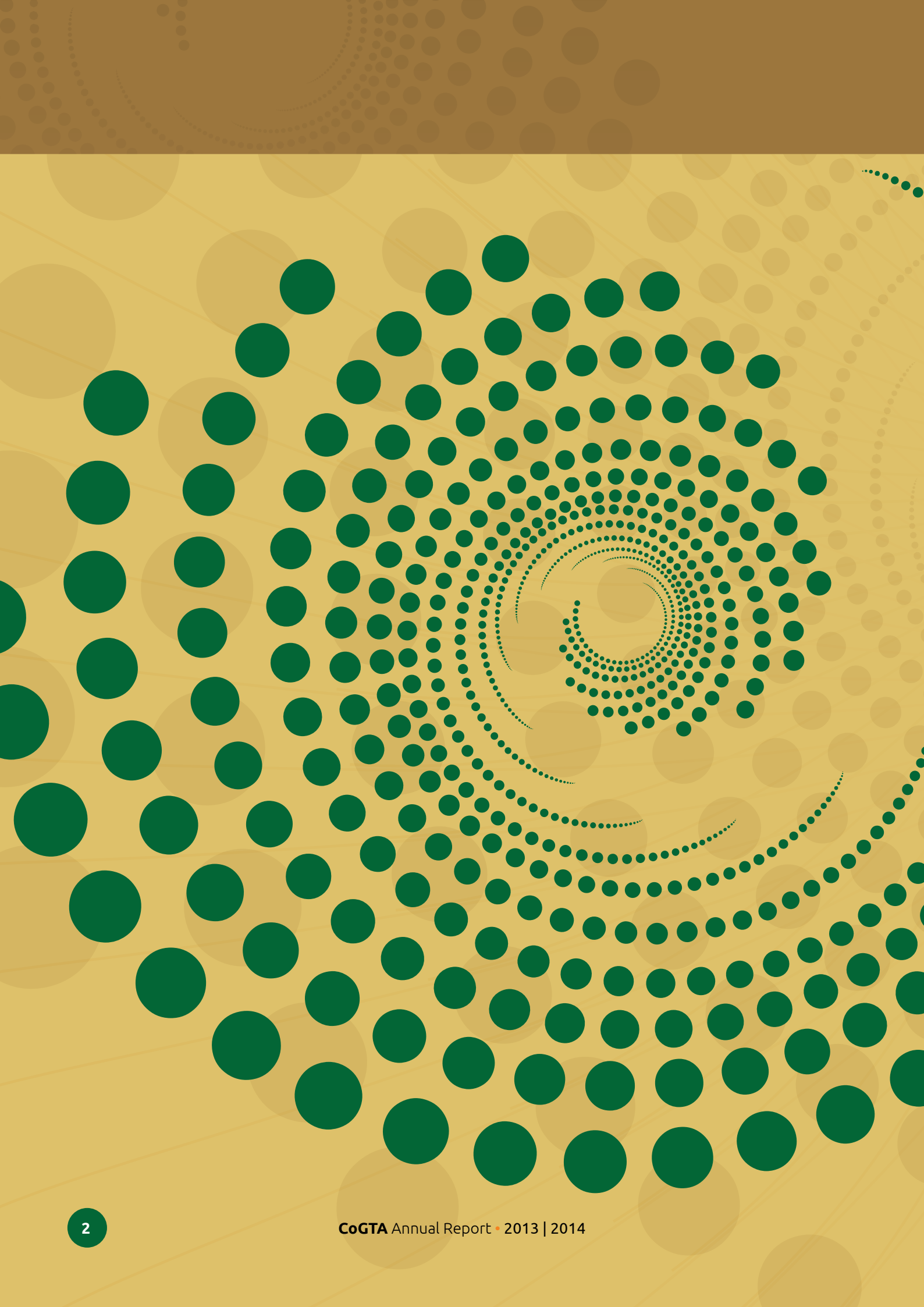


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Chapter

1

PART A: GENERAL INFORMATION

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1 LIST of Abbreviations/Acronyms

ACRONYMS

FULL DEFINITION

AG	Auditor General
AOSIS	African Online Scientific Information System
APP	Annual Performance Plan
ARC	Agricultural Research Council
AU	African Union
BAAM	Business Adopt a Municipality
BCM	Buffalo City Municipality
CBV	Catalytic Business Venture
BDF	Business Development Forum
CEOs	Chief Executive Officers
CGF	Corporate Governance Framework
CIPs	Comprehensive Infrastructure Plans
COGHSTAs	Cooperative Governance Human Settlements and Traditional Affairs
CoGTA	Cooperative Governance and Traditional Affairs
CRLRC	Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities
CSIR	Council for Scientific and Industrial Research
CTLDC	Commission on Traditional Leadership Disputes and Claims
CWP	Community Work Programme
DAFF	Department of Agriculture, Forestry and Fisheries
DBSA	Development Bank of Southern Africa
DCOG	Department of Cooperative Governance
DEA	Department of Environmental Affairs
DG	Director-General
DGRV	German Cooperative and Raiffeisen Confederation
DM	Disaster Management
DM	District Municipality
DoRA	Division of Revenue Act
DPME	Department of Monitoring and Evaluation
DPSA	Department of Public Service and Administration
DRA	Division of Revenue Act
DTA	Department of Traditional Affairs
DTI	Department of Trade and Industry
DWA	Department of Water Affairs

ACRONYMS

FULL DEFINITION

EC	Eastern Cape
ECD	Early Childhood Development
ENE	Estimates of National Expenditure
EPWP	Expanded Public Works Programme
ESSA	Employment System South Africa
FBS	Free Basic Services
FBSA	Fire Brigade Services Act
FET	Further Education and Training
FS	Free State
G&IGR	Governance and Intergovernmental Relations
GIS	Geographic Information System
GIZ	German Society for International Cooperation
HCM	Human Capital Management
HR	Human Resources
HRM&D	Human Resource Management and Development
ICT	Information Communication Technology
IDDR	International Day for Disaster Reduction
IDP	Integrated Development Programme
IGR	Intergovernmental Relations
IGRF	Inter-Governmental Relations Framework
IMSI	Intergovernmental Monitoring, Support and Intervention Bill
ISC	Institutional Support and Coordination
IT	Information Technology
IUDF	Integrated Urban Development Framework
KPA	Key Performance Area
KSDLM	King Sabata Dalindyebo Local Municipality
KZN	Kwa-Zulu Natal
LED	Local Economic Development
LG	Local Government
LGCCC	Local Government Climate Change Champions Committee
LGLN	Local Government Learning Network
LGSETA	local Government Sector Education and Training Authority
LGTAS	Local Government Turnaround Strategy
LM	Local Municipality

ACRONYMS**FULL DEFINITION**

LOGOLA	Local Government Leadership Academy
M&E	Monitoring and Evaluation
MDB	Municipal Demarcation Board
MEC	Members of Executive Committee
MIG	Municipal Infrastructure Grant
MinMEC	Ministers and Members of Executive Council
MISA	Municipal Infrastructure Support Agent
MoU	Memorandum of Understanding
MPAC	Municipal Public Accounts Committees
MPAT	Management Performance Assessment Tool
MPRA	Municipal Property Rates Act
MSA	Municipal Systems Act
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework
NCBCF	National Capacity Building Coordinating Forum
NDMAF	National Disaster Management Advisory Forum
NDMC	National Disaster Management Centre
NDP	National Development Plan
NDRMET	National Disaster Risk Management Education and Training
NDPW	National Department of Public Works
NEC	NEC Corporation
NERSA	National Energy Regulator of South Africa
NETaRNIA	National Education, Training and Research Needs and Resources Analysis
NFSF	National Fire Services Framework
NGOs	Non-Government Organisations
NHTL	National House of Traditional Leaders
NHRC	National Heritage Resource Centre
NICSA	National Interfaith Council of South Africa
NIRP	National Inventory Research Project
NKSC	National Khoi and San Council
NMCCMC	National Municipal Capacity Coordination and Monitoring Committee
NQF	National Qualifications Framework
NT	National Treasury
NW	North West
PAAP	Post Audit Action Plan

ACRONYMS

FULL DEFINITION

PAJA	Promotion of Administrative Justice Act
PEFA	Public Expenditure and Financial Accountability
PMU	Project Management Unit
POA	Programme of Action
PSI	Public Service Infrastructure
PSPs	Professional Service Providers
RPL	Research, Policy and Legislation
SA	South Africa
SAB	South African Breweries
SACN	South African Cities Network
SADC	Southern African Development Countries
SAHRA	South African Heritage Resources Agency
SALGA	South African Local Government Association
SANACO	South African National Cooperative Limited
SANCO	South African National Civic Organisation
SAPS	South Africa Police Services
SAQA	South African Qualifications Authority
SARS	South African Revenue Services
SASRIA	South African Special Risks Insurance Association
SECO	Swiss Economic Cooperation and Development
SIU	Special Investigation Unit
SMART	Specific, Measurable, Attainable, Realistic, Timely
SMI	Support, Monitoring and Intervention
SMS	Senior Management Staff
SNDB	Sub-National Doing Business
SONA	State of the Nation Address
TLGFA	Traditional Leadership Governance Framework Act
TOR	Terms of Reference
TSUs	Technical Support Units
UCLGA	United Cities and Local Government of Africa
UNISDR	United Nations Strategy for Disaster Reduction
USAR	Urban Search and Rescue
VCP	Violence Crime Prevention
WC	Western Cape

2 FOREWORD

by the Minister



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

“The Ministry has the important responsibility, as expressed in the National Development Plan, of ensuring that Local Government is capable and able to contribute towards the developmental state.”

The financial year 2013/14 marked the final delivery period of our five-year electoral mandate awarded in 2009. It also marks 20 years of freedom and democracy. Over these years, government has recorded significant progress in tackling the triple challenges facing South Africa: poverty, unemployment and inequality. This is confirmed by the 2011 Census. The further reality is, however, that across the country many unresolved challenges remain; challenges that impact heavily on our goal of bettering the lives of ordinary citizens.

The Local Government sector contributed significantly to the successes achieved, despite the challenges that remain. Constitutional provisions are clearly expressed in the White Paper on Local Government (1998), which envisages a developmental Local Government. The Ministry has the important responsibility, as expressed in the National Development Plan, of ensuring that Local Government is capable and able to contribute towards the developmental state.

In an effort to restore the dignity, integrity and identity of the institution of traditional leadership, government embarked on a process of correcting the wrongs of the past within the institution of traditional leadership. Restoration included fast-tracking the processing of traditional leadership disputes and claims. To date, the Commission on Traditional Leadership Disputes and Claims, supported by the Department of Traditional Affairs, has processed 700 traditional leadership claims and disputes, including 360 processed in the year under review. The resolution of these claims will enhance stability at traditional council level, and this, in turn, will ensure that traditional leaders and communities focus on critical issues of development and service delivery.

We have started the mammoth task, through the implementation of outcome 9, which envisages a Local Government which is responsive to the challenges fac-

ing ordinary people, which is accountable in relation to commitments made to the public and which provides services in an efficient and effective manner.

The audit outcomes of municipalities for 2012-2013 issued by the Auditor-General shows some improvements in municipal financial and administrative management. In 2013/14 we managed to get a picture of how municipalities adhere to and comply with regulatory provisions of the Municipal Property Rates Act. We also managed to facilitate the promulgation of regulations governing the appointment of top management positions with competent staff. We know the status of dismissal and misconduct in all provinces, and disciplinary proceedings are underway. We also undertook an exercise, working jointly with provinces, in supporting municipalities to better understand their roles and responsibilities related to development planning. This exercise will ensure that priorities, as set out in the National Development Plan, find expression in both provincial plans and municipal Integrated Development plans (IDPs), and most importantly, are implemented as a matter of urgency.

We cannot overemphasise the importance of attending to all audit outcomes of municipalities. In the year under review we have worked with provinces to develop Audit Action Plans that are geared to the differentiated support that provinces should provide to municipalities, with a specific focus on the 27 districts municipalities where the financial and administrative practices are weak and service delivery backlogs unacceptably high.

The above factors, together with delivery achievements and challenges, provide us with a reasonable understanding of the state of readiness of municipalities to pursue a meaningful developmental agenda. Thus armed, we are in a better position to be responsive and equal to the challenges that lie ahead.

Parallel to the work of ensuring that Local Government is capable and efficient in delivering on its mandate, we will ensure that we work closely with the sector departments to accelerate universal access to basic services. Substantial progress has been made in delivering basic services to our communities. The close of term report presented to Cabinet reveals that households with access to water now stands at 95%, up from 92% in 2009. Equally, more households (86%) have access to electricity, although this remains short of the targeted 92% by the end of 2014. Access to sanitation has increased from 81% in 2009 to 86% by September 2013, while households with access to refuse removal increased by 17% to 72%, although this is 3% less than the targeted 75%. Collaborative initiatives have been put in place to deal with service delivery backlogs, especially in the 27 district municipalities.

The South African government has initiated a process to address matters relating to the recognition, reaffirmation and needs of Khoi and San communities in a manner which takes their history and heritage into account, through the development of the Traditional Affairs Bill. In the year under review, government has made considerable progress towards the finalisation of this bill. It has been approved by Cabinet and gazetted for public comment. All due processes of receiving and processing public comments have been finalised and it is envisaged that the Bill will enter parliamentary processes and be enacted during the 2014-2019 Medium Term Strategic Framework (MTSF) period.

Government initiatives geared towards improving the socio-economic conditions of South Africans are beginning to bear fruit through the basic skills that deserving people acquire through the Community Work Programme (CWP). Unemployed participants have enhanced their potential of becoming employable. From the inception of the CWP programme to date, 205

494 work opportunities have been created. We are very confident that by the end of 2015/16 the target of providing opportunities to 335 500 unemployed people is reachable. Our local economic development initiatives will complement this programme through the roll-out of the National Framework for Local Economic Development (LED). We urge all role players within the local government sector to heed the call to walk this journey with us, together creating viable economic platforms that will make municipalities self-sustainable.

The LED forums already established, and those in the pipeline, are a good departure point for improvement, given the lack of revenue generation in the majority of our municipalities. We have in the past year fostered relations with businesses and established business development forums in key areas as part of the initiatives to alleviate poverty and unemployment. Skills development is the focus.

Disasters, by their nature, are unpredictable. **CoGTA**, through the National Disaster Management Centre, is on track to put in place integrated and coordinated systems of disaster risk management focusing on prevention, mitigation and preparedness. During this reporting period we have managed to amend the Disaster Management Bill for the purposes of improving the system of disaster management across the three spheres.

Working with the Department of Human Settlements we have begun the task of building inclusive urban settlements by mapping out spatial arrangements through the Integrated Urban Development Framework.

We are saddened and alarmed by the deaths of initiates during the past initiation season. In order to address this challenge, government has put the following measures in place to end the fatalities associated with initiation:

- Integrating medical male circumcision into the initiation practice.
- Introducing compulsory pre-medical screening.
- Compulsory registration of all initiation schools two months before the initiation season, to ensure that the initiation sites are sanitized and to enable the law enforcement agencies to receive lists of registered schools on time.
- Putting more emphasis on the role of parents as central in initiation practice.
- Ensuring that all owners of illegal initiation schools are arrested and prosecuted.

These measures are to ensure that initiation practice is performed in line with the Bill of Rights and within the Constitutional and democratic principles.

Furthermore, to strengthen the existing national and provincial legislation, the Department of Traditional Affairs has developed a draft policy on initiation inclusive of male, female, Khoi and San initiation practices. Extensive consultations with all stakeholders on the policy are now under way. The aim of the policy is to provide a uniform approach to the current challenges. It is anticipated that the new policy will be finalised within the 2014-2019 medium term period.

Acknowledging the gaps that exist in carrying through our mandate of ensuring that Local Government is well-capacitated to fulfil its role, we have initiated a programme of Support, Monitoring and Intervention (SMIP). Through this programme, we will work with provincial departments responsible for local government and relevant stakeholders to see to it that an effective and coherent system of support to municipalities is fully functional and sustained over time. Going forward, we need to strengthen our efforts to recruit meaningful public participation.



Mr P Gordhan, MP

MINISTER FOR COOPERATIVE GOVERNANCE
AND TRADITIONAL AFFAIRS

3 DEPUTY MINISTER'S Statement



Mr A Nel, MP
DEPUTY MINISTER
FOR COOPERATIVE
GOVERNANCE

“We acknowledge the positive trends that are emerging with regard to improvement in the 2012/13 audit outcomes as compared to previous years.”

Recognising the important role that **CoGTA** is entrusted with in coordinating government initiatives for Local Government, it is critical to acknowledge the role that everyone has played in improving the effectiveness of Local Government. We would like to formally recognise the work performed by the Departments of Water Affairs, Energy, Rural Development and Land Reform, Human Settlements, Environmental Affairs and Public Works, National Treasury and the Department of Performance Monitoring and Evaluation in the Presidency.

We appreciate the efforts made by the Municipal Demarcation Board (MDB) in their role of spearheading the re-determination of municipal boundaries and engaging in consultative processes that are currently at an advanced stage in delimiting wards in preparation for the 2016 local government

elections. The MDB also played a major role, in compliance with section 4 of the Municipal Structures Act 117 of 1998, by conducting assessments and producing a report on municipal capacity in 2011. This report is still helpful as a reference tool and contains accurate assessments on the capacity that is required to improve infrastructure services and the enablers for local authorities to achieve their service delivery goals. We are confident that the newly appointed board will continue to build on this good work. We also commend the efforts and support of the South African Cities Network for its participation in the IUDF process that started in 2012. The framework is aimed at refocusing our cities' approach to aim for more social inclusiveness. The South African Cities Network, State of City Finances 2013, and the audit outcomes by the Auditor General provide

us with a sense of where the real problem is in terms of municipal financial management.

We acknowledge the positive trends that are emerging with regard to improvement in the 2012/13 audit outcomes as compared to previous years. This is further evidence that the efforts put in place by **CoGTA**, the provincial departments of local government, as well as national and provincial treasuries are beginning to bear fruit. Much still needs to be done though, yet we are confident that by working together with the stakeholders we are on the right track to making Local Government a capable delivery mechanism.

We must also commend the work that the South African Local Government Association (SALGA) is doing. Our joint efforts, which aim to rebuild the confidence of people in Local Government, have started on a high note. We jointly have the task of ensuring that municipalities have the capacity and capability to meet the expectations of ordinary people. We will therefore build on what we have achieved, collaborate more, prioritise capacity building, deal with the challenge of scarce skills, address the question of leadership and minimise political interference, explore options on a shared service model in an effort to strengthen the capacity of district municipalities, especially in rural areas, and most importantly, identify and form critical partnerships with professional bodies and institutions to further professionalise Local Government.

We will also capitalise on the revised Municipal Systems Act (MSA) related to the harmonisation of norms and standards in human resource practices in municipalities. As we proceed with the implementation of government outcomes approach, we have recognised that we need to deal with blockages to implementation. Some of these relate to the functioning of the Intergovernmental Relations (IGR) forums, entrusted with ensuring that there

is proper monitoring or review of delivery agreements, so as to guide implementation going forward. During the year, we initiated a process of reviewing the functions of technical implementation forums on Outcome 9 to ensure effective implementation and tight monitoring of progress. We also recommended to the Department of Performance Monitoring and Evaluation in the presidency, the emplacement of a solid process that will enable easy tracking of performance, as well as focused reporting to Cabinet. These are all initiatives aimed at developing sound implementation plans, with specified periodic targets and activities, to achieve the set sub-outcomes.

We will therefore use these initiatives to accomplish the National Development Plan priorities as articulated in the Medium Term Strategic Framework 2014-2019 (MTSF). **CoGTA** also undertook an alignment exercise to ensure that the MTSF chapter on developing a capable and developmental state finds expression in its strategic and annual performance plans, as well as those of sector departments, provincial departments of Local Government and municipal Integrated Development Programmes (IDPs).

We would like to thank the former Minister of **CoGTA**, the Honourable Mr Lechesa Tsenoli, and wish him success in his new role as Deputy Speaker of the National Assembly. I would like to personally thank **CoGTA** officials who have stretched themselves to perform well, even within the capacity constraints experienced. There has been a significant improvement in terms of achievement of the target as set in the annual performance plan 2013/14 and the unqualified audit opinion expression by the Auditor-General. Let us build on this exceptional hard work and work even harder to make the system of cooperative governance an example to all.



Mr A Nel, MP

DEPUTY MINISTER FOR COOPERATIVE GOVERNANCE

4 DEPUTY MINISTER'S Statement



Mr O Bapela, MP
DEPUTY MINISTER FOR
TRADITIONAL AFFAIRS

“One of government’s main achievements in relation to traditional leadership in the past 20 years of democracy is the establishment of traditional leadership structures at national, provincial and local government levels.”

For the institution to function effectively and discharge its functions, it is critical that the legislative environment is conducive. To this end, in the year under review, the Department embarked on a project of aligning provincial legislation with the Traditional Leadership and Governance Framework Act. The result of this project is that, for the first time in 2013/14, all the houses and their terms of office are now aligned to the National House. This process will ensure that all their terms and activities are synchronized.

One of government’s main achievements in relation to traditional leadership in the past 20 years of democracy is the establishment of traditional leadership structures at national, provincial and local government levels. As a result of these interventions by government, the institution of traditional leadership is strengthened within rural communities where people observe some form of traditional leadership.

During the assessment of the state of governance of the structures within the institution of the traditional leadership in 2011, it was discovered that there was poor participation of traditional leaders in municipal structures, which subsequently affects service delivery in traditional communities. In the year under review, the Department has developed an interim Framework for Participation of Traditional Leadership in Municipalities. This is an important milestone for rural development and for the people who are in areas under the jurisdiction of traditional leaders. The Framework will assist the whole of government in improving relations with traditional leaders and further clarifying their role in the implementation of key programmes of government, such as the National Development Plan.

Furthermore, in the year under review, the Department entered into partnership with Anglo American Platinum Limited towards development of traditional communities. Anglo American Platinum Limited is in the process of instituting relevant corporate governance social systems to facilitate the meaningful rollout of the programme. The beneficiary target areas shall consist of twenty-seven traditional councils located in the platinum belt in North West and Limpopo Provinces.

In the year under review, the NHTL developed and championed a plan in support of the government programme of reducing HIV infection rates and AIDS challenges within traditional communities. In the 2014/15, we will be embarking on an awareness campaign in rural communities in partnership with the Department of Health.

The project is intended to promote good lifestyle and to reduce infections, and to sensitise traditional communities about the services available for those who are already infected.

The Department and the NHTL have entered into partnership with the South African Police Services for traditional

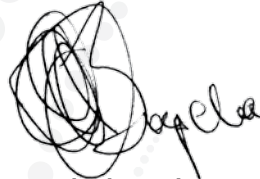
leaders to be fully involved and lead the community policing forums within their areas of jurisdiction. The benefit of this partnership is already visible in some traditional communities.

As we enter this new term of government, we will continue to work with all our partners to realize the NDP goals such as inclusive growth, rural development, skills development and addressing the challenges of reducing poverty, unemployment and inequality.

Aligned to the NDP goals, our strategic focus during the 2014-2019 MTSF is outlined in the following **Five-Point Plan: (Five Pillars):**

- Stabilization and Strengthening of Traditional Leadership Institutions.
- Promotion of Cultural and Customary way of life which conforms to the Bill of Rights, Constitutional and Democratic Principles.
- Development of Policies, Legislation and Regulations towards transformation and regulation.
- Revival and activation of economic activities, working in collaboration with other Sectors, Government.
- Coordination of Interfaith to Promote Social Cohesion and Nation Building.

I thank all our partners, provincial colleagues, entities, and sector department for their valuable contribution to the achievement of our objectives in the year under review.



Mr Obed Bapela, MP

DEPUTY MINISTER: TRADITIONAL AFFAIRS

Date: 4 September 2014

5 REPORT of the Accounting Officer: Department of Cooperative Governance



Mr V Madonsela
Director General:
Department of
Cooperative Governance

“One of the most urgent tasks of the Department in the previous financial year was to urgently respond to service delivery challenges in a number of municipalities and to work towards restoring the confidence of communities in local government.”

South Africa celebrates 20 years of freedom this year. The establishment of the local government sphere is one of the milestones in the successful transformation of the country into a democratic state that is striving to become developmental, accountable and responsive to the needs of its citizens. Local government has done comparatively well in addressing the key challenges of apartheid, post-1994 to date. Over the last 20 years, local government has played a significant role in ensuring universal access to basic services for previously marginalised communities. This achievement has contributed to the basket of good stories that can be told about South Africa.

This Annual Report is an important source of information for those working in the sector, our stakeholders, the general public and others wishing to better understand how local government operates in South Africa. This report sets out the main achievements of the Department in collaboration with sector departments in improving local government to better deliver on the promise of a better life for all citizens.

One of the most urgent tasks of the Department in the previous financial year was to urgently respond to service delivery challenges in a number of municipalities and to work towards restoring the confidence of communities in local government. The Department conducted an in-depth analysis of service delivery protests through which communities expressed their displeasure over the quality of services provided to them, and the manner and extent in which communities were involved in municipal affairs. The analysis points to the importance of improving systems for engaging communities on municipal service delivery, and of repositioning ward committees to become effective vehicles for greater communication and interface between communities and municipalities. As at 31 March 2014, a total of 2 059 ward level operational plans have been developed and are being implemented in 125 local municipalities across all provinces.

In pursuance of the government's effort to implement far-reaching reforms in local government, the Department worked vigorously to develop regulations relating to the professionalisation of local government. The Department drafted and promulgated regulations that seek to standardise the appointment and competency assessment of senior managers in municipalities. The regulations governing the appointment and appointment criteria of municipal managers and senior managers directly accountable to municipal managers have been finalised and were promulgated in Government Gazette No 37245 (Notice No 21) on 17 January 2014. Furthermore, the regulations for senior managers incorporate the Local Government: Competency Framework for Senior Managers that prescribe the skills, expertise, competencies (including competency descriptors and achievement levels) and qualifications for senior managers.

To improve municipal planning processes, the Department rolled out the Revised Integrated Development Plan (IDP) Framework by conducting workshops in 23 district municipalities. This training targeted municipalities outside metros and secondary cities. It is hoped that this intervention will strengthen development planning capacity of municipalities and ensure meaningful participation by communities.

Further work in strengthening national and provincial support to local government was undertaken during the year under review. Section 105 requires that the Members of the Executive Committees (MECs) responsible for local government in provinces establish mechanisms, processes and procedures to monitor municipalities in exercising their powers and performing their functions as well as monitoring the measures put in place to develop local government capacity. Furthermore, Section 106 empowers MECs to investigate municipalities believed to be unable to fulfil their constitutional mandate

due to non-performance and maladministration. In this regard, the Department developed guidelines for provincial departments to exercise their functions in terms of Sections 105 and 106. These guidelines seek to ensure that provinces support municipalities to govern better and to fulfil their mandates effectively. Municipalities are still faced with challenges in eradicating service delivery backlogs. The Municipal Infrastructure Grant (MIG) was purposely designed to supplement municipal budgets to deal with these backlogs. By March 2014, a hundred and twenty eight (128) municipalities had been supported to implement the Municipal Infrastructure Grant (MIG) programme, by providing technical support to Project Management Units in evaluating business plans and implementing MIG projects.

Ensuring universal access to services remains one of the key priorities of government. The Free Basic Services (FBS) policy provides for citizens, who are unable to contribute towards payment of services, to receive such services once registered in the Municipal Indigent Register. Various mechanisms were employed to assist municipalities with the implementation of their indigent policies as defined within the National Indigent Framework. At the beginning of the financial year, there was a baseline of 110 municipalities which were supported over the previous two financial years (i.e. 2011/12 and 2012/13). In the year under review, there were 50 municipalities that were targeted for support to make up the Medium Term Expenditure Framework (MTEF) target of 150 municipalities. However, 61 municipalities were supported, exceeding the target by 11 municipalities. This project is aligned to Cabinet's expectation of implementing the Free Basic Services (FBS) programme to the intended beneficiaries.

The Department plays an important role in supporting municipalities to stimulate economic activities in their localities. It facilitated the establishment of district-based

Business Development Forums (BDFs), aimed at promoting and stimulating private sector involvement and investment in local economies, with the aim of creating job opportunities. The Department was able to support the establishment of such forums in Cacadu District Municipality and uMgungundlovu District Municipality. A third BDF is in the process of being established in Waterberg District Municipality, while initial consultative processes have taken place in the Bojanala District Municipality. Support for the development of Catalytic Business Ventures (CBVs) was rendered in the areas of Skills Development, Aquaculture, Agriculture and Industrial Development.

Furthermore, the National Framework for Local Economic Development has been finalised, following intensive consultative processes, both nationally and provincially. The Framework outlines and packages the priority economic intervention areas at local level that require a coordinated government approach over the next five years. It will form the basis for the formulation of a National Local Economic Development (LED) Strategy.

The 2013/14 financial year reflects our continued effort to support municipalities to become the catalysts of development in their communities.

Our stakeholders are invited to contribute to our efforts to make local government work. After all, local government is everybody's business.



Mr Vusimusi Madonsela

DIRECTOR GENERAL:

DEPARTMENT OF COOPERATIVE GOVERNANCE

6 **REPORT** of the Accounting Officer: Department of Traditional Affairs



Dr MC Nwaila
Director General:
Department of
Traditional Affairs

In South Africa, the institution of traditional leadership exists alongside a democratic dispensation. The pertinent question that needs to be posed is about the location of the institution of traditional leadership in the context of the modern governance system. Research conducted on political transformation worldwide has shown that modern societies and systems of governance are constantly changing. It is evident that traditional institutions and governance have not kept pace with political, economic and social transformation. There is, therefore, creative tension between democratic and indigenous governance structures.

