



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

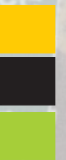
DEPARTMENT OF
CO-OPERATIVE GOVERNANCE,
HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS



ANNUAL REPORT 2019/2020 FINANCIAL YEAR



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VOTE NO. 11
ANNUAL REPORT
2019/2020 FINANCIAL YEAR

Contents

PART A: GENERAL INFORMATION	4
1. DEPARTMENT GENERAL INFORMATION	5
2. LIST OF ABBREVIATIONS/ACRONYMS.....	6
3. FOREWORD BY THE MEC.....	8
4. REPORT OF THE ACCOUNTING OFFICER.....	10
STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT	16
6. STRATEGIC OVERVIEW	17
a. Vision.....	17
b. Mission.....	17
c. Values.....	17
7. LEGISLATIVE AND OTHER MANDATES.....	18
8. ORGANISATIONAL STRUCTURE.....	20
9. ENTITIES REPORTING TO THE MEC.....	20
PART B: PERFORMANCE INFORMATION	21
1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES.....	22
2. OVERVIEW OF DEPARTMENTAL PERFORMANCE	22
2.1 Service Delivery Environment.....	22
2.2 Service Delivery Improvement Plan.....	25
2.3 Organisational environment.....	25
2.4 Key policy developments and legislative changes.....	27
3. STRATEGIC OUTCOME ORIENTED GOALS.....	27
4. PERFORMANCE INFORMATION BY PROGRAMME	29
4.1 Programme 1: Administration.....	29
4.2 Programme 2: Human Settlements.....	36
4.3 Programme 3: Cooperative Governance.....	45
4.4 Programme 4: Traditional Affairs.....	50
5. TRANSFER PAYMENTS.....	56

6.	CONDITIONAL GRANTS.....	54
6.1.	Conditional grants and earmarked funds paid	54
6.2.	Conditional grants and earmarked funds received	54
7.	DONOR FUNDS	56
7.1.	Donor Funds Received	56
8.	CAPITAL INVESTMENT	57
8.1.	Capital investment, maintenance and asset management plan	57
	PART C: GOVERNANCE	58
1.	INTRODUCTION.....	59
2.	RISK MANAGEMENT	59
3.	FRAUD AND CORRUPTION.....	60
4.	MINIMISING CONFLICT OF INTEREST	60
5.	CODE OF CONDUCT	60
6.	HEALTH SAFETY AND ENVIRONMENTAL ISSUES	61
7.	PORTFOLIO COMMITTEES.....	62
8.	SCOPA RESOLUTIONS	62
9.	PRIOR MODIFICATIONS TO AUDIT REPORTS.....	62
10.	INTERNAL CONTROL UNIT	62
11.	INTERNAL AUDIT AND AUDIT COMMITTEES	62
12.	AUDIT COMMITTEE REPORT	74
13.	B-BBEE COMPLIANCE PERFORMANCE INFORMATION.....	76
	PART D: HUMAN RESOURCE MANAGEMENT	77
1.	INTRODUCTION.....	78
	PART E: FINANCIAL INFORMATION	112
1.	REPORT OF THE AUDITOR GENERAL	113
2.	ANNUAL FINANCIAL STATEMENTS.....	122

PART A: GENERAL INFORMATION

1. DEPARTMENT GENERAL INFORMATION

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REPORT 2019/20**

2. LIST OF ABBREVIATIONS/ACRONYMS

AFS	Annual Financial Statements
AGSA	Auditor General of South Africa
APP	Annual Performance Plan
B2B	Back to Basics
BBBEE	Broad Based Black Economic Empowerment
CDP	Community Development Programme
CDW	Community Development Worker
CFO	Chief Financial Officer
CIGFARO	Chartered Institute of Government Finance Audit and Risk Officers
CoGHSTA	Cooperative Governance Human Settlements and Traditional Affairs
CoE	Compensation of Employees
CRU	Community Residential Units
CWP	Community works Programme
DDG	Deputy Director General
DDM	District Development Model
DORA	Division of Revenue Act
DPCI	Directorate for Priority Crime Investigation
EAP	Employee Assistance Programme
EEDBS	Enhanced Extended Discount Benefit scheme
EXCO	Executive Council
FLISP	Financed-Linked Individual Subsidy Programme
FY	Financial Year
GITO	Government Information Technology Office
HDA	Housing Development Agency

HOD	Head of Department
HSDG	Human Settlements Development Grant
HSS	Housing Subsidy System
HR	Human Resources
ICT	Information Communication Technology
IDP	Integrated Development Plan
IGR	Intergovernmental Relations
IP	Internet Protocol
IRD	Integrated Residential Development Programme
ISHS	Integrated Sustainable Human Settlements
LED	Local Economic Development
LUMS	Land Use Management Scheme
MEC	Member of the Executive Council
MIG	Municipal Infrastructure Grant
MMS	Middle Management Service
MPAC	Municipal Public Accounts Committee
MTEF	Medium Term Expenditure Framework
NDoHS	National Department of Human Settlements
NHFC	National Housing Finance Corporation
NUSP	National Upgrading Support Programme
OSD	Occupation Specific Dispensation
PFMA	Public Finance Management Act
PMU	Project Management Unit
POA	Programme of Action
PRT	Profession Resource Team
PSETA	Public Service Education and Training Authority

RDP	Reconstruction Development Programme
SISP	Strategic Information Systems Plan
SDF	Spatial Development Framework
SCM	Supply Chain Management
SMME	Small Medium and Micro Enterprises
SAIGA	Southern African Institute of Government Auditors
SCOPA	Standing Committee on Public Accounts
SDIP	Service Delivery Improvement Plan
SIU	Special Investigations Unit
SITA	State Information Technology Agency
SH	Social Housing
SLA	Service Level Agreement
SOP	Standard Operating Procedure
SPLUMA	Spatial Planning and Land Use Management Act
TAMIS	Traditional Affairs Management Information System
TR	Treasury Regulations
USDG	Urban Settlement Development Grant
WHO	World Health Organisation
WSP	Workplace Skills Plan

3. FOREWORD BY THE MEC



Makamu RB
Member of Executive Council

The 2019/2020 Financial Year marked the end of the term of the Fifth Administration of our democratic dispensation. As with the previous administrations since the dawn of freedom and democracy after the historic 1994 elections, the Fifth Administration continued the single-minded pursuit of a better life for all South Africans as expounded in the Freedom Charter.

Guided by the Medium-Term Strategic Framework (MTSF) provincial goals and the National Development Plans Outcomes, the Department of Cooperative Governance, Human Settlements and Traditional Affairs (CoGHSTA) attained the following milestones in pursuit of government policy directives and its strategic outcome based goals:

Consistent with its Cooperative Governance Mandate, the Department continued to provide support to municipalities in the discharge of their Constitutional obligations.

Many of our municipalities are in distress. This has impacted negatively on their capacity to deliver basic services to communities. The challenges confronting municipalities include financial viability, governance and institutional stability. In dire situations such as Mogalakwena Local Municipality, the Department intervened to restore stability and good governance.

The Department in tandem with other Departments, South African Local Government Association (SALGA) and the Office of the Premier continued to render customised interventions to municipalities in distress.

Interventions include capacity building for both the political and administrative components. Among these interventions, was support to all municipalities in improving financial management and proper functioning of Municipal Public Accounts Committees (MPAC's)

The 2018/19 Municipal Audit Outcomes revealed the following: 1 clean audit, 18 qualified opinions, 6 unqualified opinion, 1 adverse opinion, and 1 disclaimer Interventions and support to municipalities are steadily bearing fruits. We expect more improvements in future audit outcomes.

During the year under review the Department continued to ensure improved spatial planning becomes a reality through implementation Spatial Planning and Land Use Management (SPLUMA), especially on the establishment Development Tribunals.

The District Development Model (DDM) which has already been launched in Waterberg, Capricorn and Vhembe District Municipalities bodes well for the sustainability of municipalities and improved service delivery which is equally visible.

In evocation of the Freedom Charter clause that, "There shall be houses, Security and comfort", the Department continues apace to provide shelter for the needy members of society. We echo the call of the founding fathers and mothers of our democracy by breaking down apartheid planning and boundaries. Our people will be housed in security and comfort.

The Department in the period under review managed to review and table a multi-year Housing Development Plan in an effort to improve households living in informal settlements.

Our focus on accelerated delivery of housing opportunities include programmes on rural and urban housing, issuing of title deeds, Community Residential Units (CRUs), Finance-Linked Individual Subsidy Programme (FLISP), interventions in mining towns and Upgrading of Informal Settlements performance of these programmes is detailed in the report.

Consistent with the injunction of the Constitution of the Republic of South Africa and the Traditional Leadership and Governance Framework Act on the National and Provincial Governments to support and strengthen the capacity of the institution of traditional leadership, the Department continued with the maintenance and rebuilding of offices of Traditional Councils to enable them to perform their duties in comfort and dignity.

Added to the building, refurbishment and furnishing of traditional council offices, the Department also provides for staffing, salaries of traditional leaders, mobility and other tools of trade for the effective and efficient discharge of their duties.

The support provided by the Department to the Institution of Traditional Leadership covers a total of 2 111 headmen and women, 185 traditional councils, two Kingships and one Queenship.

On the other hand, the Limpopo House of Traditional Leaders continued to advise and to be the springboard on issues related to custom and tradition.

I am indebted to Premier Chupu Mathabatha for the honour and privilege to serve the people of Limpopo. In the discharge of my onerous duties, I was ably supported by Team CoGHSTA led by Head of Department Ms. Ngaka Dumalisile. The innovative, collaborative and inclusive way in which they work is quite impressive. I also acknowledge and appreciate the work of the Portfolio Committee on CoGHSTA; their sterling work has set the Department on the path of reclaiming its multi-awards winning ways.

I am pleased to present the 2019-20 Annual Report of the Department of Cooperative Governance, Human Settlements and Traditional Affairs (CoGHSTA). The Report covers in detail, the work of the Department during the year under review as spelt out by the National Development Plan and other policy prescripts of the democratic government.



Makamu RB

**MEC of the Department of Co-operative
Governance, Human Settlements and
Traditional Affairs
31 October 2020**

4. REPORT OF THE ACCOUNTING OFFICER



Dumalisile N
Head of Department

Overview of the operations of the department:

The 2019/20 financial year represented the last year of the five-year mandate of the Departmental five-year strategic planning period. During the year under review, the Department continued to deliver on its commitment to the Medium-Term Strategic Framework (MTSF) provincial goals and the National Outcomes. The Department recorded a vacancy of 12.20% which is higher than the 9.14% recorded in the 2018/19 financial year in accordance with the funded vacant posts. Recorded vacancies were mainly due to positions that became vacant through resignations, natural attritions and retirement.

In ensuring responsiveness to community concerns, all calls lodged through the departmental, Premier and Presidential hotlines have been attended and feedback has been provided to the complainants.

During 2018\19 the department reported a cumulative total of R1.7 billion of Irregular Expenditure with regard to procurement process for low cost housing projects due to non-compliance with BBBEE policy. A request was made to Provincial Treasury for condonement and it is still under consideration in the time of reporting. This was done to ensure compliance with applicable prescripts and accountability. Cumulative Fruitless and Wasteful Expenditure as at 2018/19 financial year was disclosed in a note to the financial statements amounting to R112

million. The bulk of which, was for acquisition of land in Tubatse at inflated price valued R108 million during 2017/18. The National Treasury conducted forensic investigation on the transaction. The final report indicated that there was no evidence detected that departmental officials acted improperly. On the same matter, the investigation conducted by the DPCI is still ongoing. Condonation of the expenditure will be applied for as soon as all investigations are concluded.

The following were some of the highlights by the Department in an effort of delivering against the mandate and strategic objectives:

For the year under review, the Department continued to provide all municipalities with support, in terms of human settlements planning. This support includes the development of housing plans, the development and review of housing projects pipelines, as well as town planning and project packaging within the housing and spatial planning units of municipalities. In addition, the Department also assists with inputs into the Integrated Development Plans (IDP's), and ensures alignment with the Department's Business Plan, and ultimately, its Provincial Strategic Goals (PSG's), to enable a resilient, sustainable, quality and inclusive living environment.

Thulamela municipality has been accredited for Level 1 human settlements programmes accreditation as it has consistently achieved positive audit outcomes. This accreditation will enable the municipality to perform beneficiary management functions within its jurisdiction.

During the 2019/20 financial year, the Department delivered 8 182 units against a target of 5 911 and 5 560 sites delivered against a target of 5 354. Issued 2 677 beneficiaries with title deeds against the target 5 500, with the main challenge being incomplete township establishment processes. A total of 39 title deeds

were issued through Enhanced Extended Discount Benefit Scheme (EEDBS) programme.

The following programmes continues to perform below desired expectations delivery i.e. Community Residential Units (CRU) and Finance-Linked Individual Subsidy Programme (FLISP). The programmes are largely affected by community unrests and beneficiaries not complying or meeting the requirements of the National Credit Act.

The Rental Tribunal has assisted the department in promoting compliance with regards to Housing Act 107 of 1997 and Rental Housing Act 50 of 1999. In case management by resolving rental disputes, the Tribunal achieved 81% (285 of 359 cases) resolution rate. It expected that the Tribunal will intensify marketing and awareness programmes as well as establishing local offices at municipalities to expand on reaching more housing consumers across the province.

The MEC appointed the Limpopo Housing Advisory Panel to advice in implementation of various human settlements programmes. The panel finalised the report on rapid land release programme and commenced with the investigation of the social housing programme as an alternative to address challenges in the "Gap Market" by understanding challenges experienced by various stakeholders. This report is expected to be finalised in the 2020\21 financial year.

The local government sector continues to operate under slow economic growth, budget cut and stringent austerity measures. The challenges encountered in the period under review involve but not limited to financial viability, governance

and institutional stability. The department has made strides in designing specific support programmes according to municipal needs and challenges. The Department continues to participate in the provincial Heads of Departments of Cooperative Governance and Traditional Affairs. The aim of the forum is to encourage a collaborative effort towards service delivery improvement through the exchange of good practice models that will also improve support required by municipalities.

Co-operative Governance sector launched the District Development Model (DDM). The main deliverables of DDM is to produce District Socio-Economic profiles as a precursor to the crafting of area based One Plans – District-Wide Integrated Development Plans (IDPs). To date, the DDM approach has been launched in three of the five districts supported sector departments, Traditional Institutions and private sectors.

Traditional councils were provided with administrative support that includes construction of Traditional Councils, payment of salaries, machinery, furniture and coordinating workshops for the traditional surgeons and protocols. In the year under review construction on 2 traditional councils has been completed, 3 are at an advanced stage and will be completed in the next financial year.

Overview of the financial results of the department:

Departmental receipts

Departmental receipts	2018/2019			2019/2020		
	Estimate	Actual Amount Collected	(Over)/Under Collection	Estimate	Actual Amount Collected	(Over)/Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Tax Receipts	0	0	0	0	0	0
Casino taxes	0	0	0	0	0	0
Horse racing taxes	0	0	0	0	0	0
Liquor licences	0	0	0	0	0	0
Motor vehicle licences	0	0	0	0	0	0
Sale of goods and services other than capital assets	1,432	1,567	(135)	1,528	1,292	236
Transfers received	0	0	0	0	0	0
Fines, penalties and forfeits	0	0	0	0	0	0
Interest, dividends and rent on land	22 553	2167	(1592)	1,820	21939	(21752)
Sale of capital assets	944	0	944	892	615	277
Financial transactions in assets and liabilities	1,564	3,885	(2321)	1,533	2,056	(523)
Total	26,493	8,214	3,719	5,773	25,287	(21,152)

The original revenue budget estimate was revised upwards to R26.4 million (2019:R5.8 million) and actual collection amounted to R25.3 million (2019:R8.2 million) resulting in an under collection by R1.2 million (2019: R2.4 million surplus).

Disaster management lockdown due to Covid-19 had an impact on the collecting of revenues due to earlier closure of operations before the Agencies could deposit interest amounting to R4.97 million as well as proceeds from sale of assets amounting to R1 million. Other assets were sold as a result of having reached the economic lifespan as well as them not being in usable condition.

Revenue Tariff Policy

The department made use of transversal tariffs as determined and approved by the Provincial Treasury

Free Services Rendered

There were no free services rendered by the department that would have yielded significant revenue had a tariff been charged.

Irrecoverable debts written off

A total amount of R6.1 million (2019: R21.8 million) was written off as irrecoverable during the year under review. Included in the amount written off is R5.7 million (2019: R19 million) in respect of Fruitless and Wasteful expenditure incurred as a result of blocked projects identified during 2007/08 financial year as irrecoverable. The debts were written off in terms of the transversal debt management policy.

Programme Expenditure

Programme Name	2018/2019			2019/2020		
	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure	Final Appropriation	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	359,951	359,750	201	376,043	370,822	5,221
Human Settlements	1,446,803	1,369,711	77,092	1,539,716	1,497,457	42,259
Cooperative Governance	359,675	358,967	708	310,255	290,779	19,476
Traditional Institutional Development	522,577	508,610	13,967	541,524	502,081	39,310
Total	2,689,006	2,597,038	91,968	2,767,538	2,661,139	106,266

The Department spent 97% and 96% of the allocated budget in 2018/19 and 2019/20 respectively. The underspending in 2019/20 financial year is attributed to incomplete township proclamation processes, challenges experienced during procurement and construction of Traditional Council offices as well as vacant positions which could not be filled. Service providers are appointed to complete the proclamation process, construction of Traditional Council offices is proceeding well as challenges with contractors and procurement processes are now resolved. The Departmental structure review process is now at an advanced stage as the draft structure is ready for consultation with all interested parties.

Virements/roll overs

- Provincial Treasury approved one virement was applied for. The virement was mainly to cater for shortfall on leave gratuity payments as well writing off of irrecoverable debts.
- Rollover application amounting to R47.798 million was approved mainly constituted by R31.964 million (Conditional Grants - Title Deed Restoration Grant & EPWP) and R16.084 million for Equitable Share (Unspent funds on Construction of Traditional Council Offices).

Future plans of the department

The 2020\21 financial year marks the commencement of the 6th Administration of the democratic South Africa. The Strategic Plan of the department has been reviewed in line with government planning Cycle and MTSF. Human settlements planning activities still require considerable synchronisation to ensure maximum impact of interventions. Hence, prioritisation for investment will be implemented in nine municipalities that are part of the Provincial Growth Points (PGP). This prioritisation seeks to maximise impact in human settlements programs to ensure spatial transformation in the province and unlock economic development. A delivery model for urban projects is being implemented such as proclamation of townships prior to development, servicing of sites and title deed registration prior to construction. In the rural projects ownership is being promoted through Spatial Planning Land Use Management Act (SPLUMA). Community awareness remain the strategic intervention to deal with disaster risk reduction and impact. The country is expected to hold local government elections during the 2021 calendar year in line with the applicable legislative provisions. The 2021 elections will usher the 6th administration of local government. The Local Government Elections (LGE) will take place amid several significant developments that will

have an impact on preparations for the transition and priorities for the next term of local government. Funding challenges for traditional institution development programme is contributing to the department having increased contingency liabilities due to recognised traditional leaders not being paid and embarking on litigation to recover owed funds.

There were no activities discontinued during the year under review.

Public Private Partnerships

The department did not enter into any Public Private Partnerships in the previous financial year.

Supply Chain Management

There were no unsolicited bids proposals during the year under review. SCM systems are in place to prevent irregular expenditure. Procurement is subjected to Bid Committees that report directly to the Accounting Officer. Currently, there is significant number of vacancies in SCM and human resource process have been implemented to deal with challenges.

No gifts were received by the Department in the year under review.

Exemptions and deviations received from the National Treasury

Submission of Annual Financial Statements and Annual Performance Report on 31st July 2020 instead of 31st May 2020.

Events after the reporting date

None

Employment Equity

The department has recorded 43% of women representation at SMS level which is an improved compared to 38.8% in 2018/19 due to protracted recruitment process while filling of vacant posts.

Payment of invoices

The department has achieved 99.3% payment of undisputed claims/invoices within 30 days from date of receipt in compliance with the relevant prescripts. On average invoices were paid within seven days during the year under review.

Events after Financial Year closure

The World Health Organisation (WHO) declared Corona Virus (COVID-19) as an international pandemic and encouraging all nations to take all necessary steps to prevent and treat COVID-19. WHO have also indicated that currently there is no cure for Corona Virus. World Health Organisation implored all nations to immediately isolate and test suspected cases and to create isolation facilities to monitor suspected cases.

On the 15th March 2020, the Head of National Disaster Management Centre, Dr Maphaka Tau classified COVID-19 pandemic as a National Disaster in terms of Section 23(1) (b) of the Disaster Management Act 57 of 2002, as amended vide gazette notice number 43096 dated 15th March 2020. Subsequently, the Honourable Minister of Cooperative Governance and Traditional Affairs, Dr Nkosazana Dlamini-Zuma (MP) declared COVID-19 pandemic as a National Disaster in terms of Section 27(1) of the Disaster Management Act 57 of 2002, as amended vide gazette notice number 43096 dated 15th March 2020. Since then, a number of Regulations and Directions have been issued by various ministries on the management and response to the disaster.

The department as the Provincial Disaster Management Centre has activated all necessary structures to monitor and support initiatives towards the management of the pandemic. This disaster will have implications on the departmental programmes during 2020\21 financial year, as resource are redirected to fight the pandemic including strengthening of ICT facilities to ensure business continuity of the department.

Acknowledgement

This report reflects the efforts made by various branches in improving performance of the department and ensuring that the mandate of the department is fulfilled. Indeed, teamwork is the corner stone of achieving desired results.



Dumalisile NR
Accounting Officer
Department of Co-operative Governance,
Human Settlements and Traditional Affairs

Date: 31 July 2020

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

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

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

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

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

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

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

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

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

In my opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the department for the financial year ended 31 March 2020.

Yours faithfully



Accounting Officer
Dumalisile NR
Date: 31 July 2020

6. STRATEGIC OVERVIEW

a. Vision

Integrated Sustainable Human Settlements

b. Mission

To be an effective agent of change that delivers quality services to citizens of Limpopo through:-

- ❖ Promoting developmental cooperative governance,
- ❖ Supporting municipalities and Traditional Leadership Institutions, and
- ❖ Optimally deliver integrated and sustainable human settlements.

c. Values

Our values are underpinned by the Batho Pele Principles.

❖ **Service Excellence:**

We shall strive to attain recognized standards of service quality, and maintain continuous improvement in service delivery.

❖ **Innovation:**

We shall toil in the pursuit of excellence and innovation on the use of information and communication technology to enhance public service delivery.

❖ **Integrity:**

We shall conduct our business with integrity at all times to inculcate a culture of honesty and accountability among all our employees.

❖ **Prudence:**

We shall exercise prudence and economy in running the business of the Department and in pursuance of its goals and the objectives of government.

❖ **Transparency:**

We shall always ensure transparency in everything we do in order to build trust and confidence with all our stakeholders.

❖ **Fairness and consistency:**

We shall treat all our beneficiaries, suppliers and employees with fairness and equity at all times.

❖ **Professionalism**

We shall ensure that employees demonstrate high level of professionalism when interacting with all stakeholders

7. LEGISLATIVE AND OTHER MANDATES

Constitutional Mandates

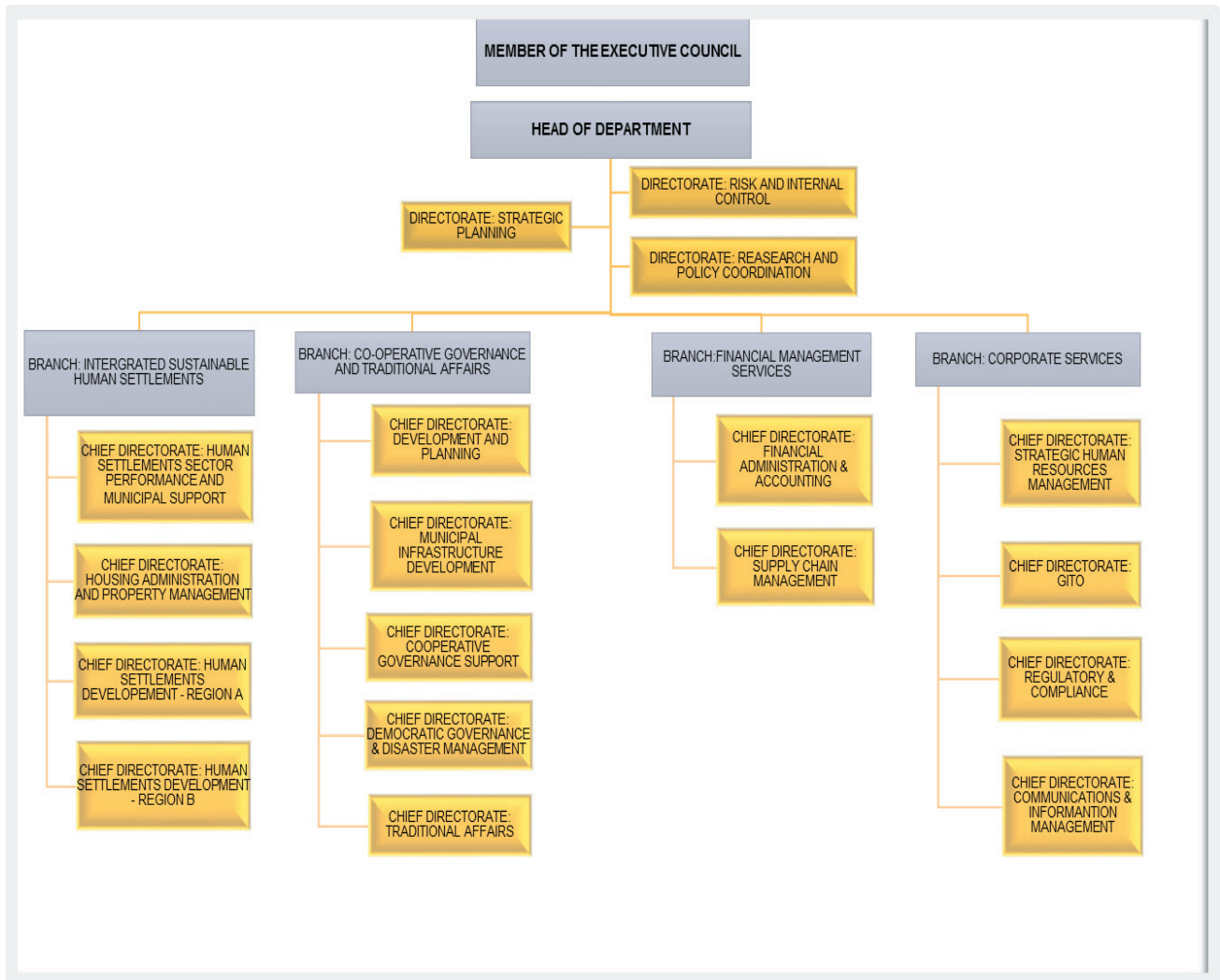
Section of the Constitution	Direct responsibility in ensuring compliance
Chapter 2, section 26	This section puts direct responsibility on the Department in ensuring that everyone has access to adequate housing, which is carried out through the ISHS programme
Chapter 7, section 154	The section directs the Provincial Government to support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions.

Legislative Mandates

Relevant Act	Key Responsibilities
Public Service Act 103 of 1994 (as amended) and Regulations	To provide for the organization and administration of the public service of the Republic, the regulation of the conditions of employment, terms of office, discipline, retirement and discharge of members of the public service.
Public Finance Management Act 1 of 1999 (as amended) and Regulations	To regulate financial management in the national government and provincial government, to ensure all revenue, expenditure, assets and liabilities of the government are managed efficiently.
Municipal Finance Management Act of 2003 (as amended)	To secure sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government.
Division of Revenue Act of 2012 (as amended).	Section 214(1) of the Constitution requires that every year a Division of Revenue Act determine the equitable division of nationally raised revenue between national government, the nine provinces and 278 municipalities. This budget process takes into account the powers and functions assigned to each sphere of government. The division of revenue process fosters transparency and is at the heart of constitutional cooperative governance.
Housing Act of 1997	The Department in consultation with provincial organization must do everything in its power to promote and facilitate the provision of adequate housing in its province within the framework of the national housing policy.
Local Government Municipal Structures Act of 1998	The MEC for local government in a province, by notice in the Provincial Gazette must establish a municipality in each municipal area which the Demarcation Board demarcates in terms of the Demarcation Act.
Local Government Municipal Systems Act of 2000	The MEC for local government in the province may, subject to any other law regulating provincial supervision of local government, assist a municipality with the planning, drafting, and adoption of mid review of its 5 year integrated

Relevant Act	Key Responsibilities
	development plan.
Disaster Management Act 2002	To provide for- an integrated and coordinated disaster management policy that focuses on preventing or reducing the risk of disasters, mitigating the severity of disasters, emergency preparedness, rapid and effective response to disasters and post-disaster recovery; <ul style="list-style-type: none"> • the establishment of national, provincial and municipal disaster management centres; • disaster management volunteers; and • matters incidental thereto.
Development Facilitation Act of 1995	To facilitate and speed up the implementation of reconstruction and development programmes and projects in relation to land; and in so doing, to lay down general principles governing land development throughout the Republic.
Spatial Planning and Land Use Management Act, 2013	To provide a framework for spatial planning and land use management in the Republic; and to specify the relationship between the spatial planning and the land use management system and other kinds of planning.
Traditional Leadership and Governance Framework Act No.41 of 2003.	To provide for the recognition of traditional communities; to provide for the establishment and recognition of traditional councils as well as providing for a statutory framework for leadership positions within institutions of traditional leadership.
Limpopo Traditional Leadership and Institutions Act No.6 of 2005	To provide for the recognition of traditional communities; the recognition of traditional councils, the election and appointment of members of traditional councils, recognition of traditional leaders, their removal from office, their roles and functions, recognition of acting traditional leaders and regents, to provide for funds of traditional councils and management thereof; to provide for payment of allowances for travelling expenses of members of traditional councils; to provide for meetings of royal family and traditional councils; to provide for code of conduct; and for matters connected therewith.

8. ORGANISATIONAL STRUCTURE



9. ENTITIES REPORTING TO THE MEC

None

PART B: PERFORMANCE INFORMATION

1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 113 of the Report of the Auditor General, published as Part E: Financial Information.

2. OVERVIEW OF DEPARTMENTAL PERFORMANCE

2.1 Service Delivery Environment

Introduction and Background

The mission of Department of CoGHSTA aims to be an effective agent of change that delivers quality services to citizens of Limpopo through by promoting developmental cooperative governance, Supporting municipalities and Traditional Leadership Institutions, and optimally deliver integrated and sustainable human settlements. The Department has made strides in the implementation of the 2014 – 2019 Medium term Strategic Framework (MTSF) that is in line with National Development Plan (NDP).

2.1.1 Human Settlements

The programme is mandated with responsibilities which include the provision of housing development, access to adequate accommodation in relevant well located areas, access to basic services and access to social infrastructure and economic opportunities. In the 2019/20 financial year the Human Settlement Development Grant allocation was R1, 411,594 billion. Total

spending on Conditional Grant as at 31st March 2020 amounted to R1, 373,594 translates to 97% spending.

Housing Needs, Research and Planning

The department in the period under review managed to review and table the multi-year housing development plan in an effort of improving conditions for all households living in informal settlements. In order to improve capacity among beneficiaries and municipalities, a total of 59 workshops were held across the province. Two municipalities i.e. Thulamela and Mogalakwena Local Municipalities requested additional workshops to cover the backlog that was identified.

Housing Development, Implementation and Planning

In the preceding MTSF period, the Department in an endeavour of reducing the 80 000 housing backlog managed to deliver a total of 47 144.

