants

	Note	2014/15 R'000	2013/14 R'000
Total grants received	46	377 668	603 624
Provincial grants included in Total Grants received		8 400	8 000

2. Departmental revenue

	Note	2014/15 R'000	2013/14 R'000
Tax revenue		-	-
Sales of goods and services other than capital assets	3.1	435	445
Fines, penalties and forfeits	3.2	-	-
Interest, dividends and rent on land	3.3	9	1
Sales of capital assets	3.4	150	340
Transactions in financial assets and liabilities	3.5	371	842
Transfer received	3.6	-	-
Total revenue collected		965	1 628
Less: Own revenue included in appropriation	19	572	827
Departmental revenue collected		393	801

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2.1 Sales of goods and services other than capital assets

	Note	2014/15	2013/14
	2	R'000	R'000
Sales of goods and services produced by the department		435	445
Sales by market establishment		435	445
Sales of scrap, waste and other used current goods		-	-
Total		435	445

2.2 Interest, dividends and rent on land

	Note	2014/15	2013/14
	2	R'000	R'000
Rent on land		9	1
Total		9	1

2.3 Sale of capital assets

	Note	2014/15	2013/14
	2	R'000	R'000
Tangible assets		150	340
Buildings and other fixed structures	41	-	-
Machinery and equipment	39	150	340
Total		150	340

2.4 Transactions in financial assets and liabilities

	Note	2014/15	2013/14
	2	R'000	R'000
Other Receipts including Recoverable Revenue		371	842
Gains on GFECRA		-	-
Total		371	842

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3. Aid assistance

	<i>Note</i> 3	2014/15 R'000	2013/14 R'000
Opening Balance		866	866
Prior period error		-	-
As restated		866	866
Transferred from statement of financial performance		(487)	-
Closing Balance		379	866

3.1 Analysis of balance by source

	<i>Note</i> 3	2014/15 R'000	2013/14 R'000
Aid assistance from other sources		379	866
Closing balance		379	866

3.2 Analysis of balance

	<i>Note</i> 3	2014/15 R'000	2013/14 R'000
Aid assistance unutilised		379	866
Closing balance		379	866

4. Compensation of employees

4.1 Salaries and Wages

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Basic salary		146 782	135 288
Performance award		1 680	2 305
Service Based		34 520	31 921
Compensative/circumstantial		-	-
Periodic payments		-	-
Other non-pensionable allowances		-	-
Total		182 982	169 514

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4.2 Social contributions

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Employer contributions			
Pension		18 724	17 391
Medical		9 916	10 172
UIF		-	-
Bargaining council		42	39
Official unions and associations		-	-
Insurance		-	-
Total		28 682	27 602
<hr/>			
Total compensation of employees		211 664	197 116
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Average number of employees		788	814

5. Goods and services

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Administrative fees		338	570
Advertising		581	2 048
Minor assets	5.1	717	413
Bursaries (employees)		143	290
Catering		647	748
Communication		1 298	750
Computer services	5.2	1 470	1 976
Consultants: Business and advisory services		7 249	-
Infrastructure and planning services		-	24
Laboratory services		-	-
Scientific and technological services		-	-
Legal services		199	1 357
Contractors		477	1 383
Agency and support / outsourced services		-	1 413
Entertainment		128	206
Audit cost – external	5.3	4 404	4 790
Fleet services		4 061	4 337
Inventory		-	-
Consumables	5.4	3 128	4 820
Housing		-	-
Operating leases		8 043	8 708
Property payments	5.5	6 796	7 538

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Rental and hiring		24	187
Transport provided as part of the departmental activities		176	-
Travel and subsistence	5.6	9 237	13 619
Venues and facilities		1 480	1 447
Training and development		1 316	2 003
Other operating expenditure	5.7	791	518
Total		52 703	59 145

5.1 Minor assets

	<i>Note</i>	2014/15	2013/14
	5	R'000	R'000
Tangible assets		247	413
Buildings and other fixed structures		-	-
Biological assets		-	-
Heritage assets		-	-
Machinery and equipment		247	413
Transport assets		-	-
Specialised military assets		-	-
Intangible assets		470	-
Software		470	-
Mastheads and publishing titles		-	-
Patents, licences, copyright, brand names, trademarks		-	-
Recipes, formulae, prototypes, designs, models		-	-
Services and operating rights		-	-
Total		717	413

5.2 Computer services

	<i>Note</i>	2014/15	2013/14
	5	R'000	R'000
SITA computer services		1 470	1 976
External computer service providers		-	-
Total		1 470	1 976

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5.3 Audit cost – External

	Note 5	2014/15 R'000	2013/14 R'000
Regularity audits		4 404	4 493
Performance audits		-	-
Investigations		-	297
Environmental audits		-	-
Computer audits		-	-
Total		4 404	4 790

5.4 Consumables

	Note 5	2014/15 R'000	2013/14 R'000
Consumable supplies		1 952	2 655
Uniform and clothing		266	33
Household supplies		155	165
Building material and supplies		478	121
Communication accessories		-	-
IT consumables		103	239
Other consumables		950	2 097
Stationery, printing and office supplies		1 176	2 165
Total		3 128	4 820

5.5 Property payments

	Note 5	2014/15 R'000	2013/14 R'000
Municipal services		-	-
Property maintenance and repairs		-	-
Other		6 796	7 538
Total		6 796	7 538

5.6 Travel and subsistence

	Note 5	2014/15 R'000	2013/14 R'000
Local		8 954	13 568
Foreign		283	51
Total		9 237	13 619

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5.7 Other operating expenditure

	<i>Note</i> 5	2014/15 R'000	2013/14 R'000
Professional bodies, membership and subscription fees		-	-
Resettlement costs		-	94
Other		791	424
Total		791	518

6. Transfers and subsidies

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Provinces and municipalities	<i>Annex 1A</i>	4 837	3010
Departmental agencies and accounts	<i>Annex 1B</i>	-	38
Higher education institutions	<i>Annex 1C</i>	-	-
Public corporations and private enterprises	<i>Annex 1D</i>	-	-
Non-profit institutions	<i>Annex 1F</i>	-	-
Households	<i>Annex 1G</i>	376 975	578 687
Total		381 812	581 735

Unspent funds transferred to the above beneficiaries

7. Expenditure for capital assets

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Tangible assets		5 690	3 573
Buildings and other fixed structures	29	-	153
Machinery and equipment	28	5 690	3 420
Intangible assets		6	-
Software	29	6	-
Total		5 696	3 573

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

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	5 690	-	5 690
Buildings and other fixed structures	-	-	-
Heritage assets	-	-	-
Machinery and equipment	5 690	-	5 690
Intangible assets	6	-	6
Software	6	-	6
Total	5 696	-	5 696