It is important to note that in countries where functions and duties of elected representatives and traditional leaders are not harmonised, the conflicts and overlap of functions have become extremely detrimental to local traditional communities and their development. Countries such as South Africa, Zimbabwe and Ghana opted to harmonise the role of traditional leaders and elected representatives. This was achieved because the roles and responsibilities of each authority are distinct and are supposed to complement each other.

In most African countries, despite challenges encountered, traditional rule has been persistent over the years. Analysts have given a wide range of possible explanations for this phenomenon, focusing on various sources of legitimacy, issues of performance or function, and leadership qualities. These analysts have drawn different conclusions, most notably with regard to whether they believe that traditional rule survives and thrives because of the support of civil society, or because of the state, contrary to the will of the rural communities themselves.

The challenge pertaining to the location and developmental role of traditional leaders continues to be elusive. Traditional leaders represent the remnants of the pre-colonial cultural features as defined in Article 1, No. 169 of Indigenous and Tribal Peoples Convention, namely “tribal peoples in independent countries whose social, cultural and economic conditions distinguish them from other sections of the national community, and whose status is regulated wholly or partially by their own customs or traditions, or by special laws or regulations.”

Almost 21 million people constitute rural and traditional communities in South Africa. Therefore, the strategic role of the Department of Traditional Affairs (DTA) is to strengthen this institution of traditional leadership

to discharge its role of promoting and contributing to service delivery, socio-economic development, nation building, moral regeneration and preservation of customs and culture within their geographic areas. The Department’s critical role is also to ensure that there is harmony between the institution and government, which should subsequently enhance service delivery at local government level.

In the past financial year, we had a set of priorities and targets that we planned to take the traditional affairs sector forward and to improve the functionality of traditional leadership structures. In this regard, I am pleased to announce that we have attained 34 of the 35 targets (97%) we set out to achieve in the 2013/14 Annual Performance Plan. To name a few, we expedited processing of traditional leadership disputes and claims and facilitated the process of aligning traditional leadership provincial legislation with the Traditional Leadership Governance Framework Act in five provinces.

The Department, together with the National House of Traditional Leaders, has also been able to roll out the Traditional Leadership Outreach programme, focusing on, among others, government programmes relevant to traditional communities, legislation impacting on traditional leadership, the National Development Plan, and also engaging traditional leaders and other stakeholders on the place and location of traditional rule in a democratic state.

In an effort to coordinate the work of the Department effectively, the Traditional Affairs Implementation Forum has been central in bringing together provinces, traditional affairs entities and sector departments, and has been instrumental in coordinating implementation of capacity-building efforts, interventions and policies for the sector.

In this Medium Term Strategic Framework (MTSF) period, we will look at strengthening this important governance structure to be central to all matters of traditional affairs, and its integration into other traditional affairs intergovernmental relations structures.

The efforts of the Department since 2010 in strengthening the interfaith sector, promoting heritage of traditional communities and further recognition of the status of the Khoi and San started to bear fruit in the year under review. A case in point is the establishment of institutional mechanisms for formal engagements between the Department and the National Interfaith Council of South Africa to promote their participation in the governance system of the country. In terms of heritage promotion, a number of partnerships have been established to ensure that we enhance cultural tourism, heritage sites and socio-economic development within traditional communities, including Khoi and San communities. These partnerships include the signing of a memorandum of understanding between the Department and the South African Heritage Resource Agency (SAHRA). This has resulted in SAHRA and the Department being able to identify 11 traditional Khoi and San heritage and sacred sites. Together with the Department of Tourism and SAHRA, we will develop these sites into cultural tourist attraction sites to promote economic development and job creation in traditional Khoi and San communities in the 2014-2019 Medium Term Strategic Framework (MTSF) period. Furthermore, as part of cultural and heritage promotion, the Department has established a partnership with Indoni Trust to encourage young girls to honour, respect and appreciate their culture and heritage.

We have also finalised Protocol Guidelines for kingships, queenships and senior traditional leadership to guide relationships between stakeholders and the insti-

tution of traditional leadership. The Protocol Guidelines will guide government, the private sector and civil society on protocols, when they have to engage with all levels of traditional leadership. We envisage incorporating the guidelines into the state protocol manual within the 2014 – 2019 medium term period.

To ensure that the Department provides adequate support to the traditional affairs sector and successfully implements its strategic plan, we have also developed and started implementation of the Corporate Governance Framework as well as a Monitoring and Evaluation Framework. As a result of these projects, we have seen improvements in the Department's governance and in the management of performance information. Full implementation of the framework will commence in the 2014-2019 MTSF.

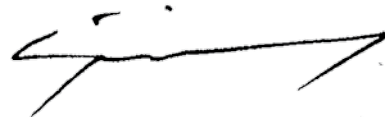
In the past three years, the Department's focus was on setting up systems to ensure that effective functioning of traditional affairs would translate into improved development of communities. Part of these systems was the development of legislation, policies, norms, standards, strategies, guidelines and frameworks for the effective functioning of both the Department and traditional affairs institutions. From the 2014/15 financial year, our focus will shift to strengthening our coordination function as a national department, monitoring implementation of the existing systems, and assisting provincial departments and the institutions to implement national legislation and policies. Of key importance will be to work together with provinces and the institution of traditional leadership to ensure that all Traditional Councils are reconstituted and legalised, and strengthen our capacity building efforts for the institution to play its developmental role.

The Department has translated **CoGTA** Ministry priorities into the following key programmes thrusts which will guide our plans throughout the 2014-2019 MTSF:

- Strengthening the capacity and corporate governance systems of the Department to deliver on its mandate;
- Coordination of implementation of the Interim Framework for Participation of Traditional Leadership in Municipal Councils by Provinces; Amending section 81 of the Municipal Structures Act to enhance the participation of Traditional Leaders in the councils, and capacitating traditional leadership for effective and meaningful participation in local government structures. These projects are aimed at harmonising relations between traditional leadership and local government to enhance service delivery.
- Development of policies and regulations towards transformation and regulation of the sector;
- Programmes aimed at stabilising and strengthening the traditional leadership institution.
- Fast tracking processing of leadership disputes and claims.
- Provision of support to provinces for the reconstitution of traditional councils.

- Establishment and coordination of partnerships to revive, activate and promote socio-economic development programmes within traditional communities.
- Development and implementation of Heritage and Cultural Promotion Programmes within traditional; Khoi and San communities.
- Interfaith programmes aimed at promoting social cohesion and nation building.

I thank the Minister and the Deputy Minister for the political leadership and guidance they provided. We are ready and committed to continue improving our services to our clients, and I trust that the **DTA** team, together with provinces and other stakeholders, will be able to achieve our 2014-2019 MTSF priorities and enhance service delivery within traditional communities.



Dr MC Nwaila
DIRECTOR GENERAL:
DEPARTMENT OF TRADITIONAL AFFAIRS

7 STATEMENT OF RESPONSIBILITY and confirmation of the accuracy of the Annual Report

See Annexure E.

8 STRATEGIC overview

Vision

An integrated, responsive and highly effective governance system, working with communities to achieve sustainable development and improved service delivery.

Mission

Our mission is to facilitate cooperative governance and support all spheres of government, the institution of traditional leadership and associated institutions through:

- development and implementation of appropriate policies and regulatory mechanisms to promote integration of government development programmes;
- achievement of social cohesion through the creation of enabling mechanisms for communities to participate in governance; and
- monitoring and evaluation of cooperation amongst government stakeholders to achieve improved service delivery.

Values

Guided by the spirit of Ubuntu, our values are:

- Professionalism and integrity.
- Activist approach.
- Goal orientation.
- Partnership and Collectivism.
- Innovation and Service Excellence.

Legislative and other mandates

Our primary mandate is to:

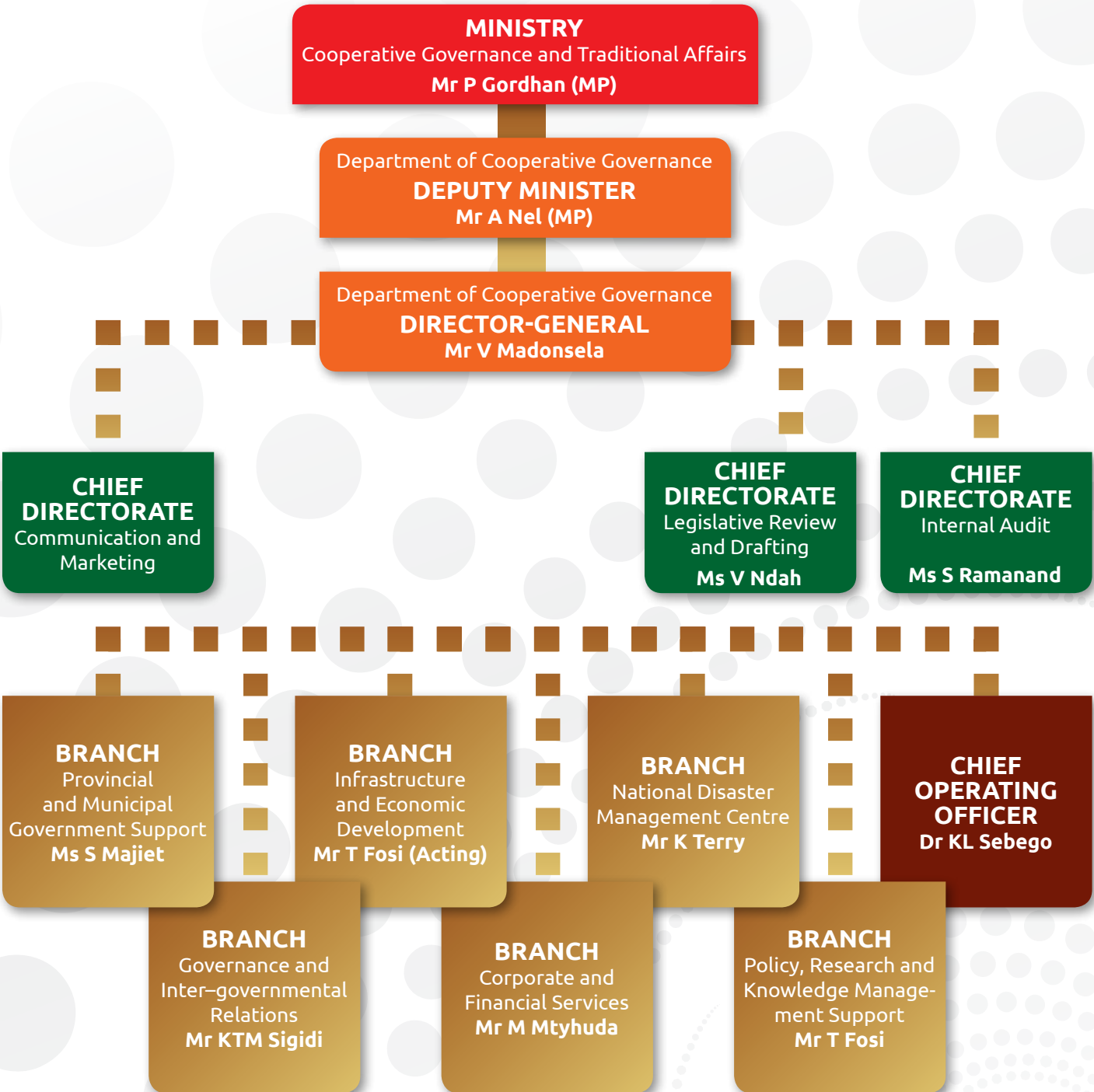
- develop and monitor the implementation of national policy and legislation seeking to transform and strengthen key institutions and mechanisms of governance to fulfil their developmental role;
- develop, promote and monitor mechanisms, systems and structures to enable integrated
- service delivery and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

The Department of Cooperative Governance and Traditional Affairs (**CoGTA**) derives its mandate from Chapters 3, 7 and 12 of the Constitution of the Republic of South Africa, 1996, hereafter referred to as the Constitution.

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

- Fire Brigade Services Act, 1987 (Act. No. 99 of 1987)
- The Pension Benefits for Councillors of Local Authorities Act, 1987 (Act. No. 105 of 1987)
- National House of Traditional Leaders Act, 1997 (Act. No. 10 of 1997)
- Organised Local Government Act, 1997 (Act. No. 52 of 1997)
- White Paper on Local Government (1998)
- Remuneration of Public Bearers Act, 1998 (Act. No. 20 of 1998)
- Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998)
- Local Government: Municipal Structures Act, 1998 (Act No.117 of 1998)
- Local Government: Cross-boundary Municipal Act, 2000 (Act. No. 29 of 2000)
- Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)
- The Commission for the Promotion and Protection of the Rights of Cultural, Religious, and Linguistic Communities Act, 2002 (Act. No. 19 of 2002)
- Disaster Management Act, 2002 (Act No.57 of 2002)
- Traditional Leadership and Governance Framework Act, 2003 (Act No 41 of 2003)
- Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003)
- Municipal Property Rates Act, 2004 (Act No.6 of 2004)
- Intergovernmental Relations Framework Act, 2005 (Act No. 13 of 2005)

9 ORGANISATIONAL Structure for DCoG



10 ASSOCIATED Institutions Reporting to the Minister

10.1 South African Local Government Association (SALGA)



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

Highlights for 2013/14

In executing the task of representing local government, SALGA has played a prominent and effective role in lobbying, advocating and engaging with stakeholders, including national government and the national legislature, to serve the interests of municipalities and the developmental agenda of the local sphere of government.

With a view to developing sustainable integrated human settlement, the decentralisation of the human settlements function to municipalities through the process of accreditation, six metropolitan municipalities were accredited with full housing accreditation status. SALGA successfully lobbied the Housing Development Agency over draft regulations and policy for the declaration of priority housing development areas.

Much progress has been made in the delivery of water supply and sanitation services with the cooperation of all spheres of government, particularly Local Government. However, there are major challenges relating to the ability of water services authorities to invest and manage waste water facilities, curb non-revenue water, apply best-fit (appropriate) technology, and most importantly, comply with the set effluent norms and standards.

SALGA conducted six master classes, in collaboration with eThekweni Municipality, Department of Water Affairs (Regulatory Unit) and the Municipal Institute of Learning (MILE), to assist municipalities to achieve the green and blue drop certification. SALGA also lobbied that the Transport Laws and Related Matters Bill take into consideration that socio-economic and traffic impact assessment studies should be performed pertaining to proposed toll roads in and around metropolitan spaces.

To achieve both the constitutional and legislative requirements of municipal service provision, a collaborative approach between the National Energy Regulator of South Africa (NERSA), Department of Education (DoE), Eskom and SALGA was followed, and a roadmap was put in place which culminated in a Framework Agreement. SALGA conducted a feasibility study for Tshwane Metropolitan Municipality, Maletswai Local Municipality (LM), Maluti a Phofung LM, George LM and Umjindi LM on the Waste to Energy Project. The initiative offers the possibility of an Anaerobic Digestion Waste to Energy project of a calculated 300 Kilowatt Electrical Power generation capacity, with an anchor feedstock of agricultural waste generated from Endewell Pig Farm (comprising some 4,500 pigs).

Much progress has been made on climate change, where municipalities integrated climate change responses

in their Integrated Development Programmes (IDPs), based on the risks and vulnerabilities identified in the municipal space. The toolkit developed to assist municipalities has underwritten the mainstreaming of climate change considerations across all service sectors. The 'Let's Respond' project team, comprising SALGA, the German Society for International Cooperation (GIZ), **CoGTA** and the Department of Environmental Affairs (DEA), has developed a rollout plan and conducted stakeholder engagements as part of the implementation phase of the toolkit project.

Some other key achievements around climate change include:

- The on-going implementation of the Programme of Action of the Local Government Climate Change Champions Committee (LGCCC Committee).
- Research, capacity building and knowledge-sharing interventions on the institutional capacities of municipalities in their mitigation and adaptation responses.
- Research on the policy environment and alignment to the National Climate Change Response Policy, with the aim of ensuring that the policy and operating environment of municipalities is an enabler for coordinated and effective climate change responses.
- Establishment and sustenance of strategic partnerships with UNISA, EXXRO, CSIR and the South African Risk and Vulnerability Atlas, to build knowledge and capacity on key climate change subject matters, such as the green economy and climate adaptation.
- Participation in key local and international network forums on environmental management and climate change, and participation in national mandating platforms for negotiations on the global climate regime through the Department of Environmental Affairs.

It is within this broad context that the SALGA Women's Commission (SWC) has identified the need to support the national developmental goal of women's empowerment and gender equality at a local government level by ensuring that the local governance institutional sphere supports equity of representation and gender mainstreaming, and is managed as a key deliverable within local government functioning and practice.

SALGA, through its strategic partnership with GIZ and the SA Local Economic Development (LED) Network, launched a campaign focused on partnerships for LED, the informal economy and cooperatives. Lobbying by SALGA emphasised the importance of supporting cooperatives through funding and preferential procurement from cooperatives. The focus on the informal economy in municipalities was that the sector is a key economic contributor which serves as a safety net from joblessness. As such, municipalities must adopt a more developmental approach towards it, as opposed to a regulatory or enforcement approach.

SALGA has developed and disseminated a short publication titled "What SPLUMA means for LED". The publication seeks to provide planning and economic development practitioners with a perspective on the inter-related nature of the two disciplines, and how the latest legislative developments in spatial planning and land use management can be leveraged to advance the economic development agenda.

SALGA engaged robustly to influence the National LED Framework under review, by representation on the **DCoG** coordinated steering committee. Furthermore, SALGA was involved in the revision of the performance indicators for measuring municipal performance in LED.

SALGA's successfully participated in several parliamentary debates, committee meetings, processing of legisla-

tion and public hearings, as well as other parliamentary events, where debates on several issues were held, such as the role of local government in a capable state; how the National Development Plan must find expression in the planning processes at local government level; how to build a more vibrant and active citizenry; the enabling or constraining environmental issues impacting on municipalities in executing their developmental mandate; how to improve accountability at local government level; and the role of local government in stimulating rural development.

SALGA convened a National Anti-Corruption Summit on 27 November 2013, the first of its kind initiated by local government as a sector. One of the objectives of the Summit was the signing of an anti-corruption pledge by all municipalities, affirming Local Governments' commitment to lead the fight against corruption and maladministration. It also served to contextualise the common perceptions that Local Government (LG) is generally corrupt. The affirmation took the form of a pledge signed by each municipality to institutionalise the fight against corruption and maladministration, and to act swiftly upon allegations and incidents of malpractice, in order to progressively eradicate this scourge from our midst. SALGA made it clear that significant progress had been made in the fight against corruption and maladministration by including improved oversight and accountability mechanisms in municipalities, such as the establishment of Municipal Public Accounts Committees and institutional systems and internal controls, thereby reducing the opportunities for corruption and maladministration. A significant increase in the number of prosecutions and convictions for fraud and corruption across the three spheres of government was registered, including municipalities, which led to the recovery of state funds through collaboration with the Special Investigation Unit (SIU) and other law enforcement agencies.

SALGA will collaborate with the Department of Cooperative Governance to review the Anti-Corruption strategy for local government. SALGA also contributed to the improvement of the payment dispensation of councillors, which was adopted by the Minister of Cooperative Governance and Traditional Affairs and reflected in the upper limits notice published on 29 January 2014. The most pertinent issues included the increase in cell phone allowances, SASRIA cover to be paid on behalf of councillors and the approval of tools of trade for municipal councillors.

Given the many identified capacity challenges facing municipalities, the NEC, together with **CoGTA**, has laid the basis for professionalising the sector as well as introducing targeted interventions that are geared to turn around and improve the performance of municipalities, such as the Human Resources Management and Development (HRM&D) strategy, Local Government Leadership Academy and a SALGA-driven Business Intelligence Management System. A research team has been appointed to work with SALGA in order to evaluate the feasibility of establishing a SALGA Centre for Leadership and Governance. The report will highlight the most feasible institutional model/s, which could be a combination of brick-and-mortar on the one hand and a virtual college on the other. Unlike the School of Government (to be launched by PALAMA) the SALGA Centre for Leadership and Governance has LG senior managers and political leadership as its targets.

A SALGA delegation attended the Budget Forum meeting with the Minister of Finance, which was held in October 2013. The delegation raised the key factors that are limiting and constraining effective municipal revenue management and financial sustainability. The issues that were discussed at the meeting can be summarised as follows:

SALGA participated in the technical working group that developed the formula proposal. All municipalities were given an opportunity to submit inputs on the proposed formula through written submissions, as well as focus group discussions.

The financial and fiscal implications of the assignment of the function to administer national housing programmes by provinces to 6 metros in terms of Outcome 8 target was presented to the Forum. SALGA submitted a paper and raised concerns about the operational funding model for assigned municipalities, and requested a proper consultation process with the metros on the operational funding model be undertaken.

SALGA developed an assessment report on the functioning of audit committees, which resulted in a capacity building programme for councillors. The training programme was mainly aimed at improving the oversight role of councillors on financial governance matters. It also enhanced the councillors' understanding of roles and responsibilities of Audit Committees, Municipal Public Accounts Committees and Internal Audit Units. This programme was initially piloted in Vhembe District and Western Cape and was rolled out in the remaining provinces during the 2013/14 financial year. The capacity building programme reached more than 800 councillors, including those directly responsible for financial oversight.

SALGA committed to supporting its members who are struggling to improve their audit outcomes and embarked on a few initiatives in this regard. Subsequent to the engagements held in October 2012, SALGA earmarked 25 municipalities who received poor audit outcomes for support by SALGA provincial offices. The impact of this support would be realised during the 2012/13 audit period. The objective was to develop targeted support and improve audit outcomes by focusing

on the following areas:

- Political oversight.
- Compliance with laws and regulations.
- Reporting against predetermined objectives.
- Credit control and debt collection, revenue enhancement and tariff setting.
- Functioning of Municipal Public Accounts Committees (MPACs) and audit committees.

The support provided during the year ranged from workshops to one-on-one engagements with the mu-

nicipalities in a number of areas. To improve audit outcomes, SALGA has now developed a support strategy that is based on a multi-disciplinary approach in order to provide hands-on support in selected focus areas and target municipalities to improve audit outcomes. There will be three pillars of support, namely Institutional Capacity, Financial Management, and Leadership and Governance support. SALGA will utilise its in-house capacity to provide hands-on support to local government by entering into partnerships with other public and private institutions.

10.2 South African Cities Network (SACN)

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

Highlights for 2013/2014

During the year under review, SACN priorities were to enable cities to act with a better understanding by enhancing support on policy formulation, planning and data infrastructure to transform the built environment function in cities. SACN developed the Local Government Management Improvement Model, which was piloted in municipalities in partnership with the De-

partment of Monitoring and Evaluation (DPME). SACN facilitated preparation for UN-Habitat's World Urban Forum VII (WUF), taking place in the city of Medellin, Columbia from 5 to 11 April 2014. This is the foremost international event dedicated to urban issues, and this year's theme is 'The Equity City'.

In addition, SACN worked with GIZ on a South-South study tour on urban safety and violence prevention, comprising urban study officials from member cities and key stakeholders from the national Violence and Crime Prevention (VCP) Steering Committee, such as **DCoG**, Department of Social Development, SAPS, the Civilian Secretariat for Police, National Treasury, SALGA, and GIZ. The aim of the study tour is to facilitate mutual knowledge sharing and learning on challenges and solutions related to the subject of urban violence affecting South Africa and other countries.

SACN's Reference Groups continued to play crucial roles in methodology for intensive knowledge exchange, peer-learning and collaborative action between member cities and key partners. These groups typically consist primarily of sector leaders in the form of executive or senior officials and practitioners. New Reference Groups that have been established in 2014 include the Transport Reference Group, Urban Safety Reference Group and Human Settlements Reference Group.

As part of its strategic approach to policy formulation support and programme resourcing, the SACN developed seven partnership agreements of which three were signed during the year under review, namely:

- BRICS Policy Centre, aimed at engagement in cooperation with BRICS Policy Centre, a federally-supported philanthropy in Rio de Janeiro, Brazil, to coordinate research, learning events and publications in three substantive areas: Urban Inclusion, Public Policies for attracting capital

(productive & competitive cities) and Urban Green Infrastructure (sustainable cities).

- Development of Integrated Urban Development Framework (IUDF), aimed at providing secretariat support to the Department of Cooperative Governance in the drafting and implementation of the IUDF process;
- Cities Support Programme, aimed at collaboration on mutual programme areas (human settlements, transport, environment, urban indicators, monitoring and evaluation, city leadership development) and participation in governance structures with National Treasury.
- IFC and Swiss Economic Cooperation and Development (SECO), aimed at targeting cooperation to carry out three key city benchmarking exercises: the Sub-National Doing Business (SNDB) report, Public Expenditure and Financial Accountability (PEFA) Assessment, and Urbanisation (spatial planning) review process.
- The Gauteng Provincial Legislature engages in cooperation in the areas of knowledge management and research. The partnership is geared towards learning and collaborating on programmes, projects and activities that are mutually beneficial to both institutions.
- GIZ on Urban Safety, aimed at financing and supporting the establishment of an Urban Safety Reference Group, similar to the ?? (NDPW) approach to ?? (EPWP) support.
- SA Property Owners Association partnership, comprising public and private sector collaboration on issues such as Climate Change, Public Transport, Human Settlements, Infrastructure and Land Acquisition, Usage and Management. These issues must, to a large extent, complement the vision expressed in the National Development Plan, as approved by parliament.

10.3 Municipal Demarcation Board (MDB)

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

Highlights for 2013/14

The Municipal Demarcation Board continued with the municipal boundary re-determinations process. During 2013, publication of the legal process commenced with the publication of 204 proposed re-determination notices in terms of Section 26 of the Municipal Demarcation Act.

The Board conducted 80 formal investigations of the proposed re-determinations between April and August 2013.

The Board held 22 public meetings or hearings during April and May 2013 to advance the democratic principles of transparency and openness in the boundary demarcation process. Communities had opportunity to present their views on proposed re-determination affecting their municipal boundaries. The value of the public meetings demonstrated community interest on demarcation of municipalities.

The Board resolved 157 proposals for the determination of municipal boundaries, resulting in Section 21 notices being published in the relevant provincial gazettes. The public was granted a 39-day period to lodge objections, which resulted in 9 835 objections received. After considering all objections, the Board confirmed, changed or withdrew its determinations published in terms of section 21. A total of 152 re-determinations were finalised and published in the provincial gazettes in terms of Section 21(5) of the Act.

The re-determination resulted in changes of a number of municipal boundaries in KwaZulu-Natal Province from 50 to 43 local municipalities. In Gauteng Province, municipalities were reduced from seven local municipalities to three local municipalities and one metropolitan municipality, resulting in four metropolitan municipalities that will be effective from 2016.



Chapter

2

PART B: DEPARTMENT OF COOPERATIVE GOVERNANCE (DCoG) PERFORMANCE INFORMATION

1 AUDITOR GENERAL'S REPORT: Predetermined Objectives

The Auditor General audited the reported information on predetermined objectives against the criteria for usefulness and reliability. The findings and other legal and regulatory requirements are outlined in the Auditor General's report. (See Part E)

2 OVERVIEW of Departmental Performance

South Africa held its first democratic non-racial election on 27 April 1994. 2014 therefore represents a historic milestone of twenty years of freedom and democracy. Reflecting on South Africa's two decades of democratic freedoms, considering what we inherited in 1994, the progress we have made as a society since then is truly remarkable, yet the question of how to address the remaining challenges is a critical one, not merely for those who remain marginalized, but also for our shared future as a nation.

The key priorities of the post-94 democratic state included the introduction of a new constitutional and legislative framework and the transformation of the apartheid state machinery. The goal was the creation of a democracy founded on the principles of respect for human rights and freedom, non-racialism and non-sexism and universal adult suffrage, as enshrined in the interim Constitution.

As has been noted, admirable progress towards the achievement of our declared goals has been made. Nonetheless, a number of pressing challenges remain, many of them located at municipal level, namely:

1. Some of the service delivery advances made by the larger urban municipalities are concealed by the

growing challenges of in-migration, poverty and unemployment associated with urbanisation.

2. National Treasury's analysis of the state of local government finances dated 30 June 2013 indicates that 95 municipalities are in financial distress (see National Treasury's internal report "*The state of local government finances and financial management as at 30 June 2013*"). The Auditor-General's *Report on Local Government Audit Outcomes for the 2011-12 Financial Year* shows that overall municipal audit outcomes have regressed, with only 47% being able to obtain financially unqualified audit opinions.
3. There has been an increase in service delivery protests (and the degree of violence associated with such protests) in recent years, rising from 27 in 2008 to 173 in 2012. Common grievances include inadequate basic services provision, inadequate housing, weak accountability and a sense of marginalisation.

In 2012, the National Planning Commission identified the main challenge to a capable and developmental state in the National Development Plan as unevenness in capacity that leads to uneven performance in local, provincial and national government. This is caused by a

complex set of factors, including tensions in the political-administrative interface, instability of the administrative leadership, skills deficits, the erosion of accountability and authority, poor organisational design and low staff morale. The search for a quick fix has diverted attention from more fundamental priorities. A deficit in skills and professionalism affects all elements of the public service. The National Development Plan (NDP) identifies a number of areas for targeted action, *inter alia*:

- **Stabilise the political-administrative interface:** Build a professional public service that serves government, but is sufficiently autonomous to be insulated from political patronage. This requires a clearer separation between the roles of the political principal and the administrative head.
- **Make the public service and local government administration careers of choice:** Build a skilled and professional public service from both the top and the bottom.
- **Develop technical and specialist professional skills.** Reinvigorate the state's role in producing the specialist technical skills to fulfil its core functions: Develop appropriate career paths for technical specialists.
- **Strengthen delegation, accountability and oversight:** Promote greater and more consistent delegation, supported by systems of support and oversight.
- **Improve interdepartmental coordination:** Adopt a less hierarchical approach to interdepartmental coordination so that most issues can be resolved between officials through routine day-to-day interactions.
- **Take a proactive approach to improving relations between national, provincial and local government:** The state needs to recognise the widespread variations in capacity, particularly at municipal level, and devolve greater

responsibilities where capacity exists, while building capacity in other areas.