HOUSING DELIVERY					
2015/16	2016/17	2017/18	2018/19	2019/20	TOTAL
8,588	10,741	9,100	10,533	8,182	47,144

The Department did not perform as expected in the following:

- ❖ Community Residential Units due to nonperforming contractors and labour unrests.

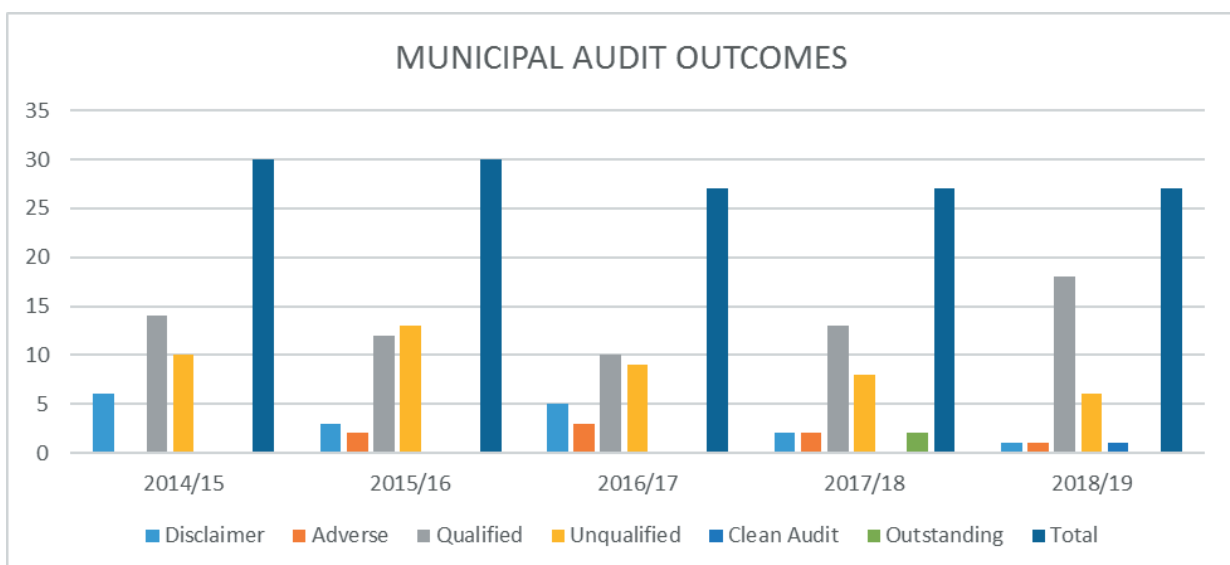
- ❖ Sites to be installed with bulk infrastructure
- ❖ Subsidies approved through Finance-linked individual subsidy programme due to applicants' credit worthiness
- ❖ Beneficiaries issued with title deeds through the EEDBs

Municipalities assessed for Human Settlements Development accreditation

2.1.2 Cooperative Governance

The programme continued to provide support to municipalities in terms of implementing their

Summary of Audit Outcomes:



Municipal Infrastructure Development

The Provincial allocation for 2019/2020 is R2,924,637,000 for 25 municipalities and as at end of March 2020, R 1,854,578,185 was spent (63%), which is slight improvement from 2018/19 at 61%. Using straight line projection, expenditure should have been at 75%. Poor expenditure by 4 (Mopani 41%, Mogalakwena 43%, Sekhukhune 58% and Vhembe 57%). The 5 municipalities whose allocation is 63% of the Limpopo allocation is a major contribution to low expenditure.

mandates pursued through the following sub-programmes i.e. Development Planning, Municipal Infrastructure Development, Local Government Support, Democratic Governance and Disaster Management.

Local Government Support

In an effort of ensuring municipalities have sound financial management systems, the department continued to support and guide all municipalities with the implementation general valuation rolls and levying property rates and on compilation of Annual Financial Statement for submission to Auditor General for auditing purposes.

Development Planning

The Department provided support to all 22 local municipalities was through meetings with respective municipalities, assessment of land development applications to ensure alignment with SDF, participation in respective municipal planning tribunals to ensure that decisions taken are in line with the SDF, workshops to municipal officials and traditional council and key stakeholders on land use management & SDF, assessment and reporting to the municipalities on the status of the identified nodal points and the support in the review of the SDFs.

All 22 local municipalities were supported with the demarcation of sites. The support provided included the Township Establishment in Musina

Municipality, of which the Department appointed a Service Provider. The support amongst others included providing survey services such as identification of pegs, attending to land boundary disputes, ensuring that there is alignment to the approved General Plans when allocating sites and site in sections.

All 27 municipalities with the development and review of the respective IDPs as well as the roll out of the District Development Model (DDM) in Waterberg, Capricorn and Vhembe Districts. The support provided to the municipalities was through meetings of the IDP Steering Committees, IDP Representative Fora and the DDM working groups of relevant municipalities.

All 22 local municipalities were supported in the implementation of SPLUMA, the support was through meetings with respective municipalities, assessment of SPLUMA By-laws to ensure quality assurance, participation in respective municipal planning tribunals and designated officials played an oversight role in support of the functionality of those various Municipal Planning Tribunals (MPTs). By March 31st, 2020, 21 municipalities have adopted SPLUMA By-laws with the exception of Molemole local municipality which is awaiting council adoption.

Democratic Governance and Disaster Management

The department successfully managed to support all municipalities in maintaining functional ward committees by ensuring that 562 ward committees established as at 31st March 2020 and 4 ward committees are not yet established at Thabazimbi (wards 5 & 11) and Collins Chabane(wards 7 & 8) Local Municipalities.

There are five (5) District Disaster Centres in the province and are all-functional and were all supported provincial disaster management advisory. The Provincial Disaster Management Centre responded to corona virus pandemic that was classified as a national disaster in March 2020 through the crafting of the integrated contingency plan. The plan is currently under implementation by all sector departments and municipalities.

2.1.3 Traditional Affairs

Traditional leaders continue playing a major role in the development and growth of communities in the province. Traditional councils are provided with administrative support that include payment of salaries, provision of trading tools, furniture and conducting workshops for traditional surgeons and protocol.

Funding challenges for traditional institution development programme is contributing to the department having increased contingency liabilities due to recognised traditional leaders not being paid and embarking on litigation to recover owed funds.

Management of initiation schools in the province remains to be of high quality mainly through fortified relations with relevant patrons. The department continues to support the registered schools to curb deaths in the province.

2.2 Service Delivery Improvement Plan

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

Main services and standards

Main services	Beneficiaries	Current/actual standard of service	Desired standard of service	Actual achievement
Number of rental units (CRU)	Hostel dwellers	0	332	0
Number of Enhanced Peoples Housing Process Units Completed	RDP house dwellers	52	-	-

Batho Pele arrangements with beneficiaries (Consultation access etc.)

Current/actual arrangements	Desired arrangements	Actual achievements
B2B Pillar 1 Community engagement	MEC'S Imbizo held	No Izimbizo's were held in the period under review

Service delivery information tool

Current/actual information tools	Desired information tools	Actual achievements
CoGHSTA news	Print media, electronic	Vutivi, CoGHSTA today/ news

Complaints mechanism

Current/actual complaints mechanism	Desired complaints mechanism	Actual achievements
Departmental toll free number	Short messaging system (sms)	The department managed to resolve 100% of all complaints received

2.3 Organisational environment

The Department continued to face the ongoing challenge of executing its statutory mandates within an increasingly constrained fiscal environment, growing provincial population, challenging social ills and increasing demand for services. To this end, building an efficient Department is essential. Key elements in this drive are improvements to its organisational structure, stringent cost containment measures, effective departmental governance systems, business processes and strategies to improve the delivery of its services.

Summary of SMS posts filled as at 31st March 2020

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Head of Department	1	1	100	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	4	1	25	3	75
Salary Level 14	17	12	70.58	5	29.41
Salary Level 13	41	31	75.60	10	24.39
Total	63	45	71.42	18	28.58

2.3.1 Review of Organisational Structure

The department is in the process of reviewing the organisational structure in an effort of advocating the President and minister of public service administration's call of providing curbing compensation of employees. The proposed organisational structure will take into consideration the change of organisational culture, improvement of productivity, development of leadership capability and repositioning of the National Department of CoGHSTA as an employer of choice, whereby only candidates who meet the profile desired by department will be considered for appointment. To date all branches all branches were consulted by the Organisational Development directorate for inputs and presentations.

2.3.2 Information Communication Technology

For the year under review, ICT Disaster Recovery remained a concerned. To this effect GITO installed an automated system that stores all the Departmental electronic data on a system. This system is located at the Provincial Shared services in Lebowakgomo. Should any natural disaster strike the Department, the Department can restore its data from this system.

Network uptime of 98.18% was achieved at the Departmental Head Office and 5 District Offices. The Department continuously managed and maintain its ICT Infrastructure environment through monitoring and regular maintenance of the servers, air conditioners, Uninterruptable Power Supply units and fire/smoke detector system. Through this the Department managed to store and safeguard electronic data. Thus, ICT services were always available.

The Department also developed and approved an ICT Security Awareness Plan and created awareness on cyber security through means of email tips and posters. A survey was launched to assess the knowledge of staff members.

An E-Survey system was successfully implemented that is in use by the Department to manage questionnaires between all staff members. This system was used for the survey amongst staff to assess knowledge on cyber security. The Department supported 25 Municipalities based on individual requests for IT support and participated in 25 various Municipal and District ICT Forums.

2.3.3 Human Resource Management

To ensure efficient and effective business processes, the Department has adopted new SOP's for all APP performance indicators. The aim was to improve level of understating of how the indicators will be measured in the 2019/20 and further to eliminate discrepancies in collection of portfolios of evidences.

2.4 Key policy developments and legislative changes

The passing of the Traditional and Khoi-San Leadership Act 3 of 2019 to repeal The Traditional Leadership and Governance Framework, Act 41 of 2003, thus providing enabling legislation to establish Khoi-San communities and reconstitution of tribal authorities that existed immediately before the commencement of the Framework Act. The act will serve as a legal tool to reconstitute traditional councils and Kingship / Queenship councils. The Act ultimate aim is to recognize for the establishment of the Khoi-San natives, provides legal framework for the reconstitution of traditional councils and de-establish Community Authorities (CAs).

3. STRATEGIC OUTCOME ORIENTED GOALS

The Department has considered the strategic direction of Human Settlements, Co-operative Governance and Traditional Affairs to benchmark National Priorities. The outlined strategic goals have accommodated the socio-economic environment of the Limpopo Province.

Strategic Goal	Goal statement	Outputs	Progress
1. A professional workforce that is proactive, responsive and geared towards the realisation of a developmental state	To render professional support and create an enabling environment for efficient and effective service delivery	1.1 Professional corporate services support	In the preceding MTEF the department achieved the following :- ❖ 100% of queries logged through Departmental, Premier, and Presidential hotlines were resolved ❖ 50% of Percentage of women represented ❖ 380 posts filled within the establishment ❖ Investigated all cases that were lodged on corruption and anti-fraud
		1.2 Financial management support and advisory services for effective accountability	❖ Achieved unqualified opinion with matters of emphasis in 2015/16, 2016/17, 2018/19 and 2017/18 the received qualified audit opinion ❖ Achieved an average of 99.02% for payment of invoices within 30 days ❖ Achieved an average of 93.16% on spending of the allocated budget spent
2. Integrated human settlements with socio-economic opportunities	Eradicate informal settlements and facilitate equitable access to adequate housing in an integrated and sustainable manner.	2.1 Housing development properly planned by October each year	❖ Multi-year Housing development plan reviewed and submitted to National Department ❖ 55 690 development areas identified for the construction of housing units
		2.2 Reduced housing backlog by 80 600 units by 2019	❖ 47 144 houses completed across all housing programmes ❖ 16 754 sites connected to basic water and

Strategic Goal	Goal statement	Outputs	Progress
			sanitation services
		2.3 Transferred 22 605 housing properties to beneficiaries by 2019	<ul style="list-style-type: none"> ❖ 11 816 housing units have been transferred to individual beneficiaries through Enhanced Extended Discount Benefit Scheme ❖ 45 210 Housing Subsidy approved through Housing Subsidy System (HSS)
3. Sustainable Cooperative Governance system	<ul style="list-style-type: none"> ❖ Monitor and play oversight role in all municipalities in order to improve performance and good governance. ❖ Co-ordinate and provide support to Traditional Leadership Institutions in order to enhance Local Governance. 	3.1 Improved support and oversight in all municipalities by 2019	<ul style="list-style-type: none"> ❖ Supported all municipalities in improving financial management. ❖ 2018/19 municipal audit opinions outlined the following: - 1 received clean audit, 18 qualified opinions, 6 unqualified opinion, 1 adverse opinion, and 1 disclaimer ❖ All municipalities have legally compliant IDP's. ❖ All districts have established IGR structures that are fully functional ❖ Ensured functionality of disaster management centres and forum, audit committees and Municipal Public Account Committees ❖ Supported municipalities on implementation of LUS, SDF's and SPLUMA especially on establishment development tribunals
4. Traditional Affairs	Administrative support to the institutions of Traditional Leadership in the Province provided annually	4.1 Supported all established institutions of Traditional Leadership by 2019	Traditional Councils are provided with administrative support that includes: payment of salaries, provision of trading tools like cell phone airtime and furniture as well as conducting of workshops for Traditional Surgeons and protocol

4. PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme 1: Administration

Purpose: To provide effective leadership in strategic planning of the department, management and administrative support to the core functions of the department. This will be ensured through continuous refinement of corporate policies, skills development, efficient and effective financial management, structures and systems in compliance with legislation and best practice and championing Batho Pele principles and service delivery.

Sub-programmes

- ❖ Office of the MEC
- ❖ Corporate Services

Strategic objectives for the financial year under review

- ❖ Professional corporate service(s) support
- ❖ Financial management support and advisory services for effective accountability.

Strategic objectives, performance indicators, planned targets and actual achievements

In the MTSF period, the Department managed to appoint 380 officials for core and support services. This assisted the Department to have officials in vital positions to improve service delivery. The department undertook an assurance process to ensure that the officials appointed are competent and skilled. The following programmes were achieved on the year under review:

- ❖ A total of 5,903 officials were trained in line with the Departmental Workplace Skills plan during the preceding MTEF. The objective was to enhance the employees' skills to improve service delivery.
- ❖ The working environment was made conducive to employees to perform their duties through an Employee Wellness Program. Employees were screened to check their health status and those who required assistance were assisted through the program leading to a healthy and productive work force.
- ❖ All queries logged through the Departmental toll free, Premier and presidential hotline were all resolved which translated to 100%

Strategic objectives:

Programme: Administration						
Strategic Objectives	Strategic Objective Performance Indicators	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
1. Professional Corporate Services Support	1.1 Number of HR systems monitored	4	4	4	0	None
	1.2 Number of citizen feedback initiatives implemented	1	3	0	3	Sessions were not held due transitional matters emanating from elections
2. Financial Management Support and advisory services for effective accountability	2.1 Improved audit outcomes	Regressed audit outcome (qualified)	Clean audit outcome	Achieved Unqualified audit opinion with other matters	Achieved Unqualified opinion	The annual financial statements submitted had some errors/misstatements which were identified during the audit process and non-compliance with laws and regulations

Reasons for all deviations:

- ❖ Delay in filling of funded vacant positions, incomplete township proclamation for implementation of Title Deed Restoration and construction delays encountered in some Traditional Council Offices.

Performance indicators

Sub-programme: Corporate Services							
Strategic Objective: Professional corporate services support							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
1.1 Number of posts filled	56	48	45	20	9	11	Recruitment Plan for 2019/2020 not approved by Treasury
1.2 Number of officials trained as per WSP	1 403	908	1 431	700	863	163	Additional requests from NHBRC & Labour Relations
1.3 Percentage of women representation at SMS level.	55%	56% overall and 42% for SMS	38.8%	50%	43%	7%	Recruitment Plan for 2019/2020 not approved by Treasury
1.4 Percentage of Employee Wellness cases attended to.	N/A	N/A	100%	100%	100%	0	None
1.5 Percentage of people with disabilities	N/A	N/A	N/A	2%	1.1%	0.9%	Recruitment Plan for 2019/2020 not approved by Treasury
1.6 Percentage of resolved queries logged through the Departmental toll free, Premier and presidential	100%	100%	100%	100%	100%	0	None

Sub-programme: Corporate Services Strategic Objective: Professional corporate services support							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
hotline							
1.7 Percentage of reported anti-fraud and corruption cases Investigated	100%	100%	100%	100%	100%	0	None
1.7 Number of accountability reports submitted as per PFMA	N/A	6	6	6	6	0	None

Sub-programme: Corporate Services							
Strategic Objective: Financial management support and advisory services for effective accountability							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
2.1. Percentage of undisputed invoices for goods and services including the housing grant paid within 30 days	100%	98.3%	97.5%	100%	99.3%	0.7%	Delays by end-user to submit invoices to finance to process the payment, inactive Logis System and over-expenditure in housing claims.
2.2. Type of audit opinion	Achieved Unqualified opinion with other matters	Achieved qualified audit opinion for 2016/17 financial year	Achieved Unqualified opinion with matters of emphasis	Achieve Unqualified opinion without matters of emphasis	Achieved Unqualified audit with other matters	Achieved opinion Unqualified	The annual financial statements submitted had some errors/misstatements which were identified during the audit process and non-compliance with laws and regulations
2.3. Percentage of allocated budget spent	95%	98.03%	95.80%	Spend 100% of allocated budget	96%	4%	Delay in filling of funded vacant positions, incomplete township proclamation for implementation of Title Deed Restoration and construction delays encountered in some

Sub-programme: Corporate Services							
Strategic Objective: Financial management support and advisory services for effective accountability							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
							Traditional Council Offices.

Reasons for all deviations:

- ❖ Recruitment Plan for 2019/2020 not approved by Treasury
- ❖ No post filled due to the Recruitment Plan not approved
- ❖ Delays by end-user to submit invoices to finance to process the payment, inactive Logis System and over-expenditure in housing claims.
- ❖ The annual financial statements submitted had some errors/misstatements which were identified during the audit process and non-compliance with laws and regulations.
- ❖ Delay in filling of funded vacant positions, incomplete township proclamation for implementation of Title Deed Restoration and construction delays encountered in some Traditional Council Offices.

Strategy to overcome areas of under performance

- ❖ Posts to be included in the 2020/2021 Recruitment Plan
- ❖ Remind end-users to submit invoices on time regularly. Shifting of funds in advance to avoid over-expenditure.
- ❖ Roll over request to be submitted to treasury for conditional grant committed underspending. Filling of post to be prioritized.

- ❖ The annual financial statements submitted had some errors/misstatements which were identified during the audit process non-compliance with laws and regulations.
- ❖ Changes to planned targets
- ❖ None

Linking performance with budgets

Departments investigated all calls or complaints and cases that were lodged on corruption and anti-fraud which constituted to 100% respectively. The expenditure of the programme is linked to trainings on departmental officials that are in line with WSP. Programme had spent 97% of the final appropriation in the year under review.

Sub-programme expenditure

Sub- Programme Name	2018/2019			2019/2020		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
CORPORATE SERVICES	357,973	357,772	201	374,065	368,882	5,183
OFFICE OF THE MEC	1,978	1,978	-	1,978	1,940	38
Total	359,951	359,750	201	376,043	370,822	5,221

4.2 Programme 2: Human Settlements

Purpose: To ensure the provision of housing development, access to adequate accommodation in relevant well-located areas, access to basic services and access to social infrastructure and economic opportunities

To achieve the above-mentioned purpose, the programme is divided into three sub-programmes:

Sub-programmes:

- ❖ Housing Needs, Research and Planning
- ❖ Housing Development, Implementation Planning and Targets
- ❖ Housing Assets Management and Property Management

Strategic objectives, performance indicators, planned targets and actual achievements

The performance of programme in 2019/20 recorded a slight improvement in housing delivery and servicing of sites as compared to previous years which was due to revised implementation plan. However, performance was stagnant other areas such as issuing of title deeds for subsidy market, upgrading informal settlement with approved layout and municipalities assessed for Human settlements developments accreditation.

Strategic objectives:

Programme: Human Settlements						
Strategic objectives	Strategic Objectives Performance Indicators	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
2. Housing development properly planned by October each year	3.1 Improved Housing conditions for Households living in Informal settlements	7 201	8000	8 000	0	None
3. Reduced housing backlog reduced by 80 600 units by 2019	3.2 Number of Households living in adequate housing	13 095	5 911	8 182	2 711	Recovery from previous years by implementing revised delivery strategy
4. Transferred 22 605 housing properties to beneficiaries by 2019	4.1 Number of households issued with improved secured tenure in a form of a title deeds	3 624	5 600	2 716	2 884	Reluctance by beneficiaries to sign transfer documents Municipalities take time to issue exemption certificates and transfer documents. Townships not fully proclaimed

Reasons for all deviations:

- ❖ Reluctance by beneficiaries to sign transfer documents Municipalities take time to issue exemption certificates and transfer documents.
- ❖ Limpopo has a significant number of rural areas and some townships are partially established

Performance indicators

Sub-programme: Housing Needs, Research and Planning							
Strategic Objective: Housing development properly planned by October each year							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation planned target to Actual Achievement 2019/2020	Comment on deviations
3.1. Multi Year housing development plan/ APP developed	Reviewed Multiyear Human Settlements development plan	Reviewed Multiyear Human Settlements development plan	Reviewed Multiyear of the Limpopo of MYHDP has been submitted to NDHS	Developed Multiyear Human Settlements development plan	MYHSDP approved & submitted	None	None
3.2. Number of informal settlements with approved layout plans	0	2 Settlements formalized to phase 1: Nkambako Steenbok Pan /Lesedi	2 Draft General Plans submitted to Surveyor General Plan office for approval	Approved layout plan for 4 settlements (Alma, Grootfontein, Skierlik and Mashifane)	0	4	Draft layout plans for 3 settlements, while Mashifane is affected by community dispute
3.3. Number of development areas identified for the construction of housing units	13 639	14 850	7 201	8 000	8 000	0	None
3.4. Number of municipalities assessed for human settlements development	0	4 Municipalities (Lephalale, Makhado, Fetakgomo Tubatse and Musina supported for level 1	6 municipalities were prepared for level 1 accreditation, two municipalities were assessed	Assessed municipalities (Lephalale, Makhado & Musina) for level 2 accreditation	0	3	Delayed appointment of service provider by Implementing agent

Sub-programme: Housing Needs, Research and Planning							
Strategic Objective: Housing development properly planned by October each year							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
accreditation		accreditation and Polokwane municipality accredited for level 2	(Greater Tzaneen and Bela-Bela) municipalities for level 1				
3.5 Number of Hectares of land acquired	0	0	0	0	0	0	None
3.6 Number of workshops on Human Settlements Programmes for beneficiaries	N/A	N/A	N/A	30	59	29	Additional request from Thulamela and Mogalakwena Local Municipalities Respectively

Sub-programme: Housing Development, Implementation and Planning							
Strategic Objective: Reduced housing backlog reduced by 80 600 units by 2019							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
4.1 Number of houses	10 231	8 355	10 566	5 479	8 182	2 703	Recovery from previous years by

Sub-programme: Housing Development, Implementation and Planning							
Strategic Objective: Reduced housing backlog reduced by 80 600 units by 2019							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
built							implementing revised delivery strategy
4.2 Number of sites installed with water and sanitation infrastructure as part of the IRDP and UISP	4 067	3 293	2 397	5 354	5 560	206	Carry over projects from 2018\19 delivered in the current year
4.3 Number of settlements provided with bulk water infrastructure	N/A	N/A	N/A	7 (Burgersfort Extension, Mokopane Ext 20 & 21, Raphuti, Masakaneng, Bela-Bela Ext 25, Marapong Ext 6 & Ga Mawasha)	0	7	Late appointment of contractors by Municipalities and HDA as implementing agent.
4.4 Number of rental housing units built through Community Residential Units and/or Social Housing programmes	0	0	0	332	0	332	Dispute on relocation on one permanent structure and incomplete bulk infrastructure for connection

Sub-programme: Housing Asset Management and Property Management							
Strategic Objective: Transferred 22 605 housing properties to beneficiaries by 2019							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
5.1 Number of beneficiaries issued with title Deeds through the Enhanced Discount Benefit Scheme	0	0	109	100	39	61	Reluctance by beneficiaries to sign transfer documents Municipalities take time to issue exemption certificates and transfer documents.
5.2 Number of beneficiaries issued with Endorsed Title Deeds in subsidy market	1 017	2 617	3 454	5 500	2 677	2 823	Some townships not fully proclaimed to enable transfer
5.3 Number of subsidies approved through Finance-linked individual subsidy programme (FLISP)	6	0	6	100	32	68	Beneficiaries failing National Credit Act.
5.4 Number of job opportunities created through construction of houses and servicing of	8 672	3 823	228	3 600	667	2 933	Late reporting of job creation by contractors

Sub-programme: Housing Asset Management and Property Management Strategic Objective: Transferred 22 605 housing properties to beneficiaries by 2019							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
sites							
5.5 Number of Housing Subsidy approved through Housing Subsidy System	8 128	15 857	6 182	6 600	6 584	16	Dispute on the development areas by some municipalities.
5.6 Number of reports compiled by rental dispute tribunal	1	1	1	1	1	0	None
5.7 Number of Reports compiled by MEC advisory Panel	1	1	1	1	1	0	None

Reasons for all deviations:

- ❖ Municipal Tribunals take longer to consider proposed settlements
- ❖ Late appointment of contractors by Municipalities and HDA as implementing agent for projects.
- ❖ Dispute on relocation of land occupiers
- ❖ Limpopo has a significant number of rural areas and some townships are partially established
- ❖ Unavailability of affordable stock market.

- ❖ Non-compliance with EPWP requirements
- ❖ Delay in resolution of the disputed development areas, 1 010 subsidies approved during 3rd and 4th quarter due to amendment by some municipalities.

Strategy to overcome areas of under performance

- ❖ Contractors are on site and the projects are planned as multi-year as part of Mining Towns programme.
- ❖ Principal Agent to review the site layout plan to exclude the dispute site. Contact extended till 30 June 2021
- ❖ Collaborate with ward councillors to intervene and continuous engagement with affected municipalities.
- ❖ Service Providers on site to complete proclamation of townships. Advertise for missing beneficiaries
- ❖ Risima Housing Corporation has signed an MOU with Anglo Platinum.
- ❖ Enforce reporting compliance by appointed contractors

Changes to planned targets

- ❖ None

Linking performance with budgets

The total conditional grants allocation for 2019/20 is R1, 411,594 billion. Total spending on Conditional Grant as at 31st March 2020 amounted to R1, 373,594 translates to 97% spending. The department managed to achieve targets set in 2019/20 for performance indicators: - New houses built, reports on Rental Disputes Tribunal and compiled report for MEC for submission advisory Panel and new sites connected to basic services as part of the IRDP. But further failed attain targets in the following programmes: - Rental units built, Municipal accreditation, FLISP and issuing of title deeds.

Sub-programme expenditure

Sub-Programme Name	2018/2019		2019/2020		(Over)/Under Expenditure R'000
	Final Appropriation R'000	Actual Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	
Housing needs, research and planning	56,821	56,749	58,995	58,864	131
Housing development, implementation, planning and targets	1,322,397	1,256,193	1,392,812	1,389,022	3,790
Housing asset management and property management	67,585	56,769	87,909	49,571	38,338
Total	1,446,803	1,369,711	1,539,716	1,497,457	42,259

4.3 Programme 3: Cooperative Governance

Purpose: The programme aims to provide technical and oversight support to municipalities in terms of implementing their mandates. This is pursued through the following sub-programmes: development planning, municipal infrastructure development, local governance support, democratic governance and disaster management.

Sub-programmes:

- ❖ Local Governance
- ❖ Development Planning

Strategic objectives for the financial year under review:

- ❖ Improved support and oversight in all municipalities by 2019

Strategic objectives, performance indicators, planned targets and actual achievements

The Provincial Allocation for 2019/2020 is R 2,924,637,000 for 25 municipalities and as at end of February 2020 R 1,698,729,615 has been spent (58%). Poor expenditure by 4 (Mopani 33%, Mogalakwena 42%, Sekhukhune 49% and Vhembe 55%) of the 5 municipalities whose allocation is 63% of the Limpopo allocation is a major contribution to low expenditure. Supported all twenty seven (27) Municipalities with the development and review of the respective IDPs as well as the roll out of the District Development Model (DDM) in Waterberg, Capricorn and Vhembe Districts

Strategic objectives

Programme: Cooperative Governance						
Strategic objectives	Strategic objectives Performance Indicators	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
6. Improved support and oversight in all municipalities by 2019	6.1 Number of Municipalities monitored and supported to implement municipal programmes	27	27	27	0	None

Reasons for Deviations

None

Performance indicators.

Programme: Cooperative Governance								
Strategic Objective: Improved support and oversight in all municipalities by 2019								
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations	
6.1. Number of Section 47 reports compiled as prescribed by the MSA (Outcome 9, Sub-Outcome 4) (B2B Pillar 5)	1	1	1	1	1	0	None	
6.2 Report on municipalities complying with MSA regulations on the appointment of Senior Managers. (Outcome 9, Sub-Outcome 4) (B2B Pillar 5)	27	27	27	4	4	0	None	
6.3. Number of municipalities supported to institutionalize the Performance Management System (Outcome 9, Sub-Outcome 4) (B2B Pillar 5).	27	27	27	27	27	0	None	
6.4. Report on the implementation of Back-to-Basics action plans by municipalities (Outcome 9, Sub-Outcome 4) (B2B Pillar 5)	4	4	4	4	4	0	None	

Programme: Cooperative Governance								
Strategic Objective: Improved support and oversight in all municipalities by 2019								
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations	
6.5. Number of municipalities guided to comply with MPRA (Outcome 9; Sub-Outcome 4) (B2B Pillar 4)	22	22	22	22	22	0	None	
6.6. Number of municipalities monitored on the extent to which anti-corruption measures are implemented (Outcome 9, Sub-Outcome 4) (B2B Pillar 3)	N/A	N/A	27	27	27	0	None	
6.7. Number of reports compiled on capacity building interventions conducted in municipalities (Outcome 9, Sub-Outcome 3) (B2B Pillar 5)	N/A	N/A	N/A	4	4	0	None	
6.8. Number of municipalities monitored on the implementation of infrastructure delivery programmes (Outcome 9, Sub-Outcome 1) (B2B Pillar 5)	27	27	27	26	26	0	None	
6.9. Number of municipalities supported to implement indigent policies (Outcome 9, Sub-Outcome 1) (B2B Pillar 2)	22	22	22	22	22	0	None	
6.10. Number of municipalities supported to maintain functional ward committees (Outcome 9, Sub-Outcome 2) (B2B Pillar 1)	26	27	22	22	22	0	None	
6.11. Number of municipalities supported to respond to community concerns (Outcome 9, Sub-Outcome 2) (B2B Pillar 1)	N/A	N/A	11	27	27	0	None	

Programme: Cooperative Governance									
Strategic Objective: Improved support and oversight in all municipalities by 2019									
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations		
6.12. Number of municipalities supported to maintain functional Disaster Management Centres	5	5	5	5	5	0	None		
6.13. Number of municipalities supported on Fire Brigade Services	5	5	5	5	5	0	None		
6.14. Number of municipalities supported with development of IDP (Outcome 9, Sub-Outcome 1)	27	27	27	27	27	0	None		
6.15. Number of municipalities supported with compilation of AFS for submission to the AG	27	27	27	27	27	0	None		
6.16. Number of municipalities supported with the implementation of SPLUMA	22	22	22	22	22	0	None		
6.17. Number of municipalities supported with review and implementation of staff establishment	27	27	27	27	27	0	None		
6.18. Number of municipalities supported to implement SDFs in terms of the guidelines	22	22	22	22	22	0	None		
6.19. Number of municipalities supported to implement LUSs in terms of the Guidelines	N/A	22	22	22	22	0	None		
6.20. Number of municipalities supported to demarcate sites	N/A	N/A	22	22	22	0	None		
6.21. Number of reports on provision of basic services	N/A	4	4	1	1	0	None		

Programme: Cooperative Governance							
Strategic Objective: Improved support and oversight in all municipalities by 2019							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement 2019/2020	Comment on deviations
6.22. Number of meetings of the Intergovernmental Disaster Management Forum	4	4	4	4	4	0	None
6.23. Number of reports on the functionality of IGR structures.	4	4	4	4	4	0	None

Reasons for all deviations:

None

Strategy to overcome areas of under performance

None

Changes to planned targets

None

Linking performance with budget

Programme had a budget allocation R310, 655 million and spent R290, 779 million which translated 94% of the final appropriation and achieved 100% of the total APP targets.