7.2 Analysis of funds utilised to acquire capital assets – 2013/14

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	3 573	-	3 573
Buildings and other fixed structures	-	-	-
Heritage assets	-	-	-
Machinery and equipment	3 573	-	3 573
Total	3 573	-	3 573

7.3 Finance lease expenditure included in Expenditure for capital assets

	Note	2014/15 R'000
Tangible assets		
Buildings and other fixed structures		-
Heritage assets		-
Machinery and equipment		732
Specialised military assets		-
Land and subsoil assets		-
Biological assets		-
Total		732

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8. Unauthorised expenditure

8.1 Reconciliation of unauthorised expenditure

	Note	2014/15 R'000	2013/14 R'000
Opening balance		51 655	48 084
Prior period error		-	-
As restated		51 655	48 084
Unauthorised expenditure – discovered in current year (as restated)		3 947	12 284
Less: Amounts approved by Parliament/Legislature with funding		-	(8 713)
Less: Amounts approved by Parliament/Legislature without funding		-	-
Capital		-	-
Current		-	-
Transfers and subsidies		-	-
Less: Amounts transferred to receivables for recovery	15	-	-
Unauthorised expenditure awaiting authorisation / written off		55 602	51 655

8.2 Analysis of unauthorised expenditure awaiting authorisation per economic classification

	2014/15 R'000	2013/14 R'000
Capital	-	-
Current	54 068	50 121
Transfers and subsidies	1 534	1 534
Total	55 602	51 655

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 a vote	55 602	51 655
Unauthorised expenditure incurred not in accordance with the purpose of the vote or main division	-	-
Total	55 602	51 655

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8.4 Details of unauthorised expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2014/15 R'000 3 947
The over expenditure under Goods and Services is due to the appointment of consultants at municipality for forensic audit, audit fees for Human Settlement project files and Khara Heis Lefatshe IT project.		
	Under investigation	
Total		3 947

9. Cash and cash equivalents

	Note	2014/15 R'000	2013/14 R'000
Consolidated Paymaster General Account		-	-
Cash receipts		-	-
Disbursements		-	-
Cash on hand		5	5
Total		5	5

10. Prepayments and advances

	Note	2014/15 R'000	2013/14 R'000
Staff advances		-	-
Travel and subsistence		5	5
Prepayments		-	-
Total		5	5

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11. Receivables

			2014/15				2013/14
		R'000	R'000	R'000	R'000		R'000
	Note	Less than one year	One to three years	Older than three years	Total	Total	
Claims recoverable	15.1 <i>Annex 4</i>	19	124	142	285	395	
Trade receivables	15.2	-	-	-	-	-	
Recoverable expenditure	15.3	175	-	-	175	130	
Staff debt	15.4	300	10	30	340	41	
Fruitless and wasteful expenditure	15.6	-	-	-	-	-	
Other debtors	15.5	-	-	-	-	-	
Total		494	134	172	800	566	

11.1 Claims recoverable

	Note	2014/15	2013/14
	11	R'000	R'000
National departments		-	-
Provincial departments		285	395
Total		285	395

11.2 Recoverable expenditure (disallowance accounts)

	Note	2014/15	2013/14
	11	R'000	R'000
Sal Tax Debt		12	8
Sal Reversal Control		149	118
Sal ACB Recalls		1	-
Sal Income Tax		13	-
Salary Pension Fund		-	4
Total		175	130

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11.3 Staff debt

	Note 11	2014/15 R'000	2013/14 R'000
Tax Debt		340	41
Total		340	41

12. Voted funds to be surrendered to the Revenue Fund

	Note	2014/15 R'000	2013/14 R'000
Opening balance		34 116	12 555
Prior period error	18.2	-	-
As restated		34 116	12 555
Transfer from statement of financial performance (as restated)		99	21 832
Add: Unauthorised expenditure for current year	8	3 947	12 284
Voted funds not requested/not received	1.1	-	-
Paid during the year		(34 116)	(12 555)
Closing balance		4 046	34 116

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

	Note	2014/15 R'000	2013/14 R'000
Opening balance		357	54
Prior period error	19.1	-	-
As restated		357	54
Transfer from Statement of Financial Performance (as restated)		393	801
Own revenue included in appropriation		572	827
Transfer from aid assistance	4	-	-
Transfer to voted funds to defray expenditure (Parliament/Legislatures ONLY)	18.1	-	-
Paid during the year		(995)	(1 325)
Closing balance		327	357

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14. Bank Overdraft

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Consolidated Paymaster General Account		48 001	13 229
Fund requisition account		-	-
Total		48 001	13 229

15. Payables – current

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Amounts owing to other entities		-	-
Advances received	15.1	-	-
Clearing accounts	15.2	22	37
Other payables	15.3	3 637	3 626
Total		3 659	3 663

15.1 Clearing accounts

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Description	15		
Sal ACB Recalls		3	21
Claims Recoverable		19	16
(Identify major categories, but list material amounts)			
Total		22	37

15.2 Other payables

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Description	15		
Housing Development Funds		3 287	3 287
Other		350	339
(Identify major categories, but list material amounts)			
Total		3 637	3 626

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16. Net cash flow available from operating activities

	Note	2014/15 R'000	2013/14 R'000
Net surplus/(deficit) as per Statement of Financial Performance		5	22 633
Add back non cash/cash movements not deemed operating activities		(29 231)	(1 052)
(Increase)/decrease in receivables – current		(234)	(276)
(Increase)/decrease in prepayments and advances		-	1
(Increase)/decrease in other current assets		-	8 713
Increase/(decrease) in payables – current		(4)	330
Proceeds from sale of capital assets		(150)	(340)
Proceeds from sale of investments		-	-
(Increase)/decrease in other financial assets		-	-
Expenditure on capital assets		5 696	3 573
Surrenders to Revenue Fund		(35 111)	(13 880)
Surrenders to RDP Fund/Donor		-	-
Voted funds not requested/not received		-	-
Own revenue included in appropriation		572	827
Other non-cash items		-	-
Net cash flow generated by operating activities		(29 226)	21 581

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

	Note	2014/15 R'000	2013/14 R'000
Consolidated Paymaster General account		(48 001)	(13 229)
Cash on hand		5	5
Total		(47 996)	(13 224)

18. Contingent liabilities and contingent assets

18.1 Contingent liabilities

		Note	2014/15 R'000	2013/14 R'000
Liable to	Nature			
Motor vehicle guarantees	Employees	Annex 3A	-	-
Housing loan guarantees	Employees	Annex 3A	40	40
Other guarantees		Annex 3A	-	-
Claims against the department		Annex 3B	8 709	6 830
Other		Annex 3B	-	-
Total			8 749	6 870

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The uncertainty arises as to when the matter will be heard in Court. Some of these claims are old and relate mainly to counterclaims where the Department has been sued. As the Plaintiff is Dominus Litis the delay could be that they do not wish to proceed with the matter because they either do not have the money to continue litigation or are afraid of the outcome. It is also uncertain when the amounts owing will be paid.