- **Strengthen local government:** Develop an enabling framework for local government with active support and oversight from national and provincial government. Take a more long-term approach to developing skills, together with the promotion of a professional ethos and commitment to public service and mainstream citizen participation.

Responding to the above, the Department of Cooperative Governance (**DCoG**) developed draft Regulations, entitled *Local Government: Regulations on Conditions of Service for Senior Managers and Related Matters*. The draft Regulations also provides for critical positions to be prioritised and filled by municipalities, and also prescribes minimum competency requirements. The Department monitored provinces to support municipalities to fill vacancies in terms of the Municipal Systems Act and developed a quarterly reporting system on this issue. The **DCoG** is currently reviewing the Competence Framework for Local Government and it will ensure that the competences for senior managers and staff below senior managers are aligned.

In order to improve interdepartmental cooperation, the key departments impacting on services must be brought together to coordinate and integrate their interventions. All the affected departments participate in the Outcome 9 Implementation Forum. The respective delivery management structures should report to the Human Settlements and Basic Services Task Team (HS&BS TT) comprising the Departments of Human Settlements, **DCoG**, Water and Sanitation, Rural Development and Land Reform, National Treasury, Energy, Transport, Public Works, Environmental Affairs, the National Planning Commission (NPC), the Performance Monitoring and Evaluation (PME), Provincial Departments of Lo-



cal Government, Metros, SALGA, Development Bank of South Africa (DBSA) and the Housing Development Agency. The role of the HS&BS TT is to coordinate and integrate the sectoral initiatives and interventions, track progress and address blockages. A number of documents to support and guide coordination of support to municipalities were also developed. These include the *National Capacity Building Strategy aimed at Local Government 2013–2016* (second draft), and the *Professionalisation Framework for Local Government* (first draft).

Provincial support, monitoring and intervention (SMI) initiatives are challenged by the fragmentation of SMI responsibility among sector departments, the complexity of the legislative framework and limited provincial capacity to support municipalities to secure long-term sustainability. Going forward, tools and mechanisms will need to be developed to strengthen SMI initiatives by sector departments and provinces.

One of the measures being implemented by **DCoG** to deal with the infrastructure challenges facing municipalities is the establishment of a dedicated and ring-fenced entity to coordinate the acceleration of municipal infrastructure delivery and provision of basic services. The Municipal Infrastructure Support Agent (MISA) is a government component with the primary focus of providing technical support and building sustainable technical capacity in municipalities for better delivery and management of municipal infrastructure.

MISA has been undertaking the following:

- Providing continuous technical support through the technical professionals (engineers and planners) in 77 municipalities covering all nine provinces.
- Continuing the training and development of 331 artisans placed in various municipalities to gain practical experience with the objective of turning them into full professionals at the end of the programme.

- Supporting 24 Districts, identified by Cabinet in 2011 as priority areas for support to expand access to basic services. These Districts are being supported by MISA, in collaboration with the various sector departments, to enable them to unlock any obstacles to the implementation of programmes and projects aimed at reducing service delivery backlogs.

In rural areas there are still pronounced governance challenges. This has resulted in an inability by some municipalities to deliver even a core set of basic municipal services. Added to this, there has been a lack of infrastructure and a lack of appropriate delivery models in remote rural areas, as well as general neglect of maintenance and repairs to existing municipal infrastructure. The Department is undertaking research to identify options to strengthen the role and functions of districts that will be compatible with the long term vision for local government and the National Development Plan. Proposals for reform will be evaluated against criteria such as equity, capacity, fiscal efficiency, accountability and service delivery.

Given the challenges of urbanisation, identified through the 2011 Census, the Department started to develop an Integrated Urban Development Framework (IUDF). Research on strategic levers for urban development, including infrastructure investments into the built environment, urban economic platforms, a green economy, adaptive governance and planning, and regulatory reform, have been finalised and effected into the draft IUDF document. The implementation framework is in the process of being finalised.

High levels of poverty stubbornly persist and massive job losses have occurred as a result of the global economic crisis, with a consequent impact on the domestic econ-

omy. Government continues to develop programmes aimed at responding to these challenges. DCoG is working with provincial and local government to cushion the vulnerable section of society from the effects of poverty and unemployment by accelerating the coverage of the Community Work Programme (CWP).

The CWP mobilises communities by providing regular and predictable work opportunities at the local level. The purpose of the CWP is to provide an employment safety net for those without access to opportunities which will enable them to lift themselves out of poverty. The programme provides access to a minimum level of regular work: 2 days a week, 8 days a month and 100 days a year. It aims to supplement existing livelihood strategies by providing a basic level of income security. It is based on the recognition that policies to address unemployment and create decent work will take time to reach people living in marginalised areas with few opportunities. The cumulative number work opportunities created to date is 204 494.

2.1 Service Delivery Improvement Plan

MAIN SERVICE	BENEFICIARIES	CURRENT/ACTUAL STANDARD OF SERVICE	DESIRED STANDARD OF SERVICE	ACTUAL ACHIEVEMENT
Support municipalities to implement the Municipal Infrastructure Grant (MIG) programme and improve expenditure	Municipalities	Quarterly reports in the prescribed format in the Division of Revenue Act (DoRA) (Municipalities are not reporting accurately and timeously)	All MIG receiving Municipalities report on required reporting template (DoRA) on time and accurately	<ul style="list-style-type: none"> - All MIG receiving municipalities reported on required reporting template (DoRA) on time and accurately - Where municipalities failed to submit reports the province (in terms of the role of provinces as outlined in the MIG framework) supported the municipalities ensuring that both financial and non-financial performance information are reported on in subsequent months - 128 municipalities were supported to implement the MIG programme
Improve expenditure on the MIG	Municipalities	Monthly expenditure reports as per prescribed format (DoRA) Municipalities not reporting accurately and timeously	All MIG receiving Municipalities report on required reporting template (DoRA) on time and accurately	<ul style="list-style-type: none"> - All MIG receiving municipalities report on required reporting template (DoRA) on time and accurately - Where municipalities failed to submit reports the province (in terms of the role of provinces as outlined in the MIG framework) supported the municipalities, ensuring that both financial and non-financial performance information are reported on in subsequent months
	Municipalities	<ul style="list-style-type: none"> - Provisions of the Grant enacted through the DoRA - MIG allocations Gazetted over Medium Term Expenditure Framework (MTEF) - Quarterly transfers made according to payment schedule - Non-financial progress not released regularly to stakeholders and sectors 	<ul style="list-style-type: none"> - MIG allocations Gazetted - Transfers made according to payment schedule and non-financial progress - Quarterly non-financial report released on DCoG website and data provided to sectors 	<ul style="list-style-type: none"> - The 2013/14 MIG allocations were gazetted by the National Treasury on 24 June 2013 and the 2013/14 MIG allocations have been published with the 2013 Division of Revenue Bill. - This followed a process of consultation with municipalities and provinces on the 2013/14 MIG payment schedule as required in terms of section 22 of the 2013 Division of Revenue Act - All the MIG transfers for 2013/14 were made according to payment schedule and amended payment schedules approved by the National Treasury in terms of the 2013 Division of Revenue Act

MAIN SERVICE	BENEFICIARIES	CURRENT/ ACTUAL STANDARD OF SERVICE	DESIRED STANDARD OF SERVICE	ACTUAL ACHIEVEMENT
Improve expenditure on the MIG		<ul style="list-style-type: none"> - Annual DoRA workshops - Annual allocation letters to MIG municipalities - MIG policy and DoRA framework - Industry guide on unit cost guide - MIG workshops and meetings with provinces and municipalities 	<ul style="list-style-type: none"> - Annual DoRA workshops - Quarterly MIG workshop with Provinces - Annual allocation letters to MIG municipalities annually - MIG DoRA framework - Update of the Industry guide on unit cost guide - MIG quarterly newsletter - MIG workshops and meetings 	<ul style="list-style-type: none"> - The Department held quarterly MIG workshop with Provinces and sector departments - The 2013/14 MIG annual allocation letters were sent timeously to municipalities to inform their budget processes - The 2014/15 MIG DoRA framework was developed with inputs from sector departments responsible for MIG and provincial COGHSTAs - The Department provided the National Treasury with inputs to the MIG DoRA framework which was gazetted.
		<ul style="list-style-type: none"> - Submit monthly expenditure report to National Treasury by the 20th of every month - Limited quarterly performance information received (incorrect format and insufficient quality) from municipalities - Limited annual performance information received (incorrect format and insufficient quality) from municipalities 	<ul style="list-style-type: none"> - Accurate and timeous monthly reporting by municipalities - Accurate and timeous quarterly reporting (45th day after the quarter) to National Treasury and Sectors - Improve timeous receipt of annual performance report from municipalities to improve on quality of annual performance report submitted to National Treasury by DCoG 	<ul style="list-style-type: none"> - The Department submitted monthly expenditure reports to National Treasury by the 15th of every month

3 STRATEGIC OUTCOME Orientated Goals

In 2010, government introduced its approach to achieve results by identifying twelve Outcomes. Each Ministry and Department is responsible for a specific outcome through a performance agreement that became known as a Delivery Agreement. The Minister for Cooperative Governance and Traditional Affairs is responsible for the Delivery Agreement on Outcome 9: *A responsive, accountable, effective and efficient local government system.*

To achieve the vision of an integrated, responsive and highly effective governance system, the **DCoG** has identified the following eleven strategic goals:

- Strategic Goal 1: Facilitate implementation of a policy that provides for a differentiated approach to municipal financing, planning and support.
- Strategic Goal 2: Facilitate improved access to basic services and sustainable infrastructure.
- Strategic Goal 3: Facilitate and implement the Community Work Programme at local level.
- Strategic Goal 4: Deepen participatory democracy through a refined Ward Committee model.
- Strategic Goal 5: Enhance administrative and financial capabilities of municipalities.
- Strategic Goal 6: Strengthen cooperative governance and provide oversight and support to provincial and local government.
- Strategic Goal 7: Strengthen the capacity of the department to deliver on its mandate.
- Strategic Goal 8: Strengthen the effectiveness of cooperative governance through the development and roll-out of policies and legislation.
- Strategic Goal 9: Facilitate implementation of sustainable economic development initiatives at local level.
- Strategic Goal 10: Strengthen, coordinate and support effective integrated disaster management and fire services.
- Strategic Goal 11: Strengthen measures to fight corruption and unethical conduct.

These strategic goals are defined for the period 2011-14, given the strategic focus on delivering the outputs of the Delivery Agreement on Outcome 9. These goals are therefore directly in line with the outputs of the Delivery Agreement and replace the strategic priorities set in the strategic plan 2009-14, which were to:

1. contribute to building the Developmental State in National, Provincial and Local Government that is efficient, effective and responsive;
2. strengthen Accountability and Clean Government;
3. accelerate Service Delivery and support the vulnerable;
4. foster Development Partnerships, Social Cohesion and Community Mobilisation;
5. strengthen the Capacity and Capability of the department to deliver on its mandate.

4 PERFORMANCE INFORMATION by Programme

4.1 Programme 1: Administration

PURPOSE

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

OBJECTIVES AND MEASURES

The programme seeks to achieve the following objectives:

1. Improve the strategic management and governance processes.
2. Profile the Department and its programmes through media and marketing, and improve communication capacity in municipalities.
3. Provide effective and efficient legal support to the Department.
4. Improve the Strategic Management and Governance processes, and provide focused support to municipalities based on evidence of municipal performance.

SERVICE DELIVERY OBJECTIVES AND INDICATORS

The programme is divided into seven Sub-Programmes:

- **Financial Management Services**

The key achievements of the Financial Management Service Units (inclusive of Supply Chain Management) during the 2013/14 financial year, over and above the prescribed day-to-day financial management functions, were as follows:

- Improvements with the processing of payments within the 30-day payment period.
- Finalisation and approval of the Budget Policy and Procedure Manual for the Department.
- Development of a Salary Advance Policy and Subsistence Policy for the Department.
- Implementation of the revised Supply Chain Management and Asset Management Policies.
- Documentation of key Supply Chain Management processes and the communication thereof to the different Line Functions.



- Development and monitoring of the implementation of a Post Audit Action Plan on the 2012/13 audit process.

- **Human Capital Management**

The Human Capital Management sub-programme achieved the following:

- A proposed organisational structure for concurrence by the Department of Public Service and Administration (DPSA) was submitted.
- An HR plan was developed and reports thereof were submitted to DPSA.
- A climate survey was conducted, the outcome of which resulted in the development of a change management strategy to be implemented in the 2014/15 financial year.
- Employees were trained in various disciplines as outlined in the HR plan.

- **Communication and Marketing**

During the ten-month period ending 30 April 2014, a number of communications initiatives, all aimed at making the public more aware of the significance of both CoGTA as a department and its collection of important programmes, have been put in place and are now either operational or are at an advanced stage of development.

In addition to these initiatives, as a method of enhancing our overall communications performance, we have taken over both the area and the equipment vacated by the National Disaster Management Centre (moving to their own offices) and installed:

- The CoGTA Local Information Nerve Centre – LINC – a high-tech computerised monitoring system which alerts officials to bottlenecks and situations where people are either not receiving what they have been promised, or where there have been unexpected or unwarranted delays. It also acts as an early warning system of possible protest action and triggers prior intervention.

Overall, a collective management approach has been adopted. This is as opposed to the 'promotion of individual agendas' approach, which was previously in place. The collective management approach obliges all communications personnel to engage with one another, to agree on objectives and to reach consensus on the most effective way to achieve the objectives. This in itself acts to build the capacities and capabilities of all personnel.

In addition, a team of highly skilled professional communicators have been engaged, on a contractual basis, to add impetus and finesse to the Department's communications efforts and excellence to its outcomes, and, in the process, to mentor departmental employees.

Furthermore, during the past year, each member of the communications team has either been enrolled in or has completed a series of capacity-building/skills-development courses, specifically tailored to the individual skills-set, which has resulted in a higher degree of professionalism in all communications activities.

- **Corporate Planning and Governance**

This sub-programme provided strategic management support and directed the system of corporate gov-

ernance with a view to achieving the long term strategic goals of the Department. In terms hereof, the sub-programme facilitated the alignment of departmental plans to government directives in the form of the National Development Plan and Medium Term Strategic Framework, the development of the Annual Performance Plan 2013/14, the development of the monthly and quarterly performance reports, as well as the Annual Report 2012/13, coordinated the departmental quarterly performance reviews and provided a gap analysis of performance as an early warning mechanism with the intention of enriching management decision making on the future direction of projects. Support was also provided to branches to ensure that the performance targets and indicators are well defined and adhere to the Smart Criteria as outlined in the Framework for Managing Programme Performance Information, the Framework for Strategic Planning and the Annual Performance Plan by National Treasury.

- **Monitoring and Evaluation**

During the period under review, this sub-programme conducted Performance Management System assessments in four provinces (Mpumalanga, Free State, Limpopo and Northern Cape). The Monitoring and





Evaluation Unit, in collaboration with SALGA and the Local Government Sector Education and Training Authority (LGESTA), is working on a training module to support municipalities in the Performance Management System.

The Local Government Learning group was introduced by the Department. This consists of three learning work streams, one of which was for Monitoring and Evaluation (M&E). The Monitoring and Evaluation Unit ensured the coordination and hosting of the M&E learning groups by several provinces. Three M&E learning network groups were convened in three provinces, namely Western Cape, Free State and Northern Cape.

The Department has successfully monitored and reported progress against the Programme of Action on Outcome 9 on a quarterly basis.

- **Internal Audit and Risk Management**

A risk-based Internal Audit Plan was approved by the Audit Committee and subsequently implemented. The Unit conducted a number of internal audits and ad hoc projects during the year and provided comprehensive recommendations for improvement to the Department, where appropriate. Internal Audit also played a key role in verifying the completeness and accuracy of the assets and inventories purchased for the Community Work Programme.

Internal Audit assisted the Department with the following forensic investigations:

- Irregularities in the Information Technology Infrastructure at the National Disaster Management Centre (NDMC). This investigation has been finalised and the Department is in the process of implementing appropriate disciplinary action, as recommended.
- Allegations of mismanagement of funds of the Department of Cooperative Governance by the South African National Cooperative Limited (SANACO). This investigation was proclaimed by the President

on 23 January 2014 and is currently being undertaken by the Special Investigating Unit (SIU).

- **Risk Management**

The Department conducted an annual risk assessment in accordance with the Risk Management Policy. The risk profile of the Department was developed and monitored, based on departmental objectives. The departmental risk register was used to develop the three-year rolling Internal Audit plan, as the Department follows a risk-based audit approach.

The management of risks has improved and has resulted in improved performance within the Department. The current year's ?? (MPAT) review was further confirmation of the Department's efforts to instil a culture of risk management, as the Department was rated to be performing at level four. Risk management has been integrated within performance monitoring.

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

The Legislative Review, Drafting and Support Services Unit is responsible for providing legal advice, contract management and due diligence, drafting

and processing of the legislation as reflected in the annual legislative programme, legislative review and providing litigation support to the Ministry. During the past financial year, a number of court cases emanating from the findings of the Nhlapo Commission (recognition of Kingships) were dealt with successfully. The Local Government: Property Rates Act, 2004 (Act 6 of 2004) was amended to provide for, amongst others, the protection of the vulnerable through fairer treatment of those who cannot afford to pay property rates. The legislative programme for 2013 was submitted to Parliament in January 2013.

- **International and Donor Relations**

The International and Donor Relations unit has accomplished major achievements in the approval of the Donor and International Relations strategies for the Department, while also concluding four MoUs to further the Department's role in supporting South African Foreign policy imperatives and the coordination of Official Development Assistance from various development partners for the benefit of the Department and the Local Government sector.



SERVICE DELIVERY ACHIEVEMENTS

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

STRATEGIC OBJECTIVE	ACTUAL ACHIEVEMENT 2012/13	PLANNED TARGET 2013/14	INDICATORS	ACTUAL ACHIEVEMENT 2013/14	DEVIATION FROM ACTUAL ACHIEVEMENT	COMMENT ON DEVIATIONS
Provide effective internal financial management to CoGTA by implementing the Post Audit Action Plan (PAAP)	PAAP was developed and implemented successfully	PAAP 2013/14 developed by 31 September 2013 and implemented by 31 March 2014 to improve audit outcomes	PAAP developed and implemented by target date	Partially achieved Progress recorded on implementing of agreed actions from Programme Managers up to the end of March 2014 In Audit has verified progress	The deviations are mainly due to dependencies on the different role players	
Provide human resource services by implementing the annual HR plan	All transfer payments were made in compliance with the DoRA specifications and National Treasury payment schedule HR Plan reviewed and approved Climate Survey TORs approved Priority list approved Seven additional SMS members absorbed in permanent posts and 21 SMS members seconded to CWP for a period of three years	2013/14 Transfer payments made according to the DoRA by 31 March 2014 Review, implement and submit report on HR plan to DPSA by 31 March 2014	Transfer payments made according to the DoRA by target date Implementation report on the HR plan submitted to DPSA by target date	Achieved Transfers have been done according to the approved payment	-	-
				Partially achieved HR report submitted to DPSA and proposed organisational structure submitted to DPSA in Dec 2013. - Training of staff conducted in various disciplines - Climate surveys conducted - Critical funded posts filled	Delays in the approval of structure by DPSA	DPSA has not concurred in respect of the organisation structure due to more information requested

STRATEGIC OBJECTIVE	ACTUAL ACHIEVEMENT 2012/13	PLANNED TARGET 2013/14	INDICATORS	ACTUAL ACHIEVEMENT 2013/14	DEVIATION FROM ACTUAL ACHIEVEMENT	COMMENT ON DEVIATIONS
Effective monitoring, reporting and evaluation of provincial and local government	Section 48 report FY 2010/11	Section 48 report FY 2011/12 developed by 31 March 2014	Section 48 report FY 2011/12 developed by target date	Partially achieved The Department is in process of compiling the 2011/2012 report	Late submission of section 47 municipal performance reports by MEC of local government remains a challenge for consolidation and development of Section 48 reports	
	Established an M&E structure in Limpopo and a workshop held in the Northern Cape on the establishment of the Fora	Monitoring and reporting system for local government developed by 31 March 2014	Monitoring and reporting system for local government developed by target date	Not achieved Terms of Reference were developed and advertised for the appointment of a service provider	During project conceptualization work involved was underestimated; as a result majority of steps to accomplish the project were not fully considered	This project will be finalised during the 2014/15 financial year
	Established an M&E structure in Limpopo and a workshop held in the Northern Cape on the establishment of the Fora	4 Provinces supported to develop and implement PMS framework through workshops by 31 March 2014	Number of provinces supported to develop and implement Performance Management System (PMS) framework by target date	Partially achieved Performance Management System (PMS) assessments have been conducted in 4 provinces (Free State, Mpumalanga, Limpopo and Northern Cape)	The Department sourced funding from LGSETA to conduct training for municipalities as per assessment reports Training could not take place due to delays in the appointment of the service provider from the LGSETA side	Training will commence in the 1st quarter of the 2014/15 financial year
	-	Core set of local government performance indicators reviewed and submitted to MINMEC for approval by March 2014	Approved core set of local government performance indicators by target date	Partially achieved A sector workshop was convened and the second draft Local Government Indicators was developed and used to consult municipalities in 8 provinces Inputs were received from municipalities through the provinces and consolidated into the proposed indicators	The consultation process with all relevant stakeholders, i.e. sector departments and municipalities, took longer than anticipated	The process of consultation will be concluded during the 2014/15 financial year

Chapter 2

STRATEGIC OBJECTIVE	ACTUAL ACHIEVEMENT 2012/13	PLANNED TARGET 2013/14	INDICATORS	ACTUAL ACHIEVEMENT 2013/14	DEVIATION FROM ACTUAL ACHIEVEMENT	COMMENT ON DEVIATIONS
Improve the strategic management and governance processes	APP 2013/14 approved and submitted to Parliament	Review the three-year rolling plan and conduct internal audits in terms of the approved plan by 31 March 2014	AAP approved by the Audit Committee and audits conducted by target date	Partially achieved 18 out of 23 plan audits were completed and reports discussed with management	5	Internal Audit had two vacant posts during the year The annual plan was drafted based on a full staff complement Also Internal Audit received four <i>ad hoc</i> requests from management for additional work to be performed
	Risk management policy, strategy, framework and annual implementation plan reviewed and approved Strategic Risk assessments were conducted and risk profiles approved	Annual risk management plan implemented by 31 March 2014	Annual risk management plan developed and implemented by target date	Achieved The Risk Management policy and strategy documents were reviewed and approved The annual risk management plan was also developed and approved	-	-
	The Anti-corruption Policy, Fraud Prevention Plan and implementation plan documents have been reviewed and approved Fraud Risk Register has been reviewed and updated Quarterly Articles on fraud prevention were circulated Implementation of fraud actions plans were monitored and register updated	Annual fraud plan developed and implemented by 31 March 2014	Annual fraud prevention plan developed and implemented by target date	Achieved The Anti-Corruption and whistle blowing policy, Fraud Prevention Plan and annual plan were approved Fraud risk register was reviewed and updated	-	-

STRATEGIC OBJECTIVE	ACTUAL ACHIEVEMENT 2012/13	PLANNED TARGET 2013/14	INDICATORS	ACTUAL ACHIEVEMENT 2013/14	DEVIATION FROM ACTUAL ACHIEVEMENT	COMMENT ON DEVIATIONS
Communication Capacity Building	77 municipalities were capacitated in communication strategy	40 municipalities capacitated	Number of municipalities capacitated with communication tools through the rollout of the communication strategy by target date	Achieved 103 Municipalities were capacitated with communication tools The training was a partnership between CoGTA , SALGA and GCIS, and focused on Strategy Development, Media Engagement and its importance to Government, Rapid Response and Crisis Communications.	63 capacitated	The number of municipalities participating was 103 and not 130. This was due to a good turn-out by municipalities.
Profile departmental programmes through implementation of the Communication strategy	43 Media engagements were initiated	6 Departmental programmes profiled by end March 2014	Number of departmental programmes profiled by target date	Achieved 9 Ministerial Local Government Forums conducted 70 media engagements were initiated in different print and electronic media 10 external and internal stakeholder engagements initiated	-	
Develop a guiding framework for donor engagement	Progress report on the four existing MoUs developed and approved	Progress reports on the four existing MoUs produced by 31 March 2014	Coordinate and monitor the implementation of four existing MoUs with international partners by target date	Achieved Concluded 4 MoUs with: GIZ-GSP agreement on "Policy coherence and IGR" Palestine on "Cooperation exchange on LG issues" Italy on "LED" SA, DRC and Angola on "Tripartite mechanism on dialogue and cooperation"	-	
Donor Coordination Strategy developed and approved by March 2013	Donor Coordination Strategy developed and approved by March 2013	Two donor agreements to support key programmes and outputs in DCoG by 31 March 2014	Donor Coordination Strategy (DCS) developed and approved by target date	Achieved Donor Coordination Strategy developed and approved in March 2014. Donor agreements with GIZ and NESTAFRICA concluded.	-	
Facilitate the implementation of the International Relations strategy		Three international partnerships established and maintained by 31 March 2014	Facilitate the establishment of international partnerships to support key programmes and outputs in DCoG	Achieved International Relations Strategy developed and approved in March 2014 GIZ agreement MoU with Palestine Agreement with NESTAFRICA Learning exchanges with Bangladesh, Jamaica, Cuba and the BRICS were also conducted	-	

LINKING PERFORMANCE WITH BUDGET: PROGRAMME ONE

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

SUB-PROGRAMME NAME	2013/2014			2012/2013		
	Final Appropriation	Actual Performance	(Over) Under Expenditure	Final Appropriation	Actual Performance	(Over) Under Expenditure
Ministry	36 735	36 735	0	35 138	35 036	102
Management	15 741	15 741	0	12 828	12 828	0
Chief Operating Officer	11 802	11 802	0	20 256	16 297	3 959
Corporate Services	44 642	44 642	0	45 645	45 611	34
Financial Services	27 412	27 030	382	24 531	24 521	10
Communication and Liaison	15 743	15 743	0	13 922	11 423	2 499
Legislation, Review & Drafting	6 564	6 564	0	11 485	6 378	5 107
Internal Audit & Risk Management	8 743	8 743	0	11 598	8 283	3 315
Office Accommodation	44 499	44 499	0	30 435	23 248	7 187
Total	211 881	211 499	382	205 838	183 625	22 213

4.2 Programme 2: Policy Research and Knowledge Management

PURPOSE

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

OBJECTIVES AND MEASURES

The programme seeks to achieve the following objectives:

1. Strengthen Information and Communication Technology (ICT) and Knowledge
2. Management capacity to support the key objectives of the Department by the end of 2015/16.
3. Strengthen ICT and Knowledge Management capacity to support the key objectives of the Department.
4. Undertake research to inform policies aimed at strengthening the system of provincial and local government.

SERVICE DELIVERY OBJECTIVES AND INDICATORS

The programme is divided into three Sub-Programmes:

- **Information, Communication and Business Technologies**
The Information, Communication and Business Technologies unit's strategic objective is to ensure that ICT capacity is strengthened to support the key objectives of the Department. In this financial year, the sub-programme has upgraded key hardware infrastructure and wide area network capabilities to ensure 95% availability of critical systems and services. In addition, good ICT corporate governance controls were improved by the revision and implementation of various ICT policies. Efficiency, effectiveness and enhanced security were achieved through the migration from Novell to an integrated Microsoft platform which facilitates a secure and stable authentication, messaging and collaboration environment.
- **Policy and Research**
The Unit developed an in-depth analysis of Service Delivery protests. The focus of this analysis is the heightened service delivery protests that continue to take place throughout South Africa. This report examines both the stated demands and factors underlying these protests in order to better understand how to formulate an effective response to them.



The report highlighted the following important matters for consideration by the Department:

Municipalities should receive more guidance on implementing, improving and innovating public participation. A number of options should be researched and considered, including:

- Executive Mayors should be responsible for public participation and not speakers, (Section 56 (g) and (h) of the Municipal Structures Act gives this responsibility, in the final instance, to the Executive Mayor).
- Communication units in Mayoral Offices should be structured effectively to respond to petitions.
- The influence of ward councillors in the mayoral executive system has been weak, and the way in which ward councillors can influence council agendas and decisions need to be reconsidered.
- More accountability and transparency in mayoral executive systems is required (e.g. considering a specific Code of Conduct for Executive Mayoral Committees);
- The engagement with civil society and the private sector must be improved, with more emphasis on partnerships (current examples of such partnerships can be used to develop best practices).

- Ward allocations for small-scale improvement projects at ward level should be implemented, whilst also giving due consideration to involving residents at ward level.
- Communication should be improved, specifically on projects being undertaken in the ward (or in the city) which will benefit the residents.

The work on service delivery protests not only informed a round table on the underlying social reasons for protests and a discussion on the topic at a special technical MinMEC, but also strengthened engagements by the principals with critical stakeholders, during the period before the national election, on dealing with community needs.

- **Knowledge and Information Management**

This sub-programme provides knowledge and information management products and services in CoGTA, and ensures facilitation of proper knowledge and information management in local government. The sub-programme has, in this financial year, automated two business processes, namely the HR leave and submission processes. It has also entered into partnerships with key stakeholders, such as DSD, AGSA, NARS, SALGA, NT, DPME and SITA, to embark on a process of improving Records Management in municipalities, leading to the development of a Records Management checklist to assist municipalities in this area. The sub-programme has further led the process of reviewing the Knowledge Management curriculum for councillor training, which will be delivered in the next financial year. Within the Department of Co-operative Governance and Traditional Affairs, this sub-programme is responsible for the day-to-day management of the library, records management and the intranet, including management of the content thereof.