Sub-programme expenditure

Sub- Programme Name	2018/2019		2019/2020		(Over)/Under Expenditure R'000
	Final Appropriation R'000	Actual Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	
Local Governance	294,653	293,951	240,517	228,896	11,621
Development Planning	65,022	65,016	69,738	61,883	7,855
TOTAL	359,675	358,967	310,255	290,779	19,476

4.4 Programme 4: Traditional Institutional Development

Purpose: The Programme aims to support institution of Traditional Leadership to operate within the context of Co-operative Governance.

Sub-programme

- ❖ Traditional Institutional Admin
- ❖ Administration of House of Traditional Leaders

Strategic objectives for the financial year under review:

- ❖ Supported all established institutions on Traditional Leadership

Strategic objectives, performance indicators, planned targets and actual achievements

- ❖ Traditional institutions have been supported on administration and financial management

Strategic Objectives

Programme: Traditional Affairs						
Strategic objectives	Strategic objectives Performance Indicators	Actual Achievement 2018/19	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
7. Improved support on established institutions of Traditional Leadership by 2019	7.1 Number of reports compiled on the support to houses of traditional leaders	1	1	1	0	None

Performance Indicators:

Programme: Traditional Institutional Development							
Sub-programme: Traditional Affairs							
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from planned target to Actual Achievement 2019/20	Comment on deviations
7.1. Number of sittings by the Provincial House of Traditional Leaders	2	2	1	3	3	0	None
7.2. Number of sittings by the Local Houses of Traditional Leaders	10	10	3	10	3	7	Waterberg and local houses could not meet as members were not forming a quorum.
7.3. Number of reports on Traditional Leadership Disputes referred to the	4	4	3	3	3	0	None

Programme: Traditional Institutional Development								
Sub-programme: Traditional Affairs								
Performance Indicator	Actual Achievement 2016/2017	Actual Achievement 2017/2018	Actual Achievement 2018/2019	Planned Target 2019/20	Actual Achievement 2019/20	Deviation from planned target to Actual Achievement 2019/20	Comment on deviations	
House								
7.4. Number of reports on the registered Initiation Schools complying with Limpopo Initiation School Act	N/A	4	3	3	3	0	None	
7.5. Number of reports on financial reconciliation for Traditional Councils	N/A	N/A	3	4	4	0	None	
7.6. Number of Traditional councils supported to perform their functions	185	185	185	185	185	0	None	
7.7. Percentage of succession claims/ disputes processed	N/A	N/A	100%	100%	100%	0	None	

Reasons for all deviations:

- ❖ Vhembe local house unable to meet due to non-reimbursement of sitting allowance and the resolution taken by Traditional Leaders to withdraw from the house.

Strategy to overcome areas of under performance

- ❖ The meetings will be held in the 2020/21 financial year
- ❖ Arrangements of a mediation underway between the PHTL and the Vha-Venda King's Council.

Changes to planned targets

None

Linking performance with budgets

The budget allocation for the 2019/20 financial was R541, 524 million and expenditure as at 31st March 2020 is R502, 482 which translates to 93%. Funding for construction of new offices over the MTEF amounts to R150 million. This allocation suggests that approximately eight (8) offices would be built annually over MTEF. To date construction at 2 traditional councils have been completed, 3 are at an advanced stage and 1 will be completed in the next financial year.

Sub-programme expenditure

Sub- Programme Name	2018/2019		2019/2020		(Over)/Under Expenditure R'000
	Final Appropriation R'000	Actual Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	
Traditional institutional admin	515,513	501,547	533,897	495,645	38,252
Administration of houses of traditional leaders	7,064	7,063	7,627	6,569	1,058
Total	522,577	508,610	541,524	502,214	39,310

5. TRANSFER PAYMENTS

None

6. CONDITIONAL GRANTS

6.1. Conditional grants and earmarked funds paid

None

6.2. Conditional grants and earmarked funds received

The table/s below details the conditional grants and ear marked funds received during for the period 1 April 2019 to 31 March 2020.

Conditional Grant 1 : Human Settlements Development Grant

Department to who transferred the grant	National Department of Human Settlements
Purpose of the grant	Facilitate the creation of sustainable human settlements and the improvement to household quality of life.
Expected outputs of the grant	<ul style="list-style-type: none"> • Accelerated delivery of housing opportunities • Upgrading informal settlements • Affordable property market
Actual outputs achieved	<ul style="list-style-type: none"> • 8 231 housing units delivered across all housing programmes • 6 059 serviced sites
Amount per amended DORA	R 1,362,947
Amount transferred (R'000)	R 1,362,947
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	R1,362,599
Reasons for the funds unspent by the entity	None
Monitoring mechanism by the transferring department	Quarterly performance reviews, monthly reports (CG, DORA)

Conditional Grant 2: Title Deeds Restoration Grant

Department to who transferred the grant	National Department of Human Settlements
Purpose of the grant	To provide funding for the eradication of the pre-2014 title deeds registration backlog and the professional fees associated with it, including beneficiary verification.
Expected outputs of the grant	<ul style="list-style-type: none"> • Tenure security for all recipients of government-subsidised houses • Improved functioning of the secondary property market • Improved quality of life • Beneficiaries confirmed as title deeds holders • Title deeds registered in favour of beneficiaries of government subsidised housing
Actual outputs achieved	39 Beneficiaries issued with title deeds through EEDBS 2689 Beneficiaries issued with endorsed title deeds in Subsidy market
Amount per amended DORA	R 46,621
Amount transferred (R'000)	R 46,621
Reasons if amount as per DORA not transferred	N/A
Amount spent by the department/ municipality (R'000)	R10,245
Reasons for the funds unspent by the entity	<ul style="list-style-type: none"> • Incomplete Township proclamation process • Reluctance by beneficiaries to sign transfer documents Municipalities take time to issue exemption certificates and transfer documents.
Monitoring mechanism by the transferring department	<ul style="list-style-type: none"> • Continuous engagements with municipalities • To include the programme in consumer education works

Conditional Grant 3 : Expanded Public works Programme

Department who transferred the grant	National Department of Public Woks
Purpose of the grant	To incentivise the department to expand work creation effort though the use unemployed community member on housing
Expected outputs of the grant	Deliver 100 work opportunities
Actual outputs achieved	Deliver 100 work opportunities
Amount per amended DORA	R 2,026,000
Amount received (R'000)	R 2,026
Reasons if amount as per DORA was not received	N/A
Amount spent by the department (R'000)	R 750
Reasons for the funds unspent by the entity	Late appointment of participants.
Reasons for deviations on performance	Other work opportunities were created from HSDG for housing programmes
Measures taken to improve performance	An extension has been sought and approved for the participants to be on the programme for a further 7 months
Monitoring mechanism by the receiving department	Quarterly reports in terms of Dora are submitted to Department of Public works and Human Settlements

7. DONOR FUNDS

7.1. Donor Funds Received

No donor funds were received during the year under review.

8. CAPITAL INVESTMENT

8.1. Capital investment, maintenance and asset management plan

Infrastructure projects	2018/2019			2019/2020		
	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000	Final Appropriation R'000	Actual Expenditure R'000	(Over)/Under Expenditure R'000
New and replacement assets	1,287,681	1,223,419	64,262	1,362,947	1,362,599	348
- Current	22,506	11,704	10,802	46,621	10,245	36,376
- Capital	-	-	-	-	-	-
Total	1,310,187	1,235,123	75,064	1,409,568	1,372,844	38,750

PART C: GOVERNANCE

1. INTRODUCTION

The department has maintained the highest standards of governance which is fundamental to the management of public finances and resources. Governance structures have been established to promote good governance and strive for high standards of compliance. Assurance has been sought from applicable structures and oversight institution have been provided with general performance and accountability of the department.

2. RISK MANAGEMENT

- The department has a risk management policy and strategy in place and are reviewed annually. The risk management policy and strategy are adopted by the Risk Management Committee and approved by the Head of Department.
- Risk assessment is conducted on an annual basis to identify new and emerging risks and to set the tone for risk management activities. Risks are identified consistent with the mandate and outcomes of the department to ensure relevance. Management develop risk mitigating measures to deal with the risks identified during risk assessment.
- The department has a Risk Management Committee appointed by the Accounting Officer with a responsibility to advice management on the overall system of risk management, especially the mitigation of unacceptable levels of risk. The Risk Management Committee meets at least once per quarter to perform duties as stated in the Risk Management Committee Charter and consider progress made with regard to mitigation of significant risks towards achievement of Departmental Outcomes as well as the overall system of risk management.
- The Audit Committee considers quarterly progress on implementation of mitigation measures to address the significant risks and advises the department on risk management and independently monitors the effectiveness of the system of risk management. The Audit Committee further submit their recommendations on issues that needs specific attention by the department.
- The department sees progress in the management of risks, as this has transmitted into improvements in the department's performance.

3. FRAUD AND CORRUPTION

In 2019/20 financial year 27 municipalities were assisted in the implementation of Anti-Fraud and cases of logged and detected within the department are investigated.

Mechanisms in place to report fraud and corruption and how these operate.

Whistle blowing policy is developed and implemented. Fraud prevention strategy and whistle blowing policy in place to guide on the process and implementations. The procedure manual is functional in reporting fraud and corruption in the Department and those found in the wrong side of the laws disciplinary action is taken upon them.

4. MINIMISING CONFLICT OF INTEREST

There is an application forms which pops up at the beginning of every month, reminding officials to utilise the form for the purpose of making applications for RWOPS. There are awareness workshops conducted annually on the Code of Conduct and its implications, there is also a Disciplinary Code and Procedure policy which serves as guidance to the Department in the management of Discipline.

DPSA has also over and above the obligation imposed on members of SMS, issued a Directive in 2017, directing that designated officials (MMS, OSD, officials in Finance and Supply Chain Management disclose their financial interest as a result 100% compliance has been achieved on both the SMS members and the designated officials.

Two ethics officers have been appointed to oversee the following:

- (a) Promote integrity and ethical behaviour in the department;
- (b) Advise employees on ethical matters;
- (c) Identify and report unethical behaviour and corrupt activities to the head of department;
- (d) Manage the financial disclosure system; and
- (e) Manage the processes and systems relating to remunerative work performed by employees outside their employment in the relevant department

5. CODE OF CONDUCT

There is an approved Disciplinary Code and Procedure policy which serves as guidance to the department in the management of Discipline. The policy is in line with Resolution 1 of 2003 and various other pieces of legislations including but not limited to the Constitution, Labour Relations Act, and Code of Conduct for Public Servants etc. The department conducts advocacy workshop every year to ensure that officials are made aware of the existence of the policy.

The breach of conduct occurs when an official commits a misconduct which warrants a disciplinary action. The disciplinary process is initiated at the instance of the Accounting officer, after an investigation is conducted and there is compelling/sufficient grounds to institute a disciplinary action.

An official can be put under precautionary suspension if there are grounds justifying that action (e.g. if the misconduct is of a serious nature such that keeping the official at work may pose danger to other officials or that the official may tamper with evidence). There are various sanctions that can be imposed on an official after a disciplinary hearing: that includes counselling, written warning, final written warning, and suspension without pay, demotion or dismissal. It would depend on the gravity of the offence.

The DPSA has also over and above the obligation imposed on members of SMS, issued a Directive in 2017, directing that designated officials (MMS, OSD, officials in Finance and Supply Chain Management disclose their financial interest. 100% compliance has been achieved on both the SMS members and the designated officials.

6. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The department has challenges with regard to the state of buildings employees are accommodated. There are structural issues that need to be attended to. For example, the 28 Market Street building has an aging infrastructure and this result into water pipes bursting every now and then. In addition, the toilets are not properly functioning and most air conditioners are also out of order. Some offices' window blinds are old and need to be replaced as sunshine is affecting employees.

An Occupational Health and Safety Committee that sits quarterly has been established to attend to identified challenges. A report indicating the identified challenges, interventions and estimated budgets is available. The Committee was successful in ensuring that the Municipal Authorities erect speed humps in the two buildings to compel drivers to reduce speed.

There was an outcry with Dove's cremation process that employees complained about and the Committee managed to highlight the matter to Polokwane Municipality. Polokwane Municipality engaged with Dove and they agreed to comply with the required prescripts.

The 28 Market Street and Central buildings do not have ramps that people with disabilities can utilize. This matter is being attended to. In addition there were no audio in the lifts at Hensa Towers to assist employees with hearing challenges. The Committee managed to push for the building owner to install the devices. The lift at Central is not working and steps are being taken to ensure that a new lift is installed as the old is no longer functioning.

7. PORTFOLIO COMMITTEES

The Department met with Portfolio Committee to discuss departmental performance in accordance with Annual Performance Plan 2019/20, Annual report 2017/18 and other matters that arose. The dates of meetings are as follows:-

- 07 August 2019
- 20 November 2019

8. SCOPA RESOLUTIONS

There were no new SCOPA resolutions in the period under review

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

- ❖ The department received the unqualified audit opinion with non-compliance with laws and regulations during 2018\19, summary of the matters are provided in the table below:

Section	Total findings	Resolved Findings	Partially Resolved	Unresolved
SUPPLY MANAGEMENT	5	4	-	1
HUMAN RESOURCE MANAGEMENT	2	-	0	2
FINANCIAL ACCOUNTING	5	3	0	2
STRATEGIC OPERATIONS	5	5	0	0
TOTAL	17	12	0	5

Unresolved findings are mainly due the nature of operations for some programmes such as Traditional Affairs. Challenges on filling of posts has also contributed findings not resolved in financial management services. Also Logis system controllers are shared services at provincial level. Details are provided below on how audit matters are addressed:

Finding heading	Finding details	Root cause	Mitigation measure
Human Resource Management	Unrecovered salary paid to Mogashwa M.E. Unaware of the death of the Traditional Leader Over-payment of basic salary due to money not recovered	There is late communication from Traditional Councils with regards to reporting on death cases	1. Freeze of salary upon notice of death 2. Termination of service upon receipt of death certificate
	Inspected the terminations reports and identified that the overpayment made to an employee not in service was the amount of R 17 975.66 paid to Mr PD Phasha who was a senior traditional leader and passed away on 18/02/2017	There is late communication from Traditional Councils with regards to reporting on death cases	1. Freeze of salary upon notice of death 2. Termination of service upon receipt of death certificate
Supply	The SCM policy submitted for audit	1. None adoption of the	1. Adopt the Transversal

Finding heading	Finding details	Root cause	Mitigation measure
Chain Management	has not been updated for any changes in legislation (acts and regulations) and treasury instructions which affects the SCM policy.	Transversal SCM policy by the Department 2. Implementation of the outdated SCM policy	SCM policy by the Department 2. Development of Standard Operating Procedure
	Baud System Limitation The BAUD user account management procedure prescribed by the Limpopo Provincial Treasury had not been implemented by the department. As a result, the following weaknesses	1. Centralisation of system controller at Provincial Treasury 2. Lack of user access management 3. None appointment of a BAUD system controller 4. Non availability of Baud User Account management Policy	1. Appointment of the BAUD system controller 2. Adoption of the Transversal BAUD User Account Management Policy
	No local content specification Department did not advertise with specific tendering condition that only locally produced goods, service or works or locally manufactured goods, with a stipulated minimum threshold for local production and content will be considered	Failure to explicitly indicate minimum stipulated local content threshold in the specification	1. Inclusion of stipulated minimum local content threshold in the specification for all designated commodities 2. Training of SCM practitioners and all relevant role players in commodities that are designated for local content
	No SBD 6.2(local content declaration) for winning suppliers There was no SBD 6.2 attached at all for life Construction, local content threshold was not part of the specification, and in evaluation local content was not a considered factor, therefore, there is no evidence that the supplier will deliver locally produced goods, therefore this finding remains and will result in non-compliance with procurement regulations and irregular expenditure of R 19 200.	Failure to attach the required SBD 6.2 forms by SCM	1, Ensuring that the required SBD 6.2 forms are attached in respect of procurement of commodities with stipulated local content threshold
	Goods and Services - Occurrence of expenditure cannot be confirmed	1. Failure to implement the contractual obligation as agreed with the service	1. The service provider to attach a supporting statement from the

Finding heading	Finding details	Root cause	Mitigation measure
	The Department is paying for Assessment Rates of which this costs are supposed to be incurred by the owner of the property.	provider 2. Lack of contract management unit within the Department	Municipality 2. Establishment of contract management unit within the Department
Financial Accounting /Management	Travel and Subsistence - Payment not approved according to the financial delegation - the payments below were not done in accordance with the department's financial and non-financial delegations of power and duties. 1. Delta Property Funds	Shortage of Staff (Acting positions) Non-compliance to Financial Delegation of Authority	Posts to be filled, Review of Delegation of Power
	Inventory not appropriately disclosed The inventory issued disclosed in Note 34 does not represent complete houses that are awaiting transfers, but rather, represent houses that are in final completion stages (roofing) as per HSS report. The amount for inventory issued is therefore potentially misstated.	Housing Subsidy System not giving sufficient information.	Housing Subsidy System data regularly updated and cleaned. Hence forth the Annexure will be prepared accordingly
	Movable Assets: Payments not made within 30 Days The following invoices were not paid within 30 days from the receipt of invoice as required by PFMA.	System (LOGIS) functionality challenges (system error). Submission of the invoices towards the end of financial year. Late submission of invoices by end-users.	LOGIS system controller to resolve the functionality challenges. LOGIS age analysis function to be fully utilised by LOGIS users. Manage high volume of invoices received at year-end. End-users to submit invoices timeously. Maintenance of claim (invoice) registers.
	Non Compliance with Provincial Gazette No 2975 The department transferred funds relating to mining towns projects to municipalities even when some of the conditions stipulated in the gazette were not all met.	Non-compliance with the Gazette No 2975	Ensure Compliance with Gazette No 2975
	Overstatement of accrued departmental revenue The management recognized Accrued departmental revenue amounting to R 21 262 000 in the current year based on the presentation to the special meeting between the department and H.D. A held on the 17th May 2019. Subsequent to the meeting	Supporting information from HDA could not be verified.	Supporting information should be supported by bank statements and or other means of verification

Finding heading	Finding details	Root cause	Mitigation measure
	management has sent a confirmation letter to H.D.A to surrender accumulated interest accrued on funds transfer for implementation of various human settlement programmes dated 06th June 2019, in which management has not yet received any response.		
Performance Information/Strategic Operations	Predetermined objectives – Limitation of scope (Number of work opportunities created through the CWP in municipalities)	Management did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting.	Develop SOP's
	Performance indicators not verifiable	<ul style="list-style-type: none"> • Procedures not adequately documented • Poor records management 	Develop SOP's
	Performance indicator in the APR not complete	<ul style="list-style-type: none"> • Implementing agent not validated by Project Managers 	Develop SOP
	Performance information in the APR not complete. Military Vets	Implementing agent not validated by Project Managers	Project managers validate and sign off reports from HDA
	Performance information in the APR not complete. FLISP	Management did not exercise oversight responsibility regarding financial and performance reporting and compliance and related internal control <ul style="list-style-type: none"> • Performance indicator not clearly defined 	Develop SOPs

10. INTERNAL CONTROL UNIT

Internal Control unit is established within the Risk and Internal Control headed by the Chief Risk Officer to coordinate work of assurance providers with a view to improve internal controls within the department. The unit further performs the following functions:

- Coordination of assurance provider's activities within the department
- Ensure availability of Accounting Officer's report
- Secretariat to the Financial Misconduct Board
- Consolidate internal control universe and monitor its implementation
- Manage stakeholder relations between the department and assurance providers

11. INTERNAL AUDIT AND AUDIT COMMITTEES

11.1 Internal Audit

Key activities and objectives of the Internal Audit

Provincial Internal Audit provides an independent, objective assurance and consulting services that are designed to add value and improve CoGHSTA's operations. It assists the Department accomplish its strategic, control and operations goals and objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of Governance, Risk Management and Internal Control processes.

Risk Based Audit

Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> • Annual Financial Statements • Housing Units project management • Follow up Audits 	<ul style="list-style-type: none"> • Housing Units project management • Housing Consumer Education • Follow up Audits 	<ul style="list-style-type: none"> • Fleet Management • Supply Chain Management • Interim Financial Statements 	<ul style="list-style-type: none"> • Housing Transfers • Housing Development • Follow up Audits

Performance Audit

Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • Assurance services on Quarterly Performance Information 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • Assurance services on Quarterly Performance Information

Information Systems Audit

Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • Follow Up Audit - QTR2 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • Follow Up Audit - QTR4

Fraud Audit

Q1	Q2	Q3	Q4
<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • N/A

11.2 Audit Committees

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

INITIALS & SURNAME	QUALIFICATIONS	INTERNAL OR EXTERNAL MEMBER	IF INTERNAL, POSITION IN THE DEPARTMENT	DATE APPOINTED	DATE RESIGNED / TERMINATED	NO. OF MEETINGS ATTENDED (COGHSTA)
S.A.B NGOBENI	<ol style="list-style-type: none"> 1. SAIPA 2. RGA 3. MBA 4. M Com: Tax 5. B Compt Honours: CTA 6. B Com: Accounting 7. Cert: Portfolio & Invest Analysis 8. H. Dip.: Computer Auditing 9. Cert: Mining Taxation 10. Cert: Project Management 11. Cert: Labour Relations 	External	N/A	01 February 2017	Contract Ended: 31 December 2019 (Reappointed: 01 February 2020 – 31 December 2022)	04
V. PANGWA	<ol style="list-style-type: none"> 1. CA (SA) 2. IRBA Membership 3. B COM: Hon (Acc) 4. Post-Grad Dip: Fin Acc. 5. B COM: Accounting 	External	N/A	01 February 2017	31 December 2019	04
T. MUDALY	<ol style="list-style-type: none"> 1. CA (SA) 2. B COM 3. B COM (Honours – CTA) 4. Diploma in Solvency Law & Practice 5. Grow Your Business 	External	N/A	01 February 2017	31 December 2019	04

INITIALS & SURNAME	QUALIFICATIONS	INTERNAL OR EXTERNAL MEMBER	IF INTERNAL, POSITION IN THE DEPARTMENT	DATE APPOINTED	DATE RESIGNED / TERMINATED	NO. OF MEETINGS ATTENDED (COGHSTA)
A.P.C MANGOMA	1. CISA 2. B Com Honours: Auditing 3. B Com: Accounting	External	N/A	01 February 2017	31 December 2019 (Reappointed to Cluster 04: 01 February 2020)	04
S.P MZIZI	4. CSSA International Qualifying Exam Institutes of Secretaries 5. Post Grad Dip: Corporate Law 6. CIMA 7. BCom Hons 8. B Tech Accounting 9. H Diploma Education	External	N/A	01 February 2020	To Date	-
M.G MATHABATHE	10. N Dip: Auditing 11. B Tech: Internal Auditing	External	N/A	01 February 2020	To Date	-
K.M RAMUKUMBA	12. CA (SA) 13. IRBA 14. B Com: Honours (Fin. Acc.) 15. B Com: Financial Accounting	Internal	Working for State Owned Entity as the CEO (CHIETA)	01 February 2018 (Reappointed: 01 February 2020)	Contract Ended: 31 December 2019 (Reappointed: 01 February 2020 – 31 December 2022)	-

KEY ACTIVITIES AND OBJECTIVES OF THE AUDIT COMMITTEE

1. KEY ACTIVITIES

Audit Committee (AC) has satisfactorily performed its mandate as enshrined in Sections 76 (4) (d) and 77 of the Public Finance Management Act (Act No. 1 of 1999) read in conjunction with Treasury Regulations 3.1 which states that AC must, amongst others, review the following:

- I. the effectiveness of the internal control systems;
- II. the effectiveness of the internal audit function;
- III. the risk areas of the institution's operations to be covered in the scope of internal and external audits;
- IV. the adequacy, reliability and accuracy of the financial information provided to management and other users of such information;
- V. any accounting and auditing concerns identified as a result of internal and external audits;
- VI. the institution's compliance with legal and regulatory provisions; and
- VII. the activities of the internal audit function, including its annual work programme, coordination with the external auditors, the reports of significant investigations and the responses of management to specific recommendations.

1.1. The Impact of COVID-19 (Corona Virus) to Audit Committee

AC as an institution was not spared by the negative impact of the COVID-19. This was seen during the last hour cancellation of the March 2020 (Third Quarterly AC Meetings) AC Meetings to review amongst others Third Quarter Departmental Reports, Approval of the Internal Audit Plans and Auditor General Audit Coverage Strategies etc. However, Secretariat has constantly kept the AC Members abreast with any developments. From 09 – 23 June 2020, all Clusters Audit Committee Meetings took place through virtual platform (Microsoft Teams) to discuss/approve Internal Audit Plans, Auditor General Audit Coverage Strategies and Departmental Projects pertaining to COVID-19. The Central Audit Committee (CAC) took place during 23 June 2020 to review all Clusters reports. Consequently, all the next AC meetings will take place through Microsoft Teams until such time that normality could return.

1.2. Appointment of the new Limpopo Shared AC Members

The Honorable MEC for Finance in consultation with EXCO had approved the appointment of the sixteen (16) Audit Committee members with effect from 01 February 2020 to 31 December 2022. The MEC for Finance must consult the Provincial EXCO in line with paragraph 3.1.3 of the Treasury Regulations which states that "In the case of a shared audit committee, the head of the relevant treasury must appoint audit committee members after consultation with the relevant executive authorities". This is also in line with EXCO Decision 11/2001 that the Provincial Treasury must establish ACs that will be shared by the Institutions of the Limpopo Provincial Administration.

After robust engagement with all the candidates who applied for the appointment into the Limpopo AC membership, the following AC members were appointed as per table 1 below:

Table 1: Shared Limpopo Audit Committee Membership

CANDIDATE	GENDER	CAPACITY
Trevor Boltman	Male	Central Audit Committee Chairperson
Stanley Butana Ace Ngobeni	Male	Cluster 02 AC Chairperson
Mashamaite Peterlia Ramutsheli	Female	Cluster 04 AC Chairperson
Sereku Daisy Lebepe	Female	Cluster 01 AC Member
Mogakolodi Knowledge Sebeelo	Male	Cluster 03 AC Member
Khathutshelo Mike Ramukumba	Male	Cluster 02 AC Member
Jane Sedie Masite	Female	Cluster 03 AC Chairperson
Tebogo Collen Modipane	Male	Cluster 03 AC Member
Joseph Nakedi Mpjane	Male	Cluster 04 AC Member
Sizo Prudence (Xolo) Mzizi	Female	Cluster 02 AC Member
Mamare Penelope Moiloa	Female	Cluster 03 AC Member
MaLlele PeTje	Male	Cluster 01 AC Chairperson
Aluwani Munyamela	Male	Cluster 01 AC Member
Tebogo Francinah Tukisi	Female	Cluster 04 AC Member
Avheani Princess Cindy Mangoma	Female	Cluster 04 AC Member
Mpaku Goodwill Mathabathe	Male	Cluster 02 AC Member

However, the table above exclude the information pertaining to the appointment of Cluster 01 AC Member (Ms Anna Mirriam Manoko Badimo) which was appointed separately from the above AC members. During 13 April 2019, the Honourable MEC for Finance in consultation with EXCO had approved the appointment of Ms A.M.M Badimo with effect from 01 May 2019 to 31 December 2020. This was after the resignation of Dr. Hlamalani Nelly Manzini with effect from 01 October 2017.

1.3. Audit Committee Annual Strategic Planning Workshop & Orientation Programme

The AC held its AC Annual Strategic Planning Workshop from 18 – 20 February 2020 to review its 2019/2020 performance and plan for the 2020/2021 financial year. In addition to overseeing the work of all the four (4) Clusters, the Central Audit Committee (CAC) structure assumed the responsibility of monitoring the implementation of the resolutions taken during the AC Annual Strategic Planning Workshop. The annual AC strategic planning workshop included an orientation programme for the newly appointed AC members. This involved the process whereby all the Departments presented to their respective Clusters AC members on their mandate while Annual Performance Plans were distributed prior to the start of the session.

All the MECs of the respective Departments including the Honourable Premier were invited during the second day of the session. However, not all the MECs and the Premier were able to attend the session due to prior commitments. Both the Business Executive of the Limpopo Auditor General and the Chief Audit Executive (CAE) of the Limpopo Shared Internal Audit Services presented to the AC based on the AC expectations to the two units above. The session prepares the AC members with their overarching governance responsibilities and also serves

as a networking platform for all the AC Stakeholders including Departments; Shared Internal Audit Services (SIAS); AGSA; Transversal Stakeholders and some Professional Bodies such as Institute of Internal Audit South Africa etc.

The AC Charter, Internal Audit Charter and the Accounting Officers' Reporting Framework to the AC were reviewed and adopted during the AC Annual Strategic Planning Workshop. The most pressing and concerning issue by the AC was the delay in the implementation of the Combined Assurance model in the Province. Although the Province had developed a conceptual document with Supply Chain Management (SCM) being the pilot for the implementation, the AC raised concerns about the slow approach in fully implementing and ensuring that all the assurance providers in the Province are not working in silos. The AC has given the responsibility of ensuring that the Combined Assurance model is working in the Province to the SIAS

1.4. Audit Committee Meetings

During the financial year 2019/2020, the AC has met at least four (4) times to perform its roles and responsibilities as stipulated in the AC Charter. Special meetings (Teleconference) for the Department of Education and the Department of Social Development were held subsequent to their planned meetings to finalise the review of the Annual Financial Statements (AFS) in preparation for the audit by the Auditor General South Africa (AGSA). The AFS of the two Departments were subsequently recommended for audit by AGSA during the teleconference meetings. Moreover, the Departments of Sport, Arts & Culture (DSAC) and the Department of Public Works, Roads & Infrastructure (DPWIR) had their second quarterly Audit Committee meetings cancelled and rearranged for another dates due to late submission of the AC information to the AC stakeholders by DSAC and non-attendance of the AC meeting by the HOD of the DPWIR. The meetings were subsequently arranged for the following week to enable AC members to prepare adequately for DSAC and to enable the HOD of the DPWIR to attend the AC meeting. The third quarterly AC meetings to review third quarter Departmental reports as well as AGSA audit coverage strategies and approval of Internal Audit Plans could not take place due to the National Lockdown on the prevention of the spread of Corona Virus.

During 10 June 2019, the AC members attended a briefing session by AGSA at Meropa Casino to brief and update the AC members on the new Audit Methodology implemented by AGSA nationwide. In addition, all the Cluster Chairpersons Chairperson were invited to attend and participate in the Audit Debriefing Session held between AGSA and the Departments to discuss issues and concerns emanating from the 2018/2019 audit at the Euphoria Golf Safari & Golf Resort during 20 August 2020.