There is a possibility that there may be a reimbursement. However there is always the problem that the defaulting parties do not have the resources to repay the money or go bankrupt.

18.2 Contingent assets

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Nature of contingent asset			
Counter claim against contractor for defaulting		1 441	1 906
Lawsuit against defaulting contractor i.r.o housing projects		1 925	1 925
S. Kies		148	148
Possible debtors that derive from losses		138	-
SS Makubalo		-	30
Total		3 652	4 009

19. Commitments

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Current expenditure			
Approved and contracted		17 608	11 904
Approved but not yet contracted		118	-
		17 726	11 904
Capital expenditure			
Approved and contracted		897 857	930 682
Approved but not yet contracted		-	-
		897 857	930 682
Total Commitments		915 583	942 586

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20. 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	-	8	8	-
Goods and services	6 183	110	6 293	3 578
Interest and rent on land	-	-	-	-
Transfers and subsidies	-	-	-	-
Capital assets	217	-	217	287
Total	6 400	118	6 518	3 865

	Note	2014/15 R'000	2013/14 R'000
Listed by programme level			
Administration		4 387	2 950
Human Settlements		699	146
Co-Operative Governance		1 340	640
Traditional Affairs		92	129
Total		6 518	3 865

	Note	2014/15 R'000	2013/14 R'000
Confirmed balances with other departments	Annex 5	-	746
Confirmed balances with other government entities	Annex 5	-	-
Total		-	746

Delay of submitting invoices from suppliers

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21. Employee benefits

	<i>Note</i>	2014/15	2013/14
		R'000	R'000
Leave entitlement		7 623	7 991
Service bonus (Thirteenth cheque)		6 378	6 118
Performance awards		3 178	2 929
Capped leave commitments		3 114	3 024
Other		-	-
Total		20 293	20 062

Negative leave credits amounts to R298,768.90. The Persal system allows officials to apply for leave, although not accrued or entitled to.

22. Lease commitments

22.1 Operating leases expenditure

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2014/15					
Not later than 1 year	-	-	7 095	258	7 353
Later than 1 year and not later than 5 years	-	-	28 414	-	28 414
Later than five years	-	-	-	-	-
Total lease commitments	-	-	35 509	258	35 767

Currently the department entered into operating lease contracts such as office accommodation and labour saving devices such as photocopiers.

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2013/14					
Not later than 1 year	-	-	5 529	-	5 529
Later than 1 year and not later than 5 years	-	-	20 194	-	20 194
Later than five years	-	-	2 680	-	2 680
Total lease commitments	-	-	28 403	-	28 403

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22.2 Finance leases expenditure**

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2014/15					
Not later than 1 year	-	-	-	2 444	2 444
Later than 1 year and not later than 5 years	-	-	-	471	471
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	2 915	2 915

Currently this department entered into finance lease contracts such as cellular phone contracts with Vodacom and MTN as well as Fleet Management contract for the leasing of vehicles for use by staff of the department.

Cellular phone contracts are signed for the period of 2 years. The current commitment value of these cellular phones are R 354 456.75

Fleet Management Contract is signed for 4 years between the department and Department of Public Works. The current commitment value of these vehicles are R 3 560 741.00.

	Specialised military equipment	Land	Buildings and other fixed structures	Machinery and equipment	Total
2013/14					
Not later than 1 year	-	-	-	2 101	2 101
Later than 1 year and not later than 5 years	-	-	-	2 400	2 400
Later than five years	-	-	-	-	-
Total lease commitments	-	-	-	4 501	4 501

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23. Irregular expenditure

23.1 Reconciliation of irregular expenditure

	<i>Note</i>	2014/15 R'000	2013/14 R'000
Opening balance		613 566	564 406
Prior period error		-	(159)
As restated		613 566	564 247
Add: Irregular expenditure – relating to prior year		108 249	-
Add: Irregular expenditure – relating to current year		114 472	49 319
Less: Prior year amounts condoned		-	-
Less: Current year amounts condoned		-	-
Less: Amounts not condoned and recoverable		-	-
Less: Amounts not condoned and not recoverable		-	-
Closing balance		836 287	613 566

**Analysis of awaiting condonation per age
classification**

Current year	222 721	49 319
Prior years	613 566	564 247
Total	836 287	613 566

23.2 Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	2014/15 R'000
SCM processes not followed	An independent body will be appointed to evaluate and analyse the extent of irregular expenditure in the financial year	3 694
Housing Projects	Under investigation	219 027
Total		222 721

23.3 Details of irregular expenditure condoned

Incident	Condoned by (condoning authority)	2014/15 R'000
Total		-

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23.4 Prior period error

	Note 31	2013/14 R'000
Nature of prior period error		
Relating to 2013/14		
Security Services – Kapa Bokone – Erroneously double accounted for in the 2013/14 financial years		(159)
Total		(159)

24. Fruitless and wasteful expenditure

24.1 Reconciliation of fruitless and wasteful expenditure

	Note	2014/15 R'000	2013/14 R'000
Opening balance		62 371	48 695
Prior period error		-	-
As restated		62 371	48 695
Fruitless and wasteful expenditure – relating to prior year		-	-
Fruitless and wasteful expenditure – relating to current year		1 522	13 676
Less: Amounts resolved		-	-
Less: Amounts transferred to receivables for recovery	15.6	-	-
Fruitless and wasteful expenditure awaiting resolution		63 893	62 371

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24.2 Analysis of awaiting resolution per economic classification	Note	2014/15 R'000	2013/14 R'000
Current		15 198	13 676
Capital		-	-
Transfers and subsidies		48 695	48 695
Total		63 893	62 371

24.3 Analysis of Current year's fruitless and wasteful expenditure Incident	Disciplinary steps taken/criminal proceedings	2014/15 R'000
Interest charge on Telkom account	Under investigation	2
Conveyance	Under investigation	8
PMU-Project Management Unit	Under investigation	8
Design and draw building plans	Under investigation	8
Soul City		1 496
Total		1 522

25 Related party transactions

Payments made	Note	2014/15 R'000	2013/14 R'000
Goods and services		270	75
Total		270	75