SERVICE DELIVERY ACHIEVEMENTS

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

STRATEGIC OBJECTIVE	ACTUAL ACHIEVEMENT 2012/13	PLANNED TARGET 2013/14	INDICATORS	ACTUAL ACHIEVEMENT 2013/14	DEVIATION FROM ACTUAL ACHIEVEMENT	COMMENT ON DEVIATIONS
Strengthen ICT and knowledge management capacity to support the key objectives of the DCoG	Concept document completed and approved	95% availability of Bas, Persal, Logis, internet, email and all other critical systems and services by 31 March 2014	Percentage availability of financial management applications, email, fast internet access and all other systems used by the DCoG by the target date	Achieved 97% availability of critical systems and services achieved by March 2014 Hardware upgraded and network links installed to ensure redundancy and backup for high availability	-	
Strengthen ICT and knowledge management capacity to support key objectives of the DCoG	Key interventions implemented include the corporate portal, automation of two business processes, file plans and establishment of a legal library	Two KMS interventions focusing on business process automation implemented by 31 March 2014	Number of Knowledge Management Strategy (KMS) interventions implemented by target date	Achieved Two business processes: HR leave and submission processes automated	-	
Undertake research to inform policies aimed at strengthening the system of provincial and local government	4 papers developed	Develop four papers covering governance, service delivery and financial management by date 31 March 2014	Number of policy papers aligned to the Departmental mandate developed by target date	Achieved 4 Research papers were developed. The topics were: Service Delivery Protests (also updated in the 4th quarter for the DM's seminar) Trends on compliance and lessons on good governance from the audit outcomes of LG 2011/12 Municipal Financial Management and Audit performance outcomes Progress with service delivery	-	

PROGRAMME 2: SUB-PROGRAMME BUDGET AND ACTUAL EXPENDITURE

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

SUB-PROGRAMME NAME	2013/2014			2012/2013		
	Final Appropriation	Actual Performance	(Over) Under Expenditure	Final Appropriation	Actual Performance	(Over) Under Expenditure
Management: Research and Policy	3 038	3 038	0	3 200	3 164	36
Policy Methods And Research	5 857	5 837	20	5 769	5 760	9
Knowledge And Information Management	7 289	6 579	710	8 756	8 138	618
Knowledge And Information Management	35 999	35 999	0	34 038	32 849	1 189
Total	52 183	51 453	730	51 763	49 911	1 852

4.3 Programme 3: Governance and Intergovernmental Relations

PURPOSE

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

OBJECTIVES AND MEASURES

The programme seeks to achieve the following objectives:

- Facilitate the implementation of policy and legislation to strengthen cooperative governance across the three spheres by end 2013/14.
- Strengthen the functionality of Ward Committees and enhance community participation.
- Implement initiatives to improve financial management, expenditure and revenue enhancement.
- Strengthen measures to combat corruption and unethical conduct.

SERVICE DELIVERY OBJECTIVES AND INDICATORS

During the year under review the objectives of the Chief Directorate Intergovernmental Relations Coordination were to strengthen the implementation of the Intergovernmental Relations Framework Act (2005) and to monitor S139 interventions into local government. Over the medium term, the Intergovernmental Relations Framework Act (2005) will be revised to strengthen the governance arrangements for effective intergovernmental relations (IGR) between the three spheres.

Key activities in 2013/2014 included the technical finalisation of the Intergovernmental Monitoring Support and Interventions Bill, and conducting a research and monitoring survey to assess the functionality of district, provincial and national intergovernmental relations forums. A comprehensive report with recommendations for strengthening the district forums' coordination functionality was produced by target date of March 2014. This assessment is being continued during 2014/2015 and will inform recommendations for strengthened intergovernmental practice across government. The Intergovernmental Monitoring Support and Intervention Bill was finalised for approval by Parliament.

This programme is divided into four sub-programmes:

- **Governance and Public Participation**
During the year under review, increasing the number and fast-tracking the development and implementation of ward level operational plans served as part of the key support measures to strengthen the functionality of ward committees, thereby enhancing com-



munity participation. Through the implementation of a hands-on technical support programme, municipalities were assisted to develop ward level operational plans, which seek to provide an environment for ward committees to participate in core municipal processes, i.e. planning, implementation and monitoring of service delivery at ward level. The plans further assist municipalities with practical implementation of well planned, resourced and more structured participatory programmes. As at 31 March 2014, a total of 2 059 ward level operational plans had been developed and are being implemented in 125 local municipalities across all provinces.

The implementation of a funding model for municipalities classified as grades 1 to 3 led to improved functionality of ward committees. Through this funding, each municipality in grades 1 to 3 received an allocation that enabled them to provide stipends of R500 per month for 10 members of each ward committee. The payment of stipends was linked to performance, which was measured through the functionality indicators developed for ward committees.

Capacity-building programmes to strengthen the functionality of ward committees were rolled out in various provinces. These programmes included, inter alia, workshops and structured training (accredited/non-accredited) where applicable.

- **Intergovernmental Fiscal Relations**

During the year under review, one hundred and twenty eight municipalities were supported to implement the Municipal Infrastructure Grant (MIG) programme through various engagements, including MIG under-expenditure engagements, Project Management Units business plans appraisals, monthly coordination meetings, workshops and site visits to projects.

Thirty municipalities were monitored and assessed in connection with compliance with the Municipal Property Rates Act (MPRA), and guidance (by way of findings and recommendations) was provided to non-compliant municipalities. In addition, Parliament was supported in processing the Municipal Property Rates Amendment Bill after Cabinet approved the Bill's introduction into Parliament.

An assessment of the credit control and debt collection policies of 30 municipalities has been conducted. These municipalities were advised about the gaps identified in their policies and what was needed for these policies to be implemented before municipalities were challenged in courts about the implementation.

- **Anti-corruption unit**

The Anti-corruption Inspectorate continued to focus on two areas, both aimed at reducing the incidence of corruption in municipalities. The first area of support was to strengthen ethics committees through training in ethics management. This will continue in the 2014/15 financial year, not only to train new committees, but also assess the functionality of those already trained. The second area is an on-going project aimed at coordinating the investigations of alleged cases of corruption referred to the law enforcement agencies, provincial CoGTA departments and municipalities. A comprehensive report of the analysis of trends of cases that have been concluded was produced by the target date of March 2014. The highlight for the year was the anti-corruption summit held in collaboration with the South African Local Government Association (SALGA) and based on the resolution taken, a draft review of the anti-corruption strategy was developed.

SERVICE DELIVERY ACHIEVEMENTS

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

STRATEGIC OBJECTIVE	ACTUAL ACHIEVEMENT 2012/13	PLANNED TARGET 2013/14	INDICATORS	ACTUAL ACHIEVEMENT 2013/14	DEVIATION FROM ACTUAL ACHIEVEMENT	COMMENT ON DEVIATIONS
Implement policy and legislation to strengthen cooperative governance	The Report on Functionality of District IGR Structures was finalised	Conduct assessment of Provincial IGR Functionality by March 2014	Assessment on the functionality of provincial IGR structures developed by target date	Partially achieved The Assessment Phase was not finalised and the Report is still under development	The Assessment Report will be finalised by September 2014	The political nature of the Assessment resulted in substantive delays in obtaining information and interviews from key role-players
	Submitted the Bill on Support, Monitoring and Interventions to the Minister for approval for the purposes of tabling before Cabinet	The proposed Bill submitted to Parliament by March 2014	Proposed Intergovernmental Monitoring, Support and Interventions (IMSI) Bill submitted to Parliament by target date	Partially achieved The Bill served before G&A Cluster on 11 February 2014 The Cluster requested another session discussion on the Bill in the 2014/15 financial year		Cabinet has postponed discussion of the Bill since November 2013
Strengthen the functionality of ward committees and enhance community participation	Operational plans developed and implemented in 626 wards	Increase development and implementation of ward level operational plans from 500 to 2 000 wards by 2014	Number of ward level operational plans developed and implemented in municipalities	Achieved 2 059 ward operational plans developed and implemented in 125 local municipalities across all provinces	59 Ward operational plans	Department implemented a hands-on technical support programme to targeted Municipalities
Implement initiatives to improve financial management, expenditure and revenue enhancement	92 municipalities supported through workshops to spend on MIG programmes	Provide advice and support to 120 municipalities by way of workshops, training, projects appraisals to improve on MIG expenditure by 31 March 2014	Number of municipalities monitored to spend on MIG by target date	Achieved 128 municipalities were supported to implement the MIG programme	8	The Department secured additional MIG expenditure engagements with municipalities within Eastern Cape Province towards the end of the 2013/14 financial year

STRATEGIC OBJECTIVE	ACTUAL ACHIEVEMENT 2012/13	PLANNED TARGET 2013/14	INDICATORS	ACTUAL ACHIEVEMENT 2013/14	DEVIATION FROM ACTUAL ACHIEVEMENT	COMMENT ON DEVIATIONS
	136 municipalities supported through workshops on credit and debt collection policy	Monitor, assess and report on implementation of credit control and debt collection policies and payment of government debt in 30 municipalities by 31 March 2013	Number of municipalities monitored and assessed on enhancing revenue collection by target date	Achieved 30 credit control and debt collection policies have been assessed; municipalities have been informed of policy gaps identified	-	-
	24 municipalities assessed with respect to compliance with the MPRA and corrective measures communicated to non-compliant municipalities for these to be addressed in the 2013/14 municipal budgeted related policies	Monitor and assess compliance by 30 municipalities with the MPRA and provide guidance to non-complying municipalities by 31 March 2014	Number of municipalities monitored, guided and assessed with compliance to Municipal Property Rates Act (MPRA) by target date	Achieved 30 municipalities monitored and assessed with respect to compliance with the MPRA and guidance provided to non-compliant municipalities	-	-
Strengthen anti-corruption capabilities of municipalities	Evaluation and training conducted in Eastern Cape and Western Cape Three(3) district municipalities and their respective locals in EC, and two(2) district municipalities and their locals in the WC	40 ethics committees established and members trained by 31 March 2014	Number of existing ethics committees trained in municipalities by target date	Partially achieved 34 ethics committees established and members trained in municipalities	6 ethics committees to be trained	Dates for training sessions were scheduled and had to be cancelled due to other priorities in municipalities
		Develop a comprehensive report on corruption trends in municipalities by 31 March 2014	Strengthen relationships with key stakeholders in the fight against corruption (Auditor-General, DPSA, NT, SALGA, Hawks, SIU) by target date	Achieved Report on allegations referred and investigation report produced		

PROGRAMME 3: SUB-PROGRAMME BUDGET AND ACTUAL EXPENDITURE

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

SUB-PROGRAMME NAME	2013/2014			2012/2013		
	Final Appropriation	Actual Performance	(Over) Under Expenditure	Final Appropriation	Actual Performance	(Over) Under Expenditure
Management: Governance	9 800	9 800	0	4 954	4 471	483
Intergovernmental Coordination	4 986	4 986	0	5 626	5 576	50
Intergovmntl Fiscal Relation	26 903	15 629	11 274	142 805	140 953	1 852
Governance and Public Participation	3 532	3 508	24	6 215	2 903	3 312
South African Local Government Association	25 999	25 999	0	28 848	26 726	2 122
Municipal Demarcation Board	42 152	42 152	0	40 362	40 362	0
South African Cities Network	11 786	11 765	21	5 540	3 693	1 847
United Cities and Local Government of Africa	5 331	2 123	3 208	363	0	363
Local Government Equitable Share	40 595 010	38 964 252	1 630 758	37 873 396	37 139 477	733 919
Total	40 725 499	39 080 214	1 645 285	38 108 109	37 364 161	743 948

4.4 Programme 4: National Disaster Management Centre (NDMC)

PURPOSE

To promote an integrated and coordinated system of disaster management with special emphasis on prevention, mitigation and preparedness by national, provincial and municipal organs of state, statutory functionaries and other role players involved in disaster management. This programme is also responsible for the administration and oversight of fire services legislation.

OBJECTIVES AND MEASURE

The programme seeks to achieve the following objectives:

- Improve the proactive and responsive capability of the disaster management centres across the spheres of government by providing ongoing guidance and policy support on the establishment and functionality of centres.
- Support the establishment and effective operation of fire services by enhancing the legislative framework for fire services and by developing a discussion document of fire brigade services to ensure that legislation responds to changing conditions by March 2013.
- Enhance disaster management capability across all spheres of government by reviewing the Disaster Management Act (2002) and developing a draft amendment bill by March 2013.
- Enhance and strengthen capacity in the disaster fraternity by providing support to 15 disaster manage-

ment students, through the disaster risk management bursary programme by March 2013.

- Ensure integrated and well-coordinated disaster management planning and implementation by providing support to government, the relevant sectors and other stakeholders to submit their disaster risk management plans by March 2013.

SERVICE DELIVERY OBJECTIVES AND INDICATORS

- **Legislation, Policy and Compliance Management**
A draft Disaster Management Amendment Bill was compiled, approved by the Minister and Cabinet and gazetted for public comment. The comments submitted were incorporated into the draft Disaster Management Amendment Bill, which was approved by the Minister and will be submitted to Cabinet for further processing.

An Urban Search and Rescue (USAR) Framework was developed and gazetted. It aims to elucidate the exact parameters wherein USAR is organised, thereby not only guiding the development and operational functioning thereof, but also providing a single framework for coordination during these events.

The National Disaster Management Advisory Forum (NDMAF) is a body in which national, provincial and local government as well as other role players consult one another and coordinate their actions. Four NDMAF meetings were held during the year under review. A number of national departments presented



their progress reports on developing comprehensive disaster management plans.

There is global recognition of the important role the private sector has to play in managing disaster risk through, amongst others, Corporate Social Responsibility. The role of the insurance industry in disaster management activities can also be significant and options for joint projects and collaboration were taken forward by establishing and strengthening partnerships to reduce risk. One such initiative, which has been proven to be successful, is the Business Adopt a Municipality (BAAM) Project, which supports identified municipalities in fire services and disaster management projects with expertise and specific equipment.

- **Fire Services**

The administration of the Fire Brigade Services Act, 1987 (Act No. 99 of 1987) (FBSA) is one of the key mandates of the Department of Cooperative Governance (DCoG). The FBSA is administered by the Directorate: Fire Services Coordination (D: FSC) and provides for the establishment, maintenance,

employment, coordination and standardisation of fire brigade services in the country. The FBSA is old-order legislation and has been identified by the Department as one of the pieces of legislation that requires comprehensive review. During the Financial Year 2013/2014, the Department prepared a draft White Paper on Fire Services, following extensive consultation with fire services stakeholders across the country. The draft White Paper seeks to, amongst others, clearly define the roles and responsibilities of all spheres of government in the sustainable delivery of fire services and entrench fire safety and fire prevention as core deliverables of the fire services.

In addition, the Department also developed the Dangerous Goods Regulations, in consultation with the Department of Transport and other key role players. The purpose of the Regulations is to standardise the existing Dangerous Goods Permits issued by the various municipalities across the country. This will also enable municipalities to enforce compliance with the provisions of the Regulations across municipal boundaries.

PLANNING, COORDINATION, INTERVENTION AND SUPPORT

• NDMC Disaster Risk Reduction programmes

In implementing the Disaster Management Act, the NDMC is responsible for the promotion of a culture of risk avoidance amongst all stakeholders, by capacitating them through multi-hazard programmes of Disaster Risk Reduction. In order to enable the implementation of coordinated capacity development, advocacy and public awareness programmes, the NDMC, in consultation with Provincial Disaster Management Centres and some sector departments, has developed a national disaster management capacity building action plan for the year 2013/14. The plan was developed with the aim of strengthening disaster management by increasing capacity for disaster preparedness, risk reduction, early warning systems and post-disaster recovery and reconstruction. The action plan also seeks to contribute to building local capacities to respond to the local disaster risk dynamics and to building community resilience to disasters.

The programmes comprising the 2013/14 *National Disaster Management Capacity Building Action Plan* were Education and Training as well as Advocacy and Awareness, which are detailed below:

• Education and training programmes

Education and training programmes conducted for the year under review encompassed the formulation and administration of academia collaborations on disaster management capacity building, research and information services, as well as facilitating the roll-out of non-formal training programmes.

In line with the 2013/14 national capacity building action plan, the NDMC supported the development of curricula for formal and dedicated disaster man-

agement education and training programmes at institutions of higher learning, which included the University of Venda, Durban University of Technology, Stenden SA, and KwaZulu-Natal University.

This support was also provided to programmes from other disciplines that integrate elements of disaster management. The process ensured that these programmes are designed in accordance with approved unit standards and academic requirements of the National Education, Training and Research Needs and Resources Analysis (NETaRNRA), the South African Qualification Authority (SAQA), and the National Qualification Framework (NQF), amongst other requirements.

The formal and dedicated disaster management education and training programmes at institutions of higher learning target disaster management practitioners and practitioners in professions associated with disaster management. These programmes contribute to enhancing a professional career path in the sector.

The NDMC also supported non-formal training interventions, focusing on training areas such as hazard identification, risk assessment and profiling, use of local indigenous knowledge in disaster risk reduction, preparedness planning, early warnings and general safety measures. Categories of these types of training programmes included amongst others workshops, information sessions, seminars, conferences, drills, exercises and rehearsals.

The non-formal training interventions are capable of transferring skills as well as capacitating a wide range of disaster management stakeholders, including traditional leaders, councillors, primary and secondary school teachers and learners, community develop-

ment workers, volunteers, ward committees, municipal workers, government department officials and policy makers. In the year 2013/14, informal training on disaster management was conducted for the various target groups.

The NDMC also contributed to skills development within the disaster management fraternity by funding and taking eligible unemployed and employed students/individuals through a comprehensive Master's Degree and Studentship Programme. In the 2013/14 financial year, 31 new students benefited, adding to a total number of *103 students that have benefited from the programme since its inception in 2011*. It was through this programme that full-time students were placed as interns with various government departments and non-governmental organisations as well as private organisations involved in disaster-related issues in South Africa for the purposes of enhancing their knowledge and skills in disaster management. The programme also supported the publication of research projects that are critical to informed policy decisions, as well as contributing to the body of knowledge in the country.



- **Advocacy and Awareness campaigns**

The implementation of the 2013/14 national capacity building action plan was successful, in that planned as well as new education and training, advocacy and awareness and research programmes were implemented in line with the action plan. The disaster risk reduction interventions comprised advocacy and multi-hazard awareness campaigns in schools and at-risk communities, as well as capacitation of traditional leaderships and community structures.

The implementation of the abovementioned disaster risk reduction interventions have had, and continue to have, a positive input in the success of the disaster management function. The level of disaster management capacities in the country has a direct bearing on the success of disaster risk reduction initiatives. The NDMC disaster risk reduction initiatives implemented in 2013/14 have contributed to building individual, institutional and environmental capacities in all three spheres of government.

The disaster risk reduction and capacity building initiatives have also contributed to enhancing the implementation of international and national frameworks, as well as to community-based disaster risk reduction. The capacities of communities to deal with the risks and disasters in their areas have been improved, and thus the communities can better safe-guard their livelihoods by the use of this knowledge imparted to and awakened in them.

- **Commemoration of the International Day for Disaster Reduction**

The International Day for Disaster Reduction (IDDR) is commemorated annually on 13 October under the auspices of the United Nations International Strategy for Disaster Reduction (UNISDR). This is commem-



orated under bi-annual themes in an effort to ensure the effective implementation of disaster risk reduction under the Hyogo Framework for Action (HFA) 2005-2015 and post. The theme for the 2013 IDDR was “*Living with Disability and Disasters*”.

- **Support, cooperation and guidance to other spheres of government**

In 2013/14, following provincial and local declarations of disasters, the following areas were assessed and classified by the NDMC: Eastern Cape, Limpopo, KwaZulu-Natal, North West, Northern Cape and the Western Cape. Funds amounting to R264 344 000 for emergency relief from the Provincial and Municipal Disaster Grant were subsequently allocated to these provinces within 90 days following the declaration of the disasters.

R1 329 283 460 was approved by Cabinet to be allocated to post-disaster reconstruction and rehabilitation in the Eastern Cape, KwaZulu-Natal, Limpopo, Mpumalanga and the Western Cape provinces following a post-disaster cost verification process. The funds were to be transferred over the adjustment budget and the Medium Term Expenditure Framework (MTEF) at a ratio of 12%, 50% and 38%.

A new Municipal Disaster Grant for post-disaster reconstruction and rehabilitation (Municipal Disaster Recovery Grant) was established and subsequently approved by National Treasury. **R118 340 000** for post disaster reconstruction and rehabilitation was allocated in the 2013/14 adjustment budget to municipalities in the Eastern Cape, Limpopo and the Western Cape.

- **Support stakeholder with the development of Disaster Management (DM) plans**

Revised draft guidelines for the integration of Disaster Management (DM) plans into municipal Integrated Development Plans (IDPs) were developed. The target of eight plans to be submitted to the NDMC was exceeded by seven additional plans. Two plans were formally assessed and feedback was provided. All seasonal contingency plans were drafted, submitted and implemented on time.

- **Intelligence and Information Management Systems**

The National Disaster Management Centre (NDMC) recognises Information Communication Technology (ICT) as a crucial enabler to achieve its strategic objectives. Thus NDMC embarked on a holistic approach to align its information systems and technology infrastructure with the strategic business direction of the Department, which necessitated the review of the previously developed ICT Strategy and incorporated requirements from Audit Reports.

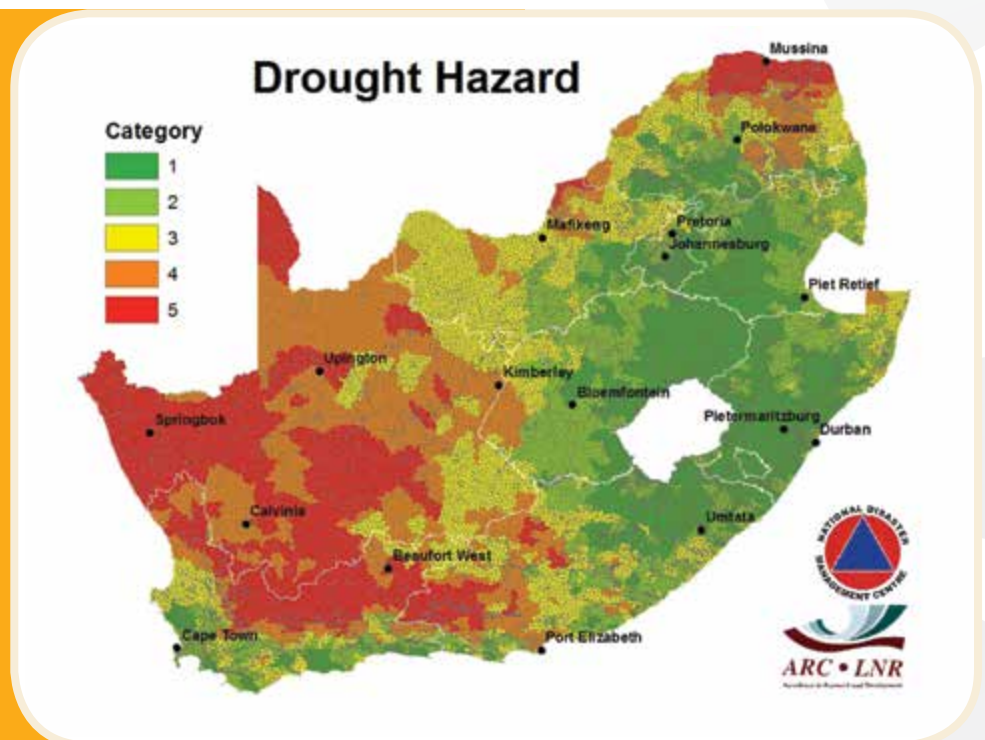
- **Early Warnings & Capability Management Systems**

In order to identify critical disaster risks and facilitate decision making on risk reduction initiatives and risk reduction interventions during the year under review, the NDMC developed the National Indicative Risk and Vulnerability Profile for Drought in collaboration with the Agricultural Research Council (ARC).

The figure below indicates the final output for the quantification of the drought hazard as calculated by ARC.

The map shows the highest class concentrated (indicating drought hazard) over northern Limpopo, north eastern North West, much of the Northern Cape and western Eastern Cape. This is due to the fact that these regions are regularly influenced by ENSO and generally are dependent on large scale rain-bearing weather systems, which are dependent, in turn, on large scale circulation in the southern African region.

The lowest hazard class is found over northern Eastern Cape, southern KwaZulu-Natal, through the eastern Free State, western Mpumalanga and Gauteng and into the Waterberg region in Limpopo.



Over these regions, conditions conducive to thundershowers may occur while large scale circulation can be less favourable and hinder precipitation occurrence over much of the rest of South Africa. The closer proximity to the Indian Ocean also improves the chances for regular precipitation, with moisture from that source more easily available over these parts. Another area where the lowest hazard class dominates is the southern winter rainfall area and the forested parts of the Garden Route. Over these parts, the ocean also plays a more important role in providing moisture and precipitation when a favourable surface flow occurs. Regularity of cold fronts in the southwest (as opposed to further up the west coast) also plays an important role in keeping much of the south-western winter rainfall region in the lowest class.

MONITORING AND EVALUATION

In an effort to ensure the implementation of the Disaster Management policy and legislation, and all other related matters, the NDMC has created a Monitoring and Evaluation Chief Directorate. The main functions of the unit are to ensure that the country has an integrated system for monitoring, reporting and evaluating disaster management initiatives across the spheres of government. The benefits of the creation of a Monitoring and Evaluation Unit within the NDMC will ensure that the NDMC and other relevant stakeholders move from “opinion-based policy” towards “*evidence-based policy*” or “*evidence-influenced policy*”. During the year under review, NDMC developed the DM M&E Framework. This framework is envisaged to provide a comprehensive and integrated strategic monitoring and evaluation direction to the entire Disaster and Fire services management in order to determine, on an on-go-

ing basis, how best to maximise the value of prevention, reduction, response and intervention. It is also intended to provide a step-by-step approach to the processes, procedures and methods for monitoring and evaluation to NDMC administration and management.

SERVICE DELIVERY ACHIEVEMENTS

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

STRATEGIC OBJECTIVE	ACTUAL ACHIEVEMENT 2012/13	PLANNED TARGET 2013/14	INDICATORS	ACTUAL ACHIEVEMENT 2013/14	DEVIATION FROM ACTUAL ACHIEVEMENT	COMMENT ON DEVIATIONS
Improve the system of disaster management and fire services	Discussion paper on Fire Brigade Services was finalised and published in Government Gazette for public comments, and in national newspapers	Draft White Paper on Fire Services legislation submitted to the Minister by 31 March 2014	Fire Brigade Services legislation revised by target date	Achieved Draft White Paper on Fire Services was submitted for processing to the Office of the Minister	-	-
	Draft Amendment Bill was approved by the Minister, submitted to Cabinet processes and to be published for public comments	Disaster Management Amendment Bill submitted to Cabinet for processing by 31 March 2014	Disaster Management Act, 2002, amended by target date	Achieved The Disaster Management Amendment Bill submitted to the Minister to approve its processing in Cabinet	-	-
A National Risk and Vulnerability profile for floods was developed	A National Risk and Vulnerability profile for floods was developed	National Indicative Risk and Vulnerability Profile for drought developed by 31 March 2014	National Indicative Risk and Vulnerability Profile for Drought developed by target date	Achieved The quantification of drought hazard, vulnerability and capacity, were completed	-	-
				The three completed components (hazard, vulnerability and capacity) were then calculated into the risk formula to provide each Mesozone with an overall risk score for drought	-	-

STRATEGIC OBJECTIVE	ACTUAL ACHIEVEMENT 2012/13	PLANNED TARGET 2013/14	INDICATORS	ACTUAL ACHIEVEMENT 2013/14	DEVIATION FROM ACTUAL ACHIEVEMENT	COMMENT ON DEVIATIONS
Improve the system of disaster management and fire services	Draft Regulations were developed and consulted with key stakeholders	National Disaster Management (DM) public awareness annual plan developed, implemented and monitored by 31 March 2014	Advocacy and awareness plan on DRR developed and implemented by target date	Achieved A National Disaster Management capacity building action plan for the year 2013/14 was developed, approved, implemented and monitored Advocacy and awareness campaigns were rolled out in the following provinces: Mpumalanga, North West, Limpopo, Gauteng, Free State, Eastern Cape and Kwa-Zulu-Natal Northern Cape and Western Cape were supported in developing advocacy materials and concepts The International Day for Disaster Reduction (IDDR) under the theme “ <i>Living with Disability and Disasters</i> ” was commemorated from 14-15 October 2013 in Limpopo Province Country position paper on disaster-disability mainstreaming was developed and will be consulted in 2014/15 with the aim of having it ratified by 31 March 2015	-	-
	Framework has been adopted by the key stakeholders and signed-off by the HoC	Develop the DM M&E Framework by 31 March 2014	Monitoring and evaluation (M&E) systems for disaster management developed by target date	Achieved The DM M&E Framework was developed and presented to the National Disaster Management Advisory Forum on 19 March 2014 Further inputs were requested for the implementation process for the next financial year The framework was also presented at the Advisory Forums in Northern Cape and Free State	-	-

PROGRAMME 4: SUB-PROGRAMME BUDGET AND ACTUAL EXPENDITURE

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

SUB-PROGRAMME NAME	2013/2014			2012/2013		
	Final Appropriation	Actual Performance	(Over) Under Expenditure	Final Appropriation	Actual Performance	(Over) Under Expenditure
Management: Head of Disaster	5 507	5 507	0	8 188	8 188	0
Legislation, Policy and Compliance Management	7 267	7 267	0	7 069	6 407	662
Planning Coordination and Support	10 990	10 990	0	12 789	10 102	2 687
Intelligence and Information Systems Management	17 735	17 411	324	18 412	15 386	3 026
Disaster Relief	652 940	382 684	270 256	510 000	74 030	435 970
Total	694 439	423 859	270 580	556 458	114 113	442 345

4.5 Programme 5: Provincial and Municipal Government Support

PURPOSE

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

OBJECTIVES AND MEASURES

The programme seeks to achieve the following objectives:

- Support provinces in discharging their mandate towards local government by providing reliable, objective information on provincial institutional capacity, through the development of diagnostic reports on provincial institutional capacity to support local government and in preparing an action plan by March 2013.
- Facilitate the development of an effective and efficient workforce within local government to enhance delivery of services within communities by developing uniform norms and standards for municipal staff establishments by March 2013.