1.5. Meetings Between MECs of Departments and AC Chairpersons

All the Cluster Chairpersons managed to meet some of the respective MECs responsible for their Cluster departments to share and discuss all the AC matters/concerns for their prompt intervention. However, securing meeting slots between the Cluster AC Chairpersons and the respective MECs responsible for the Departments they serve remains a challenge until to date. This led to some of the Clusters (including Cluster 04 and 03) not able to meet all the MECs responsible for the Departments they serve during the financial year 2019/2020. During the strategic planning session, the AC Chairpersons pleaded with the Head of Departments (HODs) to be in forefront of ensuring that the meetings are taking place since they work closely with their respective MECs.

However, it must be noted that the CAC Chairperson managed to meet with the Hon. MEC for Finance to discuss all the CAC reports that were presented at EXCO.

1.6. CAC Chairperson Meetings

The CAC Chairperson managed to attend all the EXCO meetings as invited by the Premier to report on the work of all the four (4) AC Clusters discussed during the CAC meetings. The CAC Chairperson also met with the Honourable MEC for LPT after each CAC meeting to discuss the CAC report before being presented at EXCO. During the execution and reporting of audit outcomes by AGSA, the CAC Chairperson met with AGSA Business Executive to discuss several concerns that emanated from the Cluster AC meetings for prompt and high level intervention. The CAC Chairperson also managed to attend some of the EXCO Lekgotla sessions as well as HOD Forums as invited by the Office of the Premier to represent the AC.

1.7. 360 Degree Audit Committee Evaluation

National Treasury 360 Degree Evaluation model was used to evaluate the work and performance of the AC. The final evaluation score yielded an average of 4.50 (from rating of 1 – 5) when combining the average scores of all the AC Stakeholders. This represented slight decline from the previous evaluation period which yielded an average score of 4.60. The AC stakeholders participated in the performance evaluation of the AC include Provincial Internal Audit, External AC Members and Management (Accounting Officers, Chief Risk Officers, Chief Financial Officers, Head of Internal Controls and GITO). AGSA as an AC stakeholder could not participate in the performance review of the AC mentioning that they do their own evaluation in the management report of each Department to protect and maintain their independence.

1.8. Table 2: The following table stipulate the nature and activities of each AC meeting/event held:

NO.	PERIOD	NATURE OF THE AC MEETING	INFORMATION / DOCUMENTS REVIEWED
1.	May 2019	Review of Fourth Quarterly Performance Information and Draft Annual Report (Including Draft Annual Financial Statements) before submission to the Auditor General	a. Performance Information, b. Draft Annual Financial Statements, c. Accounting Officer's Report to the AC (Financial & Non-Financial), d. Quarterly Risk Management Report, e. SCOPA Resolutions Implementation Progress, f. Auditor General Audit Findings Implementation Progress, g. Internal Audit Quarterly Progress Report.
2.	May 2019	Special Meeting to Review & Recommend for Audit; Education & Social Development AFS (Teleconference Meeting)	a. Draft Annual Financial Statements. b. Annual Performance Report
3.	July 2019	Review of Draft Audit and Management	a. Draft Management Reports, b. Draft Audit Reports.

NO.	PERIOD	NATURE OF THE AC MEETING	INFORMATION / DOCUMENTS REVIEWED
		Reports	
4.	September 2019	Review of First Quarter Performance Reports (Financial and Non-Financial)	a. All information under No. 1 except point a & b, and b. Procurement Plans of the departments.
5.	November 2019	Review of Second Quarter Performance Reports (Financial & Non-Financial)	a. All information under No. 1 except point a & b.
6.	18 – 20 February 2020	AC Annual Strategic Planning Workshop	a. Approval of the Audit Committee Charter, b. Approval of the Internal Audit Charter, c. Review of the Accounting Officer's Reporting Framework to the AC, d. AC Improvement Plan by Clusters AC Chairpersons e. Reflection on the Status of the Previous Year AC Resolutions, f. 360 Degree AC Evaluation Feedback.
7.	March 2020	Approval of the Three Year Internal Audit Plan plus Annual Plan and Auditor General Audit Coverage Strategy	Meetings were cancelled on the last hour due to COVID-19 and the National Lockdown announcement by the State President.

2. OBJECTIVES OF THE AUDIT COMMITTEE

The Strategic Objectives of the AC as stipulated in its approved written Terms of Reference (AC Charter) are to ensure:

- a. the availability of a well-resourced, functional and sustained internal audit function;
- b. sound relationship with all assurance providers, oversight structures and other stakeholders;
- c. effective and efficient Internal and External Audit processes;
- d. promotion of sound functional interaction between the internal audit and other assurance providers;
- e. that there is adequate and effective corporate governance, encompassing fraud and risk management, information technology, internal control, financial management and reporting systems;
- f. Accounting Officers are fully supported in fulfilling their responsibilities in terms of the PFMA;
- g. accountability in terms of financial management and performance information for effective service delivery; and compliance with relevant laws and regulations

12. AUDIT COMMITTEE REPORT

REPORT OF THE AUDIT COMMITTEE ON DEPARTMENT OF CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS (COGHSTA)

We are pleased to present our report for the financial year ended 31 March 2020.

Audit Committee Structure

Limpopo Provincial Government has an Audit Committee which is two tiered consisting of 4 Cluster Audit Committees, dealing with specific departments, and a shared Central Audit Committee.

Audit Committee Responsibility

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

Stakeholder Engagement/s

The committee has been able to engage with the following stakeholders:

- COGHSTA Management
- Limpopo Provincial Internal Auditors
- Limpopo Provincial Treasury
- Limpopo Provincial Auditor (AGSA)

Audit Committee Skills Development

A strategic meeting was held during the last quarter of the financial year to assist the audit committee members better understand their challenging roles and the direction of the province in general.

The Effectiveness of Internal Control

In line with the PFMA, internal audit provides the audit committee and management with assurance that the internal controls are appropriate and effective. This is usually achieved by means of review of internal controls, the identification of corrective actions and suggested enhancements to the internal control processes and risk management. From the various reports of the internal auditors, the management and audit reports of the Auditor General South Africa, it was noted that in material respects the system of internal controls appears to be adequate and effective.

The Audit Committee continues to monitor on a quarterly basis management's efforts and commitment to continuously improve the system of internal control. The internal audit team also performs a number of follow up audits throughout the year and the results submitted to Audit Committee for tracking purposes.

Risk Management

The Audit Committee is of the opinion that department's risk management maturity level is somewhat satisfactorily. The department should fast-track appointment of independent Risk Management Committee Chairperson, and conduct regular risk assessments and robust monitoring.

In-Year Management and Monthly/Quarterly Report

The department has reported monthly and quarterly to Treasury as is required by the PFMA. The Audit Committee reviewed the quality, accuracy, uselessness, reliability and appropriateness of quarterly and annual financial and performance reporting and concluded that the department should continue with culture/good practice of reporting timeously.

Internal Audit Arrangement

The Internal Audit team managed to execute and complete substantial all original approved risk based audit projects within the allocated budget hours and time-frames. It is against this backdrop that the following conclusion must be understood that the internal audit unit under the leadership of the Chief Audit Executive in material respect was found to be effective and adds value to the whole value chain.

Compliance with the relevant laws and regulations

The department recorded a notable improvement in so far as compliance with the enabling laws and regulations and Audit Committee commend management for such improvement. As result, the Audit Committee recommended strengthening of the current compliance management system with an objective of addressing the issues of non-compliance with laws and regulations.

Conclusion

The Audit Committee commends Executive Authority and management for an improved audit outcome, and strongly recommends that the department should prioritise root-cause identification and analysis, implementation of consequence management, and regular monitoring of the audit action plans for both internal and external audit in order to achieve the required effectiveness in governance, accountability and clean administration.

A handwritten signature in black ink, consisting of the letters 'SAB' followed by a stylized flourish, all enclosed within an oval shape.

SAB Ngobeni

Chairperson of the Audit Committee

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

Date 24 July 2020

13. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade and Industry.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion <i>(include a discussion on your response and indicate what measures have been taken to comply)</i>
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	The department is in process to comply
Developing and implementing a preferential procurement policy?	Yes	PPPFA in use
Determining qualification criteria for the sale of state-owned enterprises?	No	N/A
Developing criteria for entering into partnerships with the private sector?	No	N/A
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	N/A

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. The following legislations governs Human Resource Management in Public Service:

- ❖ The Public Service Act and Regulations
- ❖ The Labour Relations Act
- ❖ The Skills Development Act
- ❖ The Skills Development Levies Act
- ❖ The Employment Equity Act

In addition to the legislations, the following prescripts govern Human Resource management in the Public service:

- ❖ Collective agreements
- ❖ DPSA directives
- ❖ DPSA Frameworks
- ❖ DPSA guidelines

2. OVERVIEW OF HUMAN RESOURCES

The department implemented its Human Resources (HR) Plan for the 2016-2019 MTEF period which comprised of the priorities:

- ❖ Employ qualified and competent staff
- ❖ Alignment of organisational structure to mandate of the department
- ❖ Implementation of the Human Resource Development Programme
- ❖ Implementation of Performance Management & Development System
- ❖ Improved implementation of Employee Health & Wellness Programme
- ❖ Ensure sound labour relations in the department

2.1 Filling of posts

The department in 2019/20 financial year embarked on a recruitment process of filling all prioritised and funded vacant posts in an effort of reducing vacancy rate. A total of 8 posts were filled across all four (4) programmes of the departments but had key management positions be vacated due promotions, natural attritions and transfers to other departments.

2.2 Review of Organisational Structure

The department has begun with the process of the organisational structure review and intended to:

- a) Ensure alignment with the National Development Plan (NDP), the Medium Term Strategic Framework (MTSF), Limpopo Development Plan and the Departmental Strategic Plan and Annual Performance Plan (APP);
- b) Enhance the holistic Departmental capacity to deliver on its expanded mandate, and

- c) Enhance the Department's programme & project implementation capability to support Traditional Councils and Municipalities

2.3 Employee Health and Wellness Programme

The department has a dedicated Employee Wellness Unit that looks into Health and Safety issues. A total of 10 wellness sessions were organised and 587 (246 males and 341 females) employees were reached on Health and Wellness issues across the department. Two (2) Health Talks were organised, where 598 employees (221 males and 377 females) were given an opportunity to interact with experts in different issues affecting them. A wellness day was organised wherein employees had an opportunity to interact with management playing different games as a way of enhancing health and productivity in the workplace.

2.4 Implementation of Performance Management & Development System

The Department achieved 100% compliance on submissions of performance agreements and assessments for employees on level 1-12. All performance assessments were moderated by the moderation committees and monetary rewards were issued in July 2019. There are no outstanding performance assessments for level 1-12.

2.5 Implementation of the Human Resource Development Programme

In developing staff competencies, the department achieved the following:

- ❖ Effective implementation of the Workplace Skills Plan (WSP). The objective was to enhance the employees' skills for improved service delivery.
- ❖ Implementation of the Departmental Bursary programme to empower employees in various public service and sector disciplines;
- ❖ Awarding by PSETA of the Department a discretionary grant for a learner-ships programme, due to the high quality of the Annual Workplace Skills Plan submitted.
- ❖ Implementation of mandatory trainings as offered by chapter 9 institutions
- ❖ Submission of all prescribed Quarterly and Annual Training reports and expenditure reports to the Public Service Sector Education (PSETA)

3.1. Personnel related expenditure

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

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

Table 3.1.1 Personnel expenditure by programme for the period 1 April 2019 and 31 March 2020

Programme	Total expenditure (R'000)	Personnel expenditure (R'000)	Training expenditure (R'000)	Professional and special services expenditure (R'000)	Personnel expenditure as a % of total expenditure	Average personnel cost per employee (R'000)
Administration	337 3890	182 246.00	0.00	0.00	54.00	521.00
Human settlements	1 312 238.00	98 420.00	0.00	0.00	7.50	495.00
Cooperative governance	264 269.00	247 323.00	0.00	0.00	93.60	431.00
Traditional affairs	462 793.00	404 960.00	0.00	0.00	87.50	159.00
Total	2 376 689	932 949.00	0.00	0.00	39.30	254.00

Table 3.1.2 Personnel costs by salary band for the period 1 April 2019 and 31 March 2020

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)	41 315	4.30	256	966 020
Skilled (level 3-5)	72 322	7.50	313	966 020
Highly skilled production (levels 6-8)	370 467	38.30	1 035	966 020
Highly skilled supervision (levels 9-12)	226 230	23.40	298	966 020
Senior and Top management (levels 13-16)	54 268	5.60	46	966 020
Total	944 103	97.70	3 667	257 459

Table 3.1.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by programme for the period 1 April 2019 and 31 March 2020

Programme	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Administration	148 449	79.10	2 934	1.60	5 358	2.90	8 627	4.60
Human Settlement	84 179	78.00	184	0.20	2 667	2.50	3 370	3.10
Corporative Governance	560 729	84.20	556	0.10	20 336	3.10	28 526	4.30
Statutory	3 737	87.70	20.00	0.50	36.00	0.80	86.00	2.00
TOTAL	797 095	82.50	3 694	0.40	28 397	2.90	40 610	4.20

Table 3.1.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by salary band for the period 1 April 2019 and 31 March 2020

Salary band	Salaries		Overtime		Home Owners Allowance		Medical Aid	
	Amount (R'000)	Salaries as a % of personnel costs	Amount (R'000)	Overtime as a % of personnel costs	Amount (R'000)	HOA as a % of personnel costs	Amount (R'000)	Medical aid as a % of personnel costs
Skilled (level 1-2)	29 168	70.50	23	0.10	3 902	9.40	4 635	11.20
Skilled (level 3-5)	53 598	74.10	163	0.20	4 765	6.60	7 029	9.70
Highly skilled production (levels 6-8)	299 382	80.10	2 306	0.60	12 740	3.40	22 130	5.90
Highly skilled supervision (levels 9-12)	189 726	78.50	1 184	0.50	5 333	2.20	6 239	2.60
Senior management (level 13-16)	46 401	81.90	0.00	0.00	1 492	2.60	567	1.00
Total	29 168	70.50	23	0.10	3 902	9.40	4 635	11.20

3.2. **Employment and Vacancies**

The tables in this section summarise the position with regard to employment and vacancies.

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

This information is presented in terms of three key variables:

- programme
- salary band
- critical occupations (see definition in notes below).

In terms of current regulations, it is possible to create a post on 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 3.2.1 Employment and vacancies by programme as on 31 March 2020

Programme	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
ADMINISTRATION, Permanent	402	350	12.90	0.00
HUMAN SETTLEMENT, Permanent	172	149	13.40	2
CORPORATIVE GOVERNANCE, Permanent	1 653	1 457	11.90	1
STATUTORY, Permanent	8	6	25.00	0.00
TOTAL	2 235	1 962.00	12.20	3

Table 3.2.2 Employment and vacancies by salary band as on 31 March 2020

Salary band	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Lower skilled (1-2), Permanent	317.00	256.00	19.20	0
Skilled(3-5), permanent	359.00	313.00	12.80	0
Highly skilled production (6-8), permanent	1 113.00	1 035.00	7.00	0
Highly skilled supervision (9-12), permanent	366.00	298.00	18.60	0
Senior management (13-16), permanent	66.00	46.00	30.30	0
Other, Permanent	2.00	2.00	0.00	1
Total	2223	1950	14.64	1

Table 3.2.3 Employment and vacancies by critical occupations as on 31 March 2020

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
ADMINISTRATIVE RELATED, Permanent	947	876	7.50	0.00
ARCHITECTS TOWN AND TRAFFIC PLANNERS, Permanent	13	8	38.50	0.00
AUXILIARY AND RELATED WORKERS, Permanent	20	15	25.00	0.00
CARTOGRAPHERS AND SURVEYORS, Permanent	1	1	0.00	0.00
CIVIL ENGINEERING TECHNICIANS, Permanent	1	1	0.00	0.00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC., Permanent	87	72	17.20	0.00
CLIENT INFORM CLERKS(SWITCHB RECEIPT INFORM CLERKS), Permanent	1	1	0.00	0.00
COMMUNICATION AND INFORMATION RELATED, Permanent	14	12	14.30	0.00
COMMUNITY DEVELOPMENT WORKERS, Permanent	20	0.00	100.00	0.00
ENGINEERING SCIENCES RELATED, Permanent	2	2	0.00	0.00
ENGINEERS AND RELATED PROFESSIONALS, Permanent	102	89	12.70	2
FINANCE AND ECONOMICS RELATED, Permanent	5	3	40.00	0.00
FINANCIAL AND RELATED PROFESSIONALS, Permanent	45	39	13.30	0.00
FINANCIAL CLERKS AND CREDIT CONTROLLERS, Permanent	178	167	6.20	0.00
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER, Permanent	1	1	0.00	0.00
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF, Permanent	13	11	15.40	0.00
HUMAN RESOURCES CLERKS, Permanent	12	12	0.00	0.00
HUMAN RESOURCES RELATED,	44	39	11.40	0.00

Critical occupation	Number of posts on approved establishment	Number of posts filled	Vacancy Rate	Number of employees additional to the establishment
Permanent				
LEGAL RELATED, Permanent	7	6	14.30	0.00
LIBRARY MAIL AND RELATED CLERKS, Permanent	1	0.00	100.00	0.00
LIGHT VEHICLE DRIVERS, Permanent	1	1	0.00	0.00
LOGISTICAL SUPPORT PERSONNEL, Permanent	255	208	18.40	0.00
MESSENGERS PORTERS AND DELIVERERS, Permanent	6	6	0.00	0.00
MOTOR VEHICLE DRIVERS, Permanent	2	2	0.00	0.00
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS, Permanent	23	20	13.00	0.00
OTHER OCCUPATIONS, Permanent	205	202	1.50	0.00
QUANTITY SURVEYORS & RELA PROF NOT CLASS ELSEWHERE, Permanent	1	1	0.00	0.00
RISK MANAGEMENT AND SECURITY SERVICES, Permanent	9	7	22.20	0.00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS, Permanent	39	29	25.60	0.00
SECURITY GUARDS, Permanent	151	119	21.20	0.00
SENIOR MANAGERS, Permanent	29	12	58.60	1
TOTAL	2 235	1 962	12.20	3

Notes

- Critical occupations are defined as occupations or sub-categories within an occupation –
 - (a) 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;
 - (b) 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;
 - (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
 - (d) in respect of which a department experiences a high degree of difficulty to recruit or retain the services of employees.

3.3. Filling of SMS Posts

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

Table 3.3.1 SMS post information as on 31 March 2020

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	4	1	25	3	75
Salary Level 14	17	12	70.58	5	29.41
Salary Level 13	41	31	75.60	10	24.39
Total	63	45	71.42	18	28.58

Table 3.3.2 SMS post information as on 30 September 2019

SMS Level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
Director-General/ Head of Department	1	1	100	0	0
Salary Level 16	0	0	0	0	0
Salary Level 15	4	1	25	3	75
Salary Level 14	17	13	76.47	4	23.53
Salary Level 13	41	31	75.60	10	24.39
Total	63	46	73.01	17	26.98

Table 3.3.3 Advertising and filling of SMS posts for the period 1 April 2019 and 31 March 2020

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

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 13	0	0	0
Total	0	0	0

Table 3.3.4 Reasons for not having complied with the filling of funded vacant SMS - Advertised within 6 months and filled within 12 months after becoming vacant for the period 1 April 2019 and 31 March 2020

Reasons for vacancies not advertised within six months
The Recruitment Plan was not approved by Provincial Treasury.

Reasons for vacancies not filled within twelve months
The Recruitment Plan was not approved by Provincial Treasury.

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 3.3.5 Disciplinary steps taken for not complying with the prescribed timeframes for filling SMS posts within 12 months for the period 1 April 2019 and 31 March 2020

Reasons for vacancies not advertised within six months
Advertisement are dependent on recruitment plan being approved and it was not approved

Reasons for vacancies not filled within six months
Posts were not advertised as a result of recruitment plan not being approved

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.

3.4. 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 3.4.1 Job Evaluation by Salary band for the period 1 April 2019 and 31 March 2020

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)	317	0.00	0.00	0.00	0.00	0.00	0.00
Skilled (Levels 3-5)	359	0.00	0.00	0.00	0.00	0.00	0.00
Highly skilled production (Levels 6-8)	1 113	0.00	0.00	0.00	0.00	0.00	0.00
Highly skilled supervision (Levels 9-12)	366	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management Service Band A	41	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management Service Band B	19	1	5.30	0.00	0.00	0.00	0.00
Senior Management Service Band C	317	0.00	0.00	0.00	0.00	0.00	0.00
Senior Management Service Band D	359	0.00	0.00	0.00	0.00	0.00	0.00
Total	2891	1.00	5.30	0.00	0.00	0.00	0.00

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

Table 3.4.2 Profile of employees whose positions were upgraded due to their posts being upgraded for the period 1 April 2019 and 31 March 2020

Gender	African	Asian	Coloured	White	Total
Female	0.00	0.00	0.00	0.00	0.00
Male	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00

Employees with a disability	0.00
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The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

Table 3.4.3 Employees with salary levels higher than those determined by job evaluation by occupation for the period 1 April 2019 and 31 March 2020

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

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

Table 3.4.4 Profile of employees who have salary levels higher than those determined by job evaluation for the period 1 April 2019 and 31 March 2020

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

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

Table 3.5.1 Annual turnover rates by salary band for the period 1 April 2019 and 31 March 2020

Salary band	Number of employees at beginning of period- 1 April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Lower skilled (Levels 1-2)	273	0.00	18	6.60
Skilled (Levels3-5)	331	0.00	18	5.40
Highly skilled production (Levels 6-8)	1055.00	11	36	3.40
Highly skilled supervision (Levels 9-12)	311	1	14	4.50
Senior Management Service Bands A	31	1	1	3.20
Senior Management Service Bands B	14	0	2	14.30
Senior Management Service Bands C	3	0	1	33.30
Senior Management Service Bands D	1	0	1	100
Other Permanent	6.00	0.00	1.00	16.70
Contract (Levels 3-5) Permanent	1.00	2.00	2.00	200.00
Contract (Levels 6-8) Permanent	1.00	2.00	2.00	200.00

Salary band	Number of employees at beginning of period- 1 April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
Contract (Levels 9-12) Permanent	13.00	6.00	11.00	84.60
Contract Band A Permanent	1.00	0.00	1.00	100.00
Contract Band C Permanent	2.00	0.00	2.00	100.00
Contract Band D Permanent	1.00	0.00	0.00	0.00
TOTAL	2 044.00	24.00	110.00	5.40

Table 3.5.2 Annual turnover rates by critical occupation for the period 1 April 2019 and 31 March 2020

Critical occupation	Number of employees at beginning of period- April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
ADMINISTRATIVE RELATED Permanent	909	7	39	4.30
ARCHITECTS TOWN AND TRAFFIC PLANNERS Permanent	9	0.00	1	11.10
AUXILIARY AND RELATED WORKERS Permanent	16	0.00	1	6.30
CARTOGRAPHERS AND SURVEYORS Permanent	1	0.00	0.00	0.00
CIVIL ENGINEERING TECHNICIANS Permanent	2	0.00	0.00	0.00
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC. Permanent	76	0.00	4	5.30
CLIENT INFORM CLERKS(SWITCHB RECEIPT INFORM CLERKS) Permanent	1	1	1	100.00
COMMUNICATION AND INFORMATION RELATED Permanent	13	0.00	1	7.70
ENGINEERING SCIENCES RELATED Permanent	3	0.00	1	33.30
ENGINEERS AND RELATED PROFESSIONALS Permanent	93	1	6	6.50
FINANCE AND ECONOMICS RELATED Permanent	3	0.00	0.00	0.00
FINANCIAL AND RELATED PROFESSIONALS Permanent	44	0.00	3	6.80

Critical occupation	Number of employees at beginning of period-April 2019	Appointments and transfers into the department	Terminations and transfers out of the department	Turnover rate
FINANCIAL CLERKS AND CREDIT CONTROLLERS Permanent	168	0.00	3	1.80
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER Permanent	1	0.00	0.00	0.00
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF Permanent	10	0.00	0.00	0.00
HUMAN RESOURCES CLERKS Permanent	12	0.00	0.00	0.00
HUMAN RESOURCES RELATED Permanent	39	0.00	1	2.60
LEGAL RELATED Permanent	7	0.00	0.00	0.00
LOGISTICAL SUPPORT PERSONNEL Permanent	224	0.00	17	7.60
MESSENGERS PORTERS AND DELIVERERS Permanent	6	0.00	0.00	0.00
MOTOR VEHICLE DRIVERS Permanent	2	0.00	0.00	0.00
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS Permanent	22	1	3	13.60
OTHER OCCUPATIONS Permanent	199	11	11	5.50
QUANTITY SURVEYORS & RELA PROF NOT CLASS ELSEWHERE Permanent	1	0.00	0.00	0.00
RISK MANAGEMENT AND SECURITY SERVICES Permanent	7	0.00	0.00	0.00
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS Permanent	33	0.00	3	9.10
SECURITY GUARDS Permanent	131	0.00	12	9.20
SENIOR MANAGERS Permanent	12	2	3	25.00
TOTAL	2 044	24	110	5.40

Notes

- Critical occupations are defined as occupations or sub-categories within an occupation –
 - (a) 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;

- (b) 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;
- (c) where the inherent nature of the occupation requires consistent exercise of discretion and is predominantly intellectual in nature; and
- (d) 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 3.5.3 Reasons why staff left the department for the period 1 April 2019 and 31 March 2020

Termination Type	Number	% of Total Resignations
Death	20	20%
Resignation	21	21%
Expiry of contract	15	15%
Dismissal – operational changes	0	0
Dismissal – misconduct	0	0
Dismissal – inefficiency	0	0
Discharged due to ill-health	0	0
Retirement	42	42%
Transfer to other Public Service Departments	1	1%
Other		
Total	99	100%
Total number of employees who left as a % of total employment		5%

Table 3.5.4 Promotions by critical occupation for the period 1 April 2019 and 31 March 2020

Occupation	Employees 1 April 2019	Promotions to another salary level	Salary level promotions as a % of employees by occupation	Progressions to another notch within a salary level	Notch progression as a % of employees by occupation
Administrative related	909.00	1.00	0.10	204.00	22.40
Architects town and traffic planners	9.00	0.00	0.00	5.00	55.60
Auxiliary and related workers	16.00	0.00	0.00	1.00	6.30
Cartographers and surveyors	1.00	0.00	0.00	1.00	100.00
Civil engineering technicians	2.00	0.00	0.00	1.00	50.00
Cleaners in offices workshops hospitals etc.	76.00	0.00	0.00	59.00	77.60
Client inform clerks (switchboard receipt inform clerks)	1.00	0.00	0.00	0.00	0.00
Communication and information related	13.00	0.00	0.00	6.00	46.20

Occupation	Employees 1 April 2019	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
Engineering sciences related	3.00	0.00	0.00	1.00	33.30
Engineers and related professionals	93.00	0.00	0.00	69.00	74.20
Finance and economics related	3.00	0.00	0.00	1.00	33.30
Financial and related professionals	44.00	0.00	0.00	11.00	25.00
Financial clerks and credit controllers	168.00	1.00	0.60	138.00	82.10
Head of department/chief executive officer	1.00	0.00	0.00	0.00	0.00
Human resources & organisat developm & relate prof	10.00	1.00	10.00	2.00	20.00
Human resources clerks	12.00	0.00	0.00	1.00	8.30
Human resources related	39.00	0.00	0.00	6.00	15.40
Legal related	7.00	0.00	0.00	6.00	85.70
Logistical support personnel	224.00	0.00	0.00	186.00	83.00
Messengers porters and deliverers	6.00	0.00	0.00	1.00	16.70
Motor vehicle drivers	2.00	0.00	0.00	0.00	0.00
Other administrat & related clerks and organisers	22.00	0.00	0.00	11.00	50.00
Other occupations	199.00	0.00	0.00	8.00	4.00
Quantity surveyors & rela prof not class elsewhere	1.00	0.00	0.00	0.00	0.00
Risk management and security services	7.00	0.00	0.00	4.00	57.10
Secretaries & other keyboard operating clerks	33.00	0.00	0.00	24.00	72.70
Security guards	131.00	0.00	0.00	40.00	30.50
Senior managers	12.00	0.00	0.00	2.00	16.70
Total	2 044.00	3.00	0.10	788.00	38.60

Table 3.5.5 Promotions by salary band for the period 1 April 2019 and 31 March 2020

Salary Band	Employees 1 April 2019	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)	273	0	0	224	82.10
Skilled (Levels3-5)	331	0	0	205	61.90
Highly skilled production (Levels 6-8)	1055	0	0	164	15.50
Highly skilled supervision (Levels 9-12)	311	3	1	173	55.60
Senior Management (Level 13-16)	49	0	0	21	42.90
Total	2019	3	1	787	51.6

3.6. Employment Equity

Table 3.6.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2020

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	8	0.00	0.00	0.00	4	0.00	0.00	1	13
Professionals	95	0.00	0.00	3	107	0.00	0.00	2	207
Technicians and associate professionals	479	0.00	0.00	2	612	1	0.00	3	1 097
Clerks	53	0.00	0.00	0.00	174	1	0.00	0.00	228
Service and sales workers	90	1	0.00	0.00	34	0.00	0.00	0.00	125
Skilled agriculture and fishery workers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Craft and related trades workers	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Plant and machine operators and assemblers	3	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3
Elementary occupations	31	0.00	0.00	0.00	67	0.00	0.00	0.00	98
Total	759	1	0.00	5	998	2	0.00	6	1 771
Employees with disabilities	9	0.00	0.00	0.00	9	0.00	0.00	1	19

Table 3.6.2 Total number of employees (including employees with disabilities) in each of the following occupational bands as on 31 March 2020

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	1	0.00	0.00	0.00	2	0.00	0.00	0.00	3
Senior Management	24	0.00	0.00	1	17	0.00	0.00	1	43
Professionally qualified and experienced specialists and mid-management	159	1	0.00	4	132	0.00	0.00	3	299
Skilled technical and academically qualified	335	0.00	0.00	0.00	515	2	0.00	2	854

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
workers, junior management, supervisors, foreman and superintendents									
Semi-skilled and discretionary decision making	131	0.00	0.00	0.00	168	0.00	0.00	0.00	299
Unskilled and defined decision making	109	0.00	0.00	0.00	164	0.00	0.00	0.00	273
Total	759	1	0	5	998	2	0	6	1771

Table 3.6.3 Recruitment for the period 1 April 2019 and 31 March 2020

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

Table 3.6.4 Promotions for the period 1 April 2019 and 31 March 2020

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0	0
Professionally qualified and experienced specialists and mid-management	2	0	0	0	1	0	0	0	3
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	0	0	0	0	0	0	0	0	0

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
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	2	0	0	0	1	0	0	0	3
Employees with disabilities	0	0	0	0	0	0	0	0	0

Table 3.6.5 Terminations for the period 1 April 2019 and 31 March 2020

Occupational band	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top Management	3	0	0	0	0	0	0	0	3
Senior Management	1	0	0	0	0	0	0	0	1
Professionally qualified and experienced specialists and mid-management	13	0	0	0	6	0	0	0	19
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	4	0	0	0	7	0	0	0	11
Semi-skilled and discretionary decision making	4	0	0	0	23	0	0	0	27
Unskilled and defined decision making	25	0	0	0	13	0	0	0	38
Total	50	0	0	0	49	0	0	0	99
Employees with Disabilities	1	0	0	0	0	0	0	0	1

Table 3.6.6 Disciplinary action for the period 1 April 2019 and 31 March 2020

Disciplinary action	Male				Female				Total	
	African	Coloured	Indian	White	African	Coloured	Indian	White		
	9	6	0	0	0	3	0	0	0	9

Table 3.6.7 Skills development for the period 1 April 2019 and 31 March 2020

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	107	0	0	1	228	0	0	3	339

Occupational category	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Professionals	31	0	0	0	52	0	0	0	83
Technicians and associate professionals	95	0	0	0	61	1	0	0	157
Clerks	56	0	0	0	132	1	0	0	189
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	1	0	0	0	0	0	0	0	1
Elementary occupations	7	0	0	0	29	0	0	0	36
Total	297	0	0	1	502	2	0	3	805
Employees with disabilities	3	0	0	0	3	0	0	0	6

3.7. 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 3.7.1 Signing of Performance Agreements by SMS members as on 31 August 2019

SMS Level	Total number of funded SMS posts	Total number of SMS members	Total number of signed performance agreements	Signed performance agreements as % of total number of SMS members
Director-General/ Head of Department	1	1	1	100%
Salary Level 16	0	0	0	0 %
Salary Level 15	1	1	0	0%
Salary Level 14	11	11	11	100%
Salary Level 13	34	34	33	97%
Total	48	48	45	59.4%

Notes

- 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.