Housing Fund -Audit fees paid
Transport, Safety and Liaison -Phakalani Air services
Office of the Premier - Advert for HOD appointment
Dept of Justice - Legal fees and documents
Dept of Social Dev. - Salary claim - RT Stander
Dept of Public Works - Fleet services; km tracking

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26 Key management personnel

	No. of Individuals	2014/15 R'000	2013/14 R'000
Political office bearers (provide detail below)			
Officials:		-	-
Level 15 to 16	2	3 181	2 932
Level 14 (incl. CFO if at a lower level)	5	5 289	4 832
Total		8 470	7764

27. Non-adjusting events after reporting date

Nature of event	2014/15 R'000
Capital assets reported as losses to the value of R125 000.00 has been written off and R87 000.00 still in process to be finalised	87
Total	87

28. Movable Tangible Capital Assets

**MOVEMENT IN MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR
ENDED 31 MARCH 2015**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	20 182	4 903	1 130	23 955
Transport assets	2 903	2 584	1 118	4 369
Computer equipment	8 652	1 586	-	10 238
Furniture and office equipment	7 119	255	5	7 369
Other machinery and equipment	1 508	478	7	1 979
Capital Work-in-progress (Effective 1 April 2016)	-			-
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	20 182	4 903	1 130	23 955

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28.1 Additions

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

	Cash*	Non-cash**	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	4 958	14	-	(69)	4 903
Transport assets	2 584	-	-	-	2 584
Computer equipment	1 354	14	-	218	1 586
Furniture and office equipment	542	-	-	(287)	255
Other machinery and equipment	478	-	-	-	478
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	4 958	14	-	(69)	4 903

The R14' in Non Cash column is in respect of transfer of Logis printers from Provincial Treasury and R218' in Received current not paid are for accruals.

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28.2 Disposals

**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR
THE YEAR ENDED 31 MARCH 2015**

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	1 118	12	1 130	150
Transport assets	1 118	-	1 118	150
Computer equipment	-	-	-	-
Furniture and office equipment	-	5	5	-
Other machinery and equipment	-	7	7	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	1 118	12	1 130	150

Computer and Other Machinery assets disposal of R195' and R16' respectively consist of losses written off from the asset register for the total of R211'. The difference of valuation report and asset register is still under investigation.

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28.3 Movement for 2013/14

MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2014

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	19 610	(1 155)	3 789	2 062	20 182
Transport assets	3 925	(606)	990	1 406	2 903
Computer equipment	8 925	203	144	620	8 652
Furniture and office equipment	5 378	181	1 596	36	7 119
Other machinery and equipment	1 382	(933)	1 059	-	1 508
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	19 610	(1 155)	3 789	2 062	20 182

28.3.1 Prior period error

	Note	2013/14 R'000
Nature of prior period error		
Relating to 20WW/XX	39.3	-
Relating to 2013/14		(1 442)
Transport;computer;furniture & equipment;machinery & equipment		(1 442)
Total		(1 442)

Transport Assets: Adjust opening balance due to the traditional leaders vehicles, Nissan Navarra and Mitsubishi that were in accidents in previous financial years. The insurance claim money was recorded under previous year revenue and paid over to Provincial Treasury. We utilize the services of a valuator to value our R1 and zero value assets to obtain its fair value and recorded it under prior year adjustments.

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28.4 Minor assets

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

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	727	-	6 154	-	6 881
Additions	-	470	-	385	-	855
Disposals	-	-	-	185	-	185
TOTAL MINOR ASSETS	-	1 197	-	6 354	-	7 551

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	159	-	-	-	159
Number of minor assets at cost	-	317	-	3 895	-	4 212
TOTAL NUMBER OF MINOR ASSETS	-	476	-	3 895	-	4 371

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MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2014

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	727	-	4 317	-	5 044
Prior period error	-	-	-	1 504	-	1 504
Additions	-	-	-	508	-	508
Disposals	-	-	-	175	-	175
TOTAL MINOR ASSETS	-	727	-	6 154	-	6 881

28.4.1 Prior period error

	Note 39.4	2013/14 R'000
Nature of prior period error		
Relating to 20WW/XX		
Relating to 2013/14		1 504
Total		1 504

Additions under machinery and equipment consist out of R245' current year expenditure, R122' biometric scanners transferred from Provincial Treasury and R1504' i.r.o. valuations and prior year adjustments. The difference of valuation report and asset register is still under investigation.

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29 Intangible Capital Assets

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2015**

	Opening balance R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	641	6	-	647
Capital Work-in-progress (Effective 1 April 2016)	-	-	-	-
TOTAL INTANGIBLE CAPITAL ASSETS	641	6	-	647

29.1 Additions

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

	Cash R'000	Non-Cash R'000	(Develop- ment work in progress – current costs) R'000	Received current year, not paid (Paid current year, received prior year) R'000	Total R'000
SOFTWARE	6	-	-	-	6
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	6	-	-	-	6

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29.2 Movement for 2013/14

**MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2015**

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	628	-	13	-	641
TOTAL INTANGIBLE CAPITAL ASSETS	628	-	13	-	641

30 Immovable Tangible Capital Assets

**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE
YEAR ENDED 31 MARCH 2015**

	Opening balance	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	866	-	39	827
Dwellings	-	-	-	-
Non-residential buildings	-	-	-	-
Other fixed structures	866	-	39	827
Capital Work-in-progress <i>(Effective 1 April 2016)</i>	-	-	-	-
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	866	-	39	827

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30.1 Disposals

**DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE
YEAR ENDED 31 MARCH 2015**

	Sold for cash	Transfer out or destroyed or scrapped	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	-	39	39	-
Dwellings	-	-	-	-
Non-residential buildings	-	-	-	-
Other fixed structures	-	39	39	-
TOTAL DISPOSALS OF IMMOVABLE TANGIBLE CAPITAL ASSETS	-	39	39	-

R39' of air conditioners installed in a rented building in Namakwa Offices which we no longer occupy.

30.2 Movement for 2013/14

**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE
YEAR ENDED 31 MARCH 2015**

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
BUILDINGS AND OTHER FIXED STRUCTURES	561	152	153	-	866
Dwellings	-	-	-	-	-
Non-residential buildings	-	-	-	-	-
Other fixed structures	561	152	153	-	866
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	561	152	153	-	866

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30.2.1 Prior period error

	<i>Note</i> 41.3	2013/14 R'000
Nature of prior period error		
Relating to 20WW/XX		-
		-
Relating to 2013/14		152
<i>R152' correction of understatement in the AFS in comparison with the asset register.</i>		152
Total		152

30.3 Immovable assets

Assets subjected to transfer in terms of S42 of the PFMA – 2014/15

	Number of assets	Value of assets R'000
BUILDINGS AND OTHER FIXED STRUCTURES	103	827
Dwellings	-	-
Non-residential buildings	-	-
Other fixed structures	103	827
TOTAL	103	827

R827' is in the process of being transferred, we are waiting the acceptance of transfer from Public Works.