SERVICE DELIVERY OBJECTIVES AND INDICATORS

This Programme is divided into seven sub-programmes:

- **Development Planning**

The Department developed the Revised IDP Framework for municipalities outside metros and secondary cities in 2012, as an initiative to address the key issues identified in the 2009 State of Local Government Report. This report revealed that municipalities had challenges in terms of delivering basic services to communities. The Revised IDP Framework focuses on assisting municipalities to produce IDPs that are credible and implementable, which focus on planning for the delivery of critical basic services and assist municipalities to achieve provincial and national priorities.

The Revised IDP framework seeks to:

- provide guidelines for determining priority services and project prioritisation;
- provide for the integration of sector plans approach and processes;
- provide guidelines, mechanisms and tools to link planning, budgeting, implementation, monitoring and reporting;
- improve the layout, structure and overall packaging of the IDP; and
- provide an approach to ensure that support to municipalities is provided in an integrated manner.



During 2013/14, the Department rolled out the Revised IDP Framework through workshops in 23 district municipalities to improve development planning capacity in municipalities outside metros and secondary cities. In addition, in order to improve GIS in municipalities, which is a critical development planning instrument, the Department trained 31 Local Government Turnaround Strategy (LG-TAS) municipalities in Northern Cape, North West, Limpopo and Mpumalanga.

INTEGRATED URBAN DEVELOPMENT FRAMEWORK (IUDF)

In response to the National Development Plan (NDP) and subsequent to the 2013 State of the Nation Address (SONA), the Department is developing an Integrated Urban Development Framework (IUDF). The purpose of the IUDF is to provide a framework for attaining liveable, resilient and inclusive urban spaces.

During 2013/14, the Department developed the IUDF Discussion Document, which provides a conceptual framework for integrated urban development, as well as building consensus on issues facing South Africa's urban areas.

The Department also successfully convened a Public Conference to officially launch the IUDF, in partnership with the Department of Human Settlements. Ten research papers, which served as an input to the draft IUDF document, were finalised.

The Department further organised the 2nd BRICS Urbanisation Forum and the 3rd Friendship Cities and Local Government Cooperation Forum to further discuss the issue of urbanisation. Organised under the theme "Towards sustainable urbanisation", the forums brought together key national, provincial and local government officials, as well as country representatives from Brazil, Russia, India, China and South Africa (the BRICS quintet). The meetings concluded with the adoption of two declarations to guide further interactions between the BRICS member countries.

- **Provincial Government Support and Intervention**

- **Section 105 & 106 MSA Guidelines**

Section 154 of the Constitution mandates national government and provincial governments, by legislative and other measures, to strengthen the capacity of municipalities to perform their functions.

Chapter 10 of the Municipal System Act, (No. 32 of 2000) provides for the provincial and national monitoring and standard setting. Section 105 requires that the MEC establishes mechanisms, processes and procedures in terms of Section 155 (6) of the Constitution.

During the year under review, the Department developed guidelines on provincial monitoring of municipalities as well as non-performance and maladministration in terms of Section 105 and 106 of the Municipal Systems Act in consultation with provinces.

- **Local Government Support and Intervention**

- **Local Government: Regulations on Appointment of Senior Managers**

During the reporting period, the regulations governing the appointment and appointment criteria of municipal managers and managers directly accountable to municipal managers (senior managers) were finalised and promulgated in Government Gazette No. 37245 (Notice No 21) on 17 January 2014.

These legislative reforms constitute an important advance in the transformation trajectory of local public administration and complement other institutional systems which are essential for the establishment of municipalities as frontline agencies responsible for service delivery. The regulations set out uniform standards for recruitment and selection of senior managers. The setting of these uniform standards will strengthen the capacity of municipalities to perform their functions by ensuring that they appoint suitably qualified and competent persons. It will reduce the concentration of persons with critical skills in affluent municipalities at the expense of smaller municipalities by allowing horizontal mobility within local government. These regulations confirm government's resolve to professionalise municipal administration and will go a long way in ensuring that the high incidence of irregular and inappropriate appointments comes to an end. They empower municipalities to move progressively towards the upliftment of communities through the more professional provision of basic services to communities.



- **Local Government: Competency Framework and Competency Assessment Batteries**

The regulations for senior managers incorporate the Local Government: Competency Framework for Senior Managers which prescribe the skills, expertise, competencies (including competency descriptors and achievement levels) and qualifications for senior managers). The competency framework consists on the one hand of critical leading competencies that drive the strategic intent and direction of local government, and on the other, core competencies that drive the execution of the leading competencies.

In order to give effect to the competency requirements as prescribed, competency assessment batteries for senior managers have been developed. The main purpose of the competency assessment batteries is developmental, selection and performance-based assessments. The implementation of the competency assessment batteries will ensure that municipalities employ competent senior managers capable of identifying challenges facing the new system of local government, and propose solutions to such challenges. This will ensure that municipalities appoint senior managers who will provide and direct a vision for local government, plan, manage, monitor and evaluate specific programmes and projects, in order to deliver on government priorities.

- **Local Government: Remuneration Framework and Upper Limits on the Total Remuneration Package Payable to Senior Managers**

A remuneration policy and framework for senior managers dealing with the practices, processes and guidelines which support the reward philosophy, guiding principles and strategy for municipi-

palities, has been developed. A Notice on Upper Limits of Remuneration Packages Payable to Senior Managers was gazetted in Government Gazette No. 37500 of 29 March 2014 (Notice No. 225).

The Notice standardises salaries of municipal managers and managers directly accountable to municipal managers to ensure fair and equitable salaries for senior managers, while allowing municipalities to recruit and retain competent senior managers. It also ensures that the remuneration and conditions of employment of senior managers support fair and equitable labour practices, do not undermine the need to prioritise service delivery to local communities and sustain viable local government, particularly in smaller municipalities.

- **Draft Local Government: Municipal Staff Regulations**

The drafting of regulations applicable to municipal staff below section managers has been completed. During the 2014/15 financial year, these regulations will be subjected to rigorous engagement with stakeholders, particularly labour.

- **Record of dismissed staff**

A record of dismissed staff and staff who resigned prior to finalisation of disciplinary proceedings has been developed. So far, 217 disciplinary and dismissal cases have been captured on the database.

The record will promote good governance and ethical conduct in local government. The database will serve as a central repository of information pertaining to disciplinary proceedings, which will assist in fast tracking disciplinary cases and serve



as a tool to enable municipalities to 'blacklist' staff members who have been dismissed for misconduct. This record supports government's resolve to root out corruption in the public sector and will prohibit the employment of municipal employees dismissed for misconduct in any municipality for a prescribed period (this period ranges between two and ten years).

- **Once-off gratuity to non-returning councillors**

A second tranche of additional roll-over of R15 million was approved by National Treasury and transferred to the Department during the 2013/14 financial year for the purpose of finalising the outstanding once-off gratuity payments.

The table below provides a breakdown of payments made to eligible non-returning councillors until 31 March 2014.

Province	Total Number of ex-Cllrs	Total Number of ex-Cllrs paid	Total Number of ex-Cllrs penalised by SARS	Total Number of ex-Cllrs with outstanding documents
Eastern Cape	613	565	47	1
Free State	237	226	11	0
Gauteng	374	354	19	1
KwaZulu-Natal	629	586	34	9
Limpopo	605	540	64	1
Mpumalanga	403	378	19	6
North West	391	362	27	2
Northern Cape	191	179	8	4
Western Cape	255	248	7	0
Total	3698	3438	236	24

Drawing from the above statistics, there are 24 cases of non-returning councillors who are seemingly eligible for the payment of the once-gratuity, subject to submission of the required information and supporting documentation. However, attempts to follow up on all outstanding documentation from municipalities by the Department and provinces were not productive. The main reasons advanced by municipalities for these outstanding cases include the following:

1. Some ex-councillors are deceased and municipalities are struggling to find nominated beneficiaries or the next of kin of the deceased.
2. Incomplete documents, where follow-ups to obtain outstanding information are met with reports that former councillors have relocated and municipalities are struggling to trace them.
3. Incomplete documents, where follow-ups to obtain outstanding information are met with reports that former councillors have been arrested.
4. Unavailability of supporting documents (such as April 2011 payslips) or any acceptable and relevant documents in support of individual former councillors' claims.

COORDINATION AND FACILITATION OF CAPACITY BUILDING INITIATIVES

Upon reflection on its functionality, the National Municipal Capacity Coordination and Monitoring Committee (NMCCMC – an inclusive national stakeholder structure) is now constituted of a technical and a strategic arm to enhance its effectiveness in addressing challenges at both operational and strategic levels. The technical NMCCMC will continue its quarterly meetings to

ensure that it monitors and addresses more immediate operational challenges, while the strategic NMCCMC will meet bi-annually to enhance a strategic focus aimed at improving coordination of and impact made with capacity building in local government. In the next financial year, the objective is to ensure that the structure is mirrored beyond 50% at provincial level to ensure addressing the newly developed Provincial Support, Monitoring and Intervention Guidelines and improving alignment between it and the Local Government Learning Network in order to share good practices.

Research is nearing completion, thanks to GIZ funding, to inform the review of the National Capacity Building and Professionalisation Frameworks as well as the National Capacity Building Strategy for Local Government, which includes a Local Government as Career of Choice Plan, as required by the National Development Plan: 2012 to 2016. All these frameworks and strategies are being implemented through various projects, such as the development of sector-learning material, a partnership project with the Department of Labour to enhance the use of the Employment System South Africa (ESSA) and to address the sector's needs in terms of the Early Childhood Development Curriculum Framework (through the Department of Social Development and Basic Education).

A response was developed to address the Presidential Coordinating Council's request to indicate the capacity of the three spheres of government to support local government, which will inform future capacity regulatory frameworks. Provincial **CoGTA** capacity-building counterparts have been requested to fulfil their mandates by supporting municipalities with the update of the baseline (GAPSKILL) skills audit information: 2007 to 2010, in preparation for the next Integrated Development Planning Cycle. More municipalities have also been exposed to the Recruitment and Retention Strategy toolkit

and will be expected to table a contextualised strategy for discussion in the 2014/15 financial year. Furthermore, a draft ICT Concept Paper has been developed, in consultation with SITA, LGSETA and SALGA.

Memoranda of Understanding have been signed with the LGSETA to address various support measures focusing on, amongst others, women in local government and disability issues. The LGSETA, in consultation with the Department of Higher Education and Training, will also assist the Department in establishing a Local Government Institute to improve learning and professionalisation offerings that cater for local-specific requirements. A MoU with CAPITEC, in turn, aims to assist in addressing Personal Financial Management at municipal level. Consultation has also commenced on the Draft Batho Pele Service Standards Framework for Local Government, and improved monitoring and coordination of these matters is moving towards the implementation phase.

- **Compliance and Legislative Monitoring**

- **Remuneration paid to councillors**

In terms of section 7 of the Remuneration of Public Office Bearers Act, 1998 (Act No.20 of 1998), the Minister must determine the upper limits of the remuneration for councillors, after consultation with the MEC responsible for local government in each province.

In partnership with SALGA, the Minister has increased the cell phone allowance of part-time councillors to the same as that for full-time councillors. Part-time councillors previously received a cell phone allowance which was inadequate to cope with the work they do in their wards in terms of community participation. This was compounded by the fact that part-time councillors do not

have offices at ward level where they might also have access to landline telephone services.

A provision has also been made for death and disability cover for councillors in terms of Special Risk Cover. The Special Risk Cover previously insured councillors' property destroyed during violent service delivery protests. Death and disability cover has also been included under this provision.

- **Monitoring the filling of Municipal Senior Managers posts in compliance with the Municipal Systems Act**

The Compliance Monitoring Tool developed in the previous financial year has been migrated to an Electronic Legislative Compliance Monitoring System, which the Department has developed. The Electronic Legislative Compliance Monitoring System is intended to assist municipalities, provinces and the Department to monitor all their legislative compliance requirements and to take corrective measures where non-compliance has been identified.

Quarterly Forums have been established to which provinces report on the filling of posts in compliance with the Act. Provinces are advised on corrective measures concerning non-compliance and a report with recommendations for MECs is tabled to the Minister and Members of Executive Council (MinMEC). The promulgation of the Regulations for Municipal Senior Managers on 17 January 2014 will assist in closing the gaps on the filling of Municipal Senior Manager positions in terms of the competency framework for municipal officials. The professionalisation of local government is part of the transformation agenda of building a capable state, as contained in Chapter 13 of the National Development Plan.



- **Support and oversight of entities**

The Department continued to strengthen its strategic partnership and oversight role of its associated entities in order to improve good governance and efficient implementation of programmes aimed at municipal support. The Department also participated in strategic dialogues and workshops, such as SALGA's Nation Members Assembly in Cape Town and the United Cities and Local Governments in Africa in Rabat, Morocco.

- **Appointment of members of the Board of the Municipal Demarcation Board**

During the year under review, the sub-programme facilitated the appointment of members of the Board of the Municipal Demarcation Board (the Board) in terms of the Local Government: Municipal Demarcation Act, (Act 27 of 1998). On 4 February 2014, the President of the Republic of South Africa appointed ten members of the Board for a period of five years. The appointed members of the Board represent a 60/40 gender balance comprising six females and four males, all with vast knowledge, skills and expertise to execute the mandate of the Board.

SERVICE DELIVERY ACHIEVEMENTS

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

STRATEGIC OBJECTIVE	ACTUAL ACHIEVEMENT 2012/13	PLANNED TARGET 2013/14	INDICATORS	ACTUAL ACHIEVEMENT 2013/14	DEVIATION FROM ACTUAL ACHIEVEMENT	COMMENT ON DEVIATIONS
To improve performance and professionalism of municipalities and enhance national and provincial oversight on implementation of local government legislation	<p>A tool to monitor compliance with the MSA has been developed. The provinces have been capacitated on the implementation of the tool. The status of filled positions as at the end of the fourth quarter is as follows:</p> <ul style="list-style-type: none"> - 223 (80%) of 278 Municipal Manager posts - 221 (79%) of 278 Chief Financial Officer posts - 98 (67%) of 147 Development and Town Planning posts - 197 (74%) of 265 Technical Services and Engineering posts - 201 (73%) of 276 Corporate Services posts - 148 (74%) of 201 Community Services posts 	Nine provinces by 31 March 2014	Number of provinces monitored to support municipalities to fill vacancies in terms of Municipal Systems Act by target date	<p>Achieved</p> <p>Nine provinces monitored to support municipalities to fill vacancies in terms of Municipal Systems Act</p> <p>Four consolidated reports have been developed</p>	-	-
	During the monitoring tool engagements, municipalities and provinces were advised on corrective measures to comply with MSA	<p>Specific referrals were dealt with during this quarter in terms of filling of the MM post for Nelson Mandela Bay Metro</p>	100% of municipalities supported to implement remedial action emanating from monitoring the MSA through the workshops by 31 March 2014	Percentage of municipalities supported to implement remedial action emanating from monitoring the MSA by target date	<p>Achieved</p> <p>100% of targeted municipalities supported to implement remedial action emanating from monitoring the MSA.</p>	-

Chapter 2

STRATEGIC OBJECTIVE	ACTUAL ACHIEVEMENT 2012/13	PLANNED TARGET 2013/14	INDICATORS	ACTUAL ACHIEVEMENT 2013/14	DEVIATION FROM ACTUAL ACHIEVEMENT	COMMENT ON DEVIATIONS
Legislation on governance of DCoG entities reviewed	Assessment reports on the performance of the DCoG 's public entities developed, outlining key interventions emanating from the assessments	Draft Municipal Demarcation Amendment Bill developed by 31 March 2014	Municipal Demarcation Amendment draft bill by target date	Achieved Draft Bill developed and consulted with internal and external stakeholders (i.e. Policy Forum, MDB)	-	-
Differentiated approach to municipal planning	9 provinces supported to conduct IDP assessments National IDP assessment report finalised	Discussion document on Organised Local Government developed by 31 March 2014 Provincial workshops facilitated in nine provinces and 23 districts by 31 March 2014	Draft discussion document on Organised Local Government by target date Number of provincial workshops facilitated to improve development planning capacity in municipalities outside metros and secondary cities by target date	Achieved Draft discussion document on Organised Local Government developed and consulted with SALGA Achieved 9 provincial workshops and 23 district workshops conducted to improve development planning capacity in municipalities outside metros and secondary cities	-	-
Improve Intergovernmental planning	-	Report on policy and legislative proposal on intergovernmental planning developed by 31 March 2014	Report on policy and legislative review on intergovernmental planning developed by target date	Achieved Status report on intergovernmental planning developed The report outlines the policy and legislative proposals to develop the IGPF	-	-

STRATEGIC OBJECTIVE	ACTUAL ACHIEVEMENT 2012/13	PLANNED TARGET 2013/14	INDICATORS	ACTUAL ACHIEVEMENT 2013/14	DEVIATION FROM ACTUAL ACHIEVEMENT	COMMENT ON DEVIATIONS
Promote Geographic information management in municipalities	A total number of 26 municipalities supported: Kagisano-Molopo Tswaing, Dr Ruth Mompoti, Bojanala, Moretele, Greater Taung, Ngaka Modiri Molema, Moses Khotane, Vhembe, Mutale, Thulamela and Makha-dod	GIS training conducted in 21 identified municipalities to improve spatial planning capability by 31 March 2014	Number of GIS training sessions conducted in identified municipalities by target date	Achieved 31 LGTAS municipalities trained on GIS in Northern Cape, North West, Limpopo and Mpumalanga.	10	GIS training support was implemented via the district municipalities Project inception meetings were held with the district municipal management. The approach of implementing the GIS support via the district municipalities was adopted as a means to sustain the GIS institutionalisation initiative beyond training in the local municipalities The municipal management when endorsing the training support, requested verbally that the training should be extended to all the local municipalities within their area of jurisdiction as opposed to selecting only the b4 (rural) municipalities The research process towards the IUDF first draft finalisation took longer than anticipated The final first draft is expected to be submitted by 30 May 2014
Support the development and implementation of the integrated urban development initiatives		Draft IUDF developed by 31 March 2014	Draft Integrated Urban Development Framework (IUDF) developed by target date	Achieved Strategic levers of the draft IUDF have been finalised The implementation framework is in the process of being finalised		

STRATEGIC OBJECTIVE	ACTUAL ACHIEVEMENT 2012/13	PLANNED TARGET 2013/14	INDICATORS	ACTUAL ACHIEVEMENT 2013/14	DEVIATION FROM ACTUAL ACHIEVEMENT	COMMENT ON DEVIATIONS
Provincial policy oversight		Section 105 and 106 guidelines developed and approved by MINMEC by 31 March 2014	Section 105 and 106 guidelines developed by target date	Partially achieved Pending MINMEC approval	Pending MINMEC approval	The report could not be tabled before MINMEC due to change in administration and rescheduling of MINMEC
Develop, coordinate and facilitate municipal support, capacity and training		70 municipalities	Number of municipalities supported with tools to develop and implement recruitment and retention (R&R) strategies by target date	Achieved 80 municipalities supported to develop and implement R&R strategies Additional 10 municipalities were supported following increased demand for support	10 municipalities	10 more municipalities were supported as a result of further requests from these municipalities
Strengthen legislative frameworks to enhance efficient, effective and transparent local public administration		Strategy developed and implemented	Develop and implement a strategy to promote local government as career of choice by target date	Achieved Strategy developed and implemented	-	
		Draft regulations developed and consulted by 31 March 2014	A comprehensive set of regulations for municipal staff by target date	Achieved Draft Regulations developed and consulted with key stakeholders		
	Competence Assessment Model developed by 31 March 2014	Competence Assessment Model for senior managers established by target date	Competence Assessment Model for senior managers established by target date	Achieved Local Government: Competency Framework for Senior Managers gazetted on 17 January 2014	-	
	A database of staff members dismissed for misconduct developed by 31 March 2014	Database of staff members dismissed for misconduct developed by target date	Database of staff members dismissed for misconduct by target date	Competency Assessment Batteries developed, piloted and validated Achieved Database of dismissed municipal staff developed 217 cases have been uploaded onto the system	-	

PROGRAMME 5: SUB-PROGRAMME BUDGET AND ACTUAL EXPENDITURE

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

SUB-PROGRAMME NAME	2013/2014			2012/2013		
	Final Appropriation	Actual Performance	(Over) Under Expenditure	Final Appropriation	Actual Performance	(Over) Under Expenditure
Management: Prov & Local Gov Supp	8 959	8 959	0	13 718	13 579	139
Prov Govt Supp & Intervention	10 235	10 235	0	6 489	6 489	0
Loc Govt Supp & Intervention	19 414	19 414	0	14 939	14 939	0
Development Planning	12 957	12 957	0	9 195	9 195	0
Municipal Systems Improvement Grant	240 307	240 307	0	230 096	230 096	0
Total	291 872	291 872	0	274 437	274 298	139

4.6 Programme 6: Infrastructure and Economic Development

PURPOSE

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

OBJECTIVES AND MEASURES

The programme seeks to achieve the following objectives:

- Ensure the provision and maintenance of 332 500 work opportunities by the end of financial year (FY) 2015/2016.
- Promote economic development within local government by supporting 25 municipalities to implement economic development programmes over the MTEF.
- Improve the delivery of free basic services to households by supporting 50 municipalities in the roll-out of the national indigent policy for free basic services by March 2014.
- Improve delivery of basic services by the updating of the MIG Policy Framework by March 2014.

SERVICE DELIVERY OBJECTIVES

This programme is divided into four sub-programmes:

- **Infrastructure Development**
 - **Free Basic Services (FBS) – Support provided to municipalities:**

The objective of the support was to improve the delivery of Free Basic Services (FBS) to indigent households by supporting 150 municipalities over the medium-term period. Various mechanisms were employed to assist municipalities with the implementation of their indigent policies, as defined within the National Indigent Framework. At the beginning of the financial year, there was a baseline of 110 municipalities that had been supported over the previous two financial years (i.e. 2011/12 and 2012/13). In the year under review, there were 50 municipalities which were targeted for support to make up the MTEF target of 150 municipalities. However, 61 additional municipalities were supported, thereby exceeding the target by 11 municipalities. The support mechanism's targets were aimed at empowering provinces and municipal officials and councillors responsible for FBS to increase their knowledge on developing, improving and implementing their own tailor-made indigent policies. This project is aligned to Cabinet's expectation of a meticulous roll-out of the FBS programme to the intended beneficiaries in the current era, despite budget and economic constraints. It is expected that beneficiaries who qualify are subsidised directly and transparently, as described in the National Development Plan.



- **Municipal Infrastructure Grant (MIG) –**
The MIG Policy review has progressed significantly, with the conclusion of three stakeholder workshops. 16 of 30 case studies have been concluded and the analysis of MIG is 70% completed. The draft MIG policy framework is set to be completed by June 2014 and will contribute towards the Conditional Grant Review process currently being facilitated by National Treasury under the auspices of a National Steering Committee of which CoGTA is a member.

- **Local Economic Development**

- **Business Development Forums (BDFs)**
The initiative is aimed at promoting and stimulating private sector involvement and investment in local economies with the objective of creating job opportunities. The Department was able to support the establishment of the forums in Cacadu District Municipality (DM) and uMgungundlovu DM. A third BDF is in the process of being established in Waterberg DM, while initial consultative processes have taken place in Bojanala DM.

Support for Catalytic Business Ventures was rendered, with 7 out of a targeted 3 CBVs having been identified, and support for them facilitated in terms of unblocking blockages. The BDFs are in the areas of Skills Development, Aquaculture, Agriculture and Industrial Development.

NATIONAL FRAMEWORK FOR LOCAL ECONOMIC DEVELOPMENT

The Framework has been completed, following intensive consultative processes nationally and provincially. The Framework outlines and packages the priority intervention areas for all of government in local economic development (LED) over the next five years. It is to form the basis for a comprehensive implementation and action plan, which will be known as the National LED Strategy.

BUSINESS ADOPT A MUNICIPALITY

Seven Business Adopt a Municipality MOUs were facilitated. The participating organisations are Rand Water Foundation, PG Bison, Fort Hare University and San-



tam. Collectively the organisations currently support nine municipalities in infrastructure, capacity building, LED and Disaster Management. Through the MoU with the Department of Trade and Industry (DTI) a programme on agricultural secondary cooperatives is being established with a funding value of R10 million. The programme will link primary agricultural cooperatives to markets. Through a partnership with DGRV (a German development organisation), 66 officials from 39 municipalities were trained on cooperatives.

Through a partnership with SALGA and the DTI, national Red Tape Reduction Guidelines were launched and phase 1 of the provincial roll-out process was concluded. Agreements with BUSA and AHI were signed. A Programme of Action with AHI was developed for roll-out in 2014.

COMMUNITY WORK PROGRAMME

During the year under review the programme has increased the number of participants significantly. 204

494 participants had been provided with work opportunities by the end of March 2013 against the financial year target of 171 500 work opportunities. The programme has largely benefitted the youth (54%) and women (58%).

Communities have been empowered and public participation increased through Reference Committees and their influence on making decisions about useful work required in their respective areas. Community gardens were planted, producing fresh vegetables to supply crèches, clinics and schools, thus bringing poverty relief to communities. Participants in the CWP provided home-based care services to community members who required it. Not only did they assist with ensuring adherence to medication schedules, but they prepared meals, gave baths and did house cleaning. At some sites participants worked with clinics to successfully track and persuade community members who were advised to return to the clinics for follow-up services or treatment.

There is evidence pointing to the fact that while poverty exists in urban areas, rural areas are much more like-

ly to be poor and are less likely to benefit from service delivery initiatives than their urban counterparts. The CWP's focus has, therefore, been mainly on rural areas. The programme was designed to fast track resource delivery at the local level, where alternative government delivery mechanisms were not operating optimally. The CWP can complement municipal capacity in rural areas by, for example, maintenance of feeder roads, building of bridges, donga repair, spring protection and building water tanks. In addition, participants build classrooms, school toilets, crèches and playground equipment.

The CWP acknowledges education as a driver of socio-economic upliftment. CWP participants provide school and Early Childhood Development (ECD) support as teacher or child-care assistants. In addition, they assist with sport and extra-mural activities. CWP teams also undertake minor repairs, renovate classrooms, start and maintain food gardens at schools and do general maintenance. In this way, the CWP contributes to building an improved educational environment and provides direct education support for teachers.

CWP participants have played a valuable role in performing environmental clean-ups and planting trees

to beautify and revitalise small towns. Clean-up activities contributed to increasing awareness of health and cleanliness in communities.

Community assets have been constructed by CWP participants, for example bridges and roads were rehabilitated, which facilitates the movement of people, access to services and economic activities. In crime-ridden areas, CWP participants provided community safety services, such as escorting learners to and from school to ensure their safety, particularly in areas where gang violence is a problem. The programme has strengthened inter-governmental relations and the formation of partnerships in participating communities.



SERVICE DELIVERY ACHIEVEMENTS

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

STRATEGIC OBJECTIVE	ACTUAL ACHIEVEMENT 2012/13	PLANNED TARGET 2013/14	INDICATORS	ACTUAL ACHIEVEMENT 2013/14	DEVIATION FROM ACTUAL ACHIEVEMENT	COMMENT ON DEVIATIONS
To ensure the provision and maintenance of 332 500 work opportunities by end of FY 2015/2016	186 363 work opportunities were created as at end-March 2013	171 500 work opportunities created	Number of work opportunities provided by target date	Achieved 174 725 actual work opportunities (216 929 cumulative) were created as at 31 March 2014	3 225	Due to savings from some Community Work Programme Sites, an increased number of participants entered the Programme
	CWP was implemented in at least 2 wards in 140 municipalities	140 municipalities	Number of municipalities implementing CWP in at least 2 wards by target date	Achieved CWP was implemented in at least 2 wards by 140 municipalities	-	-
	26 sites cleaned in 14 municipalities	14 8 municipalities	Number of municipalities where Clean Communities Programme (CCP) is coordinated and supported by target date	Achieved Clean-up work was coordinated and supported in 11 municipalities	3	Increased human resource capacity to accelerate delivery.