Table 3.7.2 Reasons for not having concluded Performance agreements for all SMS members as on 31 August 2019

Reasons
One employee on level 15 is newly appointed and one employee on level 13 failed to respond to PMDS Unit reminders.

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

Table 3.7.3 Disciplinary steps taken against SMS members for not having concluded Performance agreements as on 31 August 2019

Reasons
No steps taken.

Notes

- The reporting date in the heading of this table should be aligned with that of Table 3.7.1.

3.8. Performance Rewards

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

Table 3.8.1 Performance Rewards by race, gender and disability for the period 1 April 2019 and 31 March 2020

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
African					
Male	676	896	75	5 489	8 119
Female	947	1 034	92	7 117	7 516
Asian					
Male	0	0	0	0	0
Female	0	0	0	0	0
Coloured					
Male	1	1	100	20	19 974
Female	1	2	50	8	7 712
Total Blacks, Female	947.99	1 036.00	91.50	7 125.05	7 516.00
Total Blacks, Male	677.00	897.00	75.50	5 508.61	8 137.00
White					
Male	0.99	5	20	67	67 967
Female	3.00	5.00	60	56	18 718

Race and Gender	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within group	Cost (R'000)	Average cost per employee
Employees with a disability	19.00	19.00	100.00	189.32	9 964.00
Total	1 647.98	1 962.00	84.00	12 946.42	7 856.00

Table 3.8.2 Performance Rewards by salary band for personnel below Senior Management Service for the period 1 April 2019 and 31 March 2020

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)	250	256	98	683	2 732	25.00
Skilled (level 3-5)	318	313	102	1 317	4 141	31.80
Highly skilled production (level 6-8)	818	1 035	79	6 082	7 435	81.80
Highly skilled supervision (level 9-12)	249	298	84	4 379	17 587	24.90
Total	1 635	1902	362	12 461	31 895	163.50

NB: Skilled (Levels 3-5) overlapping of payments from 2018/19 financial year into 2019/20 due to omissions which resulted beneficiaries being more than employees

Table 3.8.3 Performance Rewards by critical occupation for the period 1 April 2019 and 31 March 2020

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
FINANCIAL CLERKS AND CREDIT CONTROLLERS	163	167	98	824	5 057
HUMAN RESOURCES CLERKS	12	12	100	83	6 921
MESSENGERS PORTERS AND DELIVERERS	6	6	100	24	3 990
HUMAN RESOURCES & ORGANISAT DEVELOPM & RELATE PROF	8	11	73	121	15 187
RISK MANAGEMENT AND SECURITY SERVICES	6	7	86	95	15 834
FINANCE AND ECONOMICS RELATED	1	3	33	23	22 978
LOGISTICAL SUPPORT PERSONNEL	207	208	100	581	2 809
OTHER ADMINISTRAT & RELATED CLERKS AND ORGANISERS	18	20	90	141	7 824
AUXILIARY AND RELATED WORKERS	15	15	100	94	6 273
OTHER OCCUPATIONS	13	202	6	235	18 113

Critical occupation	Beneficiary Profile			Cost	
	Number of beneficiaries	Number of employees	% of total within occupation	Total Cost (R'000)	Average cost per employee
LEGAL RELATED	6	6	100	143	23 914
FINANCIAL AND RELATED PROFESSIONALS	41	39	105	555	13 536
ARCHITECTS TOWN AND TRAFFIC PLANNERS	6	8	75	101	16 792
ADMINISTRATIVE RELATED	819	876	94	7 230	8 828
COMMUNICATION AND INFORMATION RELATED	11	12	92	118	10 794
SECRETARIES & OTHER KEYBOARD OPERATING CLERKS	30	29	103	207	6 910
CLEANERS IN OFFICES WORKSHOPS HOSPITALS ETC.	70	72	97	198	2 827
HUMAN RESOURCES RELATED	36	39	92	462	12 845
HEAD OF DEPARTMENT/CHIEF EXECUTIVE OFFICER	0	1	0	0	0
CIVIL ENGINEERING TECHNICIANS	2	1	200	58	29 269
SENIOR MANAGERS	1	12	8	23	23 329
CLIENT INFORM CLERKS(SWITCHB RECEIPT INFORM CLERKS)	0	1	0	0	0
ENGINEERS AND RELATED PROFESSIONALS	52	89	58	1 134	21 815
CARTOGRAPHERS AND SURVEYORS	1	1	100	25	24 845
LIGHT VEHICLE DRIVERS	0	1	0	0	0
ENGINEERING SCIENCES RELATED	0	2	0	0	0
MOTOR VEHICLE DRIVERS	2	2	100	12	6 246
SECURITY GUARDS	122	119	103	455	3 729
QUANTITY SURVEYORS & RELA PROF NOT CLASS ELSEWHERE	0	1	0	0	0
TOTAL	1 648	1 962	84	12 946	7 856

NB: The department had payments that were carried over from 2018/19 to 2019/20 after they were omitted. The following categories were affected Financial and Related professionals, Secretaries & Other keyboard operating clerk and Security Guards

Table 3.8.4 Performance related rewards (cash bonus), by salary band for Senior Management Service for the period 1 April 2019 and 31 March 2020

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	10	31	32	330	33 021	0.90
Band B	3	13	23	156	52 059	0.90
Band C	0	2	0	0	0	0.00
Band D	0	2	0	0	0	0.00
Total	13	48	27	486	37 406	0.80

3.9. Foreign Workers

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

Table 3.9.1 Foreign workers by salary band for the period 1 April 2019 and 31 March 2020

Salary band	01 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% Change
Lower skilled	0	0	0	0	0	0
Highly skilled production (Lev. 6-8)	0	0	0	0	0	0
Highly skilled supervision (Lev. 9-12)	4	100	4	100	0	0
Contract (level 9-12)	0	0	0	0	0	0
Contract (level 13-16)	0	0	0	0	0	0
Total	4	100	4	100	0	0

Table 3.9.2 Foreign workers by major occupation for the period 1 April 2019 and 31 March 2020

Major occupation	01 April 2019		31 March 2020		Change	
	Number	% of total	Number	% of total	Number	% Change
Professionals and managers	4	100	4	100	0	0
TOTAL	4	100	4	100	0	0

3.10. Leave utilisation

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

Table 3.10.1 Sick leave for the period 1 January 2019 to 31 December 2019

Salary band	Total days	% Days with Medical certification	Number of Employees using sick leave	% of total employees using sick leave	Average days per employee	Estimated Cost (R'000)
Lower Skills (Level 1-2)	550	96	72	9	8	307
Skilled (levels 3-5)	872	93	108	13	8	715
Highly skilled production (levels 6-8)	3 060	81	336	41	9	4 986
Highly skilled supervision (levels 9 -12)	1 951	80	241	29	8	5 553
Top and Senior management (levels 13-16)	285	88	34	4	8	1 206
Total	6 718	438	791	96	41	12 767

Table 3.10.2 Disability leave (temporary and permanent) for the period 1 January 2019 to 31 December 2019

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)	46	100	1	9	46	24
Skilled (Levels 3-5)	5	100	1	9	5	3
Highly skilled production (Levels 6-8)	355	100	4	36	89	696
Highly skilled supervision (Levels 9-12)	111	100	4	36	28	368
Senior management (Levels 13-16)	6	100	1	9	6	23
Total	523	500	11	100	174	1 114

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 3.10.3 Annual Leave for the period 1 January 2019 to 31 December 2019

Salary band	Total days taken	Number of Employees using annual leave	Average per employee
Lower skilled (Levels 1-2)	5 722	249	23
Skilled Levels 3-5)	7 486	1	24
Highly skilled production (Levels 6-8)	19 783	833	24
Highly skilled supervision(Levels 9-12)	8 222	310	27
Senior management (Levels 13-16)	1 193	48	25
Total	42 406	1 441	123

Table 3.10.4 Capped leave for the period 1 January 2019 to 31 December 2019

Salary band	Total days of capped leave taken	Number of Employees using capped leave	Average number of days taken per employee	Average capped leave per employee as on 31 March 2020
Lower skilled (Levels 1-2)	0	0	0	34
Skilled Levels 3-5)	0	0	0	71
Highly skilled production (Levels 6-8)	22	5	4	81
Highly skilled supervision(Levels 9-12)	57	6	10	84
Senior management (Levels 13-16)	2	2	1	51
Total	81	13	15	321

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

Table 3.10.5 Leave payouts for the period 1 April 2019 and 31 March 2020

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
ANNUAL - DISCOUNTING WITH RESIGNATION (WORK DAYS)	582	12	48 500
ANNUAL - GRATUITY: DEATH/RETIREMENT/MEDICAL RETIREMENT(WORK	2 100	68	30 882
CAPPED - GRATUITY: DEATH/RETIREMENT/MEDICAL RETIREMENT(WORK	3 509	22	159 500
Total	6 191		

Reason	Total amount (R'000)	Number of employees	Average per employee (R'000)
Leave Payouts (Actual) Allowance Codes - 0060, 0168, 0625, 0422, 0567	5 966	81	

3.11. HIV/AIDS & Health Promotion Programmes

Table 3.11.1 Steps taken to reduce the risk of occupational exposure

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

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

Question	Yes	No	Details, if yes
1. Has the department designated a member of the SMS to implement the provisions contained in Part VI E of Chapter 1 of the Public Service Regulations, 2001? If so, provide her/his name and position.	X		Matlala ML Chief Director Strategic HRM
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.	X		6 Employees R1 244 240.00 integrated with Special Programmes
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.	X		Counselling Refferral Crisis Intervention Trauma Debriefing Awareness, Education and Training
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.		X	
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.	X		All departmental processes and Practices are non-discriminatory in nature and all discrimination issues will be addressed as misconduct in line with the departmental Labour Relation Policies.
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.	X		Awareness and Education
7. Does the department encourage its employees to undergo Voluntary Counselling and Testing? If so, list	X		288 (77Males and 211 Females) undertook the tests.

Question	Yes	No	Details, if yes
the results that you have you achieved.			
8. Has the department developed measures/indicators to monitor & evaluate the impact of its health promotion programme? If so, list these measures/indicators.	X		Monthly, Quarterly and Annual Reporting

3.12. Labour Relations

Table 3.12.1 Collective agreements for the period 1 April 2019 and 31 March 2020

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 3.12.2 Misconduct and disciplinary hearings finalised for the period 1 April 2019 and 31 March 2020

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
Written warning	15	88
Final written warning	0	0
Suspended without pay	0	0
Fine	0	0
Demotion	0	0
Dismissal	0	0
Not guilty	0	0
Case withdrawn	2	12
Total	17	100

Table 3.12.3 Types of misconduct addressed at disciplinary hearings for the period 1 April 2019 and 31 March 2020

Type of misconduct	Number	% of total
Absenteeism / abscondment	3	33
Fraud	1	11
Negligence	2	22
Unauthorised use of state vehicle	1	11
Contravention of code of conduct	1	11
False accusations	1	11
Misuse of state's funds	0	0
Total	9	100

Table 3.12.4 Grievances logged for the period 1 April 2019 and 31 March 2020

Grievances	Number	% of Total
Number of grievances resolved	6	60
Number of grievances not resolved	4	40
Total number of grievances lodged	10	100

Table 3.12.5 Disputes logged with Councils for the period 1 April 2019 and 31 March 2020

Disputes	Number	% of Total
Number of disputes upheld	1	33
Number of disputes dismissed	2	67
Total number of disputes lodged	3	100

Table 3.12.6 Strike actions for the period 1 April 2019 and 31 March 2020

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 3.12.7 Precautionary suspensions for the period 1 April 2019 and 31 March 2020

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

3.13. Skills development

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

Table 3.13.1 Training needs identified for the period 1 April 2019 and 31 March 2020

Occupational category	Gender	Number of employees as at 1 April 2019	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	139	0	143	0	143
	Male	151	0	158	0	158
Professionals	Female	37	0	328	0	328
	Male	47	0	240	0	240
Technicians and associate professionals	Female	2	0	2	16	18
	Male	19	0	17	7	24
Clerks	Female	621	32	219	18	269

Occupational category	Gender	Number of employees as at 1 April 2019	Training needs identified at start of the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
	Male	353	35	139	31	205
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	1	0	0	0	0
Elementary occupations	Female	200	0	196	2	198
	Male	202	0	199	3	202
Sub Total	Female	999	32	888	36	956
	Male	773	35	753	41	829
Total		1 772	67	1 641	77	1 785

Table 3.13.2 Training provided for the period 1 April 2019 and 31 March 2020

Occupational category	Gender	Number of employees as at 1 April 2019	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
Legislators, senior officials and managers	Female	139	0	231	0	231
	Male	151	0	108	0	108
Professionals	Female	37	0	52	16	68
	Male	47	0	31	7	38
Technicians and associate professionals	Female	2	0	62	5	67
	Male	19	0	95	3	98
Clerks	Female	621	32	133	31	196
	Male	353	35	56	18	109
Service and sales workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Skilled agriculture and fishery workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Craft and related trades workers	Female	0	0	0	0	0
	Male	0	0	0	0	0
Plant and machine operators and assemblers	Female	0	0	0	0	0
	Male	1	0	1	0	1
Elementary occupations	Female	200	0	29	2	31
	Male	202	0	7	3	10
Sub Total	Female	999	32	507	54	593

Occupational category	Gender	Number of employees as at 1 April 2019	Training provided within the reporting period			
			Learnerships	Skills Programmes & other short courses	Other forms of training	Total
	Male	773	35	298	31	364
Total		1 772	67	805	85	957

3.14. Injury on duty

The following tables provide basic information on injury on duty.

Table 3.14.1 Injury on duty for the period 1 April 2019 and 31 March 2020

Nature of injury on duty	Number	% of total
Required basic medical attention only	16	100%
Temporary Total Disablement	0	0%
Permanent Disablement	0	0%
Fatal	0	0%
Total	16	100%

3.15. Utilisation of Consultants

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

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

Table 3.15.1 Report on consultant appointments using appropriated funds for the period 1 April 2019 and 31 March 2020

Project title	Total number of consultants that worked on project	Duration (work days)	Contract value in Rand
Project Management Unit: Capacity in ISHS	One (1)	21/02/2019 to 31/03/2020	R 241 697 160.00

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
One	One	21/02/2019 to 31/03/2020	R 241 697 160.00

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Table 3.15.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2019 and 31 March 2020

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
Geotechnical investigation, design and install engineering services which include grading of all roads, installation of sewer and water reticulation and fire – hydrants (provision for house connections) for 5256 sites at Bela-Bela, Thabazimbi, Polokwane, Elias Motsoaledi, Fetakgomo-Tubatse, Greater Tzaneen and Musina Local Municipalities for 2019/20 financial Year.	100	100	01

Table 3.15.3 Report on consultant appointments using Donor funds for the period 1 April 2019 and 31 March 2020

Project title	Total Number of consultants that worked on project	Duration (Work days)	Donor and contract value in Rand
None	-	-	-

Total number of projects	Total individual consultants	Total duration Work days	Total contract value in Rand
None	-	-	-

Table 3.15.4 Analysis of consultant appointments using Donor funds, in terms of Historically Disadvantaged Individuals (HDIs) for the period 1 April 2019 and 31 March 2020

Project title	Percentage ownership by HDI groups	Percentage management by HDI groups	Number of consultants from HDI groups that work on the project
0	0	0	0

3.16. Severance Packages

Table 3.16.1 Granting of employee initiated severance packages for the period 1 April 2019 and 31 March 2020

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(L Levels 9-12)	0	0	0	0
Senior management (Levels 13-16)	0	0	0	0
Total	0	0	0	0

PART E: FINANCIAL INFORMATION

1. REPORT OF THE AUDITOR GENERAL

Report of the auditor-general to Limpopo Provincial Legislature on vote no.11: Department of Co-operative Governance, Human Settlements and Traditional Affairs

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Department of Co-operative Governance, Human Settlements and Traditional Affairs set out on pages 123 to 196, which comprise the appropriation statement, statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Department of Co-operative Governance, Human Settlements and Traditional Affairs as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with the Modified Cash Standard (MCS) and the requirements of the prescribed by the National Treasury and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA) and the Division of Revenue Act of South Africa, 2019 (Act No. 16 of 2019) (DoRA).

Basis for the opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the department in accordance with sections 290 and 291 of the *Code of ethics for professional accountants* and parts 1 and 3 of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* of the International Ethics Standards Board for Accountants (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Impairment of receivables

7. As disclosed in note 15,7 to the financial statement, the department made an impairment provision of R16 486 000 (2018-19: R21 912 000) in respect of doubtful receivables.

Significant uncertainties

8. With reference to note 25.1 to the financial statements, the department is currently involved in litigation with various service providers and third parties. The ultimate outcomes of the matters cannot presently be determined and no provision for any liability that may result has been made in the financial statements.

Restatement of corresponding figures

9. As disclosed in note 44 to the financial statements, the corresponding figures for 31 March 2019 have been restated as a result of an error discovered in the financial statements of the department at, and for the year ended, 31 March 2020.

Other matter

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

Unaudited supplementary schedules

11. The supplementary information set out on pages 197 to 208 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

Responsibilities of accounting officer for the financial statements

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the MCS and the requirements of the PFMA and DoRA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
13. In preparing the financial statements, the accounting officer is responsible for assessing the department's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the department or to cease operations, or has no realistic alternative but to do so.

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

14. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

16. In accordance with the Public Audit Act of South Africa 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
17. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the department. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the department enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
18. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the annual performance report of the department for the year ended 31 March 2020

programmes	Pages in the annual performance report
Programme 2 – Human settlements	36– 44

19. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

20. The material findings in respect of the usefulness and reliability of the selected programme are as follows:

Programme 2 –Human settlements

Various indicators

21. I was unable to obtain sufficient appropriate audit evidence to support the reasons for variances between planned targets and the achievement reported in the annual performance report for the indicators listed below. This was due to the lack of corroborative evidence to support the reasons for the variances. I was unable to confirm the reported reasons for the variances by alternative means. Consequently, I was unable to determine whether any adjustments were required to the reported reasons for the variance.

Indicator	Planned target	Reported achievement
Number of informal settlements with approved layout plans	4	0
Number of houses built	5 479	8 209
Number of sites installed with water and sanitation infrastructure as part of the IRDP and UISP	5 354	6 059
Number of settlements provided with bulk water infrastructure	7	0
Number of rental housing units built through community residential units and/social housing programme	332	0
Number of beneficiaries issued with title deeds through the enhanced extended discount benefit scheme	100	39
Number of beneficiaries issued with endorsed title deeds in subsidy market	5 500	2 689
Number of jobs opportunities created through construction of houses and servicing of sites	3 600	736
Number of subsidies approved through finance-linked individual subsidy programme(FLISP)	100	33
Number of housing subsidy applications approved through Housing subsidy system	6 600	6 592

Various indicators

22. The reported achievement for the following targets were misstated as not all actual performance were recorded and included in the reported performance report for the below indicators:

Planned target	Reported achievement
Number of subsidies approved through FLISP.	32
Number of sites installed with water and sanitation infrastructure as part of the IRDP and UISP	5560
Number of Jobs opportunities created through construction of houses and servicing of sites	667

Other matter

I draw attention to the matters below.

Achievement of planned targets

23. Refer to the annual performance report on page 36 to 44 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a significant number of targets. This information should be considered in the context of the material findings expressed on the usefulness and reliability of the reported performance information in paragraph(s) 18 to 21 of this report.

Adjustment of material misstatements

24. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of human settlements. As management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above.

Report on the audit of compliance with legislation

Introduction and scope

25. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the department's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

26. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements, performance reports and annual report

27. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework as required by section 40(1) (b) of the PFMA.

Material misstatements of disclosure items identified by the auditors in the submitted financial statement were corrected, resulting in the financial statements receiving an unqualified opinion.

Expenditure management

28. Effective and appropriate steps were not taken to prevent irregular expenditure amounting to R1 190 201 000, as disclosed in note 31 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and treasury regulation 9.1.1. The majority of the irregular expenditure was caused by the awarding of contracts in the 2016-17 financial year without applying the preference points system.

Strategic planning

29. Specific information systems were not implemented to enable the monitoring of progress made towards achieving targets, core objectives and service delivery as required by public service regulation 25(1)(e)(i) and (iii).

Consequence management

30. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 38(1)(h)(iii) of the PFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into irregular expenditure.

Other information

31. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report, which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
32. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
33. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
34. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal Control deficiencies

35. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.
36. Oversight responsibility regarding performance reporting and compliance and related

internal controls was not adequately exercised by the accounting officer.

37. Management did not prepare regular, accurate and complete financial reports that are supported and evidenced by reliable information.

38. Non-compliance with legislation could have been prevented had compliance been properly reviewed and monitored. The department did not take reasonable steps to prevent irregular expenditure

Auditor-General
Polokwane

30 October 2020



A U D I T O R - G E N E R A L

S O U T H A F R I C A

Auditing to build public confidence

2. ANNUAL FINANCIAL STATEMENTS

Table of Contents

Appropriation Statement	123
Notes to the Appropriation Statement	141
Statement of Financial Performance	143
Statement of Financial Position	144
Statement of Changes in Net Assets	145
Cash Flow Statement	146
Notes to the Annual Financial Statements (including Accounting policies)	147
Annexures	197

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11**

**APPROPRIATION STATEMENT
for the year ended 31 March 2020**

Appropriation per programme											
	2019/20						2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure		
Programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	R'000	
1. Administration	374,065	-	-	374,065	368,882	5,183	98.6%	357,973	357,973	357,772	
2. Human Settlements	1,539,316	-	400	1,539,716	1,497,457	42,259	97.3%	1,446,803	1,446,803	1,369,711	
3. Cooperative Governance	310,655	-	(400)	310,255	290,779	19,476	93.7%	359,675	359,675	358,967	
4. Traditional Institutional Development	541,524	-	-	541,524	502,081	39,443	92.7%	522,577	522,577	508,610	
Subtotal	2,765,560	-	-	2,765,560	2,659,199	106,361	96.2%	2,687,028	2,687,028	2,595,060	
Statutory Appropriation	1,978	-	-	1,978	1,940	38	98.1%	1,978	1,978	1,978	
Members' remuneration	1,978	-	-	1,978	1,940	38	98.1%	1,978	1,978	1,978	
TOTAL	2,767,538	-	-	2,767,538	2,661,139	106,399	96.2%	2,689,006	2,689,006	2,597,038	
Reconciliation with statement of financial performance											
TOTAL (brought forward)				Final Appropriation	Actual Expenditure				Final Appropriation	Actual Expenditure	
Reconciliation with statement of financial performance				2,767,538					2,689,006		
ADD											
Departmental receipts				25,287					8,214		
Actual amounts per statement of financial performance (total revenue)				2,792,825					2,697,220		
Actual amounts per statement of financial performance (total expenditure)					2,661,139					2,597,038	

LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Appropriation per economic classification	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	1,276,471	-	(10,106)	1,266,365	1,218,235	48,130	96.2%	1,192,526	1,192,313
Compensation of employees	1,074,953	-	(9,607)	1,065,346	1,024,099	41,247	96.1%	1,012,562	1,012,559
Salaries and wages	967,282	(9,031)	(9,607)	948,644	908,638	40,006	95.8%	900,440	900,440
Social contributions	107,671	9,031	-	116,702	115,461	1,241	98.9%	112,122	112,119
Goods and services	201,518	-	(499)	201,019	194,136	6,883	96.6%	178,965	178,755
Administrative fees	1,118	(200)	-	918	916	2	99.8%	1,207	1,207
Advertising	569	-	-	569	569	-	100.0%	1,282	1,282
Minor assets	668	35	-	703	693	10	98.6%	716	706
Audit costs: External	7,547	-	-	7,547	7,547	-	100.0%	6,021	6,021
Bursaries: Employees	1,525	-	-	1,525	1,525	-	100.0%	969	969
Catering: Departmental Activities	1,737	(124)	-	1,613	1,316	297	81.6%	1,345	1,341
Communication (G&S)	15,972	41	-	16,013	16,013	-	100.0%	14,669	14,655
Computer services	12,168	-	-	12,168	12,009	159	98.7%	9,339	9,339
Consultants: Business and advisory services	15,625	(567)	(314)	14,744	10,743	4,001	72.9%	9,325	9,325
Legal services	4,052	-	-	4,052	4,052	-	100.0%	4,209	4,208
Contractors	5,312	-	-	5,312	5,304	8	99.8%	3,214	3,214
Entertainment	189	-	-	189	188	1	99.5%	328	328
Fleet services (including government motor transport)	6,164	-	-	6,164	6,164	-	100.0%	6,098	6,098

LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Inventory: Clothing material and accessories	1,741	(203)	-	1,538	1,505	33	97.9%	1,832	-	1,832
Consumable supplies	4,057	68	-	4,125	3,802	323	92.2%	3,822	-	3,779
Consumable: Stationery, printing and office supplies	54,269	1	(499)	53,771	53,771	-	100.0%	49,232	-	49,232
Operating leases	24,678	(5)	-	24,673	24,666	7	100.0%	20,652	-	20,648
Property payments	37,897	859	314	39,070	37,454	1,616	95.9%	38,152	-	38,042
Travel and subsistence	2,754	-	-	2,754	2,754	-	100.0%	1,260	-	1,260
Training and Development	815	20	-	835	788	47	94.4%	1,317	-	1,317
Operating payments	2,661	75	-	2,736	2,357	379	86.1%	3,983	-	3,952
Venues and facilities	-	-	-	-	-	-	-	999	-	999
Interest and rent on land	-	-	-	-	-	-	-	999	-	999
Transfers and subsidies	1,429,118	-	1,407	1,430,525	1,391,178	39,347	97.2%	1,342,581	-	1,265,510
Provinces and municipalities	3,065	-	-	3,065	2,842	223	92.7%	3,682	-	3,680
Municipalities	3,065	-	-	3,065	2,842	223	92.7%	3,682	-	3,680
Municipal bank accounts	3,065	-	-	3,065	2,842	223	92.7%	10	-	10
Municipal agencies and funds	13	-	-	13	13	-	100.0%	3,672	-	3,670
Departmental agencies and accounts	13	-	-	13	13	-	100.0%	146	-	146
Social security funds	13	-	-	13	13	-	100.0%	146	-	146
Departmental agencies and accounts	5,623	-	-	5,623	4,506	1,117	80.1%	18,497	-	18,493
Non-profit institutions	1,420,417	-	1,407	1,421,824	1,383,817	38,007	97.3%	1,320,256	-	1,243,191
Households	6,434	(83)	1,407	7,758	7,757	1	100.0%	8,069	-	8,068
Social benefits	1,413,983	83	-	1,414,066	1,376,060	38,006	97.3%	1,312,187	-	1,235,123
Other transfers to households	-	-	-	-	-	-	-	-	-	-

LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2020

	2019/20						2018/19		
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Sub programme	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Corporate Services	374,065	-	-	374,065	368,882	5,183	98.6%	357,973	357,772
Total for sub programmes	374,065	-	-	374,065	368,882	5,183	98.6%	357,973	357,772
Economic classification									
Current payments	364,937	-	(9,306)	355,631	352,856	2,775	99.2%	340,740	340,634
Compensation of employees	207,908	-	(8,807)	199,101	196,892	2,209	98.9%	201,340	201,340
Salaries and wages	183,025	(2,425)	(8,807)	171,793	169,928	1,865	98.9%	175,511	175,511
Social contributions	24,883	2,425	-	27,308	26,964	344	98.7%	25,829	25,829
Goods and services	157,029	-	(499)	156,530	155,964	566	99.6%	139,393	139,287
Advertising	569	-	-	569	569	-	100.0%	969	969
Minor assets	8	-	-	8	8	-	100.0%	389	383
Audit costs: External	7,547	-	-	7,547	7,547	-	100.0%	6,021	6,021
Bursaries: Employees	1,525	-	-	1,525	1,525	-	100.0%	969	969
Catering: Departmental activities	394	-	-	394	394	-	100.0%	498	497
Communication (G&S)	15,922	-	-	15,922	15,922	-	100.0%	14,662	14,647
Computer services	12,168	-	-	12,168	12,009	159	98.7%	9,339	9,339
Consultants: Business and advisory Services	7,144	-	-	7,144	7,144	-	100.0%	7,353	7,353
Legal services	4,052	-	-	4,052	4,052	-	100.0%	2,549	2,549
Contractors	5,306	-	-	5,306	5,299	7	99.9%	3,214	3,214
Entertainment	189	-	-	189	188	1	99.5%	328	328
Fleet services (including government motor transport)	6,164	-	-	6,164	6,164	-	100.0%	6,098	6,098

LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Consumable supplies	539	-	539	539	-	858	100.0%	-	858	858
Consumable: Stationery, printing and office supplies	4,057	-	4,057	3,735	322	3,812	92.1%	322	3,812	3,776
Operating leases	53,804	(499)	53,305	53,805	-	48,908	100.0%	-	48,908	48,908
Property payments	24,657	-	24,657	24,650	7	20,642	100.0%	7	20,642	20,638
Travel and subsistence	8,596	-	8,596	8,541	55	9,052	99.4%	55	9,052	9,009
Training and development	2,754	-	2,754	2,754	-	1,260	100.0%	-	1,260	1,260
Operating payments	617	-	617	602	15	966	97.6%	15	966	966
Venues and facilities	1,017	-	1,017	1,017	-	1,506	100.0%	-	1,506	1,505
Interest and rent on land	-	-	-	-	-	7	-	-	7	7
Rent on land	-	-	-	-	-	7	-	-	7	7
Transfers and subsidies	5,378	607	5,985	5,762	223	6,342	96.3%	223	6,342	6,340
Provinces and municipalities	3,065	-	3,065	2,842	223	3,672	92.7%	223	3,672	3,670
Municipalities	3,065	-	3,065	2,842	223	3,672	92.7%	223	3,672	3,670
Municipal agencies and Funds	3,065	-	3,065	2,842	223	3,672	92.7%	223	3,672	3,670
Departmental agencies and accounts	13	-	13	13	-	146	100.0%	-	146	146
Departmental agencies (non-business entities)	13	-	13	13	-	146	100.0%	-	146	146
Households	2,300	607	2,907	2,907	-	2,524	100.0%	-	2,524	2,524
Social benefits	1,913	607	2,520	2,520	-	2,524	100.0%	-	2,524	2,524
Payments for capital assets	3,750	499	4,249	4,066	183	7,758	95.7%	183	7,758	7,665
Machinery and equipment	3,720	499	4,249	4,066	183	7,327	95.7%	183	7,327	7,236
Transport equipment	-	-	-	-	-	4,406	-	-	4,406	4,406
Other machinery and equipment	3,720	499	4,249	4,066	183	3,390	95.7%	183	3,390	3,299
Software and other intangible assets	30	-	30	30	-	431	100.0%	-	431	429
Payment for financial assets	-	8,200	8,200	6,198	2,002	2,664	75.6%	2,002	2,664	2,664
	374,065	-	374,065	368,882	5,183	357,973	98.6%	5,183	357,973	357,772

LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Subprogramme 1.1: Corporate Services		2019/20						2018/19	
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	364,937	-	(9,306)	355,631	352,856	2,775	99.2%	340,740	340,634
Compensation of employees	207,908	-	(8,807)	199,101	196,892	2,209	98.9%	201,340	201,340
Goods and services	157,029	-	(499)	156,530	155,964	566	99.6%	139,393	139,287
Interest and rent on land	-	-	-	-	-	-	-	7	7
Transfers and subsidies	5,378	-	607	5,985	5,762	223	96.3%	6,342	6,340
Provinces and municipalities	3,065	-	-	3,065	2,842	223	92.7%	3,672	3,670
Departmental agencies and accounts	13	-	-	13	13	-	100.0%	146	146
Households	2,300	-	607	2,907	2,907	-	100.0%	2,524	2,524
Payments for capital assets	3,750	-	499	4,249	4,066	183	95.7%	8,227	8,134
Machinery and equipment	3,720	-	499	4,219	4,036	183	95.7%	7,796	7,705
Intangible assets	30	-	-	30	30	-	100.0%	431	429
Payments for financial assets	374,065	-	8,200	8,200	6,198	2,002	75.6%	2,664	2,664
Total	374,065	-	-	374,065	368,882	5,183	98.6%	357,973	357,772

LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Programme 2: Human Settlements		2019/20							2018/20	
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Sub programme		R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
1. Housing Needs, Research and Planning		95,563	(36,568)	-	58,995	58,864	99.8%	56,821	56,749	
2. Housing Development, Implementation, Planning and Targets		1,354,829	37,669	314	1,392,812	1,389,022	99.7%	1,322,397	1,256,193	
3. Housing Asset Management and Property Management		88,924	(1,101)	86	87,909	49,571	56.4%	67,585	56,769	
Total for sub programmes		1,539,316	-	400	1,539,716	1,497,457	97.3%	1,446,803	1,369,711	
Economic classification										
Current payments		125,824	-	400	126,224	122,087	96.7%	123,893	123,880	
Compensation of employees		111,552	-	-	111,552	107,447	96.3%	106,880	106,880	
Salaries and wages		99,495	(873)	-	98,622	94,331	95.6%	93,965	93,965	
Social contributions		12,057	873	-	12,930	13,116	101.4%	12,915	12,915	
Goods and services		14,272	-	400	14,672	14,640	99.8%	17,013	17,000	
Administrative fees		1,067	(165)	-	902	902	100.0%	1,197	1,197	
Advertising		-	-	-	-	-	-	167	167	
Minor assets		-	-	-	-	-	-	50	46	
Catering: Departmental activities		239	(15)	-	224	224	100.0%	175	175	

LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Communication (G&S)	-	-	-	-	-	-	-	-	(1)	-
Consultants: Business and advisory Services	1,703	244	86	2,033	-	-	100.0%	1,829	1,829	1,829
Legal services	-	-	-	-	-	-	-	320	319	319
Consumable supplies	3	-	-	3	-	-	100.0%	236	236	236
Consumable: Stationery, printing and office supplies	-	40	-	39	1	-	97.5%	3	3	3
Operating leases	465	1	-	466	-	-	100.0%	324	324	324
Property payments	21	(5)	-	16	-	-	100.0%	10	10	10
Travel and subsistence	10,243	(34)	314	10,491	32	-	99.7%	11,853	11,844	11,844
Operating payments	67	14	-	81	-	-	100.0%	63	63	63
Venues and facilities	464	(80)	-	385	(1)	-	100.3%	787	787	787
Transfers and subsidies	1,413,178	-	-	1,375,177	38,001	-	97.3%	1,313,358	1,236,293	1,236,293
Provinces and municipalities	-	-	-	-	-	-	-	10	10	10
Municipalities	-	-	-	-	-	-	-	10	10	10
Municipal bank accounts	-	-	-	-	-	-	-	10	10	10
Households	1,413,178	-	-	1,375,177	38,001	-	97.3%	1,313,348	1,236,283	1,236,283
Social benefits	476	(83)	-	393	-	-	100.0%	1,161	1,160	1,160
Other transfers to households	1,412,702	83	-	1,374,784	38,001	-	97.3%	1,312,187	1,235,123	1,235,123
Payments for capital assets	314	-	-	193	121	-	61.5%	733	712	712
Machinery and equipment	314	-	-	193	121	-	61.5%	733	712	712
Other machinery and equipment	314	-	-	193	121	-	61.5%	733	712	712
Payment for financial assets	-	-	-	-	-	-	-	8,819	8,826	8,826
Total	1,539,316	-	400	1,497,457	42,259	-	97.3%	1,446,803	1,369,711	1,369,711

LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2020

2.1 Subprogramme: 2.1: Housing Needs, Research and Planning									
Economic classification	2019/20					2018/20			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	21,101	(96)	-	21,005	20,874	131	99.4%	21,528	21,523
Compensation of employees	18,295	-	-	18,295	18,167	128	99.3%	16,867	16,867
Goods and services	2,806	(96)	-	2,710	2,707	3	99.9%	4,661	4,656
Transfers and subsidies	74,462	(36,472)	-	37,990	37,990	-	100.0%	33,000	32,933
Households	74,462	(36,472)	-	37,990	37,990	-	100.0%	33,000	32,933
Payments for capital assets	-	-	-	-	-	-	-	617	617
Machinery and equipment	-	-	-	-	-	-	-	617	617
Payments for financial assets	-	-	-	-	-	-	-	1,676	1,676
Total	95,563	(36,568)	-	58,995	58,864	131	99.8%	56,821	56,749

2.2 Subprogramme: Housing Development, Implementation, Planning and Targets									
Economic classification	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	64,285	(63)	314	64,536	62,370	2,166	96.6%	62,294	62,285
Compensation of employees	57,374	(61)	-	57,313	55,150	2,163	96.2%	54,812	54,812
Goods and services	6,911	(2)	314	7,223	7,220	3	100.0%	7,482	7,473
Transfers and subsidies	1,290,544	37,732	-	1,328,276	1,326,652	1,624	99.9%	1,257,061	1,190,866
Households	1,290,544	37,732	-	1,328,276	1,326,652	1,624	99.9%	1,257,061	1,190,866
Payments for capital assets	-	-	-	-	-	-	-	16	16
Machinery and equipment	-	-	-	-	-	-	-	16	16

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11**

**APPROPRIATION STATEMENT
for the year ended 31 March 2020**

Payments for financial assets	-	-	-	-	-	-	-	-	3,026	3,026
Total	1,354,829	37,669	314	1,392,812	1,389,022	3,790	99.7%	1,322,397	1,256,193	3,026

2.3 Subprogramme: : Housing Asset Management and Property Management										
	2019/20					2018/19				
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000	
Economic classification	40,438	159	86	40,683	38,843	1,840	95.5%	40,071	40,072	
Current payments	35,883	61	-	35,944	34,130	1,814	95.0%	35,201	35,201	
Compensation of employees	4,555	98	86	4,739	4,713	26	99.5%	4,870	4,871	
Goods and services										
Transfers and subsidies	48,172	(1,260)	-	46,912	10,535	36,377	22.5%	23,297	12,494	
Households	48,172	(1,260)	-	46,912	10,535	36,377	22.5%	23,287	12,484	
Payments for capital assets	314	-	-	314	193	121	61.5%	100	79	
Machinery and equipment	314	-	-	314	193	121	61.5%	100	79	
Payments for financial assets	-	-	-	-	-	-	-	4,117	4,124	
Total	88,924	(1,101)	86	87,909	49,571	38,338	56.4%	67,585	56,769	

LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2020

		2019/20						2018/20		
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Programme 3: Co-operative Governance										
Sub programme										
1. Local Governance		240,220	697	(400)	240,517	228,896	11,621	95.2%	294,653	293,951
2. Development Planning		70,435	(697)	-	69,738	61,883	7,855	88.7%	65,022	65,016
Total for sub programmes		310,655	-	(400)	310,255	290,779	19,476	93.7%	359,675	358,967
Economic classification										
Current payments		303,955	-	(1,120)	302,835	283,642	19,193	93.7%	282,120	282,029
Compensation of employees		286,586	-	(720)	285,866	268,583	17,283	94.0%	266,136	266,135
Salaries and wages		249,182	(1,948)	(720)	246,514	230,089	16,425	93.3%	228,734	228,734
Social contributions		37,404	1,948	-	39,352	38,494	858	97.8%	37,402	37,401
Goods and services		17,369	-	(400)	16,969	15,059	1,910	88.7%	14,992	14,902
Administrative fees		51	(35)	-	16	14	2	87.5%	10	10
Minor assets		13	9	-	22	12	10	54.5%	29	29
Catering: Departmental activities		413	96	-	509	361	148	70.9%	350	347
Consultants: Business and advisory services		2,081	(811)	(400)	870	844	26	97.0%	100	100
Legal services		-	-	-	-	-	-	-	964	964
Consumable supplies		400	-	-	400	367	33	91.8%	483	483
Travel and subsistence		13,496	385	-	13,881	12,534	1,347	90.3%	12,106	12,049
Operating payments		131	6	-	137	105	32	76.6%	264	264
Venues and facilities		784	350	-	1,134	822	312	72.5%	686	656
Interest and rent on land		-	-	-	-	-	-	-	992	992

LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2020

											992
Interest	-	-	-	-	-	-	-	-	-	-	992
Transfers and subsidies	3,408	720	4,128	4,123	5	99.9%	2,600	2,600	2,600	2,600	2,600
Households	3,408	720	4,128	4,123	5	99.9%	2,600	2,600	2,600	2,600	2,600
Social benefits	2,577	720	3,297	3,297	-	100.0%	-	-	-	-	-
Other transfers to households	831	-	831	826	5	99.4%	-	-	-	-	-
Payments for capital assets	3,292	-	3,292	3,014	278	91.6%	1,826	1,826	1,825	1,825	1,825
Machinery and equipment	3,292	-	3,292	3,014	278	91.6%	1,826	1,826	1,825	1,825	1,825
Other machinery and equipment	3,292	-	3,292	3,014	278	91.6%	1,826	1,826	1,825	1,825	1,825
Payments for financial assets	-	-	-	-	-	-	73,129	73,129	72,513	72,513	72,513
Total	310,655	(400)	310,255	290,779	19,476	93.7%	359,675	359,675	358,967	358,967	358,967

		2019/20						2018/19		
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
		R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Economic classification		234,631	693	(429)	234,895	223,480	11,415	95.1%	221,202	221,117
Current payments		222,950	691	(29)	223,612	213,855	9,757	95.6%	210,680	210,680
Compensation of employees		11,681	2	(400)	11,283	9,625	1,658	85.3%	9,530	9,445
Goods and services		-	-	-	-	-	-	-	992	992
Interest and rent on land		-	-	-	-	-	-	-	-	-
Transfers and subsidies		2,813	-	29	2,842	2,840	2	99.9%	1,534	1,534
Households		2,813	-	29	2,842	2,840	2	99.9%	1,534	1,534
Payments for capital assets		2,776	4	-	2,780	2,576	204	92.7%	1,689	1,688
Machinery and equipment		2,776	4	-	2,780	2,576	204	92.7%	1,689	1,688
Payments for financial assets		-	-	-	-	-	-	-	70,228	69,612
Total		240,220	697	(400)	240,517	228,896	11,621	95.2%	294,653	293,951

LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2020

3.2 Subprogramme: : Development Planning									
	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	69,324	(693)	(691)	67,940	60,162	7,778	88.6%	60,918	60,912
Compensation of employees	63,636	(691)	(691)	62,254	54,728	7,526	87.9%	55,456	55,455
Goods and services	5,688	(2)	-	5,686	5,434	252	95.6%	5,462	5,457
Transfers and subsidies	595	-	691	1,286	1,283	3	99.8%	1,066	1,066
Households	595	-	691	1,286	1,283	3	99.8%	1,066	1,066
Payments for capital assets	516	(4)	-	512	438	74	85.5%	137	137
Machinery and equipment	516	(4)	-	512	438	74	85.5%	137	137
Payments for financial assets	-	-	-	-	-	-	-	2,901	2,901
Total	70,435	(697)	-	69,738	61,883	7,855	88.7%	65,022	65,016

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11**

**APPROPRIATION STATEMENT
for the year ended 31 March 2020**

Programme 4: Traditional Institutional Development									
	2019/20					2018/20			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Sub programme									
1. Traditional Institutional Admin	533,897	-	-	533,897	495,512	38,385	92.8%	515,513	501,547
2. Administration of Houses of Traditional Leaders	7,627	-	-	7,627	6,569	1,058	86.1%	7,064	7,063
Total for sub programmes	541,524	-	-	541,524	502,081	39,443	92.7%	522,577	508,610
Economic classification									
Current payments	479,777	-	(80)	479,697	457,710	21,987	95.4%	443,795	443,792
Compensation of employees	466,929	-	(80)	466,849	449,237	17,612	96.2%	436,228	436,226
Salaries and wages	433,862	(3,785)	(80)	429,997	412,610	17,387	96.0%	400,519	400,519
Social contributions	33,067	3,785	-	36,852	36,627	225	99.4%	35,709	35,707
Goods and services	12,848	-	-	12,848	8,473	4,375	65.9%	7,567	7,566
Advertising	-	-	-	-	-	-	-	146	146
Minor assets	647	26	-	673	673	-	100.0%	248	248
Catering: Departmental activities	691	(205)	-	486	337	149	69.3%	322	322
Communication (G&S)	50	41	-	91	91	-	100.0%	8	8
Consultants: Business and advisory services	4,697	-	-	4,697	722	3,975	15.4%	43	43
Legal services	-	-	-	-	-	-	-	376	376
Contractors	6	-	-	6	5	1	83.3%	-	-
Consumable supplies	799	(203)	-	596	596	-	100.0%	255	255

LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2020

Consumable: Stationery, printing and office supplies	-	28	-	28	-	100.0%	-	-	-
Travel and subsistence	5,562	508	-	5,888	182	97.0%	5,141	5,140	5,140
Operating payments	-	(195)	-	-	-	-	24	24	24
Venues and facilities	396	-	-	133	68	66.2%	1,004	1,004	1,004
Transfers and subsidies	7,154	-	80	6,116	1,118	84.5%	20,281	20,277	20,277
Non-profit institutions	5,623	-	-	4,506	1,117	80.1%	18,497	18,493	18,493
Households	1,531	-	80	1,610	1	99.9%	1,784	1,784	1,784
Social benefits	1,468	-	80	1,547	1	99.9%	1,784	1,784	1,784
Other transfers to households	63	-	-	63	-	100.0%	-	-	-
Payments for capital assets	54,593	-	-	38,255	16,338	70.1%	52,185	38,225	38,225
Buildings and other fixed Structures	49,500	-	-	33,416	16,084	67.5%	50,000	36,457	36,457
Buildings	49,500	-	-	33,416	16,084	67.5%	50,000	36,457	36,457
Other fixed structures	5,093	-	-	4,839	254	95.0%	2,185	1,768	1,768
Machinery and equipment	5,093	-	-	4,839	254	95.0%	2,185	1,768	1,768
Other machinery and equipment	-	-	-	-	-	-	-	-	-
Payments for financial assets	541,524	-	-	502,081	39,443	92.7%	522,577	6,316	6,316
Total	541,524	-	-	502,081	39,443	92.7%	522,577	508,610	508,610

LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2020

4.1 Subprogramme: : Traditional Institutional Admin		2019/20					2018/19		
		Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation
Economic classification	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	472,250	-	(80)	472,170	451,178	20,992	95.6%	436,954	436,952
Compensation of employees	461,577	-	(80)	461,497	444,773	16,724	96.4%	431,726	431,725
Goods and services	10,673	-	-	10,673	6,405	4,268	60.0%	5,228	5,227
Transfers and subsidies	7,154	-	80	7,234	6,116	1,118	84.5%	20,225	20,221
Non-profit institutions	5,623	-	80	5,623	4,506	1,117	80.1%	18,497	18,493
Households	1,531	-	-	1,531	1,610	1	99.9%	1,728	1,728
Payments for capital assets	54,493	-	-	54,493	38,218	16,275	70.1%	52,185	38,225
Buildings and other fixed structures	49,500	-	-	49,500	33,416	16,084	67.5%	50,000	36,457
Machinery and equipment	4,993	-	-	4,993	4,802	191	96.2%	2,185	1,768
Payments for financial assets	-	-	-	-	-	-	-	6,149	6,149
Total	533,897	-	-	533,897	495,512	38,385	92.8%	515,513	501,547

LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

APPROPRIATION STATEMENT
for the year ended 31 March 2020

4.2 Subprogramme: : Administration of Houses of Traditional Leaders									
Economic classification	2019/20					2018/19			
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments	7,527	-	-	7,527	6,532	995	86.8%	6,841	6,840
Compensation of employees	5,352	-	-	5,352	4,464	888	83.4%	4,502	4,501
Goods and services	2,175	-	-	2,175	2,068	107	95.1%	2,339	2,339
Transfers and subsidies	-	-	-	-	-	-	-	56	56
Households	-	-	-	-	-	-	-	56	56
Payments for capital assets	100	-	-	100	37	63	37.0%	-	-
Machinery and equipment	100	-	-	100	37	63	37.0%	-	-
Payments for financial assets	-	-	-	-	-	-	-	167	167
Total	7,627	-	-	7,627	6,569	1,058	86.1%	7,064	7,063

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

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

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

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

3. Detail on payments for financial assets

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

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

4.1 Per programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
Administration	374,065	368,882	5,183	1%
Underspending is mainly on Compensation of Employees which resulted from delay in filling of vacant funded positions.				
Human Settlement	1,539,716	1,497,457	42,259	3%
Underspending of 3% is mainly in Title Deed Restoration Grant which came as a result of incomplete township proclamation.				
Cooperative Governance	310,255	290,779	19,476	6%
Underspending is mainly on Compensation of Employees which resulted from delay in filling of vacant funded positions.				
Traditional Institutional Development	541,524	502,081	39,443	7%
Underspending of 7% is as a result of construction challenges in Mogashoa-Dithlakaneng where the contractor abandoned work for more than two months and delay in procurement process in Ditlou-Machidi Traditional Council.				

4.2 Per economic classification

	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments				
Compensation of employees	1,065,346	1,024,099	41,247	4%
Goods and services	201,019	194,136	6,883	3%

Transfers and subsidies

Provinces and municipalities	3,065	2,842	223	7%
Departmental agencies and accounts	13	13	-	0%
Non-profit institutions	5,623	4,506	1,117	20%
Households	1,421,824	1,383,817	38,007	3%

Payments for capital assets

Buildings and other fixed structures	49,500	33,416	16,084	32%
Machinery and equipment	12,918	12 082	836	6%
Intangible assets	30	30	-	0%

Payments for financial assets

8,200	6,198	2,002	24%
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Underspending of 3.8% is as a result of delay in filling of funded vacant positions, slow Township proclamation processes, abandonment of construction work in some of Traditional Council Offices construction.

4.3	Per conditional grant	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Appropriation R'000
	Human settlement grant	1,362,947	1,362,600	347	0%
	EPWP	2,026	750	1,276	63%
	Title Deeds grant	46,621	10,244	36,377	78%

Underspending is as a result of slow Township proclamation process as well as delay in appointment of EPWP workers.

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL
AFFAIRS
VOTE 11**

STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2020

	Note	2019/20 R'000	2018/19 R'000
REVENUE			
Annual appropriation	<u>1</u>	2 765 560	2 687 028
Statutory appropriation	<u>2</u>	1 978	1 978
Departmental revenue	<u>3</u>	25 287	8,214
		2,792,825	2,697,220
TOTAL REVENUE			
EXPENDITURE			
Current expenditure			
Compensation of employees	4	1,024,100	1 012 560
Goods and services	5	194,141	178 754
Interest and rent on land	6	-	999
		1,218,241	1 192 313
Total current expenditure			
Transfers and subsidies			
Transfers and subsidies	8	1,391,176	1 265 510
		1,391,176	1 265 510
Total transfers and subsidies			
Expenditure for capital assets			
Tangible assets	9	45,495	48 467
Intangible assets	9	30	429
		45,525	48 896
Total expenditure for capital assets			
Payments for financial assets	7	6,197	90 319
TOTAL EXPENDITURE			
		2,661,139	2 597 038
SURPLUS/(DEFICIT) FOR THE YEAR			
		131,686	100,182
Reconciliation of Net Surplus/(Deficit) for the year			
Voted funds		106,399	91 968
Annual appropriation		68,399	14 904
Conditional grants		38,000	77 064
Departmental revenue and NRF Receipts	<u>14</u>	25,287	8,214
SURPLUS/(DEFICIT) FOR THE YEAR			
		131,686	100,182

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL
AFFAIRS
VOTE 11**

**STATEMENT OF FINANCIAL POSITION
as at 31 March 2020**

	Note	2019/20 R'000	2018/19 R'000
ASSETS			
Current assets		107,555	96 137
Cash and cash equivalents	<u>10</u>	85,051	67 785
Prepayments and advances	<u>11</u>	5,000	5 000
Receivables	<u>12</u>	17,504	23 352
Non-current assets		117	193
Receivables	<u>12</u>	117	193
TOTAL ASSETS		107,672	96 330
LIABILITIES			
Current liabilities		107,324	95 946
Voted funds to be surrendered to the Revenue Fund	<u>13</u>	106,399	91 968
Departmental revenue and NRF Receipts to be surrendered to the Revenue Fund	<u>14</u>	663	3 510
Payables	15	262	468
TOTAL LIABILITIES		107,324	95 946
NET ASSETS		348	384
	Note	2019/20 R'000	2018/19 R'000
Represented by:			
Recoverable revenue		348	384
TOTAL		348	384

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL
AFFAIRS
VOTE 11**

**STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2020**

	<i>Note</i>	2019/20 R'000	2018/19 R'000
Recoverable revenue			
Opening balance		384	2 393
Transfers:		(36)	(2 009)
Irrecoverable amounts written off		(153)	(2 055)
Debts recovered (included in departmental receipts)		(560)	(1 213)
Debts raised		677	1 259
Closing balance		348	384
TOTAL		348	384

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL
AFFAIRS
VOTE 11**

**CASH FLOW STATEMENT
for the year ended 31 March 2020**

	Note	2019/20 R'000	2018/19 R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		2,792,825	2 696 605
Annual appropriated funds received	<u>1.1</u>	2,765,560	2 687 028
Statutory appropriated funds received	<u>2</u>	1,978	1 978
Departmental revenue received	<u>3</u>	3,439	5 515
Interest received	<u>3.2</u>	21,848	2 084
Net (increase)/decrease in working capital		5,642	(29 795)
Surrendered to Revenue Fund		(120,102)	(44 432)
Current payments		(1,218,241)	(1 191 783)
Interest paid	6	-	(999)
Payments for financial assets		(6,197)	(90 319)
Transfers and subsidies paid		(1,391,176)	(1 265 510)
Net cash flow available from operating activities	16	62,751	73 767
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for capital assets	9	(45,525)	(48 427)
Proceeds from sale of capital assets	<u>3.3</u>	-	615
(Increase)/decrease in non-current receivables	<u>12</u>	76	-
Net cash flows from investing activities		(45,449)	(47 812)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase/(decrease) in net assets		(36)	(2 009)
Net cash flows from financing activities		(36)	(2 009)
Net increase/(decrease) in cash and cash equivalents		17,266	23 946
Cash and cash equivalents at beginning of period		67,785	43 839
Cash and cash equivalents at end of period	17	85,051	67 785

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

PART A: ACCOUNTING POLICIES

Summary of significant accounting policies	
<p>The financial statements have been prepared in accordance with the following policies, which have been applied consistently in all material aspects, unless otherwise indicated. Management has concluded that the financial statements present fairly the department's primary and secondary information.</p> <p>The historical cost convention has been used, except where otherwise indicated. Management has used assessments and estimates in preparing the annual financial statements. These are based on the best information available at the time of preparation.</p> <p>Where appropriate and meaningful, additional information has been disclosed to enhance the usefulness of the financial statements and to comply with the statutory requirements of the Public Finance Management Act (PFMA), Act 1 of 1999 (as amended by Act 29 of 1999), and the Treasury Regulations issued in terms of the PFMA and the annual Division of Revenue Act.</p>	
1	<p>Basis of preparation</p> <p>The financial statements have been prepared in accordance with the Modified Cash Standard.</p>
2	<p>Going concern</p> <p>The financial statements have been prepared on a going concern basis.</p>
3	<p>Presentation currency</p> <p>Amounts have been presented in the currency of the South African Rand (R) which is also the functional currency of the department.</p>
4	<p>Rounding</p> <p>Unless otherwise stated financial figures have been rounded to the nearest one thousand Rand (R'000).</p>
5	<p>Foreign currency translation</p> <p>Cash flows arising from foreign currency transactions are translated into South African Rands using the spot exchange rates prevailing at the date of payment / receipt.</p>
6	<p>Comparative information</p>
6.1	<p>Prior period comparative information</p> <p>Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.</p>
6.2	<p>Current year comparison with budget</p> <p>A comparison between the approved, final budget and actual amounts for each programme and economic classification is included in the appropriation statement.</p>
7	<p>Revenue</p>
7.1	<p>Appropriated funds</p> <p>Appropriated funds comprises of departmental allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).</p> <p>Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.</p>

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

	The net amount of any appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable in the statement of financial position.
7.2	Departmental revenue Departmental revenue is recognised in the statement of financial performance when received and is subsequently paid into the relevant revenue fund, unless stated otherwise. Any amount owing to the relevant revenue fund at the reporting date is recognised as a payable in the statement of financial position.
7.3	Accrued departmental revenue Accruals in respect of departmental revenue (excluding tax revenue) are recorded in the notes to the financial statements when: <ul style="list-style-type: none"> • it is probable that the economic benefits or service potential associated with the transaction will flow to the department; and • the amount of revenue can be measured reliably. The accrued revenue is measured at the fair value of the consideration receivable. Accrued tax revenue (and related interest and / penalties) is measured at amounts receivable from collecting agents. Write-offs are made according to the department's debt write-off policy
8	Expenditure
8.1	Compensation of employees
8.1.1	Salaries and wages Salaries and wages are recognised in the statement of financial performance on the date of payment.
8.1.2	Social contributions Social contributions made by the department in respect of current employees are recognised in the statement of financial performance on the date of payment. Social contributions made by the department in respect of ex-employees are classified as transfers to households in the statement of financial performance on the date of payment.
8.2	Other expenditure Other expenditure (such as goods and services, transfers and subsidies and payments for capital assets) is recognised in the statement of financial performance on the date of payment. The expense is classified as a capital expense if the total consideration paid is more than the capitalisation threshold.
8.3	Accruals and payables not recognised Accruals and payables not recognised are recorded in the notes to the financial statements at cost at the reporting date.
8.4	Leases
8.4.1	Operating leases Operating lease payments made during the reporting period are recognised as current expenditure in the statement of financial performance on the date of payment. The operating lease commitments are recorded in the notes to the financial statements.
8.4.2	Finance leases

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

	<p>Finance lease payments made during the reporting period are recognised as capital expenditure in the statement of financial performance on the date of payment.</p> <p>The finance lease commitments are recorded in the notes to the financial statements and are not apportioned between the capital and interest portions.</p> <p>Finance lease assets acquired at the end of the lease term are recorded and measured at the lower of:</p> <ul style="list-style-type: none"> • cost, being the fair value of the asset; or • the sum of the minimum lease payments made, including any payments made to acquire ownership at the end of the lease term, excluding interest.
9	Aid Assistance
9.1	<p>Aid assistance received</p> <p>Aid assistance received in cash is recognised in the statement of financial performance when received. In-kind aid assistance is recorded in the notes to the financial statements on the date of receipt and is measured at fair value.</p> <p>Aid assistance not spent for the intended purpose and any unutilised funds from aid assistance that are required to be refunded to the donor are recognised as a payable in the statement of financial position.</p>
9.2	<p>Aid assistance paid</p> <p>Aid assistance paid is recognised in the statement of financial performance on the date of payment. Aid assistance payments made prior to the receipt of funds are recognised as a receivable in the statement of financial position.</p>
10	<p>Cash and cash equivalents</p> <p>Cash and cash equivalents are stated at cost in the statement of financial position.</p> <p>Bank overdrafts are shown separately on the face of the statement of financial position as a current liability.</p> <p>For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held, other short-term highly liquid investments and bank overdrafts.</p>
11	<p>Prepayments and advances</p> <p>Prepayments and advances are recognised in the statement of financial position when the department receives or disburses the cash.</p> <p>Prepayments and advances are initially and subsequently measured at cost.</p> <p><Indicate when prepayments and advances are expensed and under what circumstances.></p>
12	<p>Loans and receivables</p> <p>Loans and receivables are recognised in the statement of financial position at cost plus accrued interest, where interest is charged, less amounts already settled or written-off. Write-offs are made according to the department's write-off policy.</p>
13	<p>Investments</p> <p>Investments are recognised in the statement of financial position at cost.</p>
14	Financial assets
14.1	<p>Financial assets (not covered elsewhere)</p> <p>A financial asset is recognised initially at its cost plus transaction costs that are directly</p>

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

	<p>attributable to the acquisition or issue of the financial asset.</p> <p>At the reporting date, a department shall measure its financial assets at cost, less amounts already settled or written-off, except for recognised loans and receivables, which are measured at cost plus accrued interest, where interest is charged, less amounts already settled or written-off.</p>
14.2	<p>Impairment of financial assets</p> <p>Where there is an indication of impairment of a financial asset, an estimation of the reduction in the recorded carrying value, to reflect the best estimate of the amount of the future economic benefits expected to be received from that asset, is recorded in the notes to the financial statements.</p>
15	<p>Payables</p> <p>Payables recognised in the statement of financial position are recognised at cost.</p>
16	<p>Capital Assets</p>
16.1	<p>Immovable capital assets</p> <p>Immovable assets reflected in the asset register of the department are recorded in the notes to the financial statements at cost or fair value where the cost cannot be determined reliably. Immovable assets acquired in a non-exchange transaction are recorded at fair value at the date of acquisition. Immovable assets are subsequently carried in the asset register at cost and are not currently subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p> <p>Additional information on immovable assets not reflected in the assets register is provided in the notes to financial statements.</p>
16.2	<p>Movable capital assets</p> <p>Movable capital assets are initially recorded in the notes to the financial statements at cost. Movable capital assets acquired through a non-exchange transaction is measured at fair value as at the date of acquisition.</p> <p>Where the cost of movable capital assets cannot be determined reliably, the movable capital assets are measured at fair value and where fair value cannot be determined; the movable assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Movable capital assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Biological assets are subsequently carried at fair value.</p> <p>Subsequent expenditure that is of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.3	<p>Intangible assets</p> <p>Intangible assets are initially recorded in the notes to the financial statements at cost. Intangible assets acquired through a non-exchange transaction are measured at fair value as at the date of acquisition.</p> <p>Internally generated intangible assets are recorded in the notes to the financial statements when the department commences the development phase of the project.</p> <p>Where the cost of intangible assets cannot be determined reliably, the intangible capital assets</p>