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31	Agent-principal arrangements	
31.1	Department acting as the principal	
		2014/15 R'000
	IKHEIS	10 038
	DIKGATLONG	19 714
	EMTHANJENI	11 426
	FRANCES BAARD DISTRICT	621
	GA SEGONYANA	32 350
	GAMAGARA	7 924
	JOE MOROLONG	2 657
	JOHN TAOLO GAETSEWE	6 767
	KAI! GARIB	1 626
	KAREEBERG	4 797
	KGATELOPELE	1
	KHAI MA	9 096
	KHARA -HAIS	48
	MAGARENG	8 622
	NAMAKHOI	30 624
	PHOKWANE	28 555
	RENOSTERBERG	1 459
	RICHTERSVELD	891
	SIYANCUMA	25 087
	SIYATHEMBA	13 828
	SOL PLAATJE	83 169
	THEMBELIHLE	1 863
	TSANTSABANE	648
	UBUNTU	4 545
	UMSOBOMVU	18 481
	Total	324 837

The arrangements is for Human Settlements Projects at municipal levels and communities.

32 STATEMENTS OF CONDITIONAL GRANTS RECEIVED

NAME OF DEPARTMENT	GRANT ALLOCATION					SPENT			2013/14		
	Division of Revenue Act/ Provincial Grants	Roll Overs	DORA Adjustment s	Other Adjustment s	Total Available	Amount received by department t	Amount spent by department t	Under / (Overspending)	% of available funds spent by department t	Division of Revenue Act	Amount spent by department
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Housing Subsidy Grant	-	-	374 832	-	374 832	374 832	374 832	-	100%	603 624	577 450
Consolidation Support Grant	-	-	2 836	-	2 836	2 836	638	2198	22%	-	-
	-	-	377 668	-	377 668	377 668	375 470	2 198		603 624	577 450

The Department certifies that all transfers in terms of this Act were deposited into the primary bank account of the province or, where appropriate, into the CPD account of the province.

**ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS PAID TO MUNICIPALITIES**

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT			2013/14
	Division of Revenue Act	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld	Re-allocations by National Treasury or National Department	Amount received by municipality	Amount spent by municipality	% of available funds spent by municipality	Division of Revenue Act
FIRE EQUIPMENT											
Frances Baard District	315	-	-	315	315	-	-	315	315	100%	300
Pixley ka Seme District	315	-	-	315	315	-	-	315	315	100%	300
Kgalagadi District Municipality	315	-	-	315	315	-	-	315	315	100%	300
Namakwa District Municipality	315	-	-	315	315	-	-	315	315	100%	300
Karoo District Municipality	-	-	-	-	-	-	-	-	-	-	-
Siyanda District Municipality	315	-	-	315	315	-	-	315	315	100%	300
Sol Plaatje	-	-	-	-	-	-	-	-	-	-	-
NEAR SYSTEM GRANT											
Frances Baard District	315	-	-	315	315	-	-	315	315	100%	300
Pixley ka Seme District	315	-	-	315	315	-	-	315	315	100%	300

Specimen AFS National/Provincial Departments

Kgalagadi District Municipality	315	-	-	315	315	-	-	315	315	100%	300
Namakwa District Municipality	315	-	-	315	315	-	-	315	315	100%	300
Karoo District Municipality	-	-	-	-	-	-	-	-	-	-	-
Siyanda District Municipality	315	-	-	315	315	-	-	315	315	100%	300
SANITATION											
Namakwa District Municipality	-	-	-	-	-	-	-	-	-	-	-
Magareng	-	-	-	-	-	-	-	-	-	-	-
GURP											
Sol Plaatje	5 250	-	-	5 250	1 687	-	-	1 687	1 687	100%	5 000
	8 400	-	-	8 400	4 837	-	-	4 837	4 837	57.58%	8 000

National Departments are reminded of the DORA requirements to indicate any re-allocations by the National Treasury or the transferring department, certify that all transfers in terms of this Act were deposited into the primary bank account of a province or, where appropriate, into the CPD account of a province as well as indicate the funds utilised for the administration of the receiving officer.

**ANNEXURE 1B
STATEMENT OF TRANSFERS TO DEPARTMENTAL AGENCIES AND ACCOUNTS**

DEPARTMENT/ AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2013/14
	Adjusted Appropriation	Roll Overs	Adjust- ments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
SALGA	-	-	-	-	-	-	500
TOTAL	-	-	-	-	-	-	500

**ANNEXURE 1G
STATEMENT OF TRANSFERS TO HOUSEHOLDS**

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2013/14
	Adjusted Appropriation Act	Roll Overs	Adjustments	Total Available	Actual Transfer	% of Available funds Transferred	
	R'000	R'000	R'000	R'000	R'000	%	
Transfers							
H/H Empl S/Ben: Leave Grat	-	-	-	-	448	-	-
Human Settlement Redev Pro	374 832	-	-	374 832	374 832	100%	603 624
Pocket Money		-	-	-	-	-	-
Households (Stipends for Trad	1 086	-	-	1 086	1 057	97%	1 034
Houses Volunteers)		-	-	-	-	-	-
Consolidation Support (EPWP)	2 836	-	-	2 836	638	22%	-
TOTAL	378 754	-	-	378 754	376 975	-	604 658
	378 754	-	-	378 754	376 975	-	604 658

**ANNEXURE 1J
STATEMENT OF GIFTS, DONATIONS AND SPONSORSHIPS MADE**

NATURE OF GIFT, DONATION OR SPONSORSHIP (Group major categories but list material items including name of organisation)	2014/15	2013/14
	R'000	R'000
Made in kind		
Donations and Promotional items	206	409
TOTAL	206	409

**ANNEXURE 3A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2014 – LOCAL**

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount	Opening balance 1 April 2014	Guarantees draw downs during the year	Guarantees repayments/ cancelled/ reduced/ released during the year	Revaluations	Closing balance 31 March 2015	Guaranteed interest for year ended 31 March 2015	Realised losses not recoverable i.e. claims paid out
		R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Motor vehicles									
Subtotal									
ABSA	Housing	40	40	-	-	-	40	-	-
Subtotal									
	Other	40	40	-	-	-	40	-	-
Subtotal									
TOTAL									
		40	40	-	-	-	40	-	-

**ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2015**

Nature of Liability	Opening Balance 1 April 2014 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancell ed/reduced during the year R'000	Liabilities recoverabl e (Provide details hereunder) R'000	Closing Balance 31 March 2015 R'000
Claims against the department					
Building Contractor - New Way Development	1 441	465	-	-	1 906
Barnard JH	22	20	-	-	42
Young Alum SA	1 143	-	281	-	862
Komanisi Developers	1 260	150	-	-	1 410
Hantam Municipality	2 964	250	-	-	3 214
IEC/D Jonas	-	1 250	-	-	1 250
Nico Gouws	-	25	-	-	25
Subtotal	6 830	2 160	281	-	8 709
TOTAL	6 830	2 160	281	-	8 709

Specimen AFS National/Provincial Departments

**ANNEXURE 4
CLAIMES RECOVERABLE**

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total		Cash in transit at year end 20YY/ZZ *	
							Receipt date up to six (6) working days after year end	Amount R'000
	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 Department of Agriculture, Forestry and Fisheries	5	5	-	-	5	-	-	-
TOTAL	5	5	-	-	5	5	-	-

**ANNEXURE 5
INTER-GOVERNMENT PAYABLES**

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL		Cash in transit at year end 20YY/ZZ *	
	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	Payment date up to six (6) working days before year end	Amount R'000
DEPARTMENTS								
Current								
Office of the Premier	-	391	-	-	-	391	-	-
Dept of Social Development NW	-	12	-	-	-	12	-	-
Dept of Transport, Safety and Liaison	-	76	-	-	-	76	-	-
Dept of Social Development	-	1	-	-	-	1	-	-
Dept of Economic Development and Tourism	-	266	-	-	-	266	-	-
Subtotal	-	746	-	-	-	746	-	-
Non-current								
Subtotal								
Total	-	746	-	-	-	746	-	-

Specimen AFS National/Provincial Departments

**ANNEXURE 6
INVENTORIES**

Inventory	Note	Quantity	2014/15 R'000	Quantity	2013/14 R'000
Opening balance		7 472	955 775	6 604	564 335
Add/(Less): Adjustments to prior year balance		(7 472)	(955 775)		
Add: Additions/Purchases - Cash				3 332	576 240
Add: Additions - Non-cash					
(Less): Disposals				(2 464)	(184 800)
(Less): Issues					
Add/(Less): Adjustments		30 824	1 308		
Closing balance		30 824	1 308	7 472	955 775

Specimen AFS National/Provincial Departments

PART F: HOUSING FUND FINANCIAL STATEMENT

REPORT OF THE AUDITOR-GENERAL TO THE NORTHERN CAPE PROVINCIAL LEGISLATURE ON HOUSING FUND

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the housing fund set out on pages 190 to 204, which comprise the statement of financial position as at 31 March 2015, the statement of financial performance, and statement of changes in net assets 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 South African Standards or Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Housing Act of South Africa, 1997 (Act No. 107 of 1997), 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 Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgements, 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 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.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the housing fund as at 31 March 2015 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the Housing Act of South Africa, 1997 (Act No. 107 of 1997).

Emphasis of matters

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

Restatement of corresponding figures

8. As disclosed in note 10 to the financial statements, the corresponding figures for 31 March 2014 have been restated as a result of an error discovered during the year ended 31 March 2015 in the financial statements of the Northern Cape Housing Fund at, and for the year ended, 31 March 2014.

Going concern

9. As disclosed in note 5 to the financial statements, the fund is in the process of de-establishing and will be in the process of transferring the land to public authorities for the next couple of years.

Report on other legal and regulatory requirements

10. 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 objectives presented in the annual performance report, non-compliance with legislation and internal control. The object of my test 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

11. I did not audit performance against predetermined objectives, as the entity is not required to prepare a report on its performance against predetermined objectives. The entity does not fall within the ambit of the PFMA and the Housing Act of South Africa, 1997 (Act No. 107 of 1997) does not require reporting on performance against predetermined objectives.

Compliance with legislation

12. I performed procedures to obtain evidence that the housing fund had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Internal Control

13. 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 were identified in the financial statements.

Leadership

14. The leadership of the entity did not exercise oversight responsibility to ensure that proper internal control procedures are developed and implemented that will enable the housing fund to produce accurate and complete annual financial statements.
15. Leadership did not communicate and enforce management's assertions (completeness, accuracy, quality) related in the financial statements of the fund.

Leadership

14. The leadership of the entity did not exercise oversight responsibility to ensure that proper internal control procedures are developed and implemented that will enable the housing fund to produce accurate and complete annual financial statements.
15. Leadership did not communicate and enforce managements assertions (completeness, accuracy, quality) related in the financial statements of the fund.

Financial and performance management

16. The entity 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 and performance reporting. This resulted in material adjustments in the financial statements.

Auditor General

Auditor-General
Kimberley
31 July 2015



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Northern Cape Housing Development Fund

Annual Financial Statements for the year ended 31 March 2015

Report by the Accounting Officer for the year ended 31 March 2015

1. General review of the state of financial affairs

The Northern Cape Housing Development Fund is dormant and received no further funding during the year. The Income and expenditure that is reflected in the statement Financial Performance are receipts received from its debtors (namely, suspensive sale, rental and individual loan debtors) and expenditure in relation to municipal rates and taxes

2. General

The Housing Fund was setup as a conduit for national housing funding and to hold all housing assets in the province. With the introduction of the housing conditional grant, the Department received funding appropriated into the budget of the Department through the budget processes. This meant there was no longer a need for the existence of a Housing Fund to receive the funding for housing.

There has been a national decision to de-establish the Housing Fund in all Provinces; however the legislative changes to the National Housing Act have not yet been enacted to allow for the de-establishment the Northern Cape Housing Development Fund

3. Overview of operations during the year

During the 2015 financial year the housing fund undertook an exercise of devolving all its properties to the various local authorities in the northern cape province ,the debtors system was finalised and closed off during the end of the 2012 financial year as a result no transactions took place on the debtor system during the 2015 financial year

As at year end of financial year the housing fund did not have any sales , rental and loan debtors.

As at year end the fund had properties amounting to R11.3 million which are in the process of being devolved to the local municipalities in the northern cape province.

We expect to devolve all properties during the 2016 financial year

4. Events after the reporting date

No other material events occurred after the reporting date have occurred which may impact on the financial statements of the fund.

5. Approval

The attached financial statements set out in pages 5 to 19 have been approved by the Accounting Officer.