STRATEGIC OBJECTIVE	ACTUAL ACHIEVEMENT 2012/13	PLANNED TARGET 2013/14	INDICATORS	ACTUAL ACHIEVEMENT 2013/14	DEVIATION FROM ACTUAL ACHIEVEMENT	COMMENT ON DEVIATIONS
Promote economic development	Plans on economic development in district municipalities by 31 March 2014	4 private sector collaborative partnerships established and support plans developed and implemented to promote economic development by 31 March 2014	Number of private sector collaborative partnerships established and facilitated to roll-out support plans on economic development in district municipalities by 31 March 2014	Partially achieved Two BDF structures were instead established in the Cacadu and uMgungundlovu DMs Catalytic Business Ventures identified in the District Municipalities The Unit is playing a pivotal role in assisting with unblocking blockages in the identified projects Processes are underway to facilitate the commitments from the Waterberg District Municipality and private sector Environmental scan to understand the economic profiles of the targeted municipalities has been developed	2	The establishment of the BDF involves a protracted consultative process with the various structures in the local government and private sector One of the requirements for the establishment of the structures is to get the commitment from local government and business It has proved a lengthy task due to the consultative processes that have to be followed The Unit will continue giving support to the targeted municipalities where progress was not achieved in terms of the establishment
Access to basic services: National Indigent Policy		National Framework for LED reviewed by March 2014 (base document for a new LED Strategy) 10 municipalities supported to improve on access to free basic services through indigent policies and credible registers by 31 March 2014	National Strategy for Local Economic Development (LED) developed by target date Number of municipalities supported to improve on access to free basic services through indigent policies and credible registers by target date	Achieved The Framework document has been concluded as the basis for a comprehensive strategy for the country During the fourth quarter, TORs for the strategy were developed Achieved Total municipalities supported are 61 Capacity building workshops convened with municipal managers for FBS and councillors responsible for FBS in FS, EC, KZN, NW and NC The workshops capacitated municipalities with mechanisms to provide FBS to poor households Reports for all workshops detailing achievements are available	51	Increased human resource capacity to accelerate delivery
Access to basic services: MIG Policy Framework-work		New MIG policy developed by 31 March 2014	Updated MIG Policy Framework by target date	Partially achieved Key elements in various stages of completion National and regional consultations completed 16 out of 30 case studies completed Analysis is 70% completed	30%	The deviation is the result of delays in finalisation of procurement processes

PROGRAMME 6: INFRASTRUCTURE PROGRAMME BUDGET AND ACTUAL EXPENDITURE

The expenditure and variance versus the final appropriation is provided below

SUB-PROGRAMME NAME	2013/2014			2012/2013		
	Final Appropriation	Actual Performance	(Over) Under Expenditure	Final Appropriation	Actual Performance	(Over) Under Expenditure
Management: Infrastructure	2 893	2 839	59	5 410	5 317	93
Local Economic Development Plan	9 881	9 880	1	6 685	6 685	0
Infrastructure Development	10 661	10 306	355	10 945	10 509	436
Municipal Infrastructure Grant	14 354 531	14 224 447	130 084	13 881 633	13 879 162	2 471
Community Work Programme	1 731 326	1 721 707	9 619	1 448 877	1 289 922	158 955
Special Purpose Vehicle (MISA)	262 040	261 795	245	197 661	149 714	47 947
Total	16 371 332	16 230 974	140 358	15 551 211	15 341 309	209 902

Chapter

2

PART B: DEPARTMENT OF TRADITIONAL AFFAIRS (DTA) PERFORMANCE INFORMATION

1 STRATEGIC overview

Vision

Integrated traditional affairs for sustainable development and social cohesion.

Mission

To coordinate traditional affairs activities across government through:

- development of appropriate policies, norms and standards, systems and regulatory framework governing traditional affairs;
- provision of support to traditional affairs;
- enhancement of information and knowledge management on traditional affairs; and
- promotion of culture, heritage and social cohesion.

Values

Guided by Principles of Batho Pele, the Department's values are the following:

- Honesty
- Integrity
- Respect
- Collegiality
- Commitment to service
- Activist Approach
- Professionalism



2 LEGISLATIVE and other mandates

CONSTITUTIONAL MANDATE

The work of the Department is informed by Chapter 12 of the Constitution, relevant policies, legislation administered by the Department, national policies and laws relating to the public service as a whole, as well as those pieces of legislation that promote constitutional goals, such as equality and accountability.

The Department's mandate is also derived from Section 211 of the Constitution of the Republic of South Africa, 1996, which states as follows:

“The institution, status and role of traditional leadership, according to customary law, are recognised, subject to the Constitution.

A traditional authority that observes a system of customary law may function subject to any applicable legislation and customs, which includes amendments to, or repeal of, that legislation or those customs.”

The courts must apply customary law when that law is applicable, subject to the Constitution and any legislation that specifically deals with customary law.

The Department's mandate is also derived from Section 212 of the Constitution which stipulates that:

“National legislation may provide for a role for traditional leadership as an institution at local level on matters affecting local communities.”

To deal with matters relating to traditional leadership, the role of traditional leaders, customary law and the customs of communities observing a system of customary law, national or provincial legislation may provide for the establishment of houses of traditional lead-

ers; and national legislation may establish a council of traditional leaders.

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

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

LEGISLATIVE MANDATE

The Department's mandate is further informed by the following two pieces of legislation that the Department administers:

- **Traditional Leadership and Governance Framework Act, 2003 (Act No. 41 of 2003)** - The Traditional Leadership and Governance Framework Act provides for the recognition of traditional communities, the establishment and recognition of traditional councils, leadership positions within the institution of traditional leadership, the recognition of traditional leaders and the removal from office of traditional leaders. It also provides for houses of traditional leaders, the functions and roles of traditional leaders, dispute resolution, and the establishment of the Commission on Traditional Leadership Disputes and Claims (CTLDC).
- **National House of Traditional Leaders (NHTL) Act, 2009 (Act No. 22 of 2009)** - The NHTL Act provides for the establishment of the National House of Traditional Leaders and determines

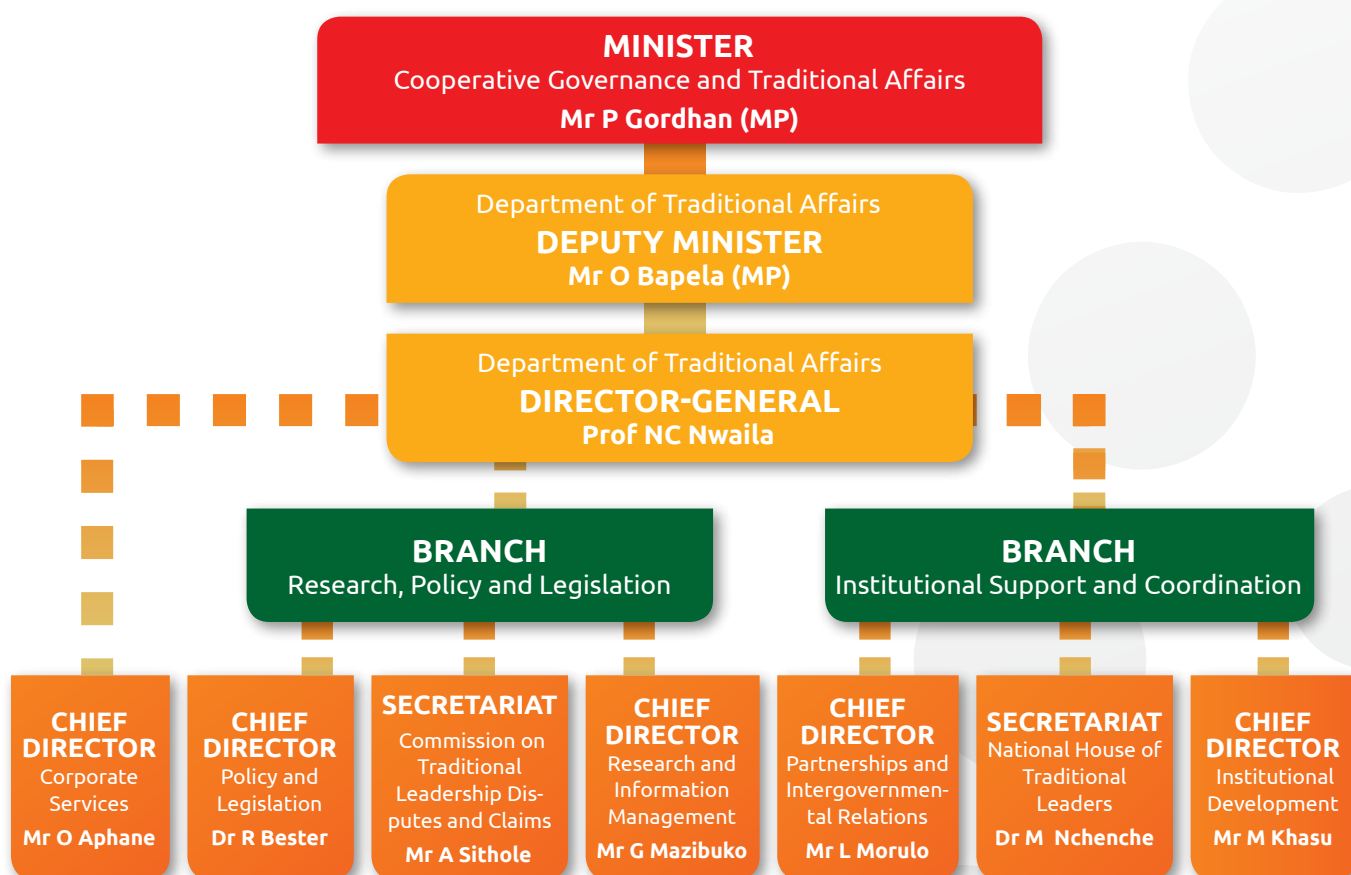
the powers, duties and responsibilities of the House. It furthermore provides for support to the House, the relationship between the House and the provincial houses, and the accountability of the House.

The Department is in the process of consolidating NHTL and TLGFA into one legislation, presently referred to as the Traditional Affairs Bill. This Bill, once enacted, will also inform the mandate of the Department.

POLICY MANDATE

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

3 ORGANISATION STRUCTURE for DTA



4 ENTITIES reporting to the Minister

There are three traditional affairs entities that report and are accountable to the Minister of Cooperative Governance and Traditional Affairs. The three entities are National House of Traditional Leaders (NHTL), Commission on Traditional Leadership Disputes and Claims (CTLDC) and the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities (CRLRC). The first two entities are part of the Department of Traditional Affairs and

their performance is included in the **DTA** Annual performance and financial report, as they do not produce separate annual reports. The CRL Rights Commission is an independent Chapter 9 institution and is required by law to have its own annual performance information report and financial statements; hence this report includes performance of the NHTL and CTLDC, and not that of the CRL Rights Commission.

NAME OF ENTITY	LEGISLATIVE MANDATE	FINANCIAL RELATIONSHIP	NATURE OF OPERATIONS
Commission on Traditional Leadership Disputes and Claims	Derives its mandate from the Traditional Leadership Governance Framework Act, 2003 (Act No. 41 of 2003)	Located within the Department and treated as sub-programmes of the Department's programmes and account to the Department in terms of their operations	Processing and finalising 1 244 traditional leadership disputes and claims outstanding from Nhlapo Commission
Commission on the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities Act (Act 19 of 2002)	It is an independent Chapter 9 institution and the entity receives its appropriate budget as a transfer payment from the Department once a quarter	The Commission ensures the promotion and protection of the rights of cultural, religious and linguistic communities
National House of Traditional Leaders	National House of Traditional Leaders (NHTL) Act, 2009 (Act No. 22 of 2009)	Located within the Department and treated as sub-programmes of the Department's programmes and account to the Department in terms of their operations	Ensures that traditional communities are developed and considers all government legislation that has impact on traditional leadership and communities

5 AUDITOR GENERAL'S REPORT: Predetermined Objectives

The Department of Traditional Affairs was audited for 2013/2014 by the Auditor General South Africa (AGSA) to determine whether it has 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. No material findings on the usefulness and reliability of the reported performance information was reported by the AGSA.

6 OVERVIEW of Departmental Performance

6.1 Service Delivery Environment

South Africa has well established traditional leadership structures and institutions, a few of which have been fairly effective in discharging their functions. There have been great successes in establishing institutional mechanisms and legislative frameworks for traditional leadership. Legitimate structures of traditional leadership at national, provincial and local government levels are established. These structures include Houses of Traditional Leaders as well as the Commission on Traditional Leadership Disputes and Claims and its provincial committees. These structures have been successful in recog-

nising and reaffirming the institution of traditional leadership as part of the South African governance system.

Central to service delivery within traditional communities is the capacity and functionality of traditional leadership and structures to participate meaningfully in government planning and implementation of programmes, including effective participation in the integrated development planning (IDP) processes. This has been and remains a challenge that should be addressed within the principle of cooperative governance. In particular,



effective and meaningful participation of traditional leadership structures in local government structures and the IDP processes can contribute to sustainable development within rural, traditional, Khoi and San communities.

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

To address this challenge, the Department has, in the 2013/14 financial year, developed an Interim Section 81 Framework for the participation of traditional leaders in municipal councils. In the 2014/15 financial year, the Department will, among others, address this challenge by facilitating and monitoring the implementation of section 81 Framework. The Framework intends to set out the roles of traditional leaders when participating in municipal council proceedings. The establishment and maintenance of good relations between the institution and local government structures will go a long way in improving and sustaining service delivery within areas of jurisdiction of traditional leaders.

The influential nature of traditional leadership in their communities presents an opportunity for government with respect to collaboration for rural development. It therefore requires that the institution of traditional leadership is capacitated to participate meaningfully in government programmes and to know its role. It is also imperative that there are harmonious relations between government and this sector to ensure improved service delivery in rural communities. This can be achieved

through the institution's active and meaningful participation in government structures, particularly at local government level. The Department will, over the medium term period, implement interventions to address this matter.

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

The acceptance of the recommendation of the CTLDC by government on the recognised kingships resulted in dissatisfaction amongst some claimants or interested parties. Dissatisfied parties have approached the high court to seek relief, or to overturn the recommendations of the CTLDC and decision of government. This poses a challenge for the Department and could delay the establishment of kings' councils in areas where the kingship is still in court, as well as the performance of CTLDC. This challenge subsequently renders the affected kings ineffective because they cannot operate as kings. This issue also affects stability, leads to tensions and conflict within the affected communities and is a threat to unity and cohesion of traditional communities. Despite these challenges the Department was able to process 360 claims and disputes in the year under review.

One of the findings of the assessment of state of governance of traditional leadership structures indicated that the main factor contributing to traditional leadership not being able to play their advisory and supportive role to government and governance is inadequate understanding of the mandate of the institution in the democratic



dispensation. In addition, the institution does not have adequate skills, knowledge, resources and competencies to be at the centre of development and form an integral part of the South African governance system - the core of its existence and functions. This challenge requires a long term strategy transformation of the sector and approach that will result in well capacitated and sustainable institutions that are self-sustaining, through community initiatives and private partnerships, with limited dependence on government for support. The Department continues to implement the Traditional Affairs Capacity Building Plan and Partnerships Strategy to address this matter and to ensure that the institution is empowered to sustain itself. In this regard, the Department has been successful in finalising and implementing both the Traditional Leadership Empowerment Programme and the Outreach Programme in 2011/12-2013/14. Part of implementing the two programmes was the development and adoption, by all stakeholders, of the Framework for tools of trade for traditional leadership. The Framework provides norms and standards for the provision of resources to traditional leadership structures to deliver on their mandates and provides an opportunity for government to succeed in empowering the institution

to perform its supportive role to government, as well as be a key stakeholder in development and service delivery. Systems for government support to the institution of traditional leadership are now established and institutionalised through these frameworks and strategies. The Department will therefore, among others, focus on monitoring the implementation of these frameworks, strategies and programmes in 2014/15.

Despite the above challenges, studies conducted by the Department indicated that there are pockets of excellence within the institution of traditional leadership regarding working relationships between the institution and local government structures, as well as effective usage of traditional communities' natural resources like mining for socio-economic benefits of traditional communities. Furthermore, the assessment indicated that there are successful traditional leadership projects for socio-economic and rural development at community level, effective participation of traditional leadership in municipal councils as well as best partnerships for community development between traditional leadership, private and government institutions. These are opportunities which the Department will leverage to create sus-

tainable socio-economic development within traditional communities and to advance rural development. In the 2014 – 2019 MTSF, the Department will share these best practices and look at how they can be replicated in other parts of the country.

The Department is an important piece of government machinery to ensure that relations between traditional leadership and local government are harmonised and that its programmes contribute to the realisation of the recommended areas of focus outlined by the relevant National Development Plan chapters.

The institution of traditional leadership has great potential to work with government to pool resources for economic activities within rural communities through, among others, effective management of Traditional Councils' Development Accounts (D-Accounts) and other private sector social responsibility programmes for development of the communities. Furthermore, traditional leadership's effective participation and collaboration with government in promoting agriculture, food security, cultural tourism and other socio-economic activities within their communities will contribute to the achievement of the NDP chapter on Integrated and Inclusive Rural Economy. This provides an opportunity for advancement of economically and socially viable traditional communities. In addition, the Department has a role to play in transforming the society and uniting the country through its Interfaith programme and the processing of traditional leadership disputes and claims programmes.

Despite the good achievement (97%) of the Department in the year under review, there are still challenges that require targeted interventions to ensure that improved service delivery in communities under the jurisdiction of traditional leaders is not stumbled over by the institution and to ensure that the impact of the De-

partment's programmes are felt by the communities as part of the realisation of the NDP goals. These challenges are being addressed in the 2014-2019 Strategic Plan of the Department.

The Department of Traditional Affairs has three programmes, namely Administration; Research, Policy and Legislation (RPL) and Institutional Support and Coordination (ISC). There are three traditional affairs entities that report and are accountable to the Minister of Cooperative Governance and Traditional Affairs. These are the National House of Traditional Leaders (NHTL), the Commission on Traditional Leadership Disputes and Claims (CTLDC) and the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities (CRLRC). The first two are part of the Department of Traditional Affairs and departmental human resources have been allocated to them, while the CRLRC is an independent Chapter 9 institution; hence the **DTA** performance information reports include the performance of the NHTL and CTLDC only.

6.2 Service Delivery Improvement Plan (SDIP)

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

MAIN SERVICES	ACTUAL CUSTOMERS	POTENTIAL CUSTOMERS	STANDARD OF SERVICE	ACTUAL ACHIEVEMENT AGAINST STANDARDS
Resolve traditional leadership disputes and claims	Traditional Leaders	Traditional Communities	360 leadership disputes and claims finalised	360 leadership disputes and claims were finalised
			A maximum of three months will be used to finalise complex cases lodged with the Commission	In all complex cases a maximum of 3 months or less was taken to finalise these cases
			Development of a processes and procedures manual for lodging leadership claims and disputes for lodging and claimants taken through the manual	The Manual was developed and communicated to traditional communities
			Reducing litigation costs through conducting public education programmes on traditional leadership claims and disputes	This activity will be continuously pursued in the 2014/15 financial year as per the Department’s 2014/15 SDIP targets
			Provide support to Provinces to ensure that structures of traditional leadership are able to address communities and avoid concerns which have a potential to become a dispute	Support was provided to Provinces through the Houses of Traditional Leaders to ensure that structures of traditional leadership are able to address communities and avoid concerns which have a potential to become a dispute
			Appoint two researchers to speed up the investigation processes for the claims	Rather than appointing researchers, and in line with the cost containment measures the Department made available Research and Information management Chief Directorate to be used by the Commission as and when required. Therefore this action was achieved

CONSULTATION ARRANGEMENTS WITH CUSTOMERS

TYPE OF ARRANGEMENT	ACTUAL CUSTOMERS	POTENTIAL CUSTOMERS	ACTUAL ACHIEVEMENT
Briefing sessions with affected claimants	Claimants and their families	Traditional communities	Briefing sessions were held with the affected claimants
Facilitating public hearings/interviews with claimants prior to development of a report to the relevant authority	Claimants and their families	Traditional communities	Public hearings were held with claimants as part of the process prior to finalisation of investigations and recommendations to the relevant authorities (President in the case of kingship/queenship claims and Premier in the cases of other levels of traditional leadership)

SERVICE DELIVERY ACCESS STRATEGY

ACCESS STRATEGY	ACTUAL ACHIEVEMENTS
Conducting public hearings, visiting provincial CTLDC committees, telephonic and mail enquiries	Public hearings were conducted, telephonic and mail enquiries were received by the Department and responded to within specified periods CTLDC also visited its provincial committees to support the processing of claims and disputes

SERVICE INFORMATION TOOL

TYPES OF INFORMATION TOOL	ACTUAL ACHIEVEMENTS
Claimants are taken through the qualification criteria for lodgment of disputes and claims and for the recognition of different levels of traditional leadership as outlined in the Traditional Leadership Governance Framework Act	Claimants were taken through the qualification criteria for lodgment of disputes and claims and for the recognition of different levels of traditional leadership as outlined in the Traditional Leadership Governance Framework Act

COMPLAINTS MECHANISM

COMPLAINTS MECHANISM	ACTUAL ACHIEVEMENTS
When a claimant is aggrieved by the results or outcome of the investigation or reports by the CTLDC regarding his/her claim or dispute, he/she can approach the courts to appeal the recommendations of the CTLDC	Claimants were informed that if they are not in agreement with the CTLDC report on their claim, they can take it through the legal processes (courts)

6.3 Organisational environment

During the year under review, the Department did not have its own corporate and financial services. The Department signed a Memorandum of Understanding with the Department of Cooperative Governance to provide these services for the Department. These support services were therefore provided to the line function branches of the Department by **DCOG**.

6.4 Key policy developments and legislative changes

There were no major changes to policies and legislation affecting operations of the Department in the year under review.



7 STRATEGIC OUTCOME orientated goals

To achieve its vision, the Department, inclusive of NHTL and CTLDC, had the following strategic outcome oriented goals for the 2010-2014 medium term period:

- Empowered Institution of Traditional Leadership;
- Provincial Traditional Affairs policies and legislation aligned to National Policies and Legislation;
- Dignity of the Institution of Traditional Leadership restored;
- Effective and efficient Department of Traditional Affairs;
- Effective and efficient information and knowledge management system for Traditional Affairs sector;
- Effective governance systems for the institution of Traditional Leadership; and
- Heritage of traditional and indigenous leadership and communities promoted.



8 SERVICE DELIVERY achievements

8.1 Programme 1: Administration

PURPOSE

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

In the year under review, all the functions of the programme were located in the Office of The Director-General, whilst some of the corporate and all financial services functions within the programme were performed by the Department of Cooperative Governance on behalf of the Department.

SUB-PROGRAMMES

The sub-programmes within the Administration Programme are:

- **Department Management (Office of the Director-General):**
This sub-programme promotes effective strategic management and governance of the Department, corporate planning, integrated and aligned planning within traditional affairs, risk management, corporate secretariat, strategic communication and parliamentary services support. It improves operational efficiency and oversees the implementation of departmental programmes and policies through monitoring and evaluation. It also provides entities oversight and ensures that adequate support is provided to Traditional Affairs entities.

- **Corporate and Financial Services**

This sub-programme provides administrative, human resource management and development, information and communication technologies, legal services, records management and financial management support to line function programmes within the Department. It also plans and monitors the departmental budget and expenditure and manages the Department's accounting, asset and supply chain management systems and policies in relation to corporate services. During the year under review, functions of this sub-programme were provided by DCOG on behalf of the Department.

- **Internal Audit**

This is an independent and objective appraisal function which provides assurance to the Director-General and the Department's Senior Management with regard to adequacy and efficiency of internal controls and governance systems of the Department.

PROGRAMME 1: 2013/14 STRATEGIC OBJECTIVES

The Programme's objectives in the year under review were to:

- ensure that the Department's governance systems are effective and efficient by March 2016;
- coordinate activities and promote heritage of traditional, indigenous and interfaith leadership and communities.

PROGRAMME 1: PERFORMANCE ON INDICATORS AND ANNUAL TARGETS FOR 2013-2014

Programme 1 achieved 17 (100%) of its 17 annual targets, as outlined in the following table:

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2012/13	PLANNED TARGET 2013/14	ACTUAL ACHIEVEMENT 2013/14	DEVIATION FROM ACTUAL ACHIEVEMENT	COMMENT ON DEVIATIONS
To ensure that the Department's governance systems are effective and efficient by March 2016	Traditional Leadership Outreach Development Programme (Toolkit) on legislation and government programmes impacting on traditional leadership developed and implemented	Capacity Building Implementation Plan developed	Traditional Leadership Outreach Development Programme (Toolkit) and government programmes impacting on traditional leadership developed	Achieved Traditional Leadership Outreach Development Programme (Toolkit) and government programmes impacting on traditional leadership were developed	--	--
	Number of Houses of Traditional Leaders trained on the Traditional Leadership Outreach Development Programme (Toolkit)	Capacity Building Strategy Implementation Plan developed	National and 8 provincial Houses of Traditional Leaders trained on the Traditional Leadership Outreach Development programme	Achieved National and 8 provincial Houses of Traditional Leaders were trained on the outreach programme and the training toolkit was distributed to all members of houses of traditional leaders	--	--
	Number of Traditional Councils profiled	New project	78 Traditional Councils profiled	Achieved 78 identified Traditional Councils were profiled and individual profile reports were compiled	--	--
	Corporate Governance Framework (CGF) developed and implemented	Policy and Procedure for Departmental support to the institution of traditional leadership, Khoi and San and interfaith stakeholders	Corporate Governance Framework developed and implemented	Achieved Corporate Governance Framework (CGF) was developed, approved and implemented Reports on the implementation of the CGF were developed	--	--

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STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2012/13	PLANNED TARGET 2013/14	ACTUAL ACHIEVEMENT 2013/14	DEVIATION FROM ACTUAL ACHIEVEMENT	COMMENT ON DEVIATIONS
	Performance Monitoring and Evaluation Framework developed, implemented and reviewed	Approved Planning and Reporting Guidelines	Performance Monitoring and Evaluation Framework developed and implemented	Achieved Performance Monitoring and Evaluation Framework was developed, approved and implemented Reports on the implementation of the Performance Monitoring and Evaluation Framework was developed	--	--
	Number of marketing campaigns for DTA	Five media campaigns conducted	10 marketing campaigns	Achieved 10 marketing campaigns were facilitated	--	--
	Number of media statements/advertisorials issued on Traditional Affairs events	New target	24 media statements/advertisorials issued on Traditional Affairs events	Achieved 24 media statements/advertisorials on Traditional Affairs events were issued	--	--
	DTA Service Delivery Improvement Plan (SDIP) and Service Charter developed and submitted to the DPSA timeously	Approved DTA 2012/13 Annual Performance Plan	DTA SDIP and Service Charter developed and submitted to the DPSA timeously	Achieved DTA SDIP and Service Charter were developed, approved by the Minister and submitted to the DPSA timeously	--	--
	DTA Annual Performance Plans developed	Approved CoGTA 2012/13 Annual Performance Plan	DTA 2014-2015 Annual Performance Plan developed	Achieved DTA 2014-2015 Annual Performance Plan (APP) was developed, consulted upon with National Treasury, Auditor General and Department of Performance Monitoring and Evaluation (DPME) The APP was also submitted to Parliament	--	--
	DTA Quarterly and Annual Performance Reports	Approved DTA 2012/13 quarterly reports and Annual Report	DTA quarterly and annual performance reports submitted to National Treasury and Presidency	Achieved DTA quarterly reports and annual report were developed and submitted to National Treasury, Auditor General and Presidency (DPME)	--	--

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2012/13	PLANNED TARGET 2013/14	ACTUAL ACHIEVEMENT 2013/14	DEVIATION FROM ACTUAL ACHIEVEMENT	COMMENT ON DEVIATIONS
To coordinate activities and promote heritage of Traditional, Indigenous and interfaith leadership and communities	Number of cultural events and dialogues on traditional, Khoi and San leadership hosted	New project	2 National Dialogues and cultural events on Traditional, Khoi and San Leadership hosted	Achieved 2 National Dialogues and 6 cultural events were hosted and reports were developed	--	--
	Report on the Department's engagement with the Khoi and San leadership and communities	Established National Khoi and San Council (NKSC)	Report on the Department's engagement with the Khoi and San leadership and communities	Achieved Report on the Department's engagement with the Khoi and San leadership and communities was developed	--	--
	Number of Provincial Interfaith Chapters established	Established National Interfaith Council of South Africa (NICSA)	3 Provincial Interfaith Chapters established	Achieved The Department has supported the launch of the following three provincial interfaith chapters: Limpopo, North West and Kwa-Zulu Natal	--	--
	Cultural tourist attraction, heritage and sacred sites within traditional, Khoi and San communities identified in three provinces and promoted	New project	Cultural tourist attraction, heritage and sacred sites within traditional, Khoi and San communities identified in four provinces	Achieved Cultural tourist attraction, heritage and sacred sites within traditional, Khoi and San communities were identified in four provinces namely: Limpopo, Western Cape, Free State and Northern Cape	--	--
	Action Plan for promotion of cultural tourist attraction, heritage and sacred sites developed and implemented	New project	Action Plan for promotion of cultural tourist attraction, heritage and sacred sites developed and implemented	Achieved The Action Plan was developed and implemented Implementation of the Action Plan included the following key activities: - Development of the Terms of Reference for appointment of service providers for memorial of Modjadji Dynasty and rehabilitation of Manchi Masemola graves - Appointment of service providers for the memorial of the Modjadji Dynasty and rehabilitation of graves of Manchi Masemola - Engagement meeting for the implementation of erecting a statue of Kgoshi Mampuru	--	--

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STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2012/13	PLANNED TARGET 2013/14	ACTUAL ACHIEVEMENT 2013/14	DEVIATION FROM ACTUAL ACHIEVEMENT	COMMENT ON DEVIATIONS
	Engagement with the Interfaith sector on DTA programmes	Established National Interfaith Council of South Africa (NICSA)	Engagement with the Interfaith sector on DTA programmes	Achieved The Department has been able to engage the Interfaith sector in its programmes The following were engaged: NICSA, African Indigenous Churches, Zion Christian Church, Ethiopian Movement, Limpopo Ministries Fraternal, Traditional Healers and Practitioners and Muslim communities	--	--
	Relevant stakeholders engaged to develop and promote cultural tourism sites	Established National Khoi and San Council (NKSC)	Relevant stakeholders within the sector engaged to develop and promote identified cultural tourism sites	Achieved Modjadji, Morwangoato and Pedi Mamone, St Marks Anglican Church, the South African Heritage and Resources Agency (SAHRA) and Departments of Arts and Culture and Tourism were engaged to develop and promote cultural tourism in traditional, Khoi and San communities These engagements culminated in the signing of a Memorandum of Understanding (MoU) between the DTA and SAHRA	--	--

8.2 Programme 2: Research, Policy and Legislation

PURPOSE

The purpose of the Programme is to:

- provide research, establish and maintain traditional affairs information systems;
- develop, review, coordinate and monitor implementation of national traditional affairs policies, norms and standards by provincial government and support traditional affairs entities to restore the integrity and dignity of traditional leadership; and
- provide and manage anthropological research and information.