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

	<p>are measured at fair value and where fair value cannot be determined; the intangible assets are measured at R1.</p> <p>All assets acquired prior to 1 April 2002 (or a later date as approved by the OAG) may be recorded at R1.</p> <p>Intangible assets are subsequently carried at cost and are not subject to depreciation or impairment.</p> <p>Subsequent expenditure of a capital nature forms part of the cost of the existing asset when ready for use.</p>
16.4	<p>Project Costs: Work-in-progress</p> <p>Expenditure of a capital nature is initially recognised in the statement of financial performance at cost when paid.</p> <p>Amounts paid towards capital projects are separated from the amounts recognised and accumulated in work-in-progress until the underlying asset is ready for use. Once ready for use, the total accumulated payments are recorded in an asset register. Subsequent payments to complete the project are added to the capital asset in the asset register.</p> <p>Where the department is not the custodian of the completed project asset, the asset is transferred to the custodian subsequent to completion.</p>
17	<p>Provisions and Contingents</p>
17.1	<p>Provisions</p> <p>Provisions are recorded in the notes to the financial statements when there is a present legal or constructive obligation to forfeit economic benefits as a result of events in the past and it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate of the obligation can be made. The provision is measured as the best estimate of the funds required to settle the present obligation at the reporting date.</p>
17.2	<p>Contingent liabilities</p> <p>Contingent liabilities are recorded in the notes to the financial statements when there is a possible obligation that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department or when there is a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured reliably.</p>
17.3	<p>Contingent assets</p> <p>Contingent assets are recorded in the notes to the financial statements when a possible asset arises from past events, and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the department.</p>
17.4	<p>Capital commitments</p> <p>Capital commitments are recorded at cost in the notes to the financial statements.</p>
18	<p>Unauthorised expenditure</p> <p>Unauthorised expenditure is recognised in the statement of financial position until such time as the expenditure is either:</p> <ul style="list-style-type: none"> • approved by Parliament or the Provincial Legislature with funding and the related funds are received; or

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

	<ul style="list-style-type: none"> • approved by Parliament or the Provincial Legislature without funding and is written off against the appropriation in the statement of financial performance; or • transferred to receivables for recovery. <p>Unauthorised expenditure is measured at the amount of the confirmed unauthorised expenditure.</p>
19	<p>Fruitless and wasteful expenditure</p> <p>Fruitless and wasteful expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the total value of the fruitless and or wasteful expenditure incurred.</p> <p>Fruitless and wasteful expenditure is removed from the notes to the financial statements when it is resolved or transferred to receivables or written off.</p> <p>Fruitless and wasteful expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
20	<p>Irregular expenditure</p> <p>Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred unless it is impracticable to determine, in which case reasons therefor are provided in the note.</p> <p>Irregular expenditure is removed from the note when it is either condoned by the relevant authority, transferred to receivables for recovery, not condoned and removed or written-off.</p> <p>Irregular expenditure receivables are measured at the amount that is expected to be recoverable and are de-recognised when settled or subsequently written-off as irrecoverable.</p>
21	<p>Changes in accounting estimates and errors</p> <p>Changes in accounting estimates are applied prospectively in accordance with MCS requirements.</p> <p>Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with MCS requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the department shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.</p>
22	<p>Events after the reporting date</p> <p>Events after the reporting date that are classified as adjusting events have been accounted for in the financial statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the financial statements.</p>
23	<p>Principal-Agent arrangements</p> <p>The department is party to a principal-agent arrangement for [include details here]. In terms of the arrangement the department is the [principal / agent] and is responsible for [include details here]. All related revenues, expenditures, assets and liabilities have been recognised or recorded in terms of the relevant policies listed herein. Additional disclosures have been provided in the notes to the financial statements where appropriate.</p>
24	<p>Departures from the MCS requirements</p> <p><i>[Insert information on the following: that management has concluded that the financial statements present fairly the department's primary and secondary information; that the department complied with the Standard except that it has departed from a particular requirement to achieve fair presentation; and the requirement from which the department has departed, the</i></p>

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

	<i>nature of the departure and the reason for departure.]</i>
25	<p>Capitalisation reserve</p> <p>The capitalisation reserve comprises of financial assets and/or liabilities originating in a prior reporting period but which are recognised in the statement of financial position for the first time in the current reporting period. Amounts are recognised in the capitalisation reserves when identified in the current period and are transferred to the National/Provincial Revenue Fund when the underlying asset is disposed and the related funds are received.</p>
26	<p>Recoverable revenue</p> <p>Amounts are recognised as recoverable revenue when a payment made in a previous financial year becomes recoverable from a debtor in the current financial year. Amounts are either transferred to the National/Provincial Revenue Fund when recovered or are transferred to the statement of financial performance when written-off.</p>
27	<p>Related party transactions</p> <p>Related party transactions within the Minister/MEC's portfolio are recorded in the notes to the financial statements when the transaction is not at arm's length.</p> <p>The number of individuals and the full compensation of key management personnel is recorded in the notes to the financial statements.</p>
28	<p>Inventories (<i>Effective from date determined in a Treasury Instruction</i>)</p> <p>At the date of acquisition, inventories are recognised at cost in the statement of financial performance.</p> <p>Where inventories are acquired as part of a non-exchange transaction, the inventories are measured at fair value as at the date of acquisition.</p> <p>Inventories are subsequently measured at the lower of cost and net realisable value or where intended for distribution (or consumed in the production of goods for distribution) at no or a nominal charge, the lower of cost and current replacement value.</p> <p>The cost of inventories is assigned by using the weighted average cost basis.</p>
29	<p>Public-Private Partnerships</p> <p>Public Private Partnerships are accounted for based on the nature and or the substance of the partnership. The transaction is accounted for in accordance with the relevant accounting policies.</p> <p>A summary of the significant terms of the PPP agreement, the parties to the agreement, and the date of commencement thereof together with the description and nature of the concession fees received, the unitary fees paid, rights and obligations of the department are recorded in the notes to the financial statements.</p>
30	<p>Employee benefits</p> <p>The value of each major class of employee benefit obligation (accruals, payables not recognised and provisions) is disclosed in the Employee benefits note.</p>
31	<p>Transfers of functions</p> <p>Transfers of functions are accounted for by the acquirer by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of transfer.</p> <p>Transfers of functions are accounted for by the transferor by derecognising or removing assets and liabilities at their carrying amounts at the date of transfer.</p>
32	<p>Mergers</p>

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

	Mergers are accounted for by the combined department by recognising or recording assets acquired and liabilities assumed at their carrying amounts at the date of the merger.
	Mergers are accounted for by the combining departments by derecognising or removing assets and liabilities at their carrying amounts at the date of the merger.

PART B: EXPLANATORY NOTES

1. Annual Appropriation

1.1 Annual Appropriation

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

	2019/20			2018/19		
	Final	Actual	Funds not	Final	Appropriatio	Funds not
	Appropriat	Funds	requested/ not	Appropriati	n received	requested
	ion	Received	received	on		/not
	R'000	R'000	R'000	R'000	R'000	received
Administration	374,065	374,065	-	357 973	357 973	-
Human Settlements	1,539,716	1,539,716	-	1 446 803	1 446 803	-
Cooperative Governance Traditional Intuitional Development	310,255	310,255	-	359 675	359 675	-
	541,524	541,524	-	522 577	522 577	-
Total	2,765,560	2,765,650	-	2 687 028	2 687 028	-

All funds requested were received

1.2 Conditional grants

Note

		2019/20	2018/19
		R'000	R'000
Total grants received	34	<u>1,411,594</u>	<u>1 312 187</u>

Conditional grants received consist of Human settlement grant, Title deeds restoration grant and Expanded Public Works Programme Grant.

No Provincial grants were received.

2. Statutory Appropriation

	2019/20	2018/19
	R'000	R'000
Member of Executive Council	<u>1,978</u>	<u>1 978</u>
Total	<u>1,978</u>	<u>1 978</u>
Actual Statutory Appropriation received	1 978	1 978

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

3. Departmental revenue

	Note	2019/20 R'000	2018/19 R'000
Sales of goods and services other than capital assets			
	3.1	1,292	1 567
Interest, dividends and rent on land	3.2	21,939	2 167
Sales of capital assets	3.3	-	615
Transactions in financial assets and liabilities	3.4	2,056	3 865
Departmental revenue collected		25,287	8 214

The increase in revenue is as a result of interest received from Housing Development Agency covering a period of more than one financial year.

Own revenue amount of R5 773 has been restated as a result budget of departmental revenue not included in the main appropriation

3.1 Sales of goods and services other than capital assets

	Note	2019/20 R'000	2018/19 R'000
	3		
Sales of goods and services produced by the department		1,292	1 381
Sales by market establishment		240	247
Administrative fees		6	13
Other sales		1,046	1 121
Sales of scrap, waste and other used current goods		-	186
Total		1,292	1 567

Sales by market establishment includes revenues from parking

Other sales includes commission on insurance and garnishee orders that are administered via the payroll system

Under collection of revenue as compared to the previous year is as a result of earlier closure of operations due Covid pandemic.

3.2 Interest, dividends and rent on land

	Note	2019/20 R'000	2018/19 R'000
	3		
Interest		21,848	2 084
Rent on land		91	83
Total		21,939	2 167

The increase in revenue is as a result of interest received from Housing Development

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

Agency covering a period of more than one financial year.

Rent increased as a result of the normal escalation rate built into the lease agreement

3.3 Sale of capital assets

	Note	2019/20	2018/19
	3	R'000	R'000
Tangible assets			
Machinery and equipment	28.1.1	-	615
Total		<u>-</u>	<u>615</u>

Proceeds on sale of assets could not be accounted for earlier as a result of Covid-19 pandemic closure of operations

The amount of sales receivable has been disclosed and accrued revenue

3.4 Transactions in financial assets and liabilities

	Note	2019/20	2018/19
	3	R'000	R'000
Receivables		705	3 001
Other Receipts including Recoverable Revenue		1,351	864
Total		<u>2,056</u>	<u>3 865</u>

Included in other receipts are refund from SARS of PAYE which was refunded back as well as refunds from Housing service providers for incorrect milestones paid.

4. Compensation of employees

4.1 Salaries and Wages

	Note	2019/20	2018/19
		R'000	R'000
Basic salary		594,820	587 803
Performance award		12,944	15 098
Service Based		574	648
Compensative/circumstantial		7,070	14 155
Periodic payments		347	219
Other non-pensionable allowances		292,885	282 517
Total		<u>908,640</u>	<u>900 440</u>

The reduction of circumstantial expenditure is as a result of interns not employed during the year

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

under review

The increase in other items is a result of cost of living adjustment of salaries.

4.2 Social contributions

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Employer contributions			
Pension		70,775	69 771
Medical		44,496	42 178
Bargaining council		177	171
Insurance		12	-
Total		115,460	112 120
Total compensation of employees		1,024,100	1 012 560
Average number of employees		1,983	2 075

The increase in other items is a result of cost of living adjustment of salaries.

Average number of employees reduced as a result of employees who retired and not yet replaced.

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

5. Goods and services

	Note	2019/20 R'000	2018/19 R'000
Administrative fees		915	1 207
Advertising		569	1 290
Minor assets	5.1	696	698
Bursaries (employees)		1,525	969
Catering		1,316	1 342
Communication		16,014	14 655
Computer services	5.2	12,009	9 339
Consultants: Business and advisory services		10,743	9 324
Legal services		4,053	4 209
Contractors		5,304	3 214
Entertainment		188	328
Audit cost – external	5.3	7,547	6 021
Fleet services		6,164	6 098
Consumables	5.4	5,308	5 609
Operating leases		53,771	49 232
Property payments	5.5	24,667	20 648
Travel and subsistence	5.6	37,452	38 044
Venues and facilities		2,357	3 950
Training and development		2,754	1 260
Other operating expenditure	5.7	789	1 317
Total		194,141	178 754

Communication costs has been wrongly typed as R14 663 instead of R14 655.

General increases in prices of goods and services led to the increase in expenditure as compared to the previous year

5.1 Minor assets

	Note	2019/20 R'000	2018/19 R'000
Tangible assets			
Machinery and equipment	5	696	698
Total		696	698

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

5.2 Computer services

	Note	2019/20	2018/19
	5	R'000	R'000
SITA computer services		8,166	8 319
External computer service providers		3,843	1 020
Total		12,009	9 339

The increase in expenditure is as a result of microsoft licences that were paid.

5.3 Audit cost – External

	Note	2019/20	2018/19
	5	R'000	R'000
Regularity audits		7,107	6 021
Investigations		440	-
Total		7,547	6 021

More audit services were required for investigations

5.4 Consumables

	Note	2019/20	2018/19
	5	R'000	R'000
Consumable supplies		1,506	1 832
Uniform and clothing		686	493
Household supplies		521	988
IT consumables		-	7
Other consumables		299	344
Stationery, printing and office supplies		3,802	3 777
Total		5,308	5 609

5.5 Property payments

	Note	2019/20	2018/19
	5	R'000	R'000
Municipal services		4,173	3 227
Other		20,494	17 421
Total		24,667	20 648

Other includes costs of cleaning as well as security to secure and safeguard the assets of the

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

Department.

5.6 Travel and subsistence

	Note	2019/20	2018/19
	5	R'000	R'000
Local		37,175	37 664
Foreign		277	380
Total		37,452	38 044

5.7 Other operating expenditure

	Note	2019/20	2018/19
	5	R'000	R'000
Professional bodies, membership and subscription fees		487	562
Other		302	755
Total		789	1 317

Other includes printing and publications services as well as insurance premiums

6. Interest and rent on land

	Note	2019/20	2018/19
		R'000	R'000
Interest paid		-	999
Total		-	999

Payments were done in time and no material interest was charged

7. Payments for financial assets

	Note	2019/20	2018/19
		R'000	R'000
Extension of loans for policy purposes		-	68 392
Debts written off	7.1	6,197	21 927
Total		6,197	90 319

Fewer debts were written off and there was no request for financial assistance to Municipalities.

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

7.1 Debts written off

	Note	2019/20	2018/19
	7	R'000	R'000
Nature of debts written off			
Staff Debts		533	2 927
Fruitless and Wasteful		5,664	19 000
Total		6,197	21 927
Total debt written off		6,197	21 927
<i>Fewer debts were written off</i>			

8. Transfers and subsidies

	Note	2019/20	2018/19
		R'000	R'000
Provinces and municipalities	35,Annex1A	2,842	3 682
Departmental agencies and accounts	Annexure 1B	13	145
Non-profit institutions	Annexure 1C	4,506	18 493
Households	Annexure 1D	1,383,815	1 243 190
Total		1,391,176	1 265 510
<i>Spending on the housing grant was 100%. EPWP spent 37% as compared to Zero % of the previous year</i>			

9. Expenditure for capital assets

	Note	2019/20	2018/19
		R'000	R'000
Tangible assets			
Buildings and other fixed structures	30.1	33,416	36 457
Machinery and equipment	28.1	12,079	12 010
Intangible assets		30	429
Software	29.1	30	429
Total		45,525	48 896

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

*Buildings includes traditional council offices that the Department is constructing or refurbishing
Machinery and equipment includes finance lease expenditure*

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

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	45 495		45 495
Buildings and other fixed structures	33,416	-	33,416
Machinery and equipment	12 079	-	12 079
Intangible assets	30		30
Software	30	-	30
Total	45,525	-	45,525

*Buildings includes traditional council offices that the Department is constructing or refurbishing
Machinery and equipment includes finance lease expenditure*

9.2 Analysis of funds utilised to acquire capital assets – 2018/19

	Voted funds	Aid assistance	Total
	R'000	R'000	R'000
Tangible assets	48 467	-	48 467
Buildings and other fixed structures	36 457	-	36 457
Machinery and equipment	12 010	-	12 010
Intangible assets	429	-	429
Software	429	-	429
Total	48 896	-	48 896

Certain machinery and equipment amounts paid as operating lease were changed to finance lease

9.3 Finance lease expenditure included in Expenditure for capital assets

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

	Note	2019/20 R'000	2018/19 R'000
Tangible assets			
Machinery and equipment		499	469
Total		<u>499</u>	<u>469</u>

Machinery and equipment were considered as operating leases and this was changed to finance lease.

The corresponding previous year was adjusted to reflect the change

10. Cash and cash equivalents

	Note	2019/20 R'000	2018/19 R'000
Consolidated Paymaster General Account		85,029	67 755
Disbursements		22	30
Total		<u>85,051</u>	<u>67 785</u>

All cash and cash equivalent is available for use

The Department has no undrawn borrowing facilities

11. Prepayments and advances

	Note	2019/20 R'000	2018/19 R'000
Prepayments (Not expensed)	11.1	5 000	5 000
Total		<u>5 000</u>	<u>5 000</u>

The amount is a retainer for legal services and is held in trust. Interest earned thereof has been included under revenue and also accrued.

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

11.1 Prepayments (Not expensed)

	Note	Balance as at 1 April 2019	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year prepayments	Balance as at 31 March 2020
		R'000	R'000	R'000	R'000	R'000
Transfers and subsidies	11	5 000	-	-	-	5 000
Total		5 000	-	-	-	5 000

	Note	Balance as at 1 April 2018	Less: Amount expensed in current year	Add or Less: Other	Add: Current Year prepayments	Balance as at 31 March 2019
		R'000	R'000	R'000	R'000	R'000
Transfers and subsidies	11	5 000	-	-	-	5 000
Total		5 000	-	-	-	5 000

11.2 Advances paid (Expensed)

	Note	Amount as at 1 April 2019	Less: Received in the current year	Add or Less: Other	Add: Current Year advances	Amount as at 31 March 2020
		R'000	R'000	R'000	R'000	R'000
Public entities		118 897	(21,601)	(109 013)	108,000	96 283
Other entities		116,517	-	(56,511)	-	60,006
Total		235,414	(21,601)	(165 524)	108,000	156 289

Amount received in the current year is as a result of interest received from bank

Add/less : other includes expenditure for the year as well as interest earned on the cash not yet spent at year end

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

<i>Note</i>	Amount as at 1 April 2018	Less: Received in the current year	Add or Less: Other	Add: Current Year advances	Amount as at 31 March 2019
	R'000	R'000	R'000	R'000	R'000
Public entities	339,365	(467,667)	12,202	234,997	118 897
Other entities	-	-	-	116,517	116,517
Total	339,365	(467,667)	12,202	351,514	235 414

Include discussion here where deemed relevant

12. Receivables

	<i>Note</i>	2019/20			2018/19		
		Current	Non- current	Total	Current	Non- current	Total
		R'000	R'000	R'000	R'000	R'000	R'000
Claims recoverable	12.1	-	-	-	202	-	202
Trade receivables	12.2	-	-	-	38	-	38
Recoverable expenditure	12.3	162	-	162	240	-	240
Staff debt	12.4	1,614	117	1,731	1 480	193	1 673
Fruitless and wasteful expenditure	12.5	15,728	-	15,728	21 392	-	21 392
Total		17,504	117	17,621	23 352	193	23 545

The decrease in receivables is as a result of debts recovered as well as those written off in line with the policy

12.1 Claims recoverable

	<i>Note</i> 12 and Annex 4	2019/20 R'000	2018/19 R'000
National departments		-	88
Provincial departments		-	114
Total		-	202

All claims were recovered

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

12.2 Trade receivables	Note	2019/20	2018/19
	12	R'000	R'000
(Group major categories, but list material items)			
Suppliers debts		-	38
Total		-	38

Suppliers debts written off in line with the policy

12.3 Recoverable expenditure (disallowance accounts)	Note	2019/20	2018/19
	12	R'000	R'000
Sal: Medical		8	-
Sal: Pension Fund		5	-
Sal: GEHS		-	201
Salary Tax Debt		16	16
Disallowance Miscellaneous		133	23
Total		162	240

12.4 Staff debt	Note	2019/20	2018/19
	12	R'000	R'000
Staff Debt		1 731	1 673
Total		1 731	1 673

12.5 Fruitless and wasteful expenditure	Note	2019/20	2018/19
	12	R'000	R'000
Opening balance		21 392	40 392
Less amounts written off		(5 664)	(19 000)
Total		15 728	21 392

Debts written off in line with the policy

12.6 Impairment of receivables	Note	2019/20	2018/19
		R'000	R'000

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

Estimate of impairment of receivables		
Staff Debts	758	520
Fruitless and wasteful	15 728	21 392
Total	16 486	21 912

13. Voted funds to be surrendered to the Revenue Fund

	Note	2019/20	2018/19
		R'000	R'000
Opening balance		91 968	38 982
Transfer from statement of financial performance		106 399	91 968
Paid during the year		(91 968)	(38 982)
Closing balance		106 399	91 968

The surrender was high as a result of lower spending on funds earmarked for Traditional affairs.

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

	Note	2019/20	2018/19
		R'000	R'000
Opening balance		3 510	746
Transfer from Statement of Financial Performance		25 287	8 214
Paid during the year		(28 134)	(5 450)
Closing balance		663	3 510

Lesser collections of revenue at year end eg Auction proceeds as well as all interest from Agencies not yet received at year end.

15. Payables – current

	Note	2019/20	2018/19
		R'000	R'000
Amounts owing to other entities			
Advances received	15.1	8	7
Clearing accounts	15.2	254	461
Total		262	468

Lesser PAYE remained unpaid as at the end of the year

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

15.1 Advances received

	Note	2019/20	2018/19
	15	R'000	R'000
Other institutions		8	7
Total		8	7

15.2 Clearing accounts

	Note	2019/20	2018/19
	15	R'000	R'000
Description			
Sal Income Tax		178	409
Sal Pension fund		-	37
Sal: Acb Recalls		-	15
Sal: Government-Employees Housing Scheme		76	-
Total		254	461

16. Net cash flow available from operating activities

	Note	2019/20	2018/19
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		131,686	100,182
Add back non cash/cash movements not deemed operating activities		(68,935)	(26,415)
(Increase)/decrease in receivables		5,848	20,890
Increase/(decrease) in payables – current		(206)	(50,685)
Proceeds from sale of capital assets		-	(615)
Expenditure on capital assets		45,525	48,427
Surrenders to Revenue Fund		(120,102)	(44,432)
Net cash flow generated by operating activities		62,751	73,767

Prior net surplus changed as a result of change in treatment of own revenue excluded in appropriation

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

	Note	2019/20	2018/19
		R'000	R'000
Consolidated Paymaster General account		85,029	67 755
Disbursements		22	30
Total		85,051	67 785

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

18. Contingent liabilities and contingent assets

18.1 Contingent liabilities

Liable to	Nature	Note	2019/20 R'000	2018/19 R'000
Housing loan guarantees	Employees	Annex 3A	665	1 024
Claims against the department		Annex 3B	355,330	329 688
Intergovernmental payables (unconfirmed balances)		Annex 5	-	34
Other		Annex 3B	2,123	2 123
Total			<u>358,118</u>	<u>332 869</u>

Provide brief description on the uncertainties relating to the amount or timing of any outflow.

Provide a brief discussion on the possibility of any reimbursement.

Where the disclosure requirements of the Standards are not done due to impracticalities and or the sensitivity of the information, disclose this fact with reasons.

18.2 Contingent assets

Nature of contingent asset	Note	2019/20 R'000	2018/19 R'000
Advance account administrator		2,820	2 820
Recovery of overpayment		305	305
Recovery of subsidised transport		30	30
Lost assets		192	28
Total		<u>3 347</u>	<u>3 183</u>

19. Capital commitments

Capital expenditure	Note	2019/20 R'000	2018/19 R'000
Machinery & Equipment		39	206
Buildings and other fixed structures		23 627	47 185
Total		<u>23 666</u>	<u>47 391</u>

MCS changes effective from 2020 requires only capital commitments to be disclosed.

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

20. Accruals and payables not recognised

20.1 Accruals

	2019/20			2018/19
	R'000			R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	5 698		5 698	2 638
Transfers and subsidies	3 923	-	3 923	5 890
Capital assets	785	-	785	-
Total	10 406	-	10 406	8 528
		<i>Note</i>	2019/20	2018/19
			R'000	R'000
Listed by programme level				
Programme 1			4,138	2 935
Programme 2			4 626	5 388
Programme 3			509	7
Programme 4			1, 133	198
Total			10 406	8 528

*Goods and services increased as a result computer expenditure claims not settled within the financial year as well as increases in Telephone and Audit fees.
Claim for traditional councils building construction also increased.*

20.2 Payables not recognised

	2019/20			2018/19
	R'000			R'000
Listed by economic classification				
	30 Days	30+ Days	Total	Total
Goods and services	103	1	104	4 937
Transfers and subsidies	19,289	23	19,312	15 274
Capital assets	233	-	233	-
Total	19 265	24	19 649	20 211
		<i>Note</i>	2019/20	2018/19
			R'000	R'000
Listed by programme level				
Programme 1			104	4 730
Programme 2			19 312	15 047
Programme 3			-	15
Programme 4			233	419
Total			19 649	20 211

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

21. Employee benefits

	Note	2019/20	2018/19
		R'000	R'000
Leave entitlement		53,757	50 532
Service bonus		23,315	22 584
Performance awards		12,947	12 157
Capped leave		35,274	36 250
Other		17,660	17 227
Total		142,953	138 750

At this stage the department is not able to reliably measure the long term portion of the long service awards.

Leave entitlement includes negative values amounting to R378 097.60 (2019: R380 054.30)

Other includes Long service award of R396 (2019: R639) , pay progression amount of R17,2m (2019:R16.2m)

22. Lease commitments

22.1 Operating leases

	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2019/20					
Not later than 1 year	-	-	56 481	-	56 481
Total lease commitments	-	-	56 481	-	56 481

	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
2018/19					
Not later than 1 year	-	-	51 272	-	51 272
Total lease commitments	-	-	51 272	-	51 272

Various buildings are leased in the Province for use by staff and engaging in business activities of the Department.

The leases have difference dates of termination period.

Some contracts for building have expired and are now charged on a month to month basis. The rental commitment is estimated over a 12 months period based on the guideline from Provincial Treasury

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

dated 30 May 2019

No assets are sub-leased

There were no sale and leaseback arrangement entered into.

22.2 Finance leases **

2019/20	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	312	312
Later than 1 year and not later than 5 years	-	-	-	94	94
Total lease commitments	-	-	-	406	406

2018/19	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	-	-	492	492
Later than 1 year and not later than 5 years	-	-	-	363	363
Total lease commitments	-	-	-	855	855

The Department is leasing equipment from various service providers.

No assets are sub-leased

The rental is fixed for the duration of the contracts and there are no escalation clauses and purchase options indicated.

Describe any restrictions imposed by on the department through any lease agreement

- *The equipment is to be used for its intended use only*
- *Advise the service provider if the equipment is to be moved*
- *Allow the service provider assess to the equipment on prior notice*
- *Ensure that electricals of the building are suitable to the equipment.*

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

22.3 Operating lease future revenue**

2019/20	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	100	-	-	100
Later than 1 year and not later than 5 years	-	547	-	-	547
Total operating lease revenue receivable	-	647	-	-	647

2018/19	Specialised military equipment R'000	Land R'000	Buildings and other fixed structures R'000	Machinery and equipment R'000	Total R'000
Not later than 1 year	-	91	-	-	91
Later than 1 year and not later than 5 years	-	609	-	-	609
Later than five years	-	38	-	-	38
Total operating lease revenue receivable	-	738	-	-	738

The Department is leasing the land to a cell phone company for the tower erected. The 10 year lease agreement ends on 30 June 2025. Rental escalates at 10 % pa. There are no purchase options.

23. Accrued departmental revenue

	Note	2019/20 R'000	2018/19 R'000
Sales of goods and services other than capital assets		111	-
Interest, dividends and rent on land		4,646	21 262
Sales of capital assets		382	-
Transactions in financial assets and liabilities		2,203	2 194
Total		7,342	23 456

The decreased interest is as a result of interest from a service provider which was for a period exceeding one year in the prior period.

Sale proceeds of auction were not received in time in the current year due to covid 19 lockdown

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

23.1 Analysis of accrued departmental revenue

	Note	2019/20 R'000	2018/19 R'000
Opening balance		23,456	16 234
Less: amounts received		(21,262)	(976)
Add: amounts recorded		5,148	8 198
Closing balance		<u>7,342</u>	<u>23 456</u>

The decreased interest is as a result of interest from a service provider which was for a period exceeding one year in the prior period.

Sale proceeds of auction were not received in time in the current year due to covid 19 lockdown.

24. Irregular expenditure

24.1 Reconciliation of irregular expenditure

	Note	2019/20 R'000	2018/19 R'000
Opening balance		1,772,387	927 481
Prior period error		-	-
As restated		1,772,387	927 481
Add: Irregular expenditure – relating to current year		1 190 201	844 906
Closing balance		<u>2,962,588</u>	<u>1 772 387</u>

Analysis of awaiting condonation per age classification

Current year	1 190 201	844 906
Prior years	1,772,387	927 481
Total	<u>2,962,588</u>	<u>1 772 387</u>

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

Incident	Disciplinary steps taken/criminal proceedings	2019/20 R'000
Bids Not Evaluated In Accordance With The Preference Points System	None	-
Noncompliance with SCM procurement regulations regarding competitive bidding	None	962 081
Overtime work paid contrary to Basic Conditions of Employment act	None	-
		227 899
		221
Total		<u>1 190 201</u>

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

25. Fruitless and wasteful expenditure

25.1 Reconciliation of fruitless and wasteful expenditure

	<i>Note</i>	2019/20	2018/19
		R'000	R'000
Opening balance		112,441	111 441
Prior period error		-	-
As restated		<u>112,441</u>	<u>111 441</u>
Fruitless and wasteful expenditure – relating to current year		4	1 000
Less: Amounts written off		<u>(2,418)</u>	-
Closing balance		<u>110,027</u>	<u>112 441</u>
 Analysis of awaiting resolution per economic classification			
Current		1 667	1 681
Transfers and subsidies		<u>108 360</u>	<u>110 760</u>
Total		<u>110 027</u>	<u>112 441</u>

25.2 Details of current and prior year fruitless and wasteful expenditure – added current year (under determination and investigation)

Incident	Disciplinary steps taken/criminal proceedings	2019/20
		R'000
Payment for renewal license disc	None	1
Cancelation fee on accomodation	None	<u>3</u>
Total		<u>4</u>

25.3 Details of fruitless and wasteful expenditure written off

Incident	2019/20
	R'000
Out of court settlement to a service provider	2400
Cancellation fees for the Accomodation	8
Interest on late payment	<u>10</u>
Total	<u>2 418</u>

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

26. Related party transactions

	Note	2019/20 R'000	2018/19 R'000
In kind goods and services provided/received			
<i>List in kind goods and services between the department and the related party</i>			
Internal Audit Services		2 566	3 373
Audit Committee Services		403	394
Total		2 969	3 767

The Department had the following related party relationships during 2019/20

=> *Provincial Department of Public Works Roads and Infrastructure*

The Department of COGHSTA utilised the office buildings belonging to the Provincial Department of Public Works Roads and Infrastructure. The department of Public Works Roads and Infrastructure neither charges any rental for the use of buildings nor provides an estimated cost of the rental.

=> *Internal Audit Services*

The Department makes use of shared Internal Audit Services administered and paid by the Limpopo Provincial Treasury.