Ms G Botha

Accounting Officer

Northern Cape Department of Co-operative Governance, Human Settlements and Traditional Affairs

(Northern Cape Department Coghta)

31 May 2015

Northern Cape Housing Development Fund

Annual Financial Statements for the year ended 31 March 2015

Statement of Financial Position

Figures in Rand	Note(s)	2015	Restated 2014
ASSETS			
Current Assets		11,734,188	11,759,954
Trade and Other Receivables	3	-	-
Inventories : Properties held for devolution	2	11,734,188	11,759,954
TOTAL ASSETS		11,734,188	11,759,954
NET ASSETS AND LIABILITIES			
Net Assets		11,669,715	11,704,608
Accumulated Surplus		11,669,715	11,704,608
Current Liabilities		64,473	55,346
Trade and other payables	6	64,473	55,346
TOTAL NET ASSETS AND LIABILITIES		11,734,188	11,759,954

Northern Cape Housing Development Fund

Annual Financial Statements for the year ended 31 March 2015

Statement of Financial Performance

Figures in Rand	Note(s)	2015	2014
Revenue		269,998	267,454
Other Income	7	269,998	267,454
Operating expenses		(304,890)	(4,412,800)
Devolution and Transfer costs		27,916	866,778
Rates and Taxes		28,773	26,917
Audit Fees		184,413	204,605
Consulting Fees		63,788	27,500
Impairment/Write Offs		-	3,287,000
(Deficit) for the period		(34,893)	(4,145,346)

Northern Cape Housing Development Fund

Annual Financial Statements for the year ended 31 March 2015

Statements of Changes in Net Assets

Figures in Rand	Accumulated Surplus	Total
Balance as at 31 March 2014	12,437,410	12,437,410
Prior period errors – note 10	(732,802)	(732,802)
Restated Balance as at 31 March 2014	11,704,608	11,704,608
Deficit for the period	(34,893)	(34,893)
Balance as at 31 March 2015	11,669,715	11,669,715

Northern Cape Housing Development Fund

Annual Financial Statements for the year ended 31 March 2015

Accounting Policies

1. Basis of preparation

The Annual Financial Statements are presented in South African Rand. They are prepared on the historical cost basis. Using the accrual basis of accounting except as stated otherwise, under the accrual basis of accounting, transactions and other events are recognised when incurred and not when cash is received or paid

The Annual Financial Statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP) as per Directive No 5 Issued by the Accounting Standards Board

No Cash Flow statement is prepared for the housing fund as payments and receipts of cash are being paid and received by the Department of Co-operative Governance, Human Settlements and Traditional Affairs

Changes in accounting standards and presentation of financial statements

Prior to 1 April 2009, the housing fund adopted South African Statements of Generally Accepted Accounting Practice (SA GAAP) as its reporting framework

The Housing fund has adopted where applicable the following GRAP Accounting standards and pronouncements as per Directive No 5 Issued by the Accounting Standards Board (ASB) as of 1 April 2009:

- GRAP 1 Presentation of Financial Statements
- GRAP 2 Cash Flow Statements
- GRAP 3 Accounting Policies, Changes in Accounting Estimates and Errors
- GRAP 4 The Effects of Changes in Foreign Exchange Rates
- GRAP 5 Borrowing Costs
- GRAP 6 Consolidated and Separate Financial Statements
- GRAP 7 Investments in Associates
- GRAP 8 Interests in Joint Ventures
- GRAP 9 Revenue from Exchange Transactions
- GRAP 10 Financial Reporting in Hyperinflationary Economies
- GRAP 11 Construction Contracts
- GRAP 12 Inventories
- GRAP 13 Leases
- GRAP 14 Events After the Reporting Date
- GRAP 16 Investment Property
- GRAP 17 Property, Plant and Equipment
- GRAP 19 Provisions, Contingent Liabilities and Contingent Assets
- GRAP 100 Non-current Assets Held for Sale and Discontinued Operations
- GRAP 101 Agriculture
- GRAP 102 Intangible Assets

The following standards were approved by the Accounting Standards Board but are not yet effective:

GRAP 25	Employee benefits
GRAP 104	Financial instruments
GRAP 105	Transfers of Functions Between Entities Under Common Control
GRAP 106	Transfers of Functions Between Entities Not Under Common Control
GRAP 107	Mergers

We have assessed the effect of these standards and have only developed policies where the standard will be applicable to our entity.

The recognition and measurement principles in GRAP and SA GAAP Statements do not differ or result in material differences in items presented and disclosed in the Annual Financial Statements. The implementation of GRAP 1 and 3 has resulted in the following significant changes in the presentation of the Annual Financial Statements:

Standard of GRAP	Standard of SA GAAP
Statement of Financial Position	Balance Sheet
Statement of Financial Performance	Income Statement
Statement of Changes in Net Assets	Statements of Changes in Equity
Net Assets	Equity
Surplus / Deficit for the period	Profit / Loss for the period
Accumulated Surplus / Deficit	Retained Earnings
Reporting date	Balance Sheet date

1.2 Significant Accounting judgements

The preparation of the Housing fund financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. In the process of applying the Housing fund's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Allowance for doubtful debt

The Housing fund assesses at each reporting date whether there is any objective evidence that a debtor is impaired. A debtor is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the debtor (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows that are recoverable from the debtor. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial

difficulty, default or delinquency in interest or principal payments, and debtor amounts outstanding are older than 120 days.

1.3 Property, Plant and Equipment

Property, plant and equipment consists of land and buildings

Properties owned by the housing fund are held at historical cost, the fund does not depreciate its property, or annually perform an assessment of useful lives as it is impracticable and the associated cost thereof would exceed the benefit of such an exercise for financial reporting purposes

1.4 Financial Assets, and Liabilities

1.4.1 Initial Recognition

Financial instruments are recognised initially when the Housing Fund becomes a party to the contractual provisions of the instruments. The Housing Fund classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available for sale financial assets. For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument. Regular purchases of financial assets are accounted for at trade date.

1.4.2 Trade Receivables

Trade Receivables included in the statement of financial position comprises of suspensive sale debtors, individual loan debtors and debtor clearing accounts

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus and deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 120 days Overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the deficit is recognised in the statement of financial performance within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in the statement of financial performance.

1.9 Related Parties

The Housing Fund operates in an economic environment currently dominated by entities directly or indirectly owned by the South African government. All national departments of government and state-controlled entities are regarded as related parties in accordance with Circular 4 of 2005: Guidance on the term “state controlled entities” in context of IAS 24 (AC 126), Related Parties, issued by the South African Institute of Chartered Accountants. Other related party transactions are also disclosed in terms of the requirements of the accounting standard.

1.10 Inventories

Inventories consist of properties held for devolution, which is valued at the lower of cost or current replacement value, Inventory is held for distribution at no charge, inventories are valued at the lower of cost and current replacement value as they will be distributed through a non-exchange transaction.