SUB-PROGRAMMES

The Sub-Programmes within the Research, Policy and Legislation Programme are:

- **Policy and legislation**

This sub-programme's aim is to develop, review and monitor implementation of Traditional Affairs policies, legislation, framework, norms and standards. It also ensures alignment of provincial traditional affairs legislation and policies with national policies and legislation.

- **Research and information management**

This sub-programme provides anthropological research for the Department and traditional affairs entities and develops and maintains traditional affairs information management systems.

PROGRAMME 2: 2013/14 STRATEGIC OBJECTIVES

The programme's objectives in the year under review were to:

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



PROGRAMME 2: PERFORMANCE ON INDICATORS AND ANNUAL TARGETS FOR 2013-2014

The programme achieved 100% of its 7 annual targets, as outlined in the following table:

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2012/13	PLANNED TARGET 2013/14	ACTUAL ACHIEVEMENT 2013/14	DEVIATION FROM ACTUAL ACHIEVEMENT	COMMENT ON DEVIATIONS
To enhance alignment and standardisation in the regulatory, institutional and support framework for traditional affairs across provinces and municipalities	Reports on the reconstitution of traditional councils in 6 provinces	Reports drafted in respect of 2 provinces	Reports drafted on the reconstitution of traditional councils in respect of 6 provinces	Achieved Reports with recommendations on the reconstitution of traditional councils in 6 provinces (Limpopo, N-Cape, KZN, North West Free State and Mpumalanga) were developed and recommendations implemented and monitored	--	--
To enhance alignment and standardisation in the regulatory, institutional and support framework for traditional affairs across provinces and municipalities	Report on the status of community authorities and independent headmen/ headwomen developed	New project	Report on the status of community authorities and independent headmen/ headwomen drafted	Achieved Research and information on the status of community authorities and independent headmen and headwomen in Limpopo, North West and Kwazulu-Natal was completed and a report was developed.	--	--
To enhance alignment and standardisation in the regulatory, institutional and support framework for traditional affairs across provinces and municipalities	Status report in respect of senior traditional leaders who were recognised in terms of pre-democracy legislation (on landless traditional leaders), developed, implemented and monitored	Draft report in respect of senior traditional leaders who were recognised in terms of former legislation developed	Status report in respect of senior traditional leaders who were recognised in terms of former legislation (landless traditional leaders)	Achieved Status report in respect of senior traditional leaders who were recognised in terms of former legislation (landless traditional leaders) in Mpumalanga, Free State and Kwazulu-Natal was developed	--	--

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2012/13	PLANNED TARGET 2013/14	ACTUAL ACHIEVEMENT 2013/14	DEVIATION FROM ACTUAL ACHIEVEMENT	COMMENT ON DEVIATIONS
To enhance knowledge management within traditional affairs	Draft Protocol guidelines for kingships and queenships consulted and finalised	Draft Generic Guidelines on Kingships/Queenships protocol	Consultations on draft protocol guidelines for kingships and queenships conducted with relevant stakeholders	Achieved 5 Kingships/Queenships were consulted on the draft Protocol Guidelines for kingships and queenships and a revised Protocol was drafted based on the inputs from the consultations	--	--
To enhance knowledge management within traditional affairs	Protocol guidelines for senior traditional leaders developed	New Project	Protocol guidelines for senior traditional leaders in 2 provinces developed	Achieved Protocol guidelines were developed in respect of senior traditional leaders in two provinces: Free State and Northern Cape	--	--
To enhance knowledge management within traditional affairs	Norms and standards for the appointment and recognition of headmen and headwomen developed	Draft report on the analysis of headmanship and headwoman-ship leadership positions	Norms and standards for the appointment and recognition of headmen and headwomen developed	Achieved Norms and standards for the appointment and recognition of headmen and headwomen developed after intensive consultations with relevant stakeholders	--	--

8.3 Programme 3: Institutional Support and Coordination

PURPOSE

The purpose of the Programme is to provide comprehensive support to the institution of traditional leadership and Khoi and San leadership structures, to coordinate traditional affairs across the three spheres of government and to promote the role and place of the institution of traditional leadership in the South African governance system.

SUB-PROGRAMMES

The sub-programmes within the Institutional Support and Coordination Programme are:

- **Institutional Development and Capacity Building**
This sub-programme develops and coordinates implementation of capacity building programmes for traditional affairs and ensures that traditional communities are empowered.
- **Intergovernmental Relations and Partnerships**
This sub-programme promotes and integrates the role and place of traditional affairs and the institution of traditional leadership, including Khoi and San leadership and structures in the South African governance system, by establishing synergetic relations with other governance structures across the three spheres of government.

PROGRAMME 3: 2013/14 STRATEGIC OBJECTIVES

The Programme's objectives in the year under review were to:

- ensure that the institution of traditional leadership is empowered by reviewing and developing the empowerment programme; and
- promote and integrate the role and place of traditional affairs in the South African governance system by establishing synergetic relations with other governance structures across the three spheres of government.

PROGRAMME 3: PERFORMANCE ON INDICATORS AND ANNUAL TARGETS FOR 2013-2014

The Programme achieved 4 (80%) of its 5 annual targets, as outlined in the following table:

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2012/13	PLANNED TARGET 2013/14	ACTUAL ACHIEVEMENT 2013/14	DEVIATION FROM ACTUAL ACHIEVEMENT	COMMENT ON DEVIATIONS
To promote and integrate the role and place of traditional affairs in the South African governance system by establishing synergetic relations with other governance structures across the three spheres of government	Annual Report on the implementation of Empowerment Programme developed	Report on the implementation of the Empowerment Programme and Evaluation report on the impact of the Empowerment Programme	Annual Report on the implementation of Empowerment Programme developed	Achieved Four meetings held on the Traditional Affairs Implementation Forum and annual report developed	--	--
	Partnership Framework implemented in 8 provinces	Partnership Framework implemented in provinces, monitored and reviewed	Partnership Framework implemented in 8 provinces	Achieved Guidelines on the Implementation of Partnership Framework were developed and provinces were workshopped on the framework A report was compiled	--	--
To ensure that the institution of traditional leadership is empowered by reviewing and developing the empowerment programme	Annual Report on Capacity Building Implementation Plan developed	Draft framework for support to Houses and TCs	Annual Report on Capacity Building Implementation Plan	Achieved A Report on the implementation of the Capacity Building Plan was developed and presented to the Traditional Affairs Implementation Forum on 13 March 2014 Training interventions on Indigenous law took place in North West, Limpopo and Gauteng The Human Rights Commission trained provincial COGTA officials on PAIA while World Vision orientated the NHTL members and Provincial Chairpersons on Children's Rights	--	--

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STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2012/13	PLANNED TARGET 2013/14	ACTUAL ACHIEVEMENT 2013/14	DEVIATION FROM ACTUAL ACHIEVEMENT	COMMENT ON DEVIATIONS
To ensure that the institution of traditional leadership is empowered by reviewing and developing the empowerment programme	Induction Manual for Traditional Leadership Structures developed	New project	Induction Manual for Traditional Leadership Structures developed and workshoped to stakeholders	Partially achieved Induction Manual for Traditional Leadership structures was developed and endorsed for implementation at the end of March 2014	National House of Traditional Leaders (NHTL) is one of the key stakeholders and beneficiaries of the project and for the project to be finalised the Department was to consult and have a workshop with the House on the Induction Manual; however, the NHTL was neither consulted nor workshoped.	The Department could not secure dates from the NHTL for the workshop and consultation session on the Induction Manual, which delayed finalisation of the project The NHTL provided a date in July 2014 for the workshop and consultation session The project will therefore be finalised during the 2014/15 FY
To ensure that the institution of traditional leadership is empowered by reviewing and developing the empowerment programme	Bursary Policy for needy children within traditional communities developed	New project	Bursary Policy for needy children within traditional communities developed	Achieved The Bursary Policy for needy children within traditional communities has been developed Terms of Reference for the establishment of the bursary committee were developed and approved	--	--



9 ENTITIES Performance

9.1 Commission on Traditional Leadership Disputes and Claims (CTLDC)

PURPOSE

The purpose of the CTLDC is to process and finalise traditional leadership disputes and claims by December 2015.

STRATEGIC OBJECTIVE

The strategic objective of the CTLDC is to process all 1 244 traditional leadership disputes and claims lodged with the commission.

CTLDC PERFORMANCE ON INDICATORS AND ANNUAL TARGETS FOR 2013-2014

CTLDC had one target of researching and processing 360 claims and dispute cases and the target was achieved. The following table outlines the CTLDC 2013/14 performance:

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2012/13	PLANNED TARGET 2013/14	ACTUAL ACHIEVEMENT 2013/14	DEVIATION FROM ACTUAL ACHIEVEMENT	COMMENT ON DEVIATIONS
To process all claims and disputes of traditional leadership	Number of claims and dispute researched	300 claims and dispute cases finalised	360 claims and dispute cases researched	Achieved 360 claims and disputes cases were researched	-	-

9.2 National House of Traditional Leaders (NHTL)

PURPOSE

To enhance functionality and promote good governance within the institution of traditional leadership.

STRATEGIC OBJECTIVES

The NHTL's strategic objectives in the year under review were to:

- coordinate participation in and monitoring of service delivery and rural development;
- improve capacity and capability of the National House in order to delivery on its mandate;
- facilitate and coordinate the inputs into legislative and policy development processes relating to traditional affairs; and
- facilitate and coordinate engagements to promote the African Agenda.

NHTL PERFORMANCE ON INDICATORS AND ANNUAL TARGETS FOR 2013-2014

NHTL achieved 6 (100%) of its 6 annual targets, as outlined in the following table:

STRATEGIC OBJECTIVE	PERFORMANCE INDICATORS	ACTUAL ACHIEVEMENT 2012/13	PLANNED TARGET 2013/14	ACTUAL ACHIEVEMENT 2013/14	DEVIATION FROM ACTUAL ACHIEVEMENT	COMMENT ON DEVIATIONS
To coordinate participation in and the monitoring of service delivery and rural development	Number of Traditional Councils engaged on service delivery and rural development initiatives Report on the NHTL visit to kings and queens in line with the NHTL Act	Report on participation in and monitoring of service delivery and rural development was developed New project	78 Traditional Councils engaged on service delivery and rural development initiatives Report on the NHTL visit to kings and queens in line with the NHTL Act	Achieved 78 Traditional Councils were engaged on service delivery and rural development initiatives Achieved Four kings were visited during the year under review and a report on the visits and meetings with the 4 kings was developed	--	--
To facilitate the improved capacity and capability of the National House in order to deliver on its mandate	Members of the NHTL supported through training on identified training needs Evaluation report on the training provided	The NHTL was supported by providing training for members of the NHTL	Provided support to members of the NHTL through training on: - Report writing - Media handling - Presentation - Public speaking - Commissioner of Oaths - Judgment writing	Achieved NHTL members were trained on the mentioned 6 identified areas and a report was developed	--	--
To facilitate and coordinate the inputs into legislative and policy development processes relating to traditional affairs	Report on referred legislations and policies to the NHTL Courts Bill & National Traditional Affairs Bill	Inputs on legislation and policies referred to the House provided on Traditional Affairs Bill	Report on referred legislation and policies to the NHTL	Achieved The NHTL considered and provided inputs to 15 pieces of legislation referred to the House and a report on this was developed	--	--
To facilitate and coordinate engagements to promote the African Agenda	International Relations Policy for the NHTL developed	New project	International Relations Policy for the NHTL implemented	Achieved International Relations Policy for the NHTL is being implemented	--	--

10 OVERVIEW of the financial results of the Department

The total expenditure of the Department, excluding local and foreign aid assistance, amounted to R56 401 572 000 which represents 96.5% of the total appropriation. The under spending of

R2 057 335 000 was, therefore, 3.5% of the total budget. This reflects a slight increase in the amount under spent, which was at 2.6% in 2012/13, mainly due to an MIG allocation that was stopped and Local Government Equitable Share that was withheld because of low performing municipalities in other conditional grants.

This comprised mainly compensation of employees, goods and services, payments of capital assets as well as transfers and subsidies when compared with the previous year's financial performance.

The following table reflects the savings trend since 2007/08:

Year	Expenditure R '000	Saving %	Saving R '000
2007/08	30 029 716	0,02	7 035
2008/09	35 348 095	0,82	290 912
2009/10	36 016 101	1,42	511 032
2010/11	44 457 917	0,26	115 202
2011/12	46 221 564	4,11	1 983 096
2012/13	53 442 919	2,57	1 412 259
2013/14	56 401 572	3,51	2 057 335

The initial budget allocation to the Department for the 2013/14 financial year amounted to R58 252 691 000. An additional R206 216 000 was received in the 2013/14 Adjustments Estimate, which brings the total voted amount to R58 458 907 000. This represented an increase of R3 603 729 000 (6.56%) against the budget allocation for the previous financial year. The main increases were in respect of the Local Government Equitable Share funds and the Community Works Programme.

11 TRANSFER payments

11.1 South African Local Government Association (SALGA)

SALGA has been recognised in terms of the Organised Local Government (Act of 1998), as the association that is the representative of organised local government. The main purpose of SALGA is to participate in intergovernmental structures at a provincial and district level, in order to influence national and provincial legislation, and gauge its impact on local government.

- Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities**
 The Commission is a Chapter 9 Institution, listed in terms of the PFMA, and reports directly to Parliament. The Commission focuses on: recovering diminished heritages through research, disseminating its findings, education and advocacy. The commission also facilitates the resolution of conflicts between individuals, group and communities.
- The Municipal Demarcation Board (MDB)**
 The Board is a Constitutional Institution listed, in terms of the PFMA and section 155 (3)(b) of the Constitution, as an independent authority responsible for determining municipal boundaries and its independence is protected by Section 3 of the Local Government Municipal Demarcation Act, 1998 (Act of 1998) and various judgements of the Constitutional Court.
- South African Cities Network (SACN)**
 The transfer is a contribution to the operational costs which enables cooperation between South African cities and maximises benefits through the exchange of information.

- **Municipalities**

Transfers are made in terms of the Division of Revenue Act.

- **Non-Profit Institutions**

- **United Cities and Local Governments of Africa (UCLGA):**

UCLGA is an organisation established to facilitate the intercontinental development and sharing of best practices amongst African Cities and Local Governments.

The transfer contributes to the operational costs and strengthening the capacity of UCLGA to implement its programmes.

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

12 **CONDITIONAL** grants

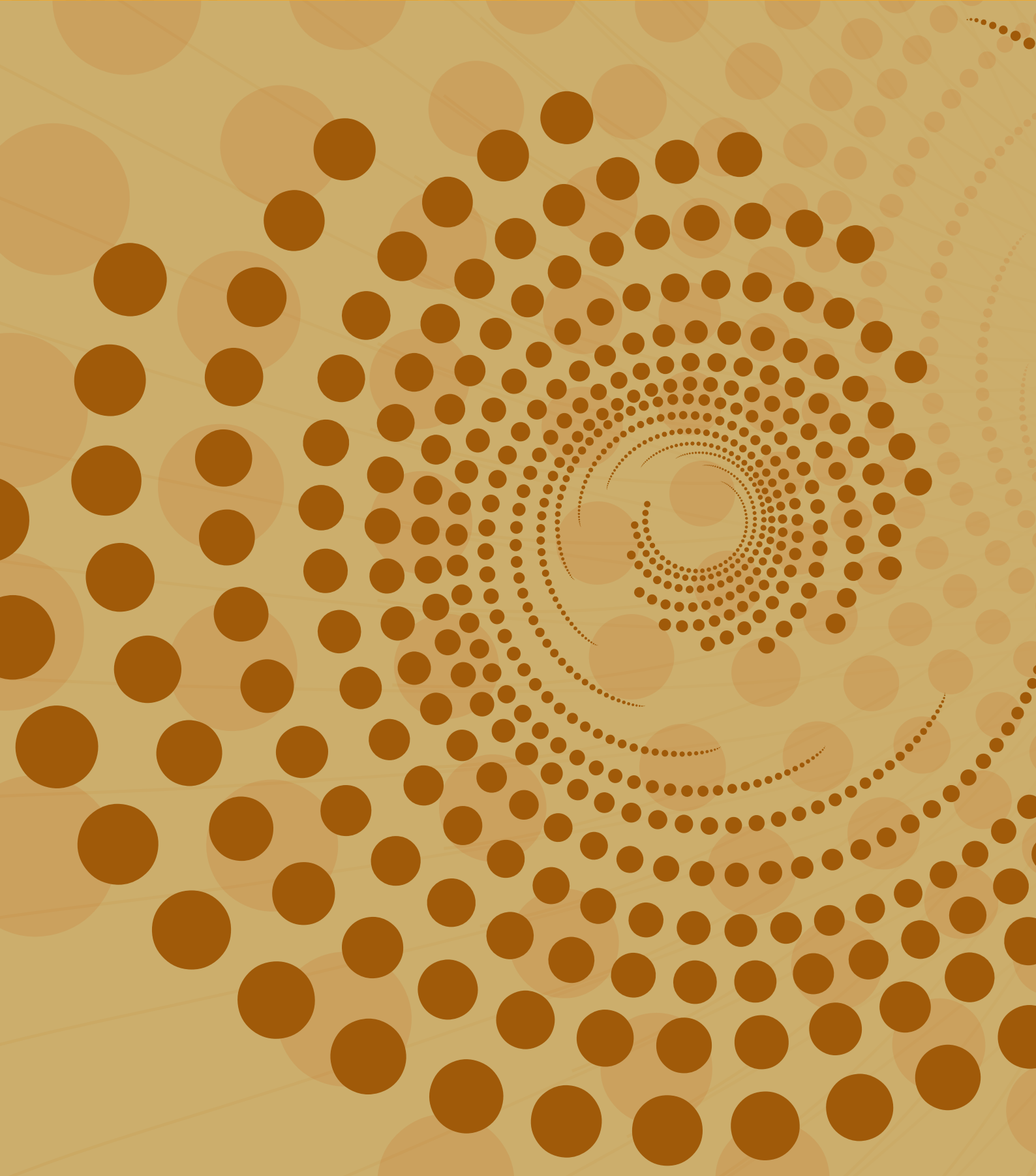
Per Conditional Grant	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000
Municipal Infrastructure Grant	R14 354 531	R14 224 447	R130 084
Municipal Systems Improvement (MSIG)	R240 307	R240 307	0
Provincial Disaster Grant	R346 500	R93 630	R252 870
Municipal Disaster Grant	R188 100	R170 714	R17 386
Disaster Relief Grant	R118 340	R118 340	0

13 **DONOR** funds

The donor funds were utilised in the following areas:

Description	Closing Balance
Received in cash	
Decentralisation of LG in the DRC (African Renaissance)	R 10 259
Results area 5 of the Local Economic Development Program (EU)	R 0
Piloting SebenzaNathi Initiative (EU)	R 11 349
Start-up: Expanding & strengthening public participation in LG (EU)	(R 51)
Phase 1: Expanding & strengthening public participation in LG (EU)	(R 487)
Masibambane project (EU)	R 9 542
Community Works Programme: ECSSP (DFID)	R 4 206
Grand Total	R 34 818
Received in Kind	
Technical Co-operation on strengthening LG Programme (SLGP) (GTZ)	R 150
Development LED Capacity Building Programme (GTZ)	R 150
Decentralisation & Local Development Policies in RSA - NETSAFRICA (ITALY)	R 1 178

The amount of R1 392 161.47 for Results area 5 of the Local Economic Development Program (EU) was surrendered to the donor in this financial year.



Chapter

3

PART C: GOVERNANCE

1 INTRODUCTION

The Department regards good corporate governance as an effective mechanism for encouraging efficiency in its operations, together with the prevention of corruption and combating fraud. It therefore continuously strives to achieve compliance with the principles of good corporate governance and the requirements of KING III.

During the year under review, the oversight structures at executive level were fully functional in providing direction on the strategic management of the Department.

2 RISK Management

The Department conducted an annual risk assessment in accordance with the Risk Management Policy. The risk profile of the Department was developed and monitored, based on Departmental objectives. The Departmental risk register was used to develop the three-year rolling Internal Audit plan, as the Department follows a risk-based audit approach.

The management of risks has improved and has resulted in improved performance within the Department. The current year's MPAT review was further confirmation of the Department's efforts to instil a culture of risk management, as the Department was rated to be performing at level four. Risk management has been integrated within the performance monitoring process of the Department.

3 FRAUD and Corruption

The Department has adequate and effective policies and procedures in place to prevent, detect and address acts of corruption. Regular awareness sessions were conducted to strengthen the Department's ability to prevent and detect fraud and corruption.

4 MINIMISING Conflict of Interest

The Treasury Regulations 16A, 2005, provides guidelines on how to manage conflict of interest and ensure that proper declarations are made by all Supply Chain Management Practitioners as well as by other role players in supply chain management processes. All Supply Chain Management Practitioners and bid committee members are required to disclose their business interests every financial year, as well as to sign the Code of Conduct in terms of National Treasury Practice Number 4 of 2003 and 7 of 2009/2010. The Bid Committee members are always requested to disclose the interest for each every bid/tender that they are dealing with and the record is kept for audit purposes.

5 CODE of Conduct

The Public Service Code is a guiding document for the good conduct of employees in the Department. The Code of Conduct for the Public Service and the collective agreement (PSCBC Resolution 1 of 2003) are important prescripts in the Department insofar as discipline is concerned. It is endorsed by the PSCBC Resolution 1 of 2003 in that, **Annexure A** of the resolution contains numerous acts of misconduct which the Department complies with, and it prescribes that an employee will be guilty of misconduct if he or she “*contravenes any prescribed code of conduct in the Public Service*”.

The Department complies with the Code in that it enforces the Code of Conduct. Any employee who contravenes or breaches the Code as indicated in the Collective Agreement (PSCBC Resolution 1 of 2003) commits misconduct. A disciplinary process is followed, as indicated in the Collective Agreement, against any employee who breached or contravenes the code of conduct in the Department.

6 HEALTH Safety and Environmental Issues

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

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

- The OHS Committee has been appointed in line with the Occupational Health and Safety Act.
- OHS representatives were trained to identify hazards and investigate incidents in the workplace.

- First Aiders were trained and appointed to render first aid during emergencies and minor injuries within the Department.
- Fire fighters were trained and appointed to deal with fire incidents in the Department.
- An Evacuation/Emergency policy was developed and approved.
- Reports of injuries or occupational diseases were investigated periodically and reported as and when they occur.
- The Department has not experienced any major Occupational Health and Safety risks, except for some compliance issues pointed out by the City of Tshwane.
- The Department has addressed the majority of the compliance issues identified by the City of Tshwane.

7 PORTFOLIO committees

DATES OF MEETINGS

DATE	AGENDA
16 April 2013	Briefing by the Department of Cooperative Governance and Traditional Affairs on Budget Vote 3 and its Annual Performance Plans Progress report on the implementation of the LGTAS
30 April 2013	Briefing by National Treasury and FFC on the Local Government: Equitable share formula Briefing by the Department of Cooperative Governance on functioning of ward committees
14 May 2013	Briefing by the Department of Cooperative Governance on the recovery of debts owed to municipalities Briefing by the Office of the Auditor-General on local government audit outcomes
4 June 2013	Joint meeting with the Standing Committee on Appropriations on the Appropriations Bill [B1-2013]
11 June 2013	Briefing by Municipal Infrastructure Support Agent
18 June 2013	Briefing by the DCOG on municipalities under Section 139 Adoption of Committee Programme and minutes
22 - 25 July 2013	Oversight visit to North West Province
28 July - 1 August 2013	Oversight visit to Eastern Cape Province
13 August 2013	Briefing by LG Seta (including DCOG and SALGA) on programmes, learnerships, etc. in local government

DATE	AGENDA
10 September 2013	Briefing by the Department of Traditional Affairs and NHTL on conditions of service for traditional leaders
17 September 2013	Adoption of Committee reports and minutes
18 September 2013	Briefing by SALGA on their Annual Report
8 October 2013	Briefing by Department of Cooperative Governance and Department of Traditional Affairs (including NHTL) on their Annual Reports
9 October 2013	Briefings on Annual Reports by Municipal Demarcation Board (MDB) and CRL Rights Commission
15 October 2013	Briefing by the Department of Cooperative Governance on the Local Government: Municipal Property Rates Amendment Bill [B33-2013]
22 October 2013	Discussion of BRRR Report
29 October 2013	Adoption of BRRR Report
5 November 2013	Briefing by the Department of Cooperative Governance on the Integrated Urban Development Framework
13 November 2013	Adoption of Committee programme for 2014
28 January 2014	Hearings on Municipal Property Rates Amendment Bill [B33-2013]
29 January 2014	Hearings on Municipal Property Rates Amendment Bill [B33-2013]
30 January 2014	Hearings on Municipal Property Rates Amendment Bill [B33-2013]
4 February 2014	Deliberations on the Municipal Property Rates Amendment Bill [B33-2013]
5 February 2014	Deliberations on the Municipal Property Rates Amendment Bill [B33-2013]
11 February 2014	Deliberations on the Municipal Property Rates Amendment Bill [B33-2013]
12 February 2014	Adoption of the Municipal Property Rates Amendment Bill [B33-2013]

MATTERS RAISED BY THE PORTFOLIO COMMITTEE AND THE DEPARTMENT'S RESPONSE

REPORTING MATTER	ACTION REQUIRED	RESPONSE BY THE DEPARTMENT
Bulk infrastructure and service delivery	Report on infrastructure damaged by disasters in all provinces since 1998: What progress has been made to repair/replace it, budget that was spent on it and assistance from sector departments -- Mr K Terry	

REPORTING MATTER	ACTION REQUIRED	RESPONSE BY THE DEPARTMENT
Staff capacity in municipalities	Report on all Municipal Managers and Section 56 managers in all municipalities (where positions were filled after 2011): Was it in compliance with the Municipal Systems Amendment Act, 2011; if not, what actions have been taken against municipalities for non-compliance -- Ms Majiet	The forum on monitoring filling of vacancies has submitted reports to MinMEC with recommendations for MECs on corrective measures. MECs in KZN and NC have nullified some appointments by issuing declaratory orders The legislation empowers MECs to take corrective measures where non-compliance has been identified
	Report on performance contracts of section 57 managers -- Ms Majiet	A report is provided by provinces; however, the numbers of performance contracts submitted are low and others are not signed on time It must be reported that in some instances there are political challenges which have an impact on the number of performance contracts submitted
	Report on steps taken against municipal managers and senior managers who have not met the deadlines to obtain the necessary qualifications as stipulated in Treasury Circular 60 -- Ms Majiet	The executive authority to enforce the MFMA and any directives issued by Treasury are the sole competence of Treasury
Policy	Progress report on the Local Government Turnaround Strategy (LGTAS) -- Mr Fosi and Ms Mabidilala	The LGTAS report was presented and adopted by Cabinet in November 2013 Not yet presented to the Portfolio Committee Meeting
Anti-corruption	Presentation to clarify the roles and functions of the Department's Anti-Corruption Inspectorate -- Ms Majiet	The Anti-Corruption Inspectorate has been reorganised and its mandate aligned to that of the Department Its roles and functions are to: i) coordinate investigations, categorise and refer cases of corruption to law enforcement agencies ii) promote professional ethics by training officials and strengthen functionality of ethics committees These are captured in the APP

8 SCOPA Resolutions

The SCOPA resolutions have not been finalised by Parliament.

9 PRIOR MODIFICATIONS to audit reports

Nature of qualification, disclaimer, adverse opinion and matters of non-compliance	Financial year in which it first arose	Progress made in clearing / resolving the matter
Unqualified audit opinion with findings on usefulness and reliability of performance information and non-compliance to certain laws and regulations	2011/12 and 2012/13	Subsequent to the 2012/13 year-end audit, a Post Audit Action Plan was adopted in order for the internal controls weaknesses identified to be corrected

10 INTERNAL Audit Unit

A risk-based Internal Audit Plan was approved by the Audit Committee and subsequently implemented. The Unit conducted a number of internal audits and *ad hoc* projects during the year, and provided comprehensive recommendations for improvement to the Department, where appropriate. The Internal Audit Unit also played a key role in verifying the completeness and accuracy of the assets and inventories purchased for the Community Work Programme.

The Unit assisted the Department with the following forensic investigations:

- Irregularities in the Information Technology Infrastructure at the National Disaster Management Centre (NDMC). This investigation has been finalised and the Department is in the process of implementing the necessary disciplinary action, as recommended.
- Allegations of mismanagement of funds of the Department of Cooperative Governance by the South African National Cooperative Limited (SANACO). This investigation was proclaimed by the President on 23 January 2014 and is currently being undertaken by the Special Investigating Unit (SIU).

11 INTERNAL Audit and Audit committees

The Audit Committee is fully functional and met regularly during the year to provide an oversight role on the operations of the Department and the systems of corporate governance supporting the achievement of the Department's objectives. The Audit Committee also approved the Three Year Strategic Rolling Plan for the period 2013/14 - 2015/16 and the Annual Project Plan of Internal Audit. Quarterly reports were submitted to the Audit Committee, which enabled the committee to monitor the performance of the Internal Audit Section against the Internal Audit Annual Project Plan.