=> *Audit Committee*

The department makes use of shared Audit Committee Services administered and paid by the Limpopo Provincial Treasury. Total hours spent are 171

=> *National Home Builders Registration Council*

The entity reporting to the MEC and is a member of the same economic entity as Coghsta

=> *Housing Development Agency (HDA)*

The entity reporting to the MEC and is a member of the same economic entity as Coghsta => Limpopo Rental Housing Tribunal

Limpopo Rental Housing Tribunal is a board that was appointed by the MEC in terms of section 9(4) of the Rental Housing Act No. 50 of 1999 as amended

=> *The MEC Advisory Panel*

Limpopo Housing Advisory panel which was appointed by the MEC in terms of Housing Act No 2 of 2006

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

27. Key management personnel

	No. of Individuals	2019/20 R'000	2018/19 R'000
Political office bearers (provide detail below)	1	1 940	1 978
Officials:			
Level 15 to 16	6	5 927	6 472
Level 14	14	18 120	18 655
Level 13	2	1 869	1 556
Family members of key management personnel	3	2 423	721
Total		<u>30 279</u>	<u>29 382</u>

Levels 11-13 includes officials in the HOD and Mec offices who have significant influence in the activities of the Coghsta

28. Movable Tangible Capital Assets

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

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
MACHINERY AND EQUIPMENT	93,517	-	11,580	(6,835)	98,262
Transport assets	27,924	-	-	(1,428)	26,496
Computer equipment	40,091	-	4,625	(4,525)	40,191
Furniture and office equipment	15,896	-	6,806	(333)	22,369
Other machinery and equipment	9,606	-	149	(549)	9,206
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	<u>93,517</u>	<u>-</u>	<u>11,580</u>	<u>(6,835)</u>	<u>98,262</u>

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

Movable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the movable tangible capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	610	18 523

*Assets are being investigated for their status in which they're and also to verify their economic use.
Furthermore, due to lockdown call by the State President, the second verification of assets could not take place.*

28.1 Additions

ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Cash*	Non-cash**	(Capital Work in Progress current costs and finance lease payments)	Received current, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	12,079	-	(499)	-	11,580
Computer equipment	4,625	-	-	-	4,625
Furniture and office equipment	7,305	-	(499)	-	6,806
Other machinery and equipment	149	-	-	-	149
TOTAL ADDITIONS TO MOVABLE TANGIBLE CAPITAL ASSETS	12 079	-	(499)	-	11 580

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

28.1.1 Disposals

**DISPOSALS OF MOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR
ENDED 31 MARCH 2020**

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	6,643	192	6,835	
Transport assets	1,428	-	1,428	-
Computer equipment	4,460	65	4,525	-
Furniture and office equipment	333	-	333	-
Other machinery and equipment	422	127	549	-
TOTAL DISPOSAL OF MOVABLE TANGIBLE CAPITAL ASSETS	6,643	192	6,835	-

Non cash disposal is as a result of assets which are lost and are still being investigated for recover from responsible staff to whom they were allocated

Assets sold for cash are assets disposed of through auction and proceeds could not be paid within the financial year end due to covid19 lockdown. The amount of expected proceeds has been disclosed as accrued revenue.

28.2 Movement for 2018/19

**MOVEMENT IN TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH
2019**

	Opening balance	Prior period error	Additions	Disposals	Closing Balance
	R'000	R'000	R'000	R'000	R'000
MACHINERY AND EQUIPMENT	85,968	914	11,589	(4,954)	93,517
Transport assets	25,340	-	4,406	(1,822)	27,924
Computer equipment	37,870	863	4,045	(2,687)	40,091
Furniture and office equipment	13,120	51	2,918	(193)	15,896
Other machinery and equipment	9,638		220	(252)	9,606
TOTAL MOVABLE TANGIBLE CAPITAL ASSETS	85,968	914	11,589	(4,954)	93,517

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

28.2.1 Prior period error

	<i>Note</i>	2018/19 R'000
Nature of prior period error		
Relating to 2019/20 <i>[affecting the opening balance]</i>		914
Computer		863
Office Equipment		51
Total prior period errors		914

<i>Opening balance of computer restated as a result of changes in BAUD system classifications</i>

28.3 Minor assets

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

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Opening balance	-	13	-	19,863	-	19,876
Value adjustments						-
Additions				700		700
Disposals				(609)		(609)
TOTAL MINOR ASSETS	-	13	-	19,954	-	19,967
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	-	-	-	-	-
Number of minor assets at cost		4		10,798	-	10 802
TOTAL NUMBER OF MINOR ASSETS	-	4	-	10,798	-	10 802

<i>Include discussion here where deemed relevant</i>
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**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

Minor Capital Assets under investigation

	Number	Value R'000
Included in the above total of the minor capital assets per the asset register are assets that are under investigation:		
Machinery and equipment	4 532	5 914

*Assets are being investigated for their status in which they are and also to verify their economic use.
Furthermore, due to lockdown call by the State President, the second verification of assets could not take place.
Provide reasons why assets are under investigation and actions being taken to resolve matters*

MOVEMENT IN MINOR ASSETS PER THE ASSET REGISTER FOR THE YEAR ENDED AS AT 31 MARCH 2019

	Specialised military assets R'000	Intangible assets R'000	Heritage assets R'000	Machinery and equipment R'000	Biological assets R'000	Total R'000
Opening balance	-	13	-	19,618	-	19,631
Prior period error	-	-	-	79	-	79
Additions	-	-	-	714	-	714
Disposals	-	-	-	(548)	-	(548)
TOTAL MINOR ASSETS	-	13	-	19,863	-	19,876
	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
Number of R1 minor assets	-	1	-	10,813	-	10 814
Number of minor assets at cost	-	1	-	10,813	-	10 814
TOTAL NUMBER OF MINOR ASSETS	-	1	-	10,813	-	10 814

Include discussion here where deemed relevant

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

28.3.1 Prior period error

	<i>Note</i>	2018/19 R'000
Nature of prior period error		
Relating to 2019/20 <i>[affecting the opening balance]</i>		79
Machinery & Equipment		79
Total prior period errors		79

Reinstatement of minor assets that were previously disposed

28.4 Movable assets written off

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2020

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	-	-	-
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	-	-	-

MOVABLE ASSETS WRITTEN OFF FOR THE YEAR ENDED AS AT 31 MARCH 2019

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Assets written off	-	-	-	68	-	68
TOTAL MOVABLE ASSETS WRITTEN OFF	-	-	-	68	-	68

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

28.5 S42 Movable capital assets

MAJOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2020

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

MAJOR ASSETS TO BE TRANSFERRED IN TERMS OF S42 OF THE PFMA - 31 MARCH 2019

	Specialised military assets	Intangible assets	Heritage assets	Machinery and equipment	Biological assets	Total
	R'000	R'000	R'000	R'000	R'000	R'000
No. of Assets	-	-	-	15	-	15
Value of the assets (R'000)	-	-	-	200	-	200

29. Intangible Capital Assets

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

	Opening balance R'000	Value adjustments R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	2,456	-	30	29	2 457
TOTAL INTANGIBLE CAPITAL ASSETS	2 456	-	30	(29)	2 457

Opening balance restated as a result of changes in BAUD system classifications

Intangible Capital Assets under investigation

Number	Value R'000
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**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

Included in the above total of the intangible capital assets per the asset register are assets that are under investigation:

Software	4	202
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*Assets are being investigated for their status in which they're and also to verify their economic use.
Furthermore, due to lockdown call by the State President, the second verification of assets could not take place.
Provide reasons why assets are under investigation and actions being taken to resolve matter.*

29.1 Additions

**ADDITIONS TO INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED
31 MARCH 2020**

	Cash	Non-Cash	(Develop- ment work in progress – current costs)	Received current year, not paid (Paid current year, received prior year)	Total
	R'000	R'000	R'000	R'000	R'000
SOFTWARE	30	-	-	-	30
TOTAL ADDITIONS TO INTANGIBLE CAPITAL ASSETS	30	-	-	-	30

29.2 Disposals

**DISPOSALS OF INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31
MARCH 2020**

	Sold for cash	Non-cash disposal	Total disposals	Cash Received Actual
	R'000	R'000	R'000	R'000
SOFTWARE	29	-	29	-
TOTAL DISPOSALS OF INTANGIBLE CAPITAL ASSETS	29	-	29	-

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

29.3 Movement for 2018/19

MOVEMENT IN INTANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
SOFTWARE	2,729	-702	429	-	2 456
TOTAL INTANGIBLE CAPITAL ASSETS	2 729	(702)	429	-	2 456

Include discussion here where deemed relevant

29.3.1 Prior period error

	Note	2018/19 R'000
Nature of prior period error		
Relating to 2019/20 <i>[affecting the opening balance]</i>		(702)
Software		(702)
Total prior period errors		<u>(702)</u>

Opening balance of software restated as a result of changes in BAUD system classifications.

30. Immovable Tangible Capital Assets

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

	Opening balance R'000	Value adjustments	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	5,863	-	33 640	-	39 5003
Non-residential buildings	5,856		33 640	-	39 496
Other fixed structures	7		-	-	7
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	5,863	-	33 640	-	39 503

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

Include discussion here where deemed relevant

Immovable Tangible Capital Assets under investigation

	Number	Value R'000
Included in the above total of the immovable tangible capital assets per the asset register are assets that are under investigation:		
Buildings and other fixed structures	13	39 496
Heritage assets		
Land and subsoil assets		

13 traditional council offices were recently completed and the necessary handing over processes between Coghsta, Public works and the affected traditional councils are not yet completed at year end due to lockdown call announced by the State President. The affected parties will meet to finalise the handing over and prepare the necessary transfer documentations.

30.1 Additions

ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR ENDED 31 MARCH 2020

	Cash R'000	Non-cash R'000	(Capital Work in Progress current costs and finance lease payments) R'000	Received current, not paid (Paid current year, received prior year) R'000	Total R'000
BUILDING AND OTHER FIXED STRUCTURES	33,416	33 640	(33,416)	-	33 640
Non-residential buildings	33,416	33 640	(33,416)	-	33 640
TOTAL ADDITIONS TO IMMOVABLE TANGIBLE CAPITAL ASSETS	33,416	33 640	(33,416)	-	33 640

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

30.2 Movement for 2018/19

**MOVEMENT IN IMMOVABLE TANGIBLE CAPITAL ASSETS PER ASSET REGISTER FOR THE YEAR
ENDED 31 MARCH 2019**

	Opening balance R'000	Prior period error R'000	Additions R'000	Disposals R'000	Closing Balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	7	-	5,856	-	5 863
Non-residential buildings	-		5,856	-	5 856
Other fixed structures	7		-	-	7
TOTAL IMMOVABLE TANGIBLE CAPITAL ASSETS	7	-	5 856	-	5 863

30.2.1 Prior period error

Note	2018/19 R'000
Nature of prior period error	
Relating to 2019/20 [affecting the opening balance]	5 856
Non-residential buildings	5 856
Total prior period errors	5 856

Correction of non residential buildings accounted for as other fixed structures in the annual report.

30.3 Capital Work-in-progress

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2020

	Opening balance 1 April 2019	Current Year WIP	Ready for use (Assets to the AR) / Contracts terminated	Closing balance 31 March 2020
Note	R'000	R'000	R'000	R'000
Buildings and other fixed structures	36,438	33,416	33 640	36 214
TOTAL	36,438	33,416	33 640	36 214

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

Age analysis on ongoing projects	Number of projects		2019/20
	Planned, Construction not started	Planned, Construction started	Total R'000
1 to 3 Years	-	15	36 214
Total	-	15	36 214

Payables not recognised relating to Capital WIP	Note	2019/20 R'000	2018/19 R'000
Progress certificates		1 018	-
Total		1 018	-

CAPITAL WORK-IN-PROGRESS AS AT 31 MARCH 2019

Note	Opening balance 1 April 2018 R'000	Prior period error R'000	Current Year WIP R'000	Ready for use (Assets to the AR) / Contracts terminated R'000	Closing balance 31 March 2019 R'000
Buildings and other fixed structures	5,837	-	36,457	5,856	36,438
TOTAL	5,837	-	36,457	5,856	36,438

Age analysis on ongoing projects	Number of projects		2018/19
	Planned, Construction not started	Planned, Construction started	Total R'000
1 to 3 Years	-	24	36 438
Total	-	24	36 438

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

31. Principal-agent arrangements

31.1 Department acting as the principal

	2019/20	2018/19
	R'000	R'000
Include a list of the entities acting as agents for the department, the fee paid as compensation to the agent and any other transactions undertaken		
Risima	145	346
Total	145	346

1. A fee of R145 (R346) was withheld as admin for services rendered

2. Description of the arrangement, including the transactions undertaken

The Housing Development Agency (HDA) has an existing Implementation Protocol (IP) with the Limpopo Department of Cooperative Governance, Human Settlement and Traditional Affairs (CoGHSTA) that was signed in on 29th July 2010.

The department acting as the principal, entered into a binding arrangement with HDA to undertake the following transactions:

- Implementation of the Provincial Distressed Mining Towns projects at cost of 40m
- Rural housing programme was financed at cost of R21,6m
- Military veterans programme was financed at a cost of R17m
- Housing support services was financed at cost of R29.4m

Risima Housing Finance is assisting the Department in implementing the Finance Linked Individual Subsidy Programme project which caters for middle income citizen in the province who wants to build or upgrade their houses. The contract was extended to 31 March 2020 with an additional amount of R8.7 million.

If the Principal agent arrangement is terminated, the implementing agent will be entitled to payment for work done which was not paid subject thereto the principal satisfied with quality of the said work. Any balance of resources surrendered to the department as the principal

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

As at 31 March 2020, the resources that are under the custodianship of the agents are as follows:

Housing Development Agency

Resources amounting to R75.8 million (2019:R107 million) have been recorded by the Agent

Risima Housing Finance

Resources amounting to R20million (2019:R23.7million) have been recorded by the Agent.

Cash resources were transferred to other Risima's accounts as a temporary cashflow measure in terms of the business plan.

32 Correction of prior period errors

	Note	Amount before error correction 2018/19 R'000	Prior period error 2018/19 R'000	Restated Amount 2018/19 R'000
Revenue:				
Own revenue included in appropriation	3	5,773	(5,773)	-
Department revenue and NRF Receipts	14	2,441	5,773	8,214
Transfer from Statement of Financial Performance	14	2,441	5,773	8,214
Net effect		10,655	5,773	16,428

Annual appropriation did not include estimate of own revenue and hence the add back of the said revenue.

	Note	Amount before error correction 2018/19 R'000	Prior period error 2018/19 R'000	Restated Amount 2018/19 R'000
Expenditure:				
Other fixed structures	41	5,863	(5,856)	7
Non Residential Buildings	41	-	5,856	5,856
Operating leases	5	49 701	(469)	49 232
Net effect		55 564	(469)	55 095

Correction of Traditional council offices reported as other fixed structures. Operating lease on equipment is corrected to be Finance lease

Note	Amount before error correction	Prior period error	Restated Amount
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**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

		2018/19 R'000	2018/19 R'000	2018/19 R'000
Assets:				
Finance lease-Machinery & Equipments		-	469	469
Advances paid (expensed)	11.2	116,517	118 897	235 414
Prepayments paid(expensed)	11.2	109,651	(109,651)	-
Computer equipments	39.3	39,228	863	40,091
Software	40	3,157	(702)	2,455
Office equipments	39.3	15,844	51	15,895
Minor assets	39.4	19,797	79	19,876
Net effect		304,194	10 006	314,200

Advances to State owned entities reported as prepayments. Correction of Baud classification between software and computer equipment as well as reinstated assets . Recording of financial leased assets (Photocopiers) that were previously reported as operational leased.

	Note	Amount bef error correction 2018/19 R'000	Prior period error 2018/19 R'000	Restated Amount 2018/19 R'000
Liabilities:				
Departmental revenue and NRF	14			
Receipts		5,773	(5,773)	-
Employee benefit	28	140,528	(1,778)	138,750
Accruals and payables	27.2	18,433	1,778	20,211
Commitments-Buildings and other fixed structures	26	-	47 185	47185
Lease commitments-operating lease	29	855	(855)	-
Lease commitments-Finance lease	29	-	855	855
Net effect		165 589	41 412	207 001

S & T reported as employee benefits instead of Accruals and payables, own revenue excluded from appropriation, commitments on Traditional councils buildings and lease on equipment to be changed to Finance lease.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

33 Inventories (Effective from date determined in a Treasury Instruction)

33.1

Inventories for the year ended 31 March 2020	Infrastructure R'000	Structure of Houses R'000	Insert major category of inventory R'000	Insert major category of inventory R'000	TOTAL R'000
Opening balance	-	191 686	-	-	191,686
Add: Additions/Purchases – Cash	316 385	999 800	-	-	1,316,185
(Less): Issues	-	(888,624)	-	-	(888,624)
Add/(Less): Adjustments	-	(261 042)	-	-	(261 042)
Closing balance	316 385	42 120	-	-	358 505

The amount of R359 (2019: R192m) is composed of Work in progress of houses which are not yet completed

The above Inventory is composed of Construction work In progress incurred and the title passes to the identified beneficiary

LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

Inventories for the year ended 31 March 2019	Insert major category of inventory R'000	Insert major category of inventory R'000	Insert major category of inventory R'000	RDP houses R'000	TOTAL R'000
Opening balance				188 959	188 959
Add: Additions/Purchases – Cash				1 236 115	1 236 115
(Less): Issues				(687 703)	(687 703)
Add/(Less): Adjustments				(545 685)	(545 685)
Closing balance				191 686	191 686

The amount of R192m (2018: R189m) is composed of Work in progress of houses which are not yet completed

Adjustments related to costs not related to building of housing units.

The above Inventory is composed of Construction work In progress incurred and the title passes to the identified beneficiary

National Treasury has not yet determined the effective date of this Note

LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

33.2 Work in progress	Work in progress for the year ended 31 March 2020	Opening balance	Additions during year	(Ready for use/suspended)	Closing balance
	R'000	R'000	R'000	R'000	R'000
Clearing	-	-	-	-	-
Infrastructure	-	-	-	-	-
Structure of houses	191 686	-	-	(149 566)	42 120
Adjustments	-	-	-	-	-
Total	191 686	-	-	(149 566)	42 120

Work in progress at foundation and wall plate level

33.3 Houses ready for use	Quantity	2019/20	Quantity	2018/19
		R'000		R'000
Opening balance	-	-	-	-
Add/(Less): Adjustment to prior year balances	-	-	-	-
Add: Ready for use in current year	8 207	888 824	-	-
Less: Issued to beneficiaries	(8 207)	(888 824)	-	-
Add/(Less): Adjustments	-	-	-	-
Closing balance	-	-	-	-

Houses built during 2019/20 and happy letters given to beneficiaries

LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

34 STATEMENT OF CONDITIONAL GRANTS RECEIVED

NAME OF GRANT	GRANT ALLOCATION					SPENT				2018/19	
	Division of Revenue Act/ Provincial Grants R'000	Roll Overs R'000	DORA Adjustments R'000	Other Adjustments R'000	Total Available R'000	Amount received by department R'000	Amount spent by department R'000	Under / (Overspending) R'000	% of available funds spent by department %	Division of Revenue Act R'000	Amount spent by department R'000
Human Settlement Development Grant	1,362,947	-	-	-	1,362,947	1,362,947	1,362,600	347	100%	1 287 681	1 223 419
EPWP	2,026	-	-	-	2,026	2,026	750	1,276	37%	2 000	-
Title Deeds Registration	46,621	-	-	-	46,621	46,621	10,244	36,377	22%	22 506	11 704
TOTAL	1,411,594	-	-	-	1,411,594	1,411,594	1,373,594	38,000	-	1 312 187	1 235 123

Departments are reminded of the requirement to certify that all transfers in terms of this Act were deposited into the primary bank account of the province or, where appropriate, into the CPD account of the province. The conditional grants were appropriated in terms Division of Revenue Act and deposited into the primary bank of the province.

LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

35 STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	2019/20						2018/19	
	GRANT ALLOCATION			TRANSFER			Division of Revenue Act	Actual transfer
	DoRA and other transfers	Roll Overs	Adjustments	Total Available	Actual Transfer	Funds Withheld		
R'000	R'000	R'000	R'000	R'000	R'000	R'000	%	
Delta Investment	2,538	-	-	2,538	2,353	-	2 821	2 821
Polokwane Municipality	527	-	-	527	489	-	850	850
Makhado Municipality	-	-	-	-	-	-	10	10
Yolo Group	-	-	-	-	-	-	1	1
TOTAL	3,065	-	-	3,065	2,842	-	3 682	3 682

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

Departments are required to include a summary of expenditure per conditional grant to aid in the identification of under- / over spending of such funds and to allow the department to provide an explanation for the variance

LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

ANNEXURE 1A
STATEMENT OF CONDITIONAL GRANTS AND OTHER TRANSFERS PAID TO MUNICIPALITIES

NAME OF MUNICIPALITY	GRANT ALLOCATION				TRANSFER			SPENT				2018/19	
	DoRA and other transfers R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Funds Withheld R'000	Re-allocations by National Treasury or National Department %	Amount received by municipality R'000	Amount spent by municipality R'000	Unspent funds R'000	% of available funds spent by municipality %	Division of Revenue Act R'000	Actual transfer R'000
Delta Investment Municipality	2,538	-	-	2,538	2,353	-	-	-	-	-	-	2,821	2,821
Polokwane Municipality	527	-	-	527	489	-	-	-	-	-	-	850	850
Makhado Municipality	-	-	-	-	-	-	-	-	-	-	-	10	10
Yolo Group	-	-	-	-	-	-	-	-	-	-	-	1	1
TOTAL	3,065	-	-	3,065	2,842	-	-	-	-	-	-	3,682	3,682

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

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

Departments are required to include a summary of expenditure per conditional grant to aid in the identification of under- / over spending of such funds and to allow the department to provide an explanation for the variance

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

DEPARTMENTAL AGENCY/ ACCOUNT	TRANSFER ALLOCATION				TRANSFER		2018/19
	Adjusted Appropriation R'000	Roll Overs R'000	Adjustments R'000	Total Available R'000	Actual Transfer R'000	Available funds Transferred %	
SABC	13	-	-	13	13	100	145
TOTAL	13	-	-	13	13	100	145

ANNEXURE 1C

LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

STATEMENT OF TRANSFERS TO NON-PROFIT INSTITUTIONS

NON-PROFIT INSTITUTIONS	TRANSFER ALLOCATION				EXPENDITURE		2018/19 Final Appropriation R'000
	Adjusted Appropriation Act R'000	Roll overs R'000	Adjust- ments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds transferred %	
Transfers							
Various Traditional Councils	5,623	-	-	5,623	4,506	80%	18 497
	5,623	-	-	5,623	4,506	80%	18 497
Subsidies							
	5,623	-	-	5,623	4,506	-	18 497
TOTAL							

LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

ANNEXURE 1D
STATEMENT OF TRANSFERS TO HOUSEHOLDS

HOUSEHOLDS	TRANSFER ALLOCATION				EXPENDITURE		2018/19 Final Appropriation R'000
	Adjusted Appropriation Act R'000	Roll Overs R'000	Adjust- ments R'000	Total Available R'000	Actual Transfer R'000	% of Available funds Transferred %	
Transfers							
H/H EMPL S/BEN:LEAVE GRATUITY	7,759	-	-	7,759	7,756	100%	8 067
H/H:CLAIMS AGAINST STATE	2,471	-	-	2,471	2,465	100%	-
SUB TOTAL	10,230	-	-	10,230	10,221		8 067
Subsidies							
Human Settlement Development Grant	1,362,947	-	-	1,362,947	1,362,600	100%	1 223 419
EPWP	2,026	-	-	2,026	750	37%	-
Title Deeds Registration	46,621	-	-	46,621	10,244	22%	11 704
SUB TOTAL	1,411,594	-	-	1,411,594	1,373,594		1 235 123
TOTAL	1,421,824	-	-	1,421,824	1,383,815		1 243 190

The final appropriation amount of 2018/2019 has been wrongly typed as R8070 instead of R8067 in the annual report.

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

**ANNEXURE 1E
STATEMENT OF ACTUAL MONTHLY EXPENDITURE PER GRANT**

Grant Type	Apr 2019	May 2019	Jun 2019	Jul 2019	Aug 2019	Sept 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
NDH-Housing	63,857	72,681	63,242	110,065	130,395	189,298	127,485	119,789	151,482	79,024	84,145	171,137	1,362,600
Title deeds	568	1,249	349	126	1,359	306	1,050	897	613	24	518	3,185	10,244
EPWP	-	-	-	-	-	-	-	-	-	-	500	250	750
TOTAL	64,425	73,930	63,591	110,191	131,754	189,604	128,535	120,686	152,095	79,048	85,163	174,572	1,373,594

**ANNEXURE 3A
STATEMENT OF FINANCIAL GUARANTEES ISSUED AS AT 31 MARCH 2020 – LOCAL**

Guarantor institution	Guarantee in respect of	Original guaranteed capital amount R'000	Opening balance 1 April 2019 R'000	Guarantees draw downs during the year R'000	Guarantees repayments/ cancelled/ reduced during the year R'000	Revaluation due to foreign currency movements R'000	Closing balance 31 March 2020 R'000	Revaluations due to inflation rate movements R'000	Accrued
									guaranteed interest for year ended 31 March 2020 R'000
NP: Development Corp	Housing	5 822	1 024	-	359	-	665	-	-
	Subtotal	5 822	1 024	-	359	-	665	-	-
	TOTAL	5 822	1 024	-	359	-	665	-	-

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

ANNEXURE 3B
STATEMENT OF CONTINGENT LIABILITIES AS AT 31 MARCH 2020

Nature of Liability	Opening Balance 1 April 2019 R'000	Liabilities incurred during the year R'000	Liabilities paid/cancelled/reduced during the year R'000	Liabilities recoverable (Provide details hereunder) R'000	Closing Balance 31 March 2020 R'000
Claims against the department					
Other	223 984	8,945	-	-	232,929
Various Traditional Leaders	105 704	16,697	-	-	122,401
Subtotal	329 688	25,642	-	-	355,330
Other					
Underpayment of salaries	2 123	-	-	-	2 123
Subtotal	2 123	-	-	-	2 123
TOTAL	331 811	25,642	-	-	357,453

LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

ANNEXURE 4
CLAIMS RECOVERABLE

Government Entity	Confirmed balance outstanding		Unconfirmed balance outstanding		Total	Cash in transit at year end 2019/20 *	
	31/03/2020 R'000	31/03/2019 R'000	31/03/2020 R'000	31/03/2019 R'000		Receipt date up to six (6) working days after year end	Amount R'000
Department							
National Dept. of Basic Education	-	-	-	88	88	-	-
Limpopo Road and Transport	-	-	-	79	79	-	-
Dept. of small business	-	35	-	-	35	-	-
Subtotal	-	35	-	167	202	-	-
TOTAL	-	35	-	167	202	-	-

LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

ANNEXURE 5
INTER-GOVERNMENT PAYABLES

GOVERNMENT ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	Cash in transit at year end 2019/20 *		
	31/03/2020 R'000	31/03/2019 R'000	31/03/2020 R'000	31/03/2019 R'000		31/03/2019 R'000	Payment date up to six (6) working days before year end	Amount R'000
DEPARTMENTS								
Current								
South African Police Service	-	-	-	34	34	-	-	-
Subtotal	-	-	-	34	34	-	-	-
OTHER GOVERNMENT ENTITY								
Current								
Government printing works	-	-	-	333	333	-	-	-
Subtotal	-	-	-	333	333	-	-	-
TOTAL INTERGOVERNMENT PAYABLES	-	-	-	367	367	-	-	-

LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

ANNEXURE 6
INVENTORIES

Inventories for the year ended 31 March 2020	Insert major category of inventory R'000	Insert major category of inventory R'000	Insert major category of inventory R'000	RDP houses R'000	TOTAL R'000
Opening balance	-	-	-	191,686	191,686
Add: Additions/Purchases – Cash	-	-	-	1,362,600	1,362,600
(Less): Issues	-	-	-	(888,624)	(888,624)
Add/(Less): Adjustments	-	-	-	(444,523)	(444,523)
Closing balance	-	-	-	221,139	221,139

The amount of R221m (2019: R192m) is composed of Work in progress of houses which are not yet completed

The above Inventory is composed of Construction work In progress incurred and the title passes to the identified beneficiary

National Treasury has not yet determined the effective date of this Note

Include discussion where deemed relevant

LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11

ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020

Inventories for the year ended 31 March 2019	Insert major category of inventory R'000	Insert major category of inventory R'000	Insert major category of inventory R'000	RDP Houses R'000	TOTAL R'000
Opening balance	-	-	-	188 959	188 959
Add: Additions/Purchases – Cash	-	-	-	1 236 115	1 236 115
(Less): Issues	-	-	-	(687 703)	(687 703)
Add/(Less): Adjustments	-	-	-	(545 685)	(545 685)
Closing balance	-	-	-	191 686	191 686

The amount of R192m (2018: R189m) is composed of Work in progress of houses which are not yet completed

Adjustments related to costs not related to building of housing units.

The above Inventory is composed of Construction work In progress incurred and the title passes to the identified beneficiary

National Treasury has not yet determined the effective date of this Note

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND TRADITIONAL AFFAIRS
VOTE 11**

**ANNEXURES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

ANNEXURE 7

MOVEMENT IN CAPITAL WORK IN PROGRESS

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2020

	Opening balance R'000	Current Year Capital WIP R'000	Ready for use (Asset register) / Contract terminated R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	36 438	33 416	(33 640)	36 214
Non-residential buildings	36 438	33 416	(33 640)	36 214
TOTAL	36 438	33 416	(33 640)	36 214

MOVEMENT IN CAPITAL WORK IN PROGRESS FOR THE YEAR ENDED 31 MARCH 2019

	Opening balance R'000	Prior period error R'000	Current Year Capital WIP R'000	Ready for use (Asset register) / Contract terminated R'000	Closing balance R'000
BUILDINGS AND OTHER FIXED STRUCTURES	5 837	-	36 457	(5 856)	36 438
Non-residential buildings	5 837	-	36 457	(5 856)	36 438
TOTAL	5 837	-	36 457	(5 856)	36 438

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

ANNEXURE 8A

INTER-ENTITY ADVANCES PAID (note 14)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000
OTHER ENTITIES						
Elias Motsoaledi Municipality	-	-	-	21 771	-	21 771
Fetakgomo Municipality	-	-	-	50 237	-	50 237
Thabazimbi Municipality	-	-	-	27 509	-	27 509
Mogalakwena Municipality	-	-	-	17 000	-	17 000
Subtotal	-	-	-	116 517	-	116 517
TOTAL	-	-	-	116 517	-	116 517

ANNEXURE 8B

INTER-ENTITY ADVANCES RECEIVED (note 21 AND note 22)

ENTITY	Confirmed balance outstanding		Unconfirmed balance outstanding		TOTAL	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
	R'000	R'000	R'000	R'000	R'000	R'000
OTHER ENTITIES						
Current						
MTN	-	-	8	7	8	7
Subtotal	-	-	8	7	8	7
TOTAL	-	-	8	7	8	7

**LIMPOPO: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS
VOTE 11**

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2020**

ANNEXURE 9*

**DEPARTMENT OF HUMAN SETTLEMENTS HOUSING RELATED EXPENDITURE
CLASSIFICATION**

	2019/20	2018/19
	R'000	R'000
Inventories		
<i>List the items for correct expenditure</i>		
Infrastructure	316,384	-
RDP Houses	999,800	-
Subtotal	1,316,184	-
Expenditure for capital assets		
<i>List the items for correct expenditure</i>		
Opicap	37,802	-
Subtotal	37,802	-
Transfers and subsidies		
<i>List the items for correct expenditure</i>		
Enrolment	8,613	-
Subtotal	8,613	-
TOTAL	1,362,599	-



0800 687 432 (Housing enquiries)



0800 864 729 (Premier Hotline)



17737 (Presidential Hotline)



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