The carrying amount of inventories is recognised as an expense in the period that the inventory is distributed

1.4.3 Trade and Other Payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Trade and other payables are classified as financial liabilities at amortised cost.

1.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts received or receivable. Revenue is recognised when it is probable those future economic benefits will flow to the housing fund and that these benefits can be measured reliably.

1.6 Interest Income

Interest income is accrued on a time proportioned basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

The Induplum rule is applied and therefore interest will be levied up to the point where the total interest levied on an account balance equal the capital amount of the loan. Induplum interest is written off against the accumulated surplus.

1.7 Rental Income

Rental Income is recognised in accordance with the relevant lease terms of the lease agreement

1.8 Non-Current Assets Held for Sale

Non-current assets held for sale are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and the sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than continuing use

The following conditions must be met for an asset to be classified as held for sale:

- management is committed to a plan to sell
- the asset is available for immediate sale
- an active programme to locate a buyer is initiated
- the sale is highly probable, within 12 months of classification as held for sale (subject to limited exceptions)
- the asset is being actively marketed for sale at a sales price reasonable in relation to its fair value
- actions required to complete the plan indicate that it is unlikely that plan will be significantly changed or withdrawn

Notes to the Financial Statements

Figures in Rand	2015	2014
2. Inventories – Properties held for devolution		
Land	11,734,188	11,759,954
	11,734,188	11,759,954

The fund is currently in the process of transferring the above mentioned properties to the various local authorities through a devolution process.

A register containing information on the properties owned by the Fund is available for inspection at the funds registered address

3. Trade and Other receivables

NC Department of Coghsta	-	-
	-	-

Notes to the Financial Statements

Figures in Rand	2015	2014
------------------------	-------------	-------------

4. Related Parties

The housing funds operations and management decisions are controlled by the Northern Cape department of cooperative governance, Human settlements and traditional affairs

Amounts included in Trade Receivables/balances regarding related parties:

NC Department of Coghsta	-	-
	-	-

The receivables from the related parties arise mainly from income and expenses of the housing fund which are paid for by the department. The receivables are unsecured in nature and bear no interest.

Related Party Transactions :

NC Coghsta – Grant for payment of expenses	269,998	267,454
	269,998	267,454

The Department which is a related party paid rates and taxes and property transfer fees, audit and consulting fees on behalf of the fund, this payment is treated as income in the accounting records of the housing fund.

5 Going Concern

There has been a national decision to de-establish the Housing Fund in all provinces; however, the legislative changes to the National Housing Act, 1997 (Act No 107 of 1997) have not yet been enacted to allow for the de-establishment of the Northern Cape Housing Fund, the fund will probably transfer all remaining properties to local authorities during the calendar year 2015

Notes to the Financial Statements

Figures in Rand	2015	2014
6. Trade and Other payables		
Municipal Rates and transfer cost	64,473	55,346
	64,473	55,436
7. Other Income		
NC Coghsta – Grant for payment of expenses	269,998	267,454
	269,998	267,454

The Department which is a related party paid rates and taxes and property transfer fees on behalf of the fund, this payment is treated as income in the accounting records of the housing fund.

9. Financial Instruments and Risk Management

The funds financial instruments consist mainly of trade and other receivables and trade and other payables. All financial instruments are measured and recognised at fair value.

Trade receivables and payables approximate their fair value due to the short term nature of these instruments. The fair values together with the carrying amounts have been determined by using available market information and are presented in the Statement of Financial Position as detailed below:

Financial assets - at carrying value

Trade and other receivables	-	-
TOTAL	-	-

Financial liabilities - at carrying value

Trade and other payables	64,473	55,346
TOTAL	64,473	55,346

Fair value of financial instruments:

Financial assets - at fair value

Trade and other receivables	-	-
TOTAL	-	-

Financial liabilities - held at amortised cost:

Trade and other payables	64,473	55,346
TOTAL	64,473	55,346

Financial Instruments

Potential concentrations of credit risk consist mainly of trade receivables from the funds related party

At 31 March 2015 the fund did not consider there to be any significant concentration of credit risk which had not been adequately provided for.

Fair Value of Financial Instruments

The carrying amounts of the following financial instruments approximate their fair value due to the fact that these instruments are predominantly short term nature.

- Trade and Other receivables - due to the short term nature of entity's receivables, amortised cost approximates its fair value.
- Trade and Other payables- are subject to normal trade credit terms and short payment cycles. The cost of other payables approximates its fair value.

No financial instrument is carried at an amount in excess of its fair value

Risk Management

Liquidity risk

Liquidity risk is the risk that the fund will be unable to meet its obligations as they become due.

The fund's approach to managing liquidity risk is to ensure that sufficient liquidity is available to meet its liabilities when due under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the fund's reputation.

The fund ensures it has sufficient access to facilities to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters

The fund manages liquidity risk through the compilation and monitoring of cash flow forecasts as well as ensuring that there are adequate banking facilities

Maturity Period	0 – 12 Months	1 - 5 Years	> 5 Years
Financial Assets			
Trade and other receivables	-	-	-
Financial Liabilities			
Trade and other payables	64,473	-	-

Market risk

Market risk is the risk that changes in market prices (interest rate) will affect the fund's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return

Interest rate risk

The fund does not have significant interest-bearing assets, and therefore the fund's income and operating cash flows are substantially independent of changes in market interest rates.

Foreign exchange risk management

The fund is not exposed to any foreign exchange risk as it does not enter into any foreign exchange contracts.

10. Prior Period Error

1. Properties - (land stock) belonging to the department of public works were erroneously included in the property register of the fund, the financial statements have been retrospectively restated in accordance with GRAP 3.

The effect of the error is as follows :

Inventory – Before Restatement	12,452,526
Inventory – After Restatement	11,367,954
Difference	1,084,572

Effect of Error is as follows :

Decrease in Retained Earnings	(1,084,572)
Decrease in Inventory	(1,084,572)

2. Property belonging to the fund not previously recorded in the accounting records of the fund, rates and taxes attributable to the property also not previously recorded in the accounting records, the financial statements have been retrospectively restated in accordance with GRAP 3.

The effect of the errors is as follows :

Inventory – Before Restatement	11,367,954
Inventory – After Restatement	11,759,954
Difference (Inventory)	392,000
Creditors – Before Restatement	15,116
Creditors – After Restatement	55,346
Difference (Rates and Taxes)	40,230

Effect of Error is as follows :

Decrease in Retained Earnings	(351,770)
Increase in Inventory	392,000
Increase in Creditors	(40 230)

[illegible]



ISBN: 978-0-620-6790-6