12 REPORT of the Audit Committee

We are pleased to present our report for the financial year ended 31 March 2014.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

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

NAME OF MEMBER	NUMBER OF MEETINGS ATTENDED
Ms Nonhlanhla Khumalo (Chairperson)	3
Mr Ndlovu	2
Mr AF Sinthumule	4
Adv R Dehal	5
MrS Dzengwa	4
Mr E Cousins	4

During the year under review the tenure of the current Audit Committee members, namely Ms Khumalo and Mr Ndlovu expired with effect from 30 June 2013. The Minister had also approved that the Audit Committee consist of a total of five (5) members. As a result thereof four additional members were appointed to the Committee with effect from July 2013. Ms Khumalo's tenure as Chairperson of the Audit Committee was extended to 31 October 2013, and she has subsequently been succeeded by Mr Sinthumule as the Chairperson. Currently there is an Audit Committee member post vacant, and efforts are being made to fill this post as soon as is practically possible.

AUDIT COMMITTEE RESPONSIBILITY

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

THE EFFECTIVENESS OF INTERNAL CONTROL

The newly proclaimed entity, namely the Municipal Infrastructure Support Agent (MISA), previously under control of CoGTA, became independent with effect from May 2013, although Internal Audit still handles the internal audit programme for the said entity, independently reporting to MISA management. The Audit Committee Report will thus be separately submitted from that of CoGTA, to the management of MISA. The oversight by Internal Audit in respect of MISA under the previous dispensation therefore only lasted for approximately one month.

Although there were improvements noted in the internal controls for the Department in the year under review, the Committee notwithstanding raised concerns regarding the monitoring and evaluation of the Community Work Programme, as well as the functionality and legal status of the Municipal Infrastructure Support Agent (MISA). The Department subsequently was requested to strengthen the controls and also the effective and efficient filling of vacant staff positions wherever necessity demanded, in order to safeguard operational success.

The Department also reviewed and concluded on all irregular disbursements for the 2013/2014 financial year, and disclosed such in the irregular expenditure register and financial statements.

Improvements were noted in the functioning of the Internal Audit Activity during the year under review notwithstanding continued delay in the filling of vacant positions within the Section, and the financial statements audit was also successfully completed. A three year risk based strategic plan and the annual operation plan were implemented by the Internal Audit Activity. The Internal Audit Activity also assisted the Department in facilitating the Risk Management Processes and in, compiling the Risk register. The management of risks has improved and thus resulted in improved performance within the Department. The outcome of the current year's MPAT review was further confirmation of the Department's efforts to internally instill a culture of focused risk management.

Internal Audit assisted the Department with the following forensic investigations:-

- Irregularities in the Information Technology Infrastructure at the National Disaster Management Centre (NDMC). This investigation has been finalized, and the Department is in the process of implementing the necessary and recommended disciplinary action.
- Allegations of mismanagement of funds of the Department of Cooperative Governance by the South African National Cooperative Limited (SANACO). This investigation was proclaimed by the President on 23 January 2014, and is currently being investigated by the Special Investigating Unit (SIU).

The Committee noted the improvements made by management in addressing the control environment and will continue to support and monitor the progress until the Department's control environment has improved significantly to an acceptable standard.

Internal Audit Management reported directly to the Audit Committee, with Internal Audit also reporting independently on the progress by management in implementing the turn-around strategy plan to secure remedial action

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

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

EVALUATION OF FINANCIAL STATEMENTS

The Audit Committee has:

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

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



Chairperson of the Audit Committee
Date: 31/07/2014



Chapter

4

PART D: HUMAN RESOURCE MANAGEMENT

1 INTRODUCTION

The information contained in this part of the annual report has been prescribed by the Minister for the Public Service and Administration for all departments in the public service and requests commentary on the following:

- The status of human resources in the department.
- Human resource priorities for the year under review and the impact of these.
- Workforce planning and key strategies to attract and recruit a skilled and capable workforce.
- Employee performance management.
- Employee wellness programmes.
- Highlights of achievements and challenges faced by the Department, as well as future human resource plans/goals.

2 HUMAN Resources Oversight Statistics

2.1 Personnel-related expenditure

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

- Amount spent on personnel.
- Amount spent on salaries, overtime, homeowners' allowances and medical aid.

TABLE 2.1.1: Personnel expenditure by programme for the period 1 April 2013 to 31 March 2014

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)
Programme 1 Administration	211 498	105 064	685	5 209	49.7%	417
Programme 2 Gov., Policy & Research	51 453	19 390	181	4 616	37.7%	413
Programme 3 Gov. & Intergovernmental Relations	40 725 499	22 142	294	1 811	0.1%	341
Programme 4 National Disaster Management Centre	423 859	18 499	292	3 888	4.4%	561
Programme 5 Provincial and Municipal Gov. Support	291 872	23 533	197	16 421	8.1%	603
Programme 6 Infrastructure and Economic Development	16 230 974	38 190	59	332 567	0.2%	734
Programme 7 Traditional Affairs	111 702	42 922	154	1 091	38.4%	704
Total	58 046 857	269 740	1 862	365 603	0.5%	491

TABLE 2.1.2: Personnel costs by salary band for the period 1 April 2013 to 31 March 2014

Salary band	Personnel expenditure (R'000)	% of total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Lower skilled (Levels 1-2)				
Skilled (Levels 3-5)				
Highly skilled production (Levels 6-8)				
Highly skilled supervision (Levels 9-12)				
Senior and Top management (Levels 13-16)				
Total				

TABLE 2.1.3: Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2013 to 31 March 2014

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
Total								

TABLE 2.1.4: Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2013 to 31 March 2014

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
Programme 1 Administration	65 871	62.7%	2 459	2.3%	1 646	1.6%	2 556	2.4%
Programme 2 Gov., Policy & Research	12 896	66.5%	187	1.0%	330	0.3%	561	0.5%
Programme 3 Gov. & Intergovernmental Relations	14 551	65.7%	0	0.0%	447	2.0%	417	1.9%
Programme 4 National Disaster Management Centre	12 587	68.0%	24	0.1%	424	2.3%	328	1.8%
Programme 5 Provincial and Municipal Gov. Support	14 811	62.9%	63	0.3%	453	1.9%	510	2.2%
Programme 6 Infrastructure and Economic Development	24 405	63.9%	90	0.2%	796	2.1%	487	1.3%
Programme 7 Traditional Affairs	29 377	68.4%	90	0.2%	1 472	3.4%	790	1.8%
Total	174 498	64.7%	2 913	1.1%	5 568	2.1%	5 649	2.1%

2.2 Employment and vacancies

The following tables summarise the number of posts in the establishment, the number of employees, the vacancy rate and whether there are any staff that are additional to the establishment.

This information is presented in terms of three key variables:

- Programme.
- Salary band.
- Critical occupations.

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

TABLE 2.2.1: Employment and vacancies by programme as on 31 March 2014

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Programme 1: Administration	184	165	10.3	74
Programme 2: Gov., Policy & Research	49	45	8.2	1
Programme 3: Gov. & Intergovernmental Relations	41	36	12.2	2
Programme 4: National Disaster Management Centre	34	31	8.8	1
Programme 5: Provincial and Municipal Gov. Support	45	38	15.6	2
Programme 6: Traditional Affairs	80	66	17.5	5
Programme 7: Infrastructure and Economic Development	55	51	7.3	36
Total	488	432	11.5	121

TABLE 2.2.2: Employment and vacancies by salary band as on 31 March 2014

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)	0	0	0	0
Skilled (Levels 3-5)	51	50	2	39
Highly skilled production (Levels 6-8)	149	128	14.1	21
Highly skilled supervision (Levels 9-12)	146	128	12.3	17
Senior management (Levels 13-16)	142	126	11.3	44
Total	488	432	11.5	121

TABLE 2.2.3: Employment and vacancies by critical occupations as on 31 March 2014

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Senior management (Levels 13-16)	142	126	11.3	44
Total	142	126	11.3	44

NOTES:

The CORE classification, as prescribed by the DPSA, should be used for completion of this table.

- Critical occupations are defined as occupations or sub-categories within an occupation –
 - in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available, or they are available but do not meet the applicable employment criteria;
 - for which persons require advanced knowledge in a specified subject area or science or learning field,

- and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
- where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
- In respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

2.3 Filling of Senior Management Service posts

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

TABLE 2.3.1: SMS post information as on 31 March 2014

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department					
Salary Level 16	3	2	67	1	33
Salary Level 15	12	8	67	4	33
Salary Level 14	36	35	97	1	3
Salary Level 13	91	81	89	10	11
Total	142	126	89	16	11

TABLE 2.3.2: post information as on 30 September 2013

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department					
Salary Level 16	3	2	67	1	33
Salary Level 15	12	8	67	4	33
Salary Level 14	36	31	86	5	14
Salary Level 13	91	78	86	13	14
Total	142	119	84	23	16

TABLE 2.3.3: Advertising and filling of SMS posts for the period 1 April 2013 to 31 March 2014

SMS Level	Advertising	Filling of Posts	
	Number of vacancies per level advertised in 6 months of becoming vacant	Number of vacancies per level filled in 6 months of becoming vacant	Number of vacancies per level not filled in 6 months but filled in 12 months
Salary Level 16	1	0	0
Salary Level 15	4	0	0
Salary Level 14	5	0	4
Salary Level 13	13	0	8
Total	23	0	12

TABLE 2.3.4: Reasons for not having complied with the filling of funded vacant SMS posts advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2013 to 31 March 2014

Reasons for vacancies not advertised within six months
Reasons for vacancies not filled within twelve months
Most of the posts were re-advertised since no suitable candidates were identified during the initial advertisement. Some posts became vacant towards the end of the financial year.

NOTES:

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.3, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes.

TABLE 2.3.5: Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2013 to 31 March 2014

Disciplinary steps taken
No disciplinary steps required since there are legitimate reasons for the delay with the filling of SMS posts.

NOTES:

- In terms of the Public Service Regulations Chapter 1, Part VII C.1A.2, departments must indicate good cause or reason for not having complied with the filling of SMS posts within the prescribed timeframes. In the event of non-compliance with this regulation, the relevant executive authority or head of department must take appropriate disciplinary steps in terms of section 16A (1) or (2) of the Public Service Act.

2.4 Job Evaluation

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

TABLE 2.4.1: Job Evaluation by salary band for the period 1 April 2013 to 31 March 2014

Salary band	Number of posts on approved establishment	Number of jobs evaluated	% of posts evaluated by salary bands	Posts Upgraded		Posts downgraded	
				Number	% of posts evaluated	Number	% of posts evaluated
Lower Skilled (Levels 1-2)	0	0	0	0	0	0	0
Skilled (Levels 3-5)	51	33	64.7	11	33.3	0	0
Highly skilled production (Levels 6-8)	149	10	6.7	1	10	0	0
Highly skilled supervision (Levels 9-12)	146	16	11	1	6.3	0	0
Senior Management Service Band A	91	3	3.3	0	0	0	0
Senior Management Service Band B	36	2	5.6	0	0	0	0
Senior Management Service Band C	12	3	25	0	0	0	0
Senior Management Service Band D	3	0	0	0	0	0	0
Total	488	67	13.7	13	19.4	0	0

The following table provides a summary of the number of employees whose positions were upgraded due to their posts 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 2.4.2: Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2013 to 31 March 2014

Gender	African	Asian	Coloured	White	Total
Female	7	0	0	0	7
Male	6	0	0	0	6
Total	13	0	0	0	13

Employees with a disability	1
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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 2.4.3: Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2013 to 31 March 2014

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Chief Operating Officer	1	15	16	Buy offer
Executive Manager	1	14	15	Buy offer
Deputy Director	1	11	13	Buy offer
Total number of employees whose salaries exceeded the level determined by job evaluation				3
Percentage of total employed				0.54

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

TABLE 2.4.4: Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2013 and 31 March 2014

Gender	African	Asian	Coloured	White	Total
Female	2	0	0	0	2
Male	1	0	1	0	2
Total					4

Employees with a disability	0
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NOTE:

- 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:

2.5 Employment changes

This section provides information on changes in employment over the financial year. Turnover rates provide an indication of trends in the employment profile of the

Department. The following tables provide a summary of turnover rates by salary band and critical occupations (see definition in notes below).

TABLE 2.5.1: Annual turnover rates by salary band for the period 1 April 2013 to 31 March 2014

Salary band	Number of employees at beginning of period-April 2013	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	93	1	1	1.1
Highly skilled production (Levels 6-8)	153	8	10	6.5
Highly skilled supervision (Levels 9-12)	144	11	13	9
Senior Management Service Bands A	106	7	8	7.5
Senior Management Service Bands B	50	4	3	6
Senior Management Service Bands C	12	0	1	8.3
Senior Management Service Bands D	5	0	0	0
Contracts		12	17	18.3
Total	563	43	53	8.1

TABLE 2.5.2: Annual turnover rates by critical occupation for the period 1 April 2013 to 31 March 2014

Critical occupation	Number of employees at beginning of period-April 2013	Appointments and transfers into the Department	Terminations and transfers out of the Department	Turnover rate
Senior Management Service (Levels 13-16)	173	15	19	11
Total	173	15	19	11

NOTES:

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
 - in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available, but do not meet the applicable employment criteria;
 - for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

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

TABLE 2.5.3: Reasons why staff left the department for the period 1 April 2013 to 31 March 2014

Termination Type	Number	% of Total Resignations
Death	3	5.7
Resignation	13	24.5
Expiry of contract	17	32
Dismissal – operational changes	0	0
Dismissal – misconduct	1	1.9
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	1	1.9
Transfer to other Public Service Departments	18	34
Other	0	0
Total	53	100
Total number of employees who left as a % of total employment		8.7

TABLE 2.5.4: Promotions by critical occupation for the period 1 April 2013 to 31 March 2014

Occupation	Employees 1 April 20YY	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
Senior Management Service (Levels 13 to 16)	173	2	1.2	146	84.4
Total	173	2	1.2	146	84.4

TABLE 2.5.5: Promotions by salary band for the period 1 April 2013 to 31 March 2014

Salary Band	Employees 1 April 20YY	Promotions to another salary level	Salary bands promotions as a % of employees by salary level	Progressions to another notch within a salary level	Notch progression as a % of employees by salary bands
Lower skilled (Levels 1-2)	0	0	0	0	0
Skilled (Levels 3-5)	93	0	0	24	25.8
Highly skilled production (Levels 6-8)	153	3	2	120	78.4
Highly skilled supervision (Levels 9-12)	144	5	3.5	97	67.4
Senior Management (Level 13-16)	173	2	1.2	146	84.4
Total	563	10	1.8	387	68.7

2.6 Employment Equity

TABLE 2.6.1: Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2014

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	134	5	7	15	129	1	5	16	312
Professionals	0	0	0	0	0	0	0	0	0
Technicians and associate professionals	0	0	0	0	0	0	0	0	0
Clerks	54	2	0	1	109	2	0	12	180
Service and sales workers	0	0	0	0	0	0	0	0	0
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	49	0	0	0	12	0	0	0	61
Total	237	7	7	16	250	3	4	28	553
Employees with disabilities	2	0	0	1	0	1	0	1	5

TABLE 2.6.2: Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2014

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	8	0	0	2	2	1	0	0	13
Senior Management	68	2	4	9	59	0	4	12	158
Professionally qualified and experienced specialists and mid-management	58	3	3	4	68	0	1	4	141
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	39	2	0	1	95	2	0	12	151
Semi-skilled and discretionary decision making	15	0	0	0	14	0	0	0	29
Unskilled and defined decision making	49	0	0	0	12	0	0	0	61
Total	237	7	7	16	250	3	5	28	553

TABLE 2.6.3: Recruitment for the period 1 April 2013 to 31 March 2014

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	6	1	0	0	3	1	1	1	13
Professionally qualified and experienced specialists and mid-management	7	0	0	0	11	0	1	0	19
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	3	0	0	0	7	0	0	0	10
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	1	0	0	0	0	0	0	0	1
Total	17	1	0	0	21	1	2	1	43
Employees with disabilities									

TABLE 2.6.4: Promotions for the period 1 April 2013 to 31 March 2014

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	2	0	0	0	0	0	0	0	2
Professionally qualified and experienced specialists and mid-management	2	0	0	1	3	0	0	0	6
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	1	0	0	0	1	0	0	0	2
Semi-skilled and discretionary decision making	0	0	0	0	0	0	0	0	0
Unskilled and defined decision making	0	0	0	0	0	0	0	0	0
Total	5	0	0	1	4	0	0	0	10
Employees with disabilities	0	0	0	0	0	0	0	0	0

TABLE 2.6.5: Terminations for the period 1 April 2013 to 31 March 2014

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	1	0	0	1	0	0	0	3
Senior Management	5	2	0	0	7	1	1	0	16
Professionally qualified and experienced specialists and mid-management	6	0	1	0	8	1	0	1	17
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	6	1	0	0	7	0	0	0	14
Semi-skilled and discretionary decision making	0	0	0	0	2	0	0	0	2
Unskilled and defined decision making	1	0	0	0	0	0	0	0	1
Total	19	4	1	0	25	2	1	1	53
Employees with disabilities	0	0	0	0	0	0	0	0	0

TABLE 2.6.6: Disciplinary action for the period 1 April 2013 to 31 March 2014

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
None	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0

TABLE 2.6.7: Skills development for the period 1 April 2013 to 31 March 2014

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	9	1	0	0	9	0	1	1	21
Professionals	5	0	0	0	4	0	0	0	9
Technicians and associate professionals	1	0	0	0	4	0	0	0	5
Clerks	25	0	0	0	57	0	0	1	83
Service and sales workers	16	0	0	0	11	0	0	0	27
Skilled agriculture and fishery workers	0	0	0	0	0	0	0	0	0
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	0	0	0	0	0	0	0	0	0
Elementary occupations	0	0	0	0	0	0	0	0	0
Total	56	1	0	0	85	0	1	1	145
Employees with disabilities	1	0	0	0	0	0	0	0	0

2.7 Signing of Performance Agreements by SMS members

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

TABLE 2.7.1: Signing of Performance Agreements by SMS members as on 31 May 2013

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	3	2	2	100%
Salary Level 16	3	2	2	100%
Salary Level 15	10	10	10	100%
Salary Level 14	36	31	31	100%
Salary Level 13	91	78	78	100%
Total	143	123	123	100%

NOTE:

- In the event of a National or Provincial election occurring within the first three months of a financial year, all members of the SMS must conclude and sign their performance agreements for that financial year within three months following the month in which the elections took place. For example, if elections took place in April, the reporting date in the heading of the table above should change to 31 July 2xxx.

TABLE 2.7.2: Reasons for not having concluded Performance Agreements for all SMS members as on 31 March 2014

Reasons

NOTE:

- The reporting date in the heading of this table should be aligned with that of Table 2.4.31.

TABLE 2.7.3: Disciplinary steps taken against SMS members for not having concluded Performance Agreements as on 31 March 2014

Reasons

NOTE:

- The reporting date in the heading of this table should be aligned with that of Table 2.4.30.

2.8 Performance rewards

To encourage good performance, the Department has granted the following performance rewards during the year under review. The information is presented in terms

of race, gender, disability, salary bands and critical occupations (see definition in notes below).

TABLE 2.8.1: Performance rewards by race, gender and disability for the period 1 April 2013 to 31 March 2014

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African	14	135			
Male	10	74	14%	500 630	50 063
Female	4	61	7%	211 202	52 8801
Asian	2	8			
Male	1	4	25%	44 929	44 929
Female	1	4	25%	35 981	35 981
Coloured	2	3			
Male	1	2	50%	37 624	37 624
Female	1	1	100%	53 831	53 831
White	7	23			
Male	2	11	42%	78 674	40 135
Female	5	12	18%	200 675	39 382
Total			15%	1 163 636	46 545

TABLE 2.8.2: Performance rewards by salary band for personnel below Senior Management Service for the period 1 April 2013 to 31 March 2014

Salary band	Beneficiary Profile			Cost		Total cost as a % of the total personnel expenditure
	Number of beneficiaries	Number of employees	% of total within salary bands	Total Cost (R'000)	Average cost per employee	
Lower Skilled (Levels 1-2)	0	0	0%	0	0	0%
Skilled (level 3-5)	17	90	19%	98 738	5 808	8%
Highly skilled production (level 6-8)	56	151	37%	400 796	7 157	32%
Highly skilled supervision (level 9-12)	50	141	35%	724 046	14 481	60%
Total	123	382	32%	1 223 580	9 948	100%

TABLE 2.8.3: Performance rewards by critical occupation for the period 1 April 2013 to 31 March 2014

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
Seniors Managers	25	169	15%	915 016	36 601
Total	25	169	15%	915 016	36 601

NOTES:

- The CORE classification, as prescribed by the DPSA, should be used for completion of this table.
- Critical occupations are defined as occupations or sub-categories within an occupation –
 - in which there is a scarcity of qualified and experienced persons currently or anticipated in the future, either because such skilled persons are not available or they are available but do not meet the applicable employment criteria;
 - for which persons require advanced knowledge in a specified subject area or science or learning field and such knowledge is acquired by a prolonged course or study and/or specialised instruction;
 - where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

TABLE H4: Performance-related rewards (cash bonus) by salary band for Senior Management Service for the period 1 April 2013 to 31 March 2014

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	15	104	14.4%	570 904	38 060	55%
Band B	8	54	14.8%	360 818	45 102	35%
Band C	2	11	18.2%	108 469	54 235	10%
Band D*						
Total				1 040 191		100%

*Figures at the time of completion of the report were still not available.

2.9 Foreign workers

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

TABLE 2.9.1: Foreign workers by salary band for the period 1 April 2013 to 31 March 2014

Salary band	01 April 2013		31 March 2014		Change	
	Number	% of total	Number	% of total	Number	% Change
Senior Management Service (Levels 13 to 16)	1	50	1	100	0	0
Contract (Levels 9-12)	1	50	0	0	-1	100
Total	2	100	1	100	-1	100

TABLE 2.9.2: Foreign workers by major occupation for the period 1 April 2013 to 31 March 2014

Major occupation	01 April 2013		31 March 2014		Change	
	Number	% of total	Number	% of total	Number	% Change
Professionals and Managers	2	100	1	100	-1	100
Total	2	100	1	100	-1	100

2.10 Leave utilisation

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

TABLE 2.10.1: Sick leave for the period 1 January 2013 to 31 December 2013

Salary band	Total days	% Days with medical certification	Number of employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Levels 1-2)	0	0	0	0	0	0
Skilled (Levels 3-5)	315	80	58	14.4	5	118
Highly skilled production (Levels 6-8)	961	77.1	130	32.2	7	592
Highly skilled supervision (Levels 9 -12)	687	73.8	116	28.7	6	1 102
Top and Senior management (Levels 13-16)	633	81.4	100	24.7	6	2 025
Total	2 596	77.6	404	100	6	3 837

TABLE 2.10.2: Disability leaves (temporary and permanent) for the period 1 January 2013 to 31 December 2014

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

The table below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

TABLE 2.10.3: Annual Leave for the period 1 January 2013 to 31 December 2013

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	0	0	0
Skilled (Levels 3-5)	1 655	91	18
Highly skilled production (Levels 6-8)	3 383	161	21
Highly skilled supervision (Levels 9-12)	3 347	154	22
Senior management (Levels 13-16)	3 664	187	20
Total	12 049	593	20

TABLE 2.10.4: Capped leave for the period 1 January 2013 to 31 December 2013

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 at 31 March 2014
Lower skilled (Levels 1-2)	0	0	0	0
Skilled (Levels 3-5)	0	0	0	0
Highly skilled production (Levels 6-8)	1	1	1	25
Highly skilled supervision (Levels 9-12)	2	1	2	34
Senior management (Levels 13-16)	1	1	1	46
Total	4	3	1	37

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

TABLE 2.10.5: Leave pay-outs for the period 1 April 2013 to 31 March 2014

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave pay-outs for 2013/14 due to non-utilisation of leave for the previous cycle	18	1	18 000
Capped leave pay-outs on termination of service for 2013/14	0	0	0
Current leave pay-outs on termination of service for 2013/14	0	9	0
Total	18	10	18 000

2.11 HIV/AIDS and Health Promotion Programmes

TABLE 2.11.1: 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
All staff	Employee Health and Wellness Programme Employee Assistance Programme policy and guidelines

TABLE 2.11.2: Details of Health Promotion and HIV/AIDS Programmes (tick the applicable boxes and provide the required information)

Question	Yes	No	Details, if yes
1. Has the Department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	√		Mr Sonwabe Shibane, Senior Manager: Organisational Development
2. Does the Department have a dedicated unit or has it designated specific staff members to promote the health and well-being of your employees? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	√		1 Deputy Director 1 Assistant Director 1 Administration Clerk Budget of R 600 000
3. Has the Department introduced an Employee Assistance or Health Promotion Programme for your employees? If so, indicate the key elements/services of this Programme.	√		Employee Assistance Programme (counselling services), health promotion and life skills (awareness and workshops) and HIV and AIDS programme (awareness and VCT services)
4. Has the Department established (a) committee(s) as contemplated in Part VI E.5 (e) of Chapter 1 of the Public Service Regulations, 2001? If so, please provide the names of the members of the committee and the stakeholder(s) that they represent.		√	
5. Has the Department reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed.	√		The Department's Employment Equity policy does not discriminate against employees on the basis of their HIV status.
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.	√		HIV and AIDS policy is in place. The policy makes provision for employees not to be discriminated against on the basis of HIV status. Care and support referrals to support centres are established. Disciplinary and grievance procedures are in place to counter against those discriminating on the basis of HIV status.

Question	Yes	No	Details, if yes
7. Does the Department encourage its employees to undergo Voluntary Counselling and Testing? If so, list the results that you have you achieved.	√		Through bi-annual Health assessment and VCT screening and annual wellness day, VCT services are offered to employees. Referrals for counselling and VCT services are continuously made for employees.
8. Has the Department developed measures/indicators to monitor and evaluate the impact of its health promotion programme? If so, list these measures/indicators.	√		

2.12 Labour Relations

TABLE 2.12.1: Collective agreements for the period 1 April 2013 to 31 March 2014

Total number of Collective agreements	None
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The following table summarises the outcome of disciplinary hearings conducted within the Department for the year under review.

TABLE 2.12.2: Misconduct and disciplinary hearings finalised for the period 1 April 2013 to 31 March 2014

Total number of disciplinary hearings finalised	None
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TABLE 2.12.3: Types of misconduct addressed at disciplinary hearings for the period 1 April 2013 to 31 March 2014

Type of misconduct	Number	% of total
None	0	0
Total	0	0

TABLE 2.12.4: Grievances logged for the period 1 April 2013 to 31 March 2014

Grievances	Number	% of Total
Number of grievances resolved	10	77
Number of grievances not resolved	3	23
Total number of grievances lodged	13	100

TABLE 2.12.5: Disputes logged with Councils for the period 1 April 2013 to 31 March 2014

Disputes	Number	% of Total
Number of disputes upheld	1	100
Number of disputes dismissed	0	0
Total number of disputes lodged	1	100

TABLE 2.12.6: Strike actions for the period 1 April 2013 to 31 March 2014

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

TABLE 2.12.7: Precautionary suspensions for the period 1 April 2013 to 31 March 2014

Number of people suspended	0
Number of people whose suspension exceeded 30 days	0
Average number of days suspended	0
Cost of suspension (R'000)	0

2.13 Skills development

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

TABLE 2.13.1: Training needs identified for the period 1 April 2013 to 31 March 2014

Occupational category	Gender	Number of employees as at 1 April 20YY	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers (Levels 13-16)	Female	78	0	78	0	78
	Male	93	0	93	0	93
Professionals (Levels 11-12)	Female	73	0	47	0	47
	Male	68	0	29	0	29
Technicians and associate professionals (Levels 9-10)	Female	109	0	75	0	75
	Male	42	0	76	0	76
Clerks (Level 6-8)	Female	14	0	75	0	75
	Male	15	0	17	0	17
Service and sales workers (Levels 3-5)	Female	12	0	15	0	15
	Male	49	0	66	0	66
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	0
	Male	0	0	0	0	0
Sub-total	Female	286	0	290		290
	Male	267	0	280		280
Total		553	0	571		571

TABLE 2.13.2: Training provided for the period 1 April 2013 to 31 March 2014

Occupational category	Gender	Number of employees as at 1 April 20YY	Training provided within the reporting period			
			Learner-ships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	78	0	3	6	9
	Male	93	0	4	7	11
Professionals	Female	73	0	9	0	9
	Male	68	0	4	0	4
Technicians and associate professionals	Female	109	0	11	0	11
	Male	42	0	1	0	1
Clerks	Female	14	0	56	1	57
	Male	15	0	26	0	26
Service and sales workers	Female	12	0	1	1	2
	Male	49	0	11	0	11
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Elementary occupations	Female	0	0	0	0	88
	Male	0	0	0	0	53
Sub-total	Female	286	0	0	0	88
	Male	267	0	0	0	53
Total		553	0	0		141

2.14 Injury on duty

The following tables provide basic information on injuries on duty.

TABLE 2.14.1: Injury on duty for the period 1 April 2013 and 31 March 2014

Nature of injury on duty	Number	% of total
Required basic medical attention only	3	
Temporary Total Disablement	0	
Permanent Disablement	0	
Fatal	0	
Total	3	

2.15 Utilisation of Consultants

The following table 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:

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

TABLE 2.15.1: Report on consultant appointments using appropriated funds for the period 1 April 2013 to 31 March 2014

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 2.15.2: Analysis of consultant appointments using appropriated funds in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2013 to 31 March 2014

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

TABLE 2.15.3: Report on consultant appointments using donor funds for the period 1 April 2013 to 31 March 2014

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 2.15.4: Analysis of consultant appointments using donor funds in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2013 to 31 March 2014

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

2.16 Severance packages

TABLE 2.16.1: Granting of employee-initiated severance packages for the period 1 April 2013 to 31 March 2014